



MARKET MOVEMENT

Major Indices	December 30, 2017	January 06, 2017	% Change	Change
BSE Sensex	26,626.46	26,759.23	0.49	
NSE Nifty	8,185.80	8,243.80	0.70	

INDIAN ECONOMY AT A GLANCE

POLICY WATCH

- SEBI eases foreign portfolio investment rules for trading on International Financial Services Centre
- Cabinet approves signing of MoU between India and Portugal
- India, Kazakhstan agree to amend tax treaty
- Cabinet approves India-Uruguay Customs agreement
- Rules eased for Singapore investors

SEBI eases foreign portfolio investment rules for trading on International Financial Services Centre

Foreign investors already registered with Indian regulators to trade on Indian bourses will not require any fresh registration for operating through the Gujarat-based International Financial Services Centre (IFSC). All the brokers serving Foreign Portfolio Investments (FPIs) through IFSC are now allowed to use SEBI and RBI registrations for trading on IFSC. The centre has been set up within Gujarat International Finance Tec-City (GIFT City).

Cabinet approves signing of MoU between India and Portugal

Union Cabinet has given its approval for signing of an Agreement for cooperation in the field of Agriculture and allied sectors between India and Portugal. The Agreement covers various activities in these fields which include exchange of scientific and technical information, trade in plants and plant products, exchange of information in phytosanitary issues, training programmes, seminars and visits of experts and consultants.

India, Kazakhstan agree to amend tax treaty

India and Kazakhstan have signed an agreement to amend the two-decade old bilateral tax treaty under which information exchanged between the two can be shared with other law enforcement agencies. The protocol to amend the existing Double Taxation Avoidance Convention (DTAC) between the two countries provides internationally-accepted standards for effective exchange of information on tax matters. The

revised tax treaty will provide for a Limitation of Benefits clause to prevent misuse of DTAC. It would help allow application of domestic law and measures against tax avoidance or evasion.

Cabinet approves India-Uruguay Customs agreement

Government has approved signing and ratifying an agreement between India and Uruguay regarding co-operation and mutual assistance on Customs matters. The agreement will provide legal framework to sharing of information and intelligence between Customs authorities of the two countries and help in proper application of laws, prevention and investigation of Customs offences and the facilitation of legitimate trade.

Rules eased for Singapore investors

An amended India-Singapore tax treaty has been signed which provides for easier settlement of cross-border tax issues, especially transfer pricing. Bilateral advance pricing agreements (APAs) and settlement between competent authorities of the two countries of complex and contentious tax issues under the Mutual Agreement Procedure (MAP) route is now possible. Over the past four years, India has concluded 117 APAs with various countries (which include seven bilateral APAs).

INDUSTRY WATCH

- **Domestic steel production increases due to higher sales**
- **Mutual funds record highest growth in 7 years**
- **India's spices exports grow 7% in value in first half of FY17**
- **Telecom subscriber base touches 1.074 billion at September end**
- **FDI increase 27% at USD 27.82 billion in April-October this fiscal**

Domestic steel production increases due to higher sales

Improved domestic sales as well as expanding exports have contributed to improved sales numbers. Steel Authority of India (SAIL) produced 10.18 million tonnes of saleable steel during April-December, up 15% from same period last year. Sales of SAIL rose 16% during April-December over the corresponding period last year. Production of Essar Steel was highest in the quarter ended December with the production of flat steel products rising 61% on year-on-year basis to 1.48 million tonne. The output of pellets also grew 99% in the period under review to 2.59 million tonne.

Mutual funds record highest growth in 7 years

Mutual fund (MF) assets recorded the highest growth in seven years to reach a total corpus of around Rs17 trillion. During the year ended December 2016, asset management companies, or AMCs, grew their average assets by around 30% by adding investments worth at least Rs3.71 trillion to their MF portfolios—the highest ever in absolute terms and the highest since December 2009 in percentage terms. Increasing number of investor accounts, steadily growing monthly investments into equity MF schemes from retail customers and a surge in inflows to Exchange Traded Funds (ETFs) contributed the most to the asset growth of the country's 42 AMCs.

India's spices exports grow 7% in value in first half of FY17

Chilli, nutmeg, mace, cumin and garlic, spices exports from India increased 5% in volume and 7% in value in the first half of 2016-17 from a year ago. Export of spices rose to 437,360 tonnes valued at USD 1.27 billion in first half of 2016-17 compared with 414,780 tonnes worth USD 1.17 billion in the first half of last year. Chilli became the most exported spice for the six-month period with the shipment of 165,000 tonnes, fetching USD 350 million.

Telecom subscriber base touches 1.074 billion at September end

The number of telephone subscribers in India has increased from 1,059.86 million at the end of June to 1,074.24 million at the end of September, registering a growth of 1.36% over the previous quarter. This reflects year-on-year growth of 5.05% over the same quarter of last year. Total number of internet subscribers has increased to 367.48 million at the end of September 2016, a quarterly growth rate of 4.85%.

FDI increase 27% at USD 27.82 billion in April-October this fiscal

Foreign Direct Investment (FDI) in the country has increased 27% during April-October 2016-17 to USD 27.82 billion compared to USD 21.87 billion in April-October 2015-16. Manufacturing constituted 41.5% equity inflows of Total FDI. Singapore, Mauritius, the Netherlands and Japan contribute the maximum to India's overall FDI inflows.

CORPORATE HIGHLIGHTS

- **World Bank's IFC invests USD 125 million in Hero Group renewable energy unit**
- **Fairfax gets RBI nod to acquire 51% in Catholic Syrian Bank**
- **Everstone buys minority stake in OmniActive Health for USD 35 million**
- **Sona Group acquires stake in M&M for USD 18 million**
- **Jubilant Life signs deals for diagnostic product supply**

World Bank's IFC invests USD125 million in Hero Group renewable energy unit

International Finance Corp. (IFC), the private sector investment division of World Bank has invested USD 125 million in Hero Future Energies, the renewable energy arm of the Hero Group, for an undisclosed equity stake. This will enable Hero Future to set up 1 gigawatt (GW) of greenfield solar and wind plants over the next 12 months across India.

Fairfax gets RBI nod to acquire 51% in Catholic Syrian Bank

Reserve Bank of India (RBI) has approved the **51% stake acquisition of Fairfax Financial Holdings in Kerala-based Catholic Syrian Bank (CSB)**. It is for the first time that RBI has allowed a bank to sell its majority stake to a single private investor. The proposed USD 150 million investments will allow CSB to increase its assets 10 times. The bank's focus will be on small and medium enterprises, gold, and retail, while it may not be aggressive on corporate lending.

Everstone buys minority stake in OmniActive Health for USD 35 million

Everstone Group has invested **USD 35 million for a significant minority stake in OmniActive Health Technologies Ltd.** The investment will help OmniActive in diversifying and expanding its offerings as well as in its inorganic growth strategy. This move will strengthen their presence globally using innovative products and technologies.

Sona Group acquires stake in M&M for USD 18 million

Sona Group has acquired the shares held by **Mahindra & Mahindra in a Joint Venture company for USD 18 million.** The Sona Group and M&M formed the JV nearly 20 years ago to manufacture clutches and propeller shafts for SUVs and light commercial vehicles. Sona Group promoters will now own more than 70% of the company that supplies components to Ashok Leyland, Tata Motors, M&M, Eicher, JCB and US-based Meritor

Jubilant Life signs deals for diagnostic product supply

Jubilant Pharma, through one of its units, Jubilant DraxImage Montreal Canada (JDI), has signed long-term contracts with distribution networks in the US for supply of products used for diagnostic and therapeutic procedures for thyroid, myocardial perfusion, lungs, kidney and bone scans to be supplied by JDI over 39 months effective January 2017.