



**MARKET MOVEMENT**

Major Indices	June 24, 2017	June 30, 2017	% Change	Change
BSE Sensex	31,138.21	30,921.61	(0.69)	
NSE Nifty	9,574.95	9,520.90	(0.56)	

**INDIAN ECONOMY AT A GLANCE****POLICY WATCH**

- **India signs 11 pacts to strengthen bilateral ties with Portugal**
- **SEBI approves hedge funds in commodity derivatives**
- **SEBI eases M&A norms for distressed firms**
- **Government approves USD 567.84 million highway project in UP**
- **DGH opens up entire unexplored area for hydrocarbon firms**

**India signs 11 pacts to strengthen bilateral ties with Portugal**

India has signed 11 pacts with Portugal and announced a four million euros joint fund to support research in science and technology. The agreements include cooperation in outer space, double taxation avoidance, biotechnology, Nano technology, improving cultural ties, youth and sports, higher education and scientific research, public administration and governance reforms.

**SEBI approves hedge funds in commodity derivatives**

Securities and Exchange Board of India ('SEBI') has decided to allow Category-III Alternative Investment Funds ('AIFs'), also known as hedge funds, to participate in the commodity derivatives market provided the investment should not exceed 10% of their investible funds in one underlying commodity. Participation in commodity derivatives will strengthen overall market participation, depth and liquidity.

**SEBI eases M&A norms for distressed firms**

Securities and Exchange Board of India ('SEBI') has relaxed the M&A norms by exempting buyers from making open offers to shareholders of the distressed listed companies. Under normal circumstances, any lender buying more than 25% stake in a company has to compulsorily make an open offer to the rest of the shareholders. New norms will reduce the cost of buying distressed assets for all types of investors.

### **Government approves USD 567.84 million highway project in UP**

Government has approved USD 567.84 million highway project in Uttar Pradesh for development of 6 laning of Chakeri-Allahabad section of National Highway (NH-2). This is part of the Golden Quadrilateral between Delhi and Kolkata. The total length of the road to be developed is approximately 145 kms. This will help in improvement of infrastructure reducing the time and cost of travel for traffic.

### **DGH opens up entire unexplored area for hydrocarbon firms**

Directorate General of Hydrocarbons ('DGH') has launched a National Data Repository ('NDR') of the entire unexplored area (26 sedimentary basins) in the country for businesses to search for fossil fuels. This move is part of implementing the open acreage licensing policy approved in March, 2016. It allows hydrocarbon companies to express interest in an area of their choice which government will offer in a global competitive bidding.

## **INDUSTRY WATCH**

- **Cargo traffic increases 5.6% in April-May at 12 ports**
- **India's exposure to US security increases to USD 124 billion**
- **Mutual Funds SIP inflows grow in May**
- **India provides USD 100,000 to UN Tax Fund**
- **US eases rules for Indian seafood export**

### **Cargo traffic increases 5.6% in April-May at 12 ports**

Cargo traffic has grown by 5.6% to 113.63 mt (million tonnes) in April-May of 2017-18 from 107.65 mt cargo in April-May 2016 due to increased demand from sectors like iron ore and fertilizers and coking coal. Kandla port handled the highest traffic volume at 18.86 mt during April-May, followed by the Paradip port at 16.19 mt, JNPT 11.23 mt, Mumbai 10.99 mt and Visakhapatnam 9.98 mt. Kolkata port, including Haldia, handled 8.88 mt of cargo and Chennai port handled 8.03 mt.

### **India's exposure to US security increases to USD 124 billion**

India has increased its holding of American government securities to USD 124.1 billion at the end of April. This is the highest level since July 2016 when the exposure stood at USD 123.7 billion. India has the third largest exposure to the US government securities after China and Brazil. Brazil's exposure stood at USD 267.7 billion in April.

### **Mutual Funds SIP inflows grow in May**

Mutual Fund Schemes (MFs) through Systematic Investment Plan ('SIP') route has recorded 7.6% growth to USD 720 million in May against an inflow of USD 655 million in April 2017. SIP inflows were 44% higher compared to the corresponding month of last year and 20% more than one-year average.

### **India provides USD 100,000 to UN Tax Fund**

India has contributed USD 100,000 to a UN fund to help developing countries actively participate in the discussion of tax issues, becoming the first country to make the contribution. The UN Tax Trust Fund supports the work of the Committee of Experts on International Cooperation in Tax Matters (UN Tax Committee).

### **US eases rules for Indian seafood export**

Food and Drug Administration ('FDA') in the United States has issued a list of 140-odd Indian seafood exporting entities to be excluded from that country's restrictive 'Detention without Physical Examination ('DWPE')' ambit. Names of exporters in the list are exempted from detention but are subject to random examination by the US authorities and the list is revised from time to time.

## **CORPORATE HIGHLIGHTS**

- **BHEL gets 15 Mw Solar Photovoltaic Plant order from GACL**
- **Zydus Cadila gets USFDA approval for overactive bladder tablets**
- **Crisil buys 9% stake in CARE**
- **L&T receives order worth USD 392.62 million**
- **Piramal Finance invests USD 74.6 million in Apollo LogiSolutions**

### **BHEL gets 15 Mw Solar Photovoltaic Plant order from GACL**

Bharat Heavy Electricals Limited ('BHEL') has received an order from Gujarat Alkalies and Chemical Limited ('GACL') for setting up a 15 MW solar photovoltaic power plant on Engineering, Procurement and Construction (EPC) basis at Charanka in north Gujarat. This will be company's first ground-mounted solar photovoltaic project in the state of Gujarat.

### **Zydus Cadila gets USFDA approval for overactive bladder tablets**

Zydus Cadila has received an approval from the United States Food and Drug Administration ('USFDA') to market oxybutynin chloride extended-release tablets in the strength of 5 mg, 10 mg and 15 mg. The Drug will be used to take care of an overactive bladder and urinary incontinence (urine leakage) and will be produced at the group's formulation manufacturing facility at Moriya in Ahmedabad.

### **CRISIL buys 9% stake in CARE**

Crisil Limited has acquired 9% stake with 2.6 million shares of Credit Analysis And Research Ltd ('Care') for USD 67 million. Investment in the equity of CARE has no special rights and is in compliance with applicable rules and regulations. This deal could signal the first sign of consolidation in the credit ratings industry which has about five players now registered with markets regulator SEBI.

**L&T receives order worth USD 392.62 million**

**Larsen and Toubro Construction ('L&T')** has received orders worth **USD 392.62 million across business segments**. The transportation infrastructure and water effluent treatment businesses have jointly taken an Engineering, Procurement, Construction (EPC) order worth USD 188.15 million from Aurangabad Industrial Township Ltd (AITL). Water and effluent treatment business has also obtained an EPC order worth USD 204.46 million from the Mumbai Metropolitan Region Development Authority (MMRDA).

**Piramal Finance invests USD 74.6 million in Apollo LogiSolutions**

**Piramal Finance Ltd** has invested **USD 74.6 million in logistics solutions provider Apollo LogiSolutions (ALS)**. The funds will be used in expanding its existing business, ramping up new business ventures as well as consolidation of ownership in various Joint Ventures (JVs). Piramal Finance has also launched a distressed asset investing platform that will invest in equity and debt across sectors to drive restructuring with active participation in the turnaround process.