



MARKET MOVEMENT

Major Indices	March 24, 2017	March 31, 2017	% Change	Change
BSE Sensex	29,421.40	29,620.50	0.68	
NSE Nifty	9,108.00	9,173.75	0.72	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- Cabinet clears abolition of cesses for GST rollout
- Proposal to establish Fund of Fund for Start-ups approved
- India joins TIR Convention
- MoU signed between South Korea's Anyang and the ICC
- Nepal, India sign new oil supply agreement

Cabinet clears abolition of cesses for GST rollout

The Cabinet has approved amendments in the Customs and Excise Act relating to abolition of cesses and surcharges on various goods and services to facilitate implementation of Goods and Services Tax (GST). Following this, the Centre will abolish 16 cesses and surcharges on union excise and service tax as it lays down the path for rolling out GST from July. The amendments in the Customs Act, 1962, allow furnishing of information relating to import or export of goods. Cesses to be abolished include Krishi Kalyan and Swachh Bharat.

Proposal to establish Fund of Fund for Start-ups approved

The government has approved the proposals with regard to the Fund of Funds for Start-ups (FFS) which was established in June 2016 with a corpus of USD 1.5 billion. The FFS is being managed and operated by Small Industries Development Bank of India. FFS contributes to SEBI registered Alternative Investment Funds (AIF) that may go up to a maximum of 35 per cent of the corpus of the AIF concerned.

India joins TIR Convention

The Union Cabinet has given its approval for India's accession to the Customs Convention on International Transport of Goods under cover of Transports Internationaux Routiers (TIR)

Carnets/ TIR Convention. The Convention will help Indian traders to have access to fast, easy, reliable and hassle free international system for movement of goods by road or multi- modal means across the territories of other contracting parties.

MoU signed between South Korea's Anyang and the ICC

A Memorandum of Understanding (MoU) was signed between Anyang Chamber of Commerce and Industry, South Korea and Indian Chamber of Commerce (ICC), to strengthen the economic cooperation and trade facilitation between the two industry bodies. This MoU will strengthen the economic cooperation between two Chambers of Commerce. The agreement will also assure trade facilitation.

Nepal, India sign new oil supply agreement

Nepal Oil Corporation and Indian Oil Corporation signed a new petroleum supply agreement that is expected to smoothen supplies of petrol, diesel and cooking gas from India. The agreement clearly stipulates that India will provide petroleum products as demanded by Nepal. If India cannot provide adequate supplies, this agreement has freed Nepal to turn to third countries. The agreement also allows Nepal to buy crude oil from third countries and have it refined in India.

INDUSTRY WATCH

- **India's overseas container trade volume doubles in 2016**
- **2016-17 a record year for M&A deals**
- **India replaces Japan for 3rd spot in domestic air travel**
- **India becomes net exporter of electricity**
- **Natural rubber February output grows 54 per cent, imports slump 51 per cent**

India's overseas container trade volume doubles in 2016

India's overseas container trade volume doubled in 2016 to 10 per cent compared to the previous year, showing signs of revival in global economic activity. While containerized exports jumped 11 per cent in 2016 from a meagre 2 per cent a year ago, containerized imports picked up to grow at 10 per cent in 2016 from 8 per cent in the previous year. Exports to Saudi Arabia clocked highest volume growth at 16 per cent on the back of strong demand for ceramics and tiles, which grew at 80 per cent in 2016.

2016-17 a record year for M&A deals

This financial year has set a record for Mergers and Acquisitions (M&A) in India, with deals worth USD 61.3 billion - more than double the value of transactions last year. In 2015-16, M&A deals were worth USD 27.6 billion. The sharp increase was a result of both strong foreign buying interest and

consolidation underway across sectors including telecom, cement and energy. Inbound deals worth USD 21.2 billion and domestic deals worth USD 35.6 billion were reported in the financial year.

India replaces Japan for 3rd spot in domestic air travel

Propelled by the tail wind generated by increasing domestic air travel demand, the Indian aviation industry continues to soar to new heights. India is the world's fastest growing air travel market for several months now and is the third-largest domestic aviation market globally with more people flying within the country last year than Japan, which has been pushed to number four spot. Calendar year 2016 saw 100 million domestic flyers in India, more than the 97 million in Japan.

India becomes net exporter of electricity

For the first time, India has turned around from a net importer of electricity to net exporter of electricity. During the current year 2016-17 (April to February 2017), India has exported around 5,798 million Units to Nepal, Bangladesh and Myanmar which is 213 Million units more than the import of around 5,585 million units from Bhutan. Export to Nepal and Bangladesh increased 2.5 and 2.8 times respectively in last three years.

Natural rubber February output grows 54 per cent, imports slump 51 per cent

The production of natural rubber rose by 54 per cent last month to 57,000 tonnes while imports fell by 51 per cent to 15,609 tonnes. Natural rubber production and imports stood at 37,000 tonnes and 31,864 tonnes, respectively, in February 2016. The consumption declined marginally to 83,000 tonnes last month, from 84,320 tonnes during February 2016.

CORPORATE HIGHLIGHTS

- **Ericsson, IIT Delhi sign MoU to jointly roll out '5G for India' program**
- **KIMS group raises USD 200 million from True North**
- **Airtel to buy Tikona's 4G business for USD 239 million**
- **Aurobindo Pharma gets USFDA nod for Meropenem injection**
- **BigBasket raises USD 6.7 million from Trifecta Capital**

Ericsson, IIT Delhi sign MoU to jointly roll out '5G for India' program

Swedish communication technology firm Ericsson and IIT – Delhi have signed a memorandum of understanding (MoU) to jointly roll out a “5G for India” program. Ericsson will set up a Centre of Excellence with a 5G test bed and incubation centre at IIT – Delhi and use this facility to drive the development of the country’s 5G ecosystem. The program will focus on delivering research, innovation and industrial pilots that use next-generation 5G networks as an enabler.

KIMS group raises USD 200 million from True North

Kerala Institute of Medical Sciences (KIMS), a hospital chain providing health care services in India and West Asia (Middle East), has raised USD 200 million from private equity fund True North (formerly India Value Fund Advisors). With this investment, True North will acquire about 40 per cent stake in KIMS, held by Ascent Capital Advisors India Pvt. Ltd. and OrbiMed Advisors LLC. KIMS will use the capital infusion to fund its growth plans.

Airtel to buy Tikona's 4G business for USD 239 million

Bharti Airtel Ltd has agreed to buy Tikona Digital Networks Pvt. Ltd's 4G business, including its broadband wireless access spectrum and 350 cellular sites in five telecom circles. The deal size is approximately USD 239 million. Tikona currently has 20MHz spectrum in the 2300 MHz band in Gujarat, UP (East), UP (West), Rajasthan and Himachal Pradesh circles. The acquisition of the 4G business in Gujarat, Uttar Pradesh (East), Uttar Pradesh (West) and Himachal Pradesh will be undertaken by Airtel, while in the Rajasthan circle, it will be accomplished through its subsidiary, Bharti Hexacom Ltd.

Aurobindo Pharma gets USFDA nod for Meropenem injection

Aurobindo Pharma has obtained the approval of the US Food & Drug Administration (USFDA) to manufacture and market its product, Meropenem injection 500 mg/vial and 1g/vial. It is used for treatment of complicated skin and related infections, complicated intra-abdominal infections and bacterial meningitis. The injection is a generic version of Merrem injection, which is manufactured by AstraZeneca Pharmaceuticals. The estimated market size for the product stood at USD 118 million for the 12-month ending January 2017.

BigBasket raises USD 6.7 million from Trifecta Capital

Online grocery store BigBasket (Supermarket Grocery Supplies Pvt. Ltd) has raised USD 6.7 million from venture debt firm Trifecta Capital to meet capital expenditure requirements, even as the company talks to a host of investors to raise at least USD 100 million. The funds will be used to set up new warehouses and facilities for reprocessing fruits and vegetables, and for strengthening the cold chain infrastructure.