

## CURRENT AFFAIRS APRIL 2016 - ECONOMIC

News 1 - Safeguard duty extended on steel imports in India



The Central Board of Excise and Customs in its notification said that the duty will apply to hot-rolled flat products of non-alloy and other alloy steel in coils of 600mm width. The safeguard duty will not be imposed on goods that are imported at minimum import price. The safeguard duty is tariff barrier imposed by government on the commodities to ensure that imports in excessive quantities do not harm the domestic industry.

The safeguard duty will be 20% minus any existing dumping duty till September 2016, following which it will be reduced to 18% till March 2017, then brought down to 15% till September 2017 and eventually to 10% by March 2018. The duty was imposed to protect domestic manufacturers from cheap Chinese imports.

News 2 - EIB agreed to loan out 33 Billion Rupees for the Lucknow Metro Line



The European Investment Bank (EIB) announced to invest 33 billion rupees for the first Metro Line in Lucknow, Uttar Pradesh. This investment will be EIB's largest ever financing in India.

The first Metro Line in Lucknow is a flagship project not only for Uttar Pradesh and India, but also for the EU Bank's strengthened global commitment to support transformational investment for both constructions of the 23 kms long new metro line and a fleet of metro trains. Once operational, this new metro is expected to increase the use of public transport from 10% to an estimated 27% in this city of 3 million people.

News 3 - Russia's nod to OVL deal to acquire 15% stake in Vankor oilfield for \$1.3 billion



Russia has approved ONGC's deal to pick up 15% stake in Russia's second biggest oil field, Vankor from Rosneft. A deal that will cost \$1.3 billion will give India access to Russia's oil supply, and will give Russian company Rosneft access to the Indian market.

The Vankor oil field, set up in 2004, is the largest oil field that has been discovered and brought to production in Russia in the last 25 years, ONGC said in a statement.

News 4 - Tata Steel plans to restructure its UK business



The Tata Steel Board announced plans to explore options to restructure its UK business – Tata Steel UK. As per the announcement, the Tata Steel Board advised the Board of Tata Steel Europe to explore all options for portfolio restructuring including the potential divestment of Tata Steel UK, in whole or in parts.

The potential sale of the UK operations is credit positive for Tata Steel and TSUK Holdings, because it would dispose of loss-making assets, against the backdrop of a challenging operating environment; namely depressed steel prices and a situation where global steel supply continues to exceed demand.

News 5 - Aditya Birla Group's UltraTech Cement buys Jaypee Cement units



The Jaiprakash Associates, which was reeling under heavy debt burden, has announced the part sale of its cement business to Aditya Birla group's UltraTech for Rs. 15,900 crores in a deal monitored by banks led by ICICI Bank. The deal will take UltraTech's cement capacity to over 91 Mtpa from the present 68 Mtpa, it will help Jaypee group to reduce its debt.

The lenders, led by ICICI Bank, had asked the company to sell assets so that it could repay its loans. After the latest sale, Jaiprakash will retain cement plants with a total capacity of 10.6 MT.

News 6 - MoU Inked to improve business ties between FICCI and AIBC



In a move to promote business ties with Australia, FICCI inked MoU with Australia India Business Council (AIBC). The MoU adds into the partnership for the upcoming "Engaging with India" conference being held on 16 and 17 May, for which AFR is also a partner.

The MoU will be of great importance in bilateral relations between the two organizations. The agreement was signed in the presence of the visiting Finance Minister Arun Jaitley during the Invest in India Round Table Conference.

News 7 - New Index Nifty MidSmallcap 400 launched by Nifty



The National Stock Exchange (NSE) has launched a new index Nifty MidSmallcap 400 which will represent the mid and small market capitalization segments of the stock market.

The new index has around 400 companies which are the constituents of Nifty Midcap 150 and Nifty Smallcap 250 indices. IISL will initially publish value of the Nifty MidSmallcap 400 at end of the day's trade and subsequently disseminate it online along with existing indices.

News 8 - Germany's KfW to give 500 Million Euros loan to Nagpur Metro



The German Government's Development Bank KfW will provide a loan assistance of EUR 500 Million (about Rs. 3,750 crores) for the modern and sustainable metro system for Nagpur City being executed by the Nagpur Metro Rail Corporation Limited (NMRCL).

The loan period is 20 years with a moratorium of five years and disbursal will be based on the progress of the project over three years. Costing Rs. 8,680 crores (EUR 1,240 million), Nagpur Metro is the first metro to be financed under the Indo-German partnership. The project envisages two corridors i.e. 19.70 kms North-South section from Automotive Square to Khapri and 18.60 kms long line between Prajapati Nagar and Lokmanya Nagar. Physical works commenced in May, 2015 and the whole Metro would be operational by March, 2019.

News 9 - Individuals earning Rs 50 lakh a year must declare assets



Those individuals with an annual income of more than Rs 50 lakh will now have to declare their assets and liabilities while filing their ITR. They need to provide a break-up of their net worth.

A new set of ITR forms were launched on the 31<sup>st</sup> March. The CBDT has added a new schedule — schedule AL to all ITR forms (including ITR 1) which is applicable to such individuals and they need to declare all their assets and liabilities, as on end of financial year 2015-16.

News 10 - World's largest oil firm Aramco of Saudi Arabia to invest in India



One of the World's largest oil firm, Aramco of Saudi Arabia plans to make major investment in India's petroleum sector. Aramco Head Khalid A. Al Falih conveyed this to PM Modi that the company considers India as the most preferred destination to invest.

The Saudi giant has crude reserves of about 265 billion barrels. Saudi Arabia is India's largest crude oil supplier, accounting for about one-fifth of the total imports done by the country.

News 11 - Blackstone India to Acquire Hewlett Packard's 60% Stake in Mphasis



Blackstone India, the Indian arm of global private equity fund Blackstone Group L.P., will buy 60.5% stake in Mphasis Ltd, a Bengaluru-based information technology services provider.

Blackstone will buy the shares from Hewlett Packard Enterprise (HPE) at Rs. 430 per share followed by a mandatory open offer for 26% more shares of Mphasis. Blackstone will spend anywhere between Rs. 5,466 crores and Rs. 7,071 crores (approximately \$825 Million – \$1.1 Billion) for the acquisition.

News 12 - Bi-monthly Monetary Policy Statement 2016-17 released



The Reserve Bank of India slashes Repo rate to 6.5% and reverse repo rate to 6%, bringing the marginal standing facility (MSF) rate to 7.0% in its first bi-monthly monetary policy review for the 2016-17 and kept the Cash Reserve Rate (CRR) unchanged at 4%.

RBI projected the GDP growth around 7.6% for FY 2017. One of the key announcements under the policy was reduction

in the repo rate at which RBI lends to the financial system.

News 13 - India's first Cash Giving App launched



TSLC Pte Ltd launches India's first cash giving app in Mumbai to be popularly known as CASHe. This App will provide users to enjoy simplified facility of borrowing cash anytime, anywhere within minutes for their needs. This borrowed cash will be disbursed by One Capitall Ltd (an RBI – registered NBFC only) as a 15-day loan with a one-time processing fee.

This will ease the burden of hidden costs, painful paper work and human interaction for the loan applications of up to 40% of their monthly income instantaneously at a rate of interest on par with credit cards.

News 14 - India signed a \$100 million draft export pact with the Islamic Development Bank



India has signed an agreement with the Islamic Development Bank (IDB) for a possible \$100 million line of credit to enable exports to IDB's member countries. The memorandum of understanding (MoU) was signed by the IDB's private sector arm, the Islamic Corporation for the Development of the Private Sector (ICD) and the Export-Import Bank of India (EXIM Bank).

Saudi Arabia, UAE, Egypt, Kuwait and Qatar are among the 56 members of the IDB.

News 15 - BHEL commissions tilt-able canal top solar plant in Andhra Pradesh



Bharat Heavy Electricals Limited (BHEL) commissioned a season wise tilt-able first canal top solar PV plant at Bhimavaram in Andhra Pradesh. Its power generation is about 10% more than a fixed Module Mounting Arrangement (MMA).

The project is developed by NREDCAP (New and Renewable Energy Development Corporation of AP Ltd). This is the first canal top project executed by the company, the state-run power equipment maker said in a release.

News 16 - CCEA approved Andrew Yule to convert its Rs. 29.91 Cr loan into equity



The Cabinet Committee on Economic Affairs (CCEA) allowed public sector enterprise Andrew Yule & Co. to issue its equity shares to Bank of Baroda against its working capital loan worth Rs.29.91 crore borrowed from the bank by issuing requisite number of equity shares as preferential issues to BoB as qualified institutional buyer. The price will be based on market price.

Conversion of WCTL into equity will bring down the cost of debt servicing by AYCL by Rs. 2.86 crore per annum.

News 17 - Oil PSUs can choose companies for crude buy



The Government has given its nod to public sector oil firms to have their own independent crude import policy based on their commercial requirements.

This will increase operational and commercial flexibility of oil companies. An official statement said, "Oil PSUs shall be empowered to evolve their own policies for import of crude oil, consistent with CVC guidelines and get them approved by the respective boards".

News 18 - Pfizer announced termination of proposed combination with Allergan



Pfizer Inc. announced that the merger agreement between Pfizer and Allergan plc has been terminated by mutual agreement of the companies. The decision was driven by the actions announced by the U.S. Department of Treasury on April 4, 2016, which the companies concluded qualified as an "Adverse Tax Law Change" under the merger agreement.

In connection with the termination of the merger agreement, Pfizer has agreed to pay Allergan \$150 million for reimbursement of expenses associated with the transaction.

News 19 - Commencement of the third phase of Mission Indradhanush





The universal vaccination program Mission Indradhanush's third phase flagged off to cover 216 Districts across several States including Bihar, Gujarat, Assam, Madhya Pradesh, Maharashtra and Uttar Pradesh.

Children will be vaccinated against seven vaccine preventable diseases including diphtheria, whooping cough, tetanus, polio, tuberculosis, measles and hepatitis B free of cost to cover all those children by 2020, who are either unvaccinated, or are partially vaccinated against these seven vaccine preventable diseases.

News 20 - East Coast Railway becomes the largest freight loading railway zone



The East Coast Railway (ECoR) has emerged as the largest freight loading railway zone of Indian Railways for the period of 2015-16. ECoR loaded a whopping 173.49 million tonnes of freight compared to the 161.91 million tonnes achieved in the corresponding period last year and registered an increment of 7.1% with a total earning of about Rs. 15,978.28 crores.

ECoR carried coal loading of 79.4 rakes per day from its jurisdiction against 72.7 rakes per day in the last fiscal and it loaded iron of 14 rakes per day in 2015-16.

News 21 - Online furniture retailer FabFurnish taken over by Future Group



The Future Group is set for its first acquisition of an internet store. The Kishore Biyani – led group will take over online furniture retailer FabFurnish in an all cash deal expected to be in the range between Rs.15 Crores to Rs. 20 Crores. Fabfurnish is promoted by Berlin-based investor, Rocket Internet. Future Group will retain FabFurnish's brand and will use the online platform to take HomeTown, Future Group's home and furnishing business, online.

The management team and 100 odd employees of FabFurnish are likely to join Future Group. FabFurnish (Alix Retail Pvt. Ltd) faced tough competition from companies such as Pepperfry (run by Trendsutra Platform Services Pvt. Ltd) and Urban Ladder (Urban Ladder Home Décor Solutions Pvt. Ltd).

News 22 - Airtel Acquires Aircel's 4G Spectrum for Rs. 3,500 crores



Bharti Airtel will acquire spectrum or radiowaves of Aircel in the 2,300 MHz band across the states of Tamil Nadu, Bihar, West Bengal, Jammu and Kashmir, Assam, North East, Andhra Pradesh and Odisha for Rs. 3500 crores. This acquisition empowers the company to become a Pan-India 4G operator.

Telecom operators are consolidating their positions by loading-up on spectrum ahead of Reliance Industries' much talked about fourth-generation wireless services to be launched this year. The transfer of the right to use for the circles of Andhra Pradesh and Odisha is subject to the revision of spectrum caps with the upcoming auction to be conducted by the Department of Telecommunication.

News 23 - MOU Inked for TAPI Project of worth \$200 million



The Turkmenistan–Afghanistan–Pakistan–India (TAPI) Pipeline Company Limited signed an agreement to invest \$200 million in studies and engineering for the \$10 billion project to transport natural gas to India. The agreement would pave the way for delivery of long-term natural gas supplies to Pakistan by addressing its energy shortages.

The TAPI pipeline will have a capacity to carry 90 million standard cubic meters a day (mmscmd) gas for 30 years and is planned to become operational in 2018. India and Pakistan were originally to get 38 mmscmd each, while the remaining 14 mmscmd was to be supplied to Afghanistan. The pipeline will travel 773 kms in Afghanistan and 827 km in Pakistan before ending at Fazilka (Punjab) in India.

News 24 - Kansai Nerolac Paints Sponsors Intex owned 'Gujarat Lions' for IPL



Kansai Nerolac Paints Ltd has signed up with the Gujarat Lions franchise as associate sponsor for the ninth edition of the Indian Premier League. Intex had recently bought one of the two new IPL teams that the Indian cricket board had auctioned. These two new teams will play in the IPL for the next two years till Chennai Super Kings and Rajasthan Royals remain suspended.

The union between the two follows some aggressive advertising by the brand during the recently concluded ICC World 20-20 Championship.

News 25 - WTO slashes 2016 global trade forecast from 3.9% to 2.8%



The WTO in September estimated that global trade would rise by 3.9% this year, but lowered that projection to 2.8%, in an updated forecast, due to slowdown in China, broad market volatility that continues to threaten growth and declining commodities prices.

The rout on commodities prices has shown few signs of reversing, while the full extent of the slowdown in China. But, the 2.8% growth forecast could prove to be an underestimate if efforts by the European Central Bank to stimulate Eurozone growth are successful, Geneva based WTO said.

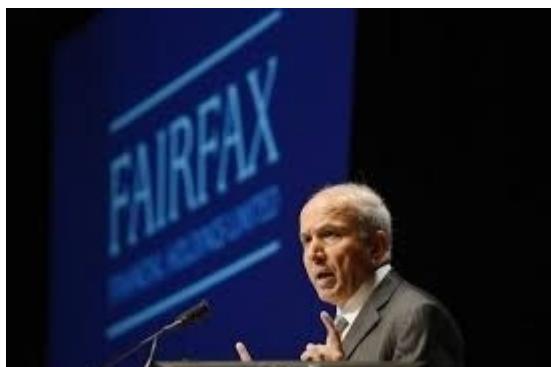
News 26 - Tata Steel initiates the process to sale Scunthorpe plant in UK



Tata Steel inked an agreement to sell the loss-making Scunthorpe steel plant in Britain to UK-based investment firm Greybull Capital. Greybull Capital will take the assets and relevant liabilities. KPMG LLC has been appointed as process advisor for the sale process.

The steel industry in the U.K. and Europe has had an impact due to the global oversupply of steel, high production costs and cheap imports. Greybull Capital will rename the Scunthorpe Steelworks, part of Tata's Long Products Europe, as British Steel after the acquisition, which it says is expected in eight weeks.

News 27 - Fairfax India to invest \$300 million in Sanmar Chemicals



Fairfax India Holdings will acquire a 30% stake in Sanmar Chemicals through an equity and fixed income investment worth Rs. 1,996 crores. Sanmar Chemicals is a privately owned petrochemical company in India owned by Mr. N Sundar. Fairfax India belongs to Canadian billionaire Prem Watsa. Fairfax also bought a 33 percent stake in the Bangalore International airport from GVK power and Infrastructure Ltd for a whopping \$321 million.

News 28 - IMF predicts India's GDP growth at 7.5 % in 2016–17



The International Monetary Fund (IMF) projected India's GDP growth to be at 7.5% for 2016-17, overtaking China's GDP by more than 1% driven by private consumption and increased industrial activity. In 2015, India's growth was 7.3 per cent, which would increase to 7.5 per cent in the next two years of 2016 and 2017.

The IMF also asked the government to cut down subsidies, initiate Labour reforms and dismantle infrastructure bottlenecks to sustain strong growth.

#### News 29 - ONGC takes over Tapti gas field to enhance Daman gas Production



Oil and Natural Gas Corporation Limited took over the infrastructure of Tapti Gas Field from its joint venture partners Reliance Industries and BG. The merger was decided to abandon the fields in 2015 after the end of their life. Normally the infrastructure is dismantled and removed after a field is abandoned. But in this case, ONGC requested the government to transfer the infrastructure. This transfer of assets in India is first of its kind.

This consortium would not only save time for the company and an investment worth up to 4000 crores to bring the neighboring Daman block into production before the schedule but also advance gas producing to the August-September period with the infrastructure in place.

#### News 30 - World Bank and AIIB Sign First Co-Financing Framework Agreement



The World Bank Group President Jim Yong Kim and Asian Infrastructure Investment Bank President Jin Liqun signed the first co-financing framework agreement between the two institutions.

The agreement outlines the co-financing parameters of World Bank-AIIB investment projects, and paves the way for the two institutions to jointly develop projects this year. In 2016, the AIIB expects to approve about \$1.2 billion in financing, with World Bank joint projects anticipated to account for a sizable share.

#### News 31 - Inflation negative for 17<sup>th</sup> month; at — 0.85% in March



For the 17<sup>th</sup> straight month since November 2014, WPI inflation remained negative at (-) 0.85 per cent in March. The March wholesale price index-based inflation was higher than (-) 0.91 per cent in February. In March last year, it was (-) 2.33 per cent. Food inflation stood at 3.73 per cent in March compared with 3.35 per cent in February. Inflation rate for

vegetables came in at (-) 2.26 per cent in March, while for cereals and pulses it was at 2.47 per cent and 34.45 per cent respectively.

Retail inflation in March fell to a six-month low of 4.83 per cent. RBI has projected retail inflation to be around 5 per cent this fiscal.

News 32 - FICCI Ladies Org plans to set up two Centers in Gujarat to support businesswomen



The FICCI Ladies Organization (FLO) has planned to set up two Mahila Huts, at Vadodara and Ahmedabad, in Gujarat. These centers will help in the upliftment of women belonging to all sections of the society through education and training. The center (Mahila Hut) is a place where women belonging to all sections of the society, particularly the weaker ones, can display products made by them to earn a livelihood.

FLO is the women wing of the Federation of Indian Chamber of Commerce and Industry (FICCI). It encourages and facilitates women to showcase their talents, skills, experiences and energies across sectors. The Gujarat unit of FLO will also construct women's toilets in primary schools in rural areas of state.

News 33 - JK Tyres completes acquisition of Cavendish Industries for Rs.2,195 crores



The JK Tyre Industries Ltd completed the acquisition of Cavendish Industries, a unit of Kesoram Industries Ltd, for a mind boggling Rs. 2195 crores. Their plants are located at Laksar (Haridwar), which manufactures a range of tyres, tubes and flaps. The acquisition has been funded through a combination of internal accruals and debt. JK Tyre will hold a 64% stake in Cavendish, while the rest will be held by Bengal & Assam and Valiant.

After the acquisition, JK's total manufacturing capacity in India will increase to 26 million units a year and reach annual revenue of Rs. 10000 crores in the domestic market.

News 34 - Panasonic India and AES India to construct a 10-MW energy storage system in Haryana

**Panasonic**

 **AES**  
we are the energy

Panasonic India and AES India announced an agreement to construct a 10 MW energy storage system at Panasonic's Technopark manufacturing facility in Jhajjar, Haryana. It is the first large-scale battery-based energy storage project in India.

AES claims its designs for energy storage solutions can be used for both utility scale and behind-the-meter applications and allows for configurations from 100 KW to over 1,000 MW.

#### News 35 - Vistara & TCS in a Strategic Partnership



Vistara, India's fastest growing full service carrier and Tata Consultancy Services (TCS) announced a long term strategic partnership. As per the agreement TCS will provide a broad range of IT services in the area of IT Management, application maintenance and application development to help Vistara achieve its goal in customer experience, operational excellence as well as cost leadership.

Vistara is a joint venture between Tatas and Singapore Airlines. According to the agreement, TCS would manage the operational aspects of the airline's IT, including application maintenance services, network maintenance, end-user computing and airport infrastructure support.

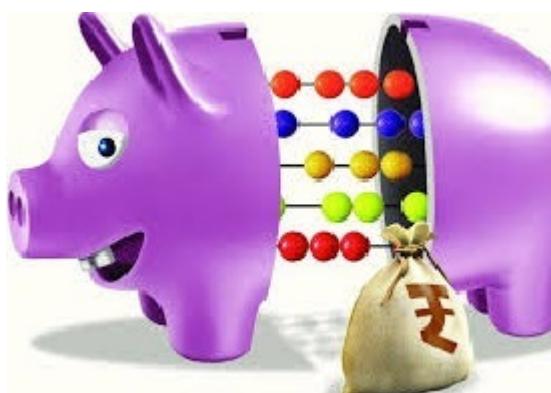
#### News 36 - India Replaces China as the Top FDI Destination in 2015



India was the highest ranked country by capital investment in 2015, with \$63 billion-worth of FDI projects announced. India has thus replaced China as top destination for foreign direct investment says a report from fDi Intelligence — a division of Financial Times. India's project numbers increased by 8% to 697.

The report also published top 10 destination states for FDI in 2015. India claims five places, with the top place going to Gujarat, which attracted \$12.4 billion. China's Shanghai Municipality — which attracted \$10.57 billion in FDI in 2015 came second while Maharashtra with \$8.3 billion was third in the list.

#### News 37 - P-Notes investment climbs to Rs. 2.23 lakh crore



Investments through participatory notes, P-Notes, into the country's capital markets increased to Rs. 2.23 lakh crore in March, after having hit an 18-month low in February. This also marks the first increase in investments via P-Notes in four months. But the percentage of FII investments via P-Notes fell to 10 per cent in March, from 10.7 per cent in February.

P-Notes are used mostly by overseas High Networth Individuals, hedge funds, and other foreign institutions to invest in the Indian capital markets through registered foreign portfolio investors.

News 38 - IMF expects USD 500 billion revenue loss for Mideast oil exporters



The International Monetary Fund has said that oil exporting countries in West Asia lost a staggering 390 billion dollars in revenue due to lower oil prices last year. The IMF added that these countries should brace for even steeper losses of over 500 billion dollars this year. These losses translate into budget deficits and slower economic growth, particularly for countries like Saudi Arabia that are still heavily dependent on oil to finance their spending.

The IMF said economic growth in the six Gulf Cooperation Council countries of Saudi Arabia, Kuwait, Qatar, Bahrain, Oman and the United Arab Emirates will slow from 3.3 percent in 2015, to 1.8 per cent this year. With oil prices weak, most GCC countries have raised fuel, water, and electricity prices.

News 39 - FinMin approves 8.7% interest on EPF for 2015-16



The Finance Ministry has approved 8.7% interest on Provident Fund deposits for over five crore subscribers of Employee Provident Fund Organization, EPFO for 2015-16. The EPFO pays rate of return to its subscribers on the basis of returns it generates from its investments.

This is probably the first time that the Finance Ministry has not given concurrence to the rate of interest on EPF as decided by CBT, which is headed by the Labour minister. EPFO had provided 8.75% rate of interest in 2013-14 and 2014-15, which was higher than 8.5% in 2012-13 and 8.25% in 2011-12.

News 40 - Videocon D2H ties up with Vodafone m-pesa



Videocon D2H has tied up with Vodafone m-pesa. Going forward, customers of Videocon D2H can recharge their D2H

service using Vodafone m-pesa. In addition, the 1,20,000+ Vodafone m-pesa CashIn points will also accept recharge for Videocon D2H, thus providing additional convenience to customers.

Videocon D2H has prided itself in presenting its subscribers with a robust line-up of 550 channels and services, including a host of regional channels. It offers a wide range of active services like smart services including Smart English, Smart Games.

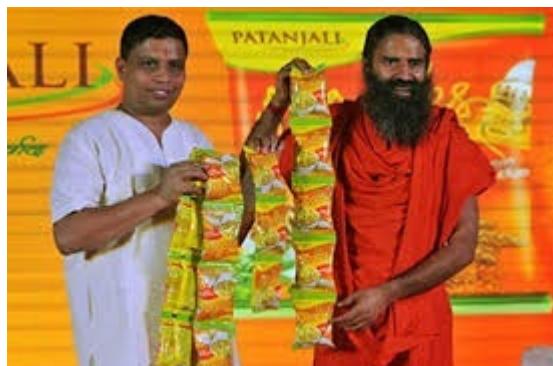
News 41 - Government to sell its 11.36% stake in NHPC



As a part of disinvestment process, the Government of India is planning to sell its 11.36% equity shares in the National Hydroelectric Power Corporation (NHPC) at Rs. 21.75 per share to raise about Rs. 2,700 crores.

Currently, the Government holds 85.96 % in NHPC. A minimum of 20% of the shares on offer have been reserved for allocation to retail investors. Similarly, a minimum of 25 % of the offer size has been reserved for mutual funds and insurance companies. NHPC will be the first share sale of Department of Investment and Public Asset Management (DIPAM).

News 42 - Patanjali to invest Rs. 1,150 crores in FY 2017



Patanjali Ayurved will invest over Rs. 1,150 crores in the FY2017 to set up six processing units and one R&D center. The company has set a turnover of Rs. 10,000 crores this year.

These 6 units will be set up in Assam, Madhya Pradesh, Uttar Pradesh, Maharashtra, Haryana and Madhya Pradesh. The company is also eyeing the highly competitive dairy segment as well as working towards increasing its exports and enhance online presence.

News 43 - BSE signed an MoU with Korea Exchange to list Sensex-based derivatives



The BSE has entered into Memorandum of Understanding with the Korea Exchange (KRX) to extend their cooperation by listing S&P BSE Sensex based derivatives contracts. The agreement will further the development of derivatives markets in India and South Korea. It will encourage the sharing of information, and foster new opportunities for the exchanges and their respective issuers.

The two have also agreed to conduct joint research in the area of derivatives markets and to support the development of new products, experience sharing and cooperation on IT system. Mr. Ashishkumar Chauhan is MD & CEO of BSE. Mr. Kyungsoo Choi is Chairman and CEO of Korea Exchange.

News 44 - SIDBI inked MoU with SAARC Development Fund



Small Industries Development Bank of India (SIDBI) and SAARC Development Fund (SDF) have entered into a Memorandum of Understanding (MOU) for mutual cooperation and collaboration which envisages the two organizations to work together in co-funding of projects in Indian MSMEs on risk sharing basis in identified sectors, development of suitable financial products for SME financing for Micro Small and Medium Enterprises (MSMEs) of other SAARC states.

The MoU was also signed for technology transfer and making available software to MFIs regarding loan tracking systems in other SAARC states and capacity development of SDF/SIDBI and SME funding institutions in SAARC countries.