

Daily Economic News Summary: 24 February 2017

1. ONGC to pump in Rs7,327 crore to increase output

Source: Live Mint ([Link](#))

To step up oil and gas production and meet the target of reducing import dependence on fossil fuels, state-owned Oil and Natural Gas Corp. (ONGC) on Thursday decided to invest Rs7, 327 crore in five assets, four of which are located in the western offshore region and one in the Cambay basin in Gujarat. ONGC's decision is in line with the government's idea of public investments taking the lead in stimulating the economy. For 2017-18, ONGC has planned an investment of Rs29, 967 crore, slightly more than what it spent the year before, according to Union budget documents. ONGC had last March announced plans to spend \$5 billion over three years to develop two fields in the Krishna Godavari basin. Oil production is expected to commence from this asset by 2018-19 and reach a peak production rate of over 14,500 barrels a day in 2019-20, the company said in a statement. The other fields that are being developed are Santhal field in the Cambay basin and the western offshore fields named as B-147, BSE-11 and NBP. Private firms planning major capital spending include the Reliance Industries-BP Plc-Niko Resources consortium developing their assets in the Krishna Godavari basin and Cairn India Ltd. that is keen to boost output from its Rajasthan oilfield. The other major areas of investments in the hydrocarbon sector at present are city gas distribution, long distance gas pipeline network, modernization of refineries to meet BS 6 emission norms and liquified natural gas import terminals.

2. SBI merger with five associate banks from 1 April

Source: Live Mint ([Link](#))

The government on Thursday said that 1 April will be the record date for the merger of State Bank of India (SBI) with five of its associate banks. The associate banks are State Bank of Bikaner and Jaipur (SBBJ), State Bank of Mysore (SBM), State Bank of Travancore (SBT), State Bank of Hyderabad (SBH) and State Bank of Patiala (SBP). In a gazette notification dated 22 February and released on Thursday, the government said that all shares of these associate banks would cease to exist as individual entities and would stand transferred to SBI. After the merger, SBI is set to be among the top 50 large banks of the world. SBI was ranked 52 in the

world in terms of assets in 2015, according to *Bloomberg*, and a merger will see it break into the top 50.

3. Flipkart in funding talks with Microsoft, Tencent

Source: Live Mint ([Link](#))

India's largest online retailer Flipkart is in talks for a mammoth fundraising of up to \$1.5 billion from investors including Microsoft Corp., eBay Inc., PayPal Holdings Inc. and Tencent Holdings Ltd at a valuation of \$10-12 billion, said three people familiar with the matter. Flipkart has increased the size of its funding round after its turnaround under new chief executive Kalyan Krishnamurthy gathered steam since December, said the people cited above, asking not to be identified. India's largest online retailer Flipkart is in talks for a mammoth fundraising of up to \$1.5 billion from investors including Microsoft Corp., eBay Inc., PayPal Holdings Inc. and Tencent Holdings Ltd at a valuation of \$10-12 billion, said three people familiar with the matter. Flipkart has increased the size of its funding round after its turnaround under new chief executive Kalyan Krishnamurthy gathered steam since December, said the people cited above, asking not to be identified.

4. Jet Airways signs code sharing agreement with Hong Kong Airlines

Source: Live Mint ([Link](#))

Jet Airways (India) Ltd on Thursday said it has got into a code sharing agreement with Hong Kong Airlines. The partnership, it said, will help them significantly enhance connectivity between India and the Asia-Pacific region. As part of the reciprocal agreement, Jet Airways will place its marketing code "9W" on Hong Kong Airlines' flights operating between Hong Kong and Okinawa and Tokyo in Japan; Denpasar in Indonesia; Hanoi in Vietnam; Bangkok in Thailand; and Auckland in New Zealand. Hong Kong Airlines, in turn, will place its marketing code "HX" on Jet Airways' flights between Hong Kong and Mumbai as well as Delhi in India. The code share flights will open for both sales as well as travel on 27 February, subject to government approval. Code sharing allows an airline to book its passengers on its partner carriers and provide seamless travel to destinations where it has no presence.

5. Government launches GST app to facilitate smooth transition to new tax regime

Source: Live Mint ([Link](#))

The central board of excise and customs (CBEC) launched a goods and services tax (GST) app on Thursday to facilitate a smooth transition to the new indirect tax regime for taxpayers. From helping taxpayers in the migration to GST, providing toll free numbers and videos and reading material on GST to putting up draft laws and rules, the app called the CBEC GST app aims to help taxpayers and address their concerns about the new indirect tax regime. The government aims to implement GST from 1 July and is looking to maximise awareness about this new tax that aims to unite the country into a common market by removing barriers across states. The app, currently available on the Android platform, addresses queries on the process of migration to GST, the steps to be followed to apply for migration, the intimation of registration completion for existing service tax and excise assesseees as well as the laws governing the transition.

By Shreya Chopra

