

MARKET MOVEMENT

Major Indices	August 03, 2018	August 10, 2018	% Change	Change
BSE Sensex	37,556.16	37,869.23	0.83	↑
NSE Nifty	11,360.80	11,429.50	0.60	↑

INDIAN ECONOMY AT A GLANCE

POLICY WATCH

- Cabinet approves USD 183.2 million interest-free loan to revive 3 fertiliser units
- DoT amends license conditions to incorporate net neutrality rules
- Cabinet approves extension of CFS for infrastructure projects abroad
- Government extends e-visa facility for citizens of 165 countries
- Government allows higher load capacity for existing trucks and tractors

Cabinet approves USD 183.2 million interest-free loan to revive 3 fertiliser units

Cabinet has approved a proposal to grant Interest Free Loan (IFL) worth USD 183.2 million for Gorakhpur, Sindri and Barauni projects of USD 61.5 million, USD 60.6 million and USD 61.2 million respectively to Hindustan Urvarak and Rasayan Limited (HURL) fertilizer projects. IFL shall be disbursed in first three years during construction. Repayment shall be spread over a period of 11 years with a moratorium period of three years of disbursement period during construction and the repayment phased over the next eight years.

DoT amends license conditions to incorporate net neutrality rules

Telecom department (DoT) has amended telecom and Internet Service Provider (ISP) permits to incorporate net neutrality rules that bar the blocking or slowing down of content, although it has allowed fast lanes for critical specialised services and also kept content delivery networks outside the ambit of these open internet rules. Incorporation of the principles of non-discriminatory treatment would help build uniformity in terms of governing the provision of internet services by different licensees.

Cabinet approves extension of CFS for infrastructure projects abroad

Cabinet has approved the first extension of Concessional Financing Scheme (CFS) to support Indian Entities bidding for strategically important infrastructure projects abroad for

five years till 2023. Scheme will provide counter guarantee and interest equalisation of 2% to EXIM Bank (Export- Import Bank) to offer concessional finance to any foreign government or foreign government owned or controlled entity, if any Indian entity, succeeds in getting contract for the execution of a project.

Government extends e-visa facility for citizens of 165 countries

Government has extended e-visa facility for citizens of 165 countries at 25 airports and five seaports. 'Incredible India 2.0' campaign is launched to shift from generic promotions to market-specific promotional plans. A 24X7 toll free multi-lingual tourist helpline has also been put in place as part of the efforts.

Government allows higher load capacity for existing trucks and tractors

Road transport and highways ministry has relaxed norms and gross vehicle weight of a two-axle truck (two wheels in the front axle and four wheels in the rear) has been increased to 18.5 tonne from the existing 16.2 tonnes including the vehicle weight, increasing the load carrying capacity by 20%. Earlier, it was allowed for only new vehicles but now rules are relaxed for vehicles that are already plying on highways. However, strict penalty will be imposed if vehicles are loaded beyond allowed capacity.

INDUSTRY WATCH

- **Pharma companies receives 40% of US generics**
- **Mutual funds asset base rises 5% to USD 349.72 billion in July**
- **Railways registers 7% growth in earnings**
- **Government doubles import duty on 328 textile items to 20%**
- **Passanger traffic grows 33% at Bengaluru airport in Q1**

Pharma companies receives 40% of US generics

Volume share of Indian pharma companies in the US generic market has grown to nearly 40% in August despite regulatory and pricing pressures. A steady increase in drug approvals and portfolio rationalisation by Multinational Companies (MNCs) resulted in volume share rising of India by 5% over the last few months. US generics market is valued at around USD 60 billion and has presence of Sun Pharma, Cipla, Lupin and Aurobindo with an overall share of around USD 10 billion.

Mutual funds asset base rises 5% to USD 349.72 billion in July

Mutual funds' asset base rose by 5% to USD 349.72 billion in July-end, driven by participation from retail investors and a spirited investor awareness campaign by the industry. Asset under management (AUM), comprising 42 players, was USD 333.11 billion at the end of June.

Railways registers 7% growth in earnings

Number of passengers carried by railways rose by 2% to 8287 million in 2017-2018 from 8116 million in 2016-17. Passengers earnings grew 7% from USD 6.7 million in 2016-2017 to USD 7.2 million in 2017-18. Railways carried 1159 million tonnes of freight during the same period as compared to 1106.15 million tonnes of freight in 2016-2017.

Government doubles import duty on 328 textile items to 20%

Government has doubled import duty on as many as 328 textile products to 20% (from existing 10%) to promote manufacturing of these items in the country. Imports of textile yarn, fabric, made-up articles grew by 8.58% to USD 168.64 million in June. Ad-valorem rate of duty for certain items is also raised.

Passenger traffic grows 33% at Bengaluru airport in Q1

Bengaluru international airport has recorded 33% growth in passenger traffic to 8.02 million in Q1 2018 compared to 6.04 million passengers in Q1 2017. International cargo operations grew 15.5% to 61,888 million tonne while domestic cargo grew 18.7% to 35,598 million during Q1 2018 over the same period last year. 33 passenger airlines including 8 domestic and 25 international connect the city with 67 destinations (45 domestic and 22 international).

CORPORATE HIGHLIGHTS

- **GMR Aero gets Federal Aviation Administration's nod for MRO**
- **GE Aviation signs USD 340 million deal with Vistara for engines supply**
- **Lupin gets EDQM nod for its Mandideep facility**
- **Future Group forms JV with Fonterra**
- **L&T construction arm receives orders worth USD 272.4 million**

GMR Aero gets Federal Aviation Administration's nod for MRO

GMR Aero Technic has received the Federal Aviation Administration's (FAA) approval to provide Maintenance, Repair and Overhauling (MRO) and testing services to the narrow-body Boeing 737 and Airbus 320 aircraft registered with the US aviation regulator. GMR Aero Technic

holds the largest share of India's market for outsourced airframe base maintenance MRO business, backed by approvals and certifications from regulators in India, Europe, the UAE, Oman, Bahrain, Malaysia, Nepal, Bangladesh, Myanmar and the Cayman Islands among others.

GE Aviation signs USD 340 million deal with Vistara for engines supply

GE Aviation has signed a deal worth over USD 340 million with Tata-SIA airline Vistara for supply of its GEnx-1B engines for the latter's Boeing 787 fleet. Engines are expected to be delivered to Air Vistara between 2020 and 2021. GEnx engines offer impressive economics pertaining to fuel efficiency, reliability and utilisation making them most suited for Vistara's plans to strengthen its fleet for international routes.

Lupin gets EDQM nod for its Mandideep facility

Lupin has received attestation from European Directorate for the Quality of Medicines (EDQM) for its Mandideep facility in Madhya Pradesh. Inspection was focused on the application for certificate of suitability for the dossier of Cefaclor along with facility inspection for Quality Management Systems based on cGMP as laid under European Union rules governing medicinal products.

Future Group forms JV with Fonterra

Fonterra, the world's biggest dairy exporter has entered into an equal Joint Venture (JV) with Future Group to launch dairy products in India. JV - Fonterra Future- will launch its first product by mid-next year on retail shelves and will also have direct to home subscription model. Future Consumer Ltd which counts Arisaig Partners and Verlinvest as its investors, has been building distribution network beyond its own stores - it partnered Indo-Nissin to sell products at kirana stores and also has partners such as Tata StarBazaar, Metro and Spar, besides 5,000 Rajasthan fair price shops.

L&T construction arm receives orders worth USD 272.4 million

Larsen & Toubro (L&T) has received orders worth USD 272.4 million across business segments in the domestic and international markets. L&T power transmission and distribution business has secured multiple orders worth USD 251 million from Kingdom of Morocco for the construction of transmission lines to evacuate power from the Midelt solar power station. It has secured another order in Algeria to build a gas insulated substation in Annaba city and an order from the Nepal Electricity Authority for the design, supply, installation, testing and commissioning of 220kV Substations.