

MARKET MOVEMENT

Major Indices	June 15, 2018	June 22, 2018	% Change	Change
BSE Sensex	35,622.14	35,689.60	0.18	↑
NSE Nifty	10,817.70	10,821.85	0.03	↑

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- Cabinet nods to set up private industrial park
- India and Australia formalise open sky agreement in aviation sector
- Ministry launches its first national healthcare facility registry
- India signs MOUs with 3 UK institutions for early adoption of 5G
- RBI eases norms for FPIs to invest in debt, corporate bonds

Cabinet nods to set up private industrial park

Cabinet has approved a proposal to utilise a piece of land in Ganjam district as a Domestic Tariff Area (DTA) to set up a Private Industrial Park by a Tata group company. 1735 acre would be utilised by the TATA Steel Special Economic Zone Ltd (TSSEZL) for setting up a Private Industrial Park as Domestic Tariff Area.

India and Australia formalise open sky agreement in aviation sector

India and Australia have formalised an open sky agreement allowing airlines on either side to offer unlimited number of seats to six Indian metros and as many Australian cities. As per the National Civil Aviation Policy, 2016, the open sky agreement allows the government to enter into air services agreement on a reciprocal basis with SAARC nations as well as countries beyond a 5,000 kilometre radius from New Delhi. India has signed open sky agreements with US, Greece, Jamaica, Guyana, Czech Republic, Finland, Spain and Sri Lanka.

Ministry launches its first national healthcare facility registry

Union ministry of health and family welfare has launched the National Health Resource Repository (NHRR). This is first ever registry of authentic, standardised and updated geo-spatial data of

all public and private healthcare and other resources, including Railways, Employees' State Insurance Corporation (ESIC), defence and petroleum healthcare establishments. Indian Space Research Organisation (ISRO) is the project technology partner for providing data security.

India signs MOUs with 3 UK institutions for early adoption of 5G

India has signed three Memorandum of Understanding (MoU) with three top UK academic institutions to facilitate meaningful exploration and early adoption of 5G technology. Focus of the engagement between Centre for Development of Telematics (C-DOT) and universities will be to set up use-case labs to explore new scenarios for 5G, promote awareness and understanding of 5G, support the creation of 5G test beds, conduct field trials and evolve solutions for the Indian context.

RBI eases norms for FPIs to invest in debt, corporate bonds

Reserve Bank has eased investment norms for Foreign Portfolio Investors (FPIs) in debt, especially into individual large corporates to attract more overseas flows and lift demand for corporate bonds. FPIs were allowed to invest in government bonds with a minimum residual maturity of three years. Henceforth, FPIs are permitted to invest in Government securities (G-secs), including treasury bills, and State Development Loans (SDLs) without any minimum residual maturity requirement if FPI under either category shall not exceed 20% of the total investment.

INDUSTRY WATCH

- **28 companies announce buyback plans aggregating USD 3.14 billion**
- **Government eases import of used machinery**
- **Utility solar capacity grows 72% in FY18**
- **India raises customs duty on 30 items imported from US**
- **Railways registers 7.5% rise in April-May freight earnings**

28 companies announce buyback plans aggregating USD 3.14 billion

28 companies announce buyback plans aggregating USD 3.14 billion in first six months of 2018. **Mcleod Russel**, ADF Foods, Indiabulls Real Estate, DCM Shriram and BSE have announced buyback through open market route, the remaining 23 companies plan to buy back their shares via the tender offer route. Tata Consultancy Services (TCS), Kaveri Seed Company and Jagran Prakashan are planning a buyback of their shares for the second consecutive year.

Government eases import of used machinery

Government has relaxed import of used machinery. Until now, handset and other component assembly and manufacturing units would have to wait for committee to meet every few months for permissions, but now companies can submit necessary documents and import machinery used for manufacturing electronics and electrical items without seeking explicit permission. Also, used plant machinery having residual life of at least five years for manufacturing electronics and electrical items would not require explicit permission from the 'hazardous and other waste committee'.

Utility solar capacity grows 72% in FY18

Utility solar capacity grew by 72% to 9.1 GW in 2017-18 against 5.5GW in 2016-17. Total solar installation was 10.4GW, rest comprising rooftop solar plants and off-grid solutions, taking the country's cumulative solar capacity to 24.4GW. Coal and wind only added 4.6GW and 1.7GW respectively. Karnataka added the most capacity at 4.1GW, which was 46% of total capacity installed in 2017-18. Telangana is second highest (3.28GW), followed by Rajasthan (2.3GW), Andhra Pradesh (2.28GW) and Tamil Nadu (1.86GW).

India raises customs duty on 30 items imported from US

India has raised customs duty on several goods, including Bengal gram, lentils and artemia, imported from the US. Import duty hike would be effective from August 4. Import duty on chickpeas and Bengal gram has been increased to 60%, while on lentils has been raised to 30%. Duty on boric acid and binders for foundry moulds is increased to 7.5%, while that on domestic reagents is raised to 10%. Duty on artemia, a kind of shrimp, is increased to 15%.

Railways registers 7.5% rise in April-May freight earnings

Railways registered 7.5% year-on-year (y-o-y) growth in freight loading to 200 million tonnes of freight in April- May 2018 compared to 186 million tonnes of freight in April-May 2017. USD 2.94 billion revenues are earned by railways during April-May 2018. Out of the total 200 million tonnes of loading, around 100 million tonnes was coal. It was around 7.5% more than in the corresponding period last year.

CORPORATE HIGHLIGHTS

- **Global Cloud Xchange completes India data centre for Eagle cable network**
- **Blue Dart sets up aviation hub at Chennai airport**
- **Metro ties up with large FMCG firms to sell their brands**
- **ONGC sells CBM gas at USD 5.77-6.12 /MMBtu**
- **Tata projects and Capacit'e Infraprojects consortium receives USD 1.72 billion order**

Global Cloud Xchange completes India data centre for Eagle cable network

Global Cloud Xchange has announced the completion of **India data centre for Eagle Subsea Network** which is scheduled to be fully operational by 2020. Eagle Subsea Network will represent the fastest Mumbai to Hong Kong route as it avoids the outage-prone Malacca Strait. It will also be the fastest submarine cable route between India and key technology centres across the Middle East and Europe.

Blue Dart sets up aviation hub at Chennai airport

Blue Dart has set up a new aviation hub at the airport spread across 4,912-square metres at the old international airport to provide shipment of cargo through air and land, enabling faster transfer of cargo. New facility would also be the headquarters of Blue Dart Aviation and will be equipped with X-ray machines, equipment and manpower and has regulatory approval for security screening.

Metro ties up with large FMCG firms to sell their brands

German wholesaler Metro has tied up with half a dozen consumer product firms to exclusively sell some of their brands or stock keeping units in select states, indicating an emerging trend of companies avoiding traditional wholesalers or distributors to reach kirana stores. These alliances include sale of SC Johnson's All Out spray, Coca-Cola pop cans and Aquarius Glycocharge in most states, Mondelez's Halls and Perk brands in northern states and Vadilal frozen ready meal range across India. There are an estimated 10-12 million kirana stores in India and unorganised wholesalers have a crucial role in the distribution of FMCG products.

ONGC sells CBM gas at USD 5.77-6.12 /MMBtu

ONGC has sold natural gas from three coal-bed methane (CBM) blocks in Jharkhand to a private industry, **H N Roy** for a price ranging between USD 5.77 per MMBtu (million British thermal unit) to USD 6.12 per MMBtu. GAIL India Ltd will buy gas found below coal-seams in the North Karanpura block at USD 5.56 per MMBtu while private sector Positron Energy Pvt Ltd would offtake gas from Jharia CBM block at USD 6.12 per MMBtu. ONGC is to start production from the three blocks by next month with the peak volumes touching 3 million standard cubic meters per day.

Tata projects and Capacit'e Infracore consortium receives USD 1.72 billion order

Capacit'e Infracore in a consortium with **Tata Projects and CITIC Construction** has received an order worth **USD 1.72 billion** from the Maharashtra Housing and Area Development Authority. Project includes technical designing, co-ordination and construction of rehabilitation, sale, commercial, any other structure along with construction of habitable temporary transit camps for redevelopment of project of BDD Chawls located at Lower Parel Division at Worli in Mumbai.