



MARKET MOVEMENT

Major Indices	July 1, 2017	July 7, 2017	% Change	Change
BSE Sensex	30,921.61	31,360.63	1.41	
NSE Nifty	9,520.90	9,665.80	1.52	

INDIAN ECONOMY AT A GLANCE

POLICY WATCH

- Government allows MRP change on unsold stock till 30th September
- Government exempts SEZs from integrated GST
- Government launches flagship program to increase biopharma production
- India launches 5 year technology fund to promote business ties with Israel
- AIIB approves USD 329 million loan to build village roads in Gujarat

Government allows MRP change on unsold stock till 30th September

Government has given a three month time till 30th September to companies to sell unsold stocks manufactured/ packed/imported prior to 1st July, 2017 at new prices after inclusion of GST. This will ensure no disruptions post GST rollout on supply of goods, particularly essential and daily-use commodities. Declaration of the Maximum Retail Price (MRP) shall be made by way of stamping or putting sticker or online printing.

Government exempts SEZs from integrated GST

Government has exempted goods imported for authorized operations by units or developers of Special Economic Zones (SEZs) from Integrated Goods and Services Tax (IGST). There are 218 operational SEZs in India and exports from SEZs has increased by 12% to USD 80.6 billion in 2016-17 from USD 72 billion in 2015-16.

Government launches flagship program to increase biopharma production

Government has launched its USD 250 million program to promote the production of biological drugs. The program will focus on development of new vaccines, bio-therapeutics, diagnostics and medical devices to cater to India's rising disease burden. World Bank has also provided a loan of USD 125 million for "Innovate in India" (i3) program which is expected to help the country turn its research concepts into workable products faster.

India launches 5 year technology fund to promote business ties with Israel

India and Israel has launched a technology fund to promote digital technology and business between the two countries. Israel India Innovation Initiative Fund (I4F) will have an aggregate amount of USD 40 million across a 5 year period with each government investing USD 4 million in the fund per year. The fund will be utilized in supporting investments in India from Israel technology firms and in opening of development centers and investments in technology ecosystem by Indian firms in Israel.

AIIB approves USD 329 million loan to build village roads in Gujarat

Asian Infrastructure Investment Bank (‘AIIB’) has announced its approval to a USD 329 million loan to build access roads across 4,000 villages in Gujarat. Project will contribute in improving the mobility of the rural population by providing road linkages for last-mile connectivity to schools and tribal areas in 33 districts of the state.

INDUSTRY WATCH

- **Core sector grows 3.6% in May**
- **Gems & Jewellery exports rise 11% in April-May**
- **Digital payments rise 55% in 2016-17**
- **PE firms invests USD 11.3 billion in India during January to June**
- **External storage market grows 13.8%**

Core sector grows 3.6% in May

Core sector has recorded a growth of 3.6% in May as compared to 2.8% growth in April month on year on year (y-o-y) basis. Electricity sector output has highest growth rate of 6.4% in May 2017 compared to 6.2% in May 2016. Refinery products output has increased by 5.4% in May 2017 against 3.3% in May 2016. Natural gas production has recorded a growth of 4.5% in May 2017.

Gems & Jewellery exports rise 11% in April-May

Exports of Gems and Jewellery have increased by 11% to USD 6.78 billion during April-May 2017 from USD 6.1 billion. Main export destinations includes Europe, Japan, China and the US. Silver exports have doubled to USD 1.51 billion during April-May 2017 from USD 674.14 million a year ago. Shipments of gold medallions and coins registered a growth of about 50% to USD 1 billion during the period. Imports of rough diamonds increased by about 6% to USD 3.60 billion in April-May 2017.

Digital payments rise 55% in 2016-17

Digital payments have recorded 55% increase in 2016-17. Volume of overall digital payments recorded a **Compounded Average** Annual Growth Rate (CAGR) of 28% from 2011-12 to 2015-16. Retail payments accounted for as much as 98 to 99% of the total volumes. Due to innovations in digital payment technologies and increasing consumer satisfaction, the growth trends in digital payments are positive.

PE firms invests USD 11.3 billion in India during January to June

Private Equity ('PE') firms have invested USD 11.3 billion during January to June 2017 against USD 7.4 billion in the same period last year. January-March quarter of 2017 has seen deals worth USD 5.9 billion across 148 transactions. Largest investment reported during the second quarter was of USD 1.4 billion by SoftBank in One97 Communications. Major investment in first quarter was of USD 900 million in Bharti Infratel by Global PE fund KKR and CPP Investment Board.

External storage market grows 13.8%

External storage market recorded growth of 13.8% to USD 74.6 million year on year (y-o-y) in terms of vendor revenue in Q1 2017. Telecom, banking and professional services contributed to the growth of external storage market. External Storage is actively addressing new age demands from emerging technologies such as real-time business analytics, Internet of Things (IoT), augmented reality, robotics, etc.

CORPORATE HIGHLIGHTS

- **BHEL signs technology agreement with KHI Japan**
- **UltraTech completes acquisition of Jaiprakash group**
- **Sunpharma signs USD 55.5 million agreement with Samsung biologics**
- **IOC sets up Singapore oil unit**
- **Adventz group signs pact of USD 2 billion with Lesico Group**

BHEL signs technology agreement with KHI Japan

Bharat Heavy Electronics Limited ('BHEL') has signed an agreement with Kawasaki Heavy Industries Limited ('KHI') Japan to produce stainless steel coaches and bogies for metro rail. Agreement will cover establishing state-of-the-art design, engineering and manufacturing facilities at BHEL by using Japanese technology. Also, it will enable BHEL for technology advances and upgrades.

UltraTech completes acquisition of Jaiprakash group

UltraTech Cement has completed the USD 2.49 billion acquisition of Jaiprakash Associates' six integrated cement plants and five grinding units, having a capacity of 21.2 million tonnes. Ultratech cement has now 18 integrated plants, one clinkerisation unit, 25 grinding units and 7 bulk terminals, augmenting its grey cement manufacturing capacity to 93 MTPA.

Sunpharma signs USD 55.5 million agreement with Samsung biologics

Sun Pharmaceutical Industries Limited (SPIL) has entered into a long term agreement with Samsung Biologics for manufacturing of Tildrakizumab that is used in treatment of psoriasis. This partnership will enable SPIL to utilize Samsung's manufacturing knowledge and world class quality systems to provide high quality products for the Tildrakizumab pipeline.

IOC sets up Singapore oil unit

Indian Oil Corporation (IOC) is setting up an office in Singapore that will handle crude oil purchases and the sales of oil products from its refineries. IOC has plans to spend USD 7.73 billion by 2022 to raise its refining capacity by about 30% to 2.08 million barrels per day (bpd). This includes an expansion at its Panipat refinery in northern India to about 400,000 to 500,000 bpd.

Adventz group signs pact of USD 2 billion with Lesico Group

Adventz Group has signed a USD 2 billion agreement with Israel's Lesico group to collaborate in Light Rail Transit (LRT) projects in Tel Aviv and Jerusalem. Agreement will involve laying of tracks, installation of signaling, electrification, power sub-stations, and command, control & communication equipment by Adventz group.