



MARKET MOVEMENT

Major Indices	April 22, 2017	May 5, 2017	% Change	Change
BSE Sensex	29,918.40	29,858.80	(0.19)	
NSE Nifty	9,304.05	9,285.30	(0.20)	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **National Steel Policy 2017 approved**
- **Food Processing: Cabinet approves New Central Sector Scheme – SAMPADA**
- **MoU between India and Malaysia on supply of fertilizers**
- **Real Estate (Regulation and Development) Act, 2016 RERA Act comes in force**
- **Goods and Services Tax Network (GSTN) starts pilot test on return filing**

National Steel Policy 2017 approved

The Government of India (‘GoI’) has approved the **National Steel Policy 2017**. The policy is aimed at building a globally competitive steel industry, increase per capita steel consumption. The new steel policy mandates to give preference to domestically manufactured iron and steel product. According to statistics, Indian steel sector has grown rapidly over the past few years and presently it is the third largest steel producer globally, contributing to about 2% of the country’s GDP. In 2015, India was the only economy in the world which registered positive growth in steel demand at 5.3 per cent as (-)5.4% for China and (-)7% for Japan.

Food Processing: Cabinet approves New Central Sector Scheme – SAMPADA

The GoI has approved re-structured various schemes of **Ministry of Food Processing Industries** under new Central Sector Scheme – Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters (SAMPADA) for the period 2016-20. The objective of SAMPADA is to supplement agriculture, modernize processing and decrease agri-waste. SAMPADA with an allocation of Rs. 60 billion is expected to leverage investment of Rs. 314 billion, handling of 33.4 million MT agro-produce valuing Rs. 1,041 billion, benefit 2 million farmers and generate 5,30,500 direct/ indirect employment in the country by the year 2019-20.

MoU between India and Malaysia on supply of fertilizers

The GoI has approved Memorandum of Understanding ('MoU') between India and Malaysia on development of a urea and ammonia manufacturing plant in Malaysia. The new plant will cost around USD 2.1 billion and will have a capacity to produce 2.4 million tonnes of urea and 1.35 million tonnes of ammonia per annum. India manufactures 24 million tonnes of urea and imports 7-8 million tonnes to meet the domestic demand. The MOU will ensure a consistent supply of urea and ammonia fertilizer to India.

Real Estate (Regulation and Development) Act, 2016 RERA Act comes in force

Real Estate (Regulation and Development) Act, 2016 ('RERA') came into effect from May 1, 2017. RERA aims to protect right of home buyer and encourage genuine private players and bring transparency in real estate construction projects. RERA provides for mandatory registration of projects, deposits 70% of the funds collected from buyers in a separate bank account for construction of the project, penalties on developers for delay of projects etc.

Goods and Services Tax Network (GSTN) starts pilot test on return filing

The Goods and Services Tax Network ('GSTN') has started live testing of over 4,000 taxpayers. The Goods and Services Tax (GST) is likely to be implemented from July 1, 2017 and over 8 million tax assesseees are expected to log on to GSTN to file their monthly returns. Every taxpayer would have three returns to be uploaded every month, including GSTR 1, GSTR 2 and GSTR 3 relating to sales, purchases and the final tax paid, apart from one annual return. The results of the pilot test would be shared with the GST Council for its consideration. The pilot test aims to address concerns and assess the preparedness of the back end IT infrastructure.

INDUSTRY WATCH

- **Renewable energy records capacity addition**
- **Indian Economy expected to register 7.1% growth in 2017**
- **Coal & Steel drive core sector growth increases 5% in March 2017**
- **AIIB approved USD 160 million loans for power project in India**
- **Telecom subscriber base reaches 1.18 billion in February 2017**

Renewable energy records capacity addition

Renewable energy sector marked record capacity addition of 11,320 MW in 2016-17, though it landed short of its target (16,660 MW). For the first time in the country, capacity additions in the renewable energy sector matched 11,551 MW added in thermal power segment in 2016-17. Wind power sector added 5,502 MW against the targeted capacity of 4,000 MW, solar industry brought in 5,526 MW of new capacity to the grid against the target of 12,000 MW.

Indian Economy expected to register 7.1% growth in 2017

The United Nations Economic and Social Commission for Asia and the Pacific (‘UN-ESCAP’) in its annual report title ‘The Economic and Social Survey of Asia and the Pacific 2017’ predicted that economic growth for India is projected to be stable at 7.1% in 2017 before edging up to 7.5% in 2018, aided by higher private and public consumption and increased infrastructure spending. The report also warned that the country faces heightened risks related to the concentration of bad loans in the public sector banks. **The region’s other economies are projected to grow at 5% in 2017.**

Coal & Steel drive core sector growth increases 5% in March 2017

Core sector in the country has grown 5% in March a significant rise from the 1% growth registered in February on account of a favorable base effect. There was robust growth in output of coal and steel sectors, cement, refinery products and fertilizers. It was hit a five-year high, registering a growth rate of 4.5% in comparison of previous year at 3.9%. Electricity generation in the country accelerated to 5.9% in March from 1.5% in February 2017.

AIIB approved USD 160 million loans for power project in India

Asian Infrastructure Investment Bank (‘AIIB’) has approved its first credit of USD 160 million loans for a power project in Andhra Pradesh. The project will support Andhra Pradesh by strengthening the transmission and distribution network, increasing network capacity, improving system reliability and supporting operational reforms to improve the commercial performance of the state’s distribution companies.

Telecom subscriber base reaches 1.18 billion in February 2017

Indian telecom subscriber base including mobile and landline have touched 1.18 billion mark in month of February 2017. The number of telephone subscribers in India increased to 1,188.5 million in February from 1,174.80 million in January 2017, with a monthly growth rate of 1.17%.

CORPORATE HIGHLIGHTS

- **AAHL gets USFDA approval for API facility**
- **NMDC Ltd has signed iron ore contract with Chhattisgarh Government**
- **Adani Group has signed a contract with Australian Company**
- **Patanjali Group became 3rd largest FMCG**
- **Royal Enfield maker on a roll, to spend USD 186 million**

AAHL gets USFDA approval for API facility

Alivira Animal Health Ltd (‘AAHL’) has received approval from the US health regulator for its multi-product animal health Active Pharmaceutical Ingredient (‘API’) facility in Visakhapatnam. This will enable AAHL to enter into USD 8 billion veterinary healthcare market in

the US. AAHL is a wholly-owned subsidiary of SeQuent Scientific Ltd and already working with most leading animal health companies across world.

NMDC Ltd has signed iron ore contract with Chhattisgarh Government

NMDC Ltd has signed contract worth USD 1,095 million with Chhattisgarh Government for setting up iron ore beneficiation plant at Dantewada, Chhattisgarh. This plant will have an annual production capacity of 4 million tonnes. NMDC Ltd wants to set up the unit to produce iron ore concentrate (in slurry form) suitable for making pellets and transport the same through 'slurry pipeline transportation system' from Bachel in Dantewada district to Nagarnar in Bastar district.

Adani Group has signed a contract with Australian Company

Adani Group has signed a 74 million dollar landmark deal with Australian steel group Arrium to buy steel for a 400-km rail line for its Carmichael coal mine project. Arrium's, One Steel Manufacturing Pty Ltd will supply 54,000 tonnes of steel to build the rail line linking from Adani's proposed coal mine in central Queensland to Abbot Point port.

Patanjali Group became 3rd largest FMCG

Patanjali group has become the third-largest Fast-Moving Consumer Goods ('FMCG'). The sale of Patanjali has touched USD 1642.32 million in FY 2016-17 as compare USD 777.54 million in previous year. Patanjali is now aiming at a two-fold increase in sales to USD 3110.15 million and doubling its retail network to 12,000 outlets by March 2018.

Royal Enfield maker on a roll, to spend USD 186 million

Eicher Motors, maker of Royal Enfield bikes, plans to invest Rs 1,250 crore this fiscal year. The company would invest USD 119 million in Royal Enfield and the balance in VE Commercial Vehicles, its commercial vehicle joint venture with the Volvo Group. The investment will be towards construction of a third plant, two technical centres in the UK and Chennai.