



MARKET MOVEMENT

Major Indices	May 13, 2017	May 19, 2017	% Change	Change
BSE Sensex	30,188.15	30,464.00	0.91	
NSE Nifty	9,400.90	9,427.90	0.28	

INDIAN ECONOMY AT A GLANCE

POLICY WATCH

- India, UK to sign MoU for urban transport sector
- New coal linkage policy approved
- Proposal to build 10 atomic reactors approved
- Government plans new pharma policy
- GST Council fixes rates for 1,211 items, services

India, UK to sign MoU for urban transport sector

India and United Kingdom ('UK') have agreed to sign a Memorandum of Understanding ('MoU') on bilateral cooperation in urban transport policy planning, technology transfer and institutional organization of transport. Under the MoU, Transport For London ('TFL') will share its expertise on the mobility and efficiency of transport system and methodologies to facilitate the planning and delivery of mobility solutions with the Indian Ministry of Road Transport and Highways.

New coal linkage policy approved

The Government of India ('GoI') has approved the policy for providing coal linkages to power plants. The objective of the new coal linkage policy is to ensure fuel supplies in an organized manner to the power plants. This will lower the price of dry fuel and will boost domestic production. It is also expected to immediately revive 30,000 MW of power plants in the country, which are awaiting fuel supplies. With this policy, the government aims to maintain power prices at a steady rate as has been the case in the last three years.

Proposal to build 10 atomic reactors approved

The GoI has approved a proposal to build 10 indigenous pressurized heavy water reactors to give a fresh impetus to India's domestic nuclear power production. Each reactor will produce 700 MW of electricity making the total capacity to 7,000 MW. The proposal is expected to generate USD

10.77 billion worth of business for domestic manufacturers and create 33,400 jobs in India. New reactors will be constructed at Mahi Banswara (Rajasthan), Chutka (Madhya Pradesh), Kaiga (Karnataka) and Gorakhpur (Haryana).

Government plans new pharma policy

The GoI is planning a new pharmaceutical pricing policy with an aim to reduce medicine and pharmaceutical product prices in the country. This is expected to make drugs more affordable for the poor in line with the Prime Minister's directive. The new policy, which is likely to bring more products under its purview, will replace the existing National Pharmaceutical Pricing Policy 2012 which forms the core of the Drug Price Control Order 2013. GoI is also planning to revise the Drug Price Control Order 2013.

GST Council fixes rates for 1,211 items, services

The Goods and Services Tax Council ('GST') has decided the rates for 1,211 items with a majority of items kept under 18%. GST will have four tax brackets for all services which include 5%, 12%, 18% and 28%. This will replace a host of indirect taxes levied by the centre and states and is expected to reduce tax leakages. Healthcare and education services have been exempted from the service list. There will be no new addition of services in the exempted list under GST. Services which are currently exempted would continue to be exempted under GST. Most of the service tax exemptions grandfathered and will also continue in GST.

INDUSTRY WATCH

- **Gems & Jewellery export expected at USD 42 billion in 2017-18**
- **Domestic air passengers grew 15.15% in April 2017**
- **Auto sector may contribute 12% to India's GDP in next decade**
- **Volvo to start assembly operations in India**
- **EPFO to invest USD 2.77 billion in stocks**

Gems & Jewellery export expected at USD 42 billion in 2017-18

Gems, jewellery export is expected to touch USD 41 to 42 billion in 2017-18 up from USD 36 billion in 2016-17 according to Gems and Jewellery Export Promotion Council (GJEPC). This is in the wake of higher demand from the US, Middle East nations and South-East Asia.

Domestic air passengers up by 15.15% in April 2017

About 9.1 million domestic air passengers travelled in April 2017 up 15.15% as against 14.91% in March 2017 according to the Directorate General of Civil Aviation. The growth in domestic passengers during the first four months of 2017 over 2016 is in the range of 17.7%.

Auto sector may contribute 12% to India's GDP in next decade

Indian automotive sector is likely to contribute 12 % to the country's GDP over the next decade and generate around 65 million additional jobs. India's two-wheeler industry recently became the largest market in the world and plays a very important role in the country's manufacturing sector. Presently, Indian automobile industry is contributing 7.1% to the GDP and around 32 million people are employed directly and indirectly by the sector.

Volvo to start assembly operations in India

Volvo Cars has announced its plans to start vehicle assembly operations near Bengaluru, India in 2017. Positioning itself for further growth in the premium car segment, the company will make use of Volvo Group India's existing infrastructure and production licenses. Volvo Group India manufactures truck, bus, construction equipment and Penta engines in India.

EPFO to invest USD 2.77 billion in stocks

The labour ministry has announced that Employees' Provident Fund Organization ('EPFO') will invest USD 2.77 billion in stocks in the current financial year. EPFO had invested 10% of its corpus in 2016-17 raising it to 15% in 2017-18.

CORPORATE HIGHLIGHTS

- **APL gets USFDA approval for cholesterol drug usage**
- **BHEL bags steam and power generation package order from RFCL**
- **Awards for CSR activities launched**
- **Elan Group to invest USD 84.62 million on realty project with PVR**
- **Blackstone, General Atlantic eye 74% stake in largest share registry company**

APL gets USFDA approval for cholesterol drug usage

Alembic Pharmaceuticals Ltd ('APL') has received approval from the US health regulator ('US FDA') for Fenofibric Acid Delayed-Release capsules used for lowering high cholesterol and increasing good cholesterol. This will enable APL to use its Abbreviated New Drug Application ('ANDA') for its Fenofibric Acid Delayed-Release Capsules. These capsules will help reduce triglyceride ('TG') in patients with hypertriglyceridemia and reduce elevated LDL-C, total cholesterol, and increase high-density lipoprotein ('HDL') cholesterol levels.

BHEL bags USD 35.85 million order from RFCL

Bharat Heavy Electricals Limited ('BHEL') has won a USD 35.85 million order for a steam and power generation package from Ramagundam Fertilizers and Chemicals Ltd ('RFCL'). BHEL will set up the package at RFCL's fertilizer plant in Ramagundam, Telangana. The RFCL order includes design, manufacture and commissioning of a 32.5 MW Gas Turbine, 125

TPH Heat Recovery Steam Generator, 85 TPH Utility Boiler and Balance of Plant ('BoP') Package along with associated auxiliaries on Lumpsum Turnkey ('LSTK') basis.

Awards for CSR activities launched

The Government of India has introduced awards for Corporate Social Responsibility ('CSR') activities as part of efforts to incentivize companies to take up work towards social welfare. This is the first National CSR Award to recognize companies that have made a positive impact on the society through their innovation and sustainable CSR initiatives. Ministry of Corporate Affairs has asked companies to send their nominations by June 18, 2017.

Elan Group to invest USD 84.62 million on realty project with PVR

Elan group has tied up with PVR to develop a mixed-use project in Gurugram for superplex with up to 18 screens with an investment of USD 84.62 million. Elan group had bought 7 acres of land for about USD 18.46 million to develop a mixed-use project comprising 1.5 million sq ft of built up area to develop over 500 flats and service apartments in this project.

Blackstone, General Atlantic eye 74% stake in largest share registry company

Blackstone, General Atlantic are in talks to acquire 74% stake in Karvy Computershare, India's largest share registry company for roughly USD 323 million. Australian share registry company Computershare, which owns 50% in Karvy Computershare, will sell its entire stake while Indian partner and owner of financial services firm Karvy Group will sell 24%.