



MARKET MOVEMENT

Major Indices	June 10, 2017	June 16, 2017	% Change	Change
BSE Sensex	31,262.06	31,056.40	(0.65)	
NSE Nifty	9,668.25	9,588.05	(0.82)	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **GST COUNCIL REDUCES RATES ON 66 PRODUCTS**
- **CABINET CLEARS BILL TO DEAL WITH BANKRUPTCY**
- **GOVERNMENT APPROVES HIGHWAYS AND WATERWAYS PROJECTS**
- **INDIA SIGNS PACT WITH SOUTH KOREA FOR EXPORT CREDIT**
- **CABINET APPROVES INTEREST SUBVENTION SCHEME FOR FARMERS**

GST COUNCIL REDUCES RATES ON 66 PRODUCTS

GST Council has reduced the rates for 66 items and expanded the scope of the composition scheme for small traders, manufacturers and restaurants with an annual turnover of USD 115,384 (against USD 76,923 decided earlier). It is a presumptive taxation scheme which allows small traders, manufacturers and restaurants to pay 1, 2 and 5% GST rate respectively on sales without tax credits along with reducing procedural requirements.

CABINET CLEARS BILL TO DEAL WITH BANKRUPTCY

Cabinet has approved the Financial Resolution and Deposit Insurance Bill, 2017 with the aim of introducing discipline in financial service providers in the event of a financial crisis by limiting the use of public money to bail out distressed entities. This will also provide a comprehensive resolution framework to handle bankruptcy situations in bank along with repealing the Deposit Insurance and Credit Guarantee Corporation Act, 1961, to transfer the deposit insurance powers and responsibilities to the Resolution Corporation.

GOVERNMENT APPROVES HIGHWAYS AND WATERWAYS PROJECTS

Government has approved national highways and waterways projects worth USD 20 billion for the state of Uttar Pradesh ('UP'). Seventy-two state highways would be upgraded to national highways. National Highways Authority of India (NHAI) has planned fifteen Greenfield highway projects and building an expressway connecting Lucknow with Bundelkhand. Ring roads will be constructed in all major big cities of UP such as Kanpur, Gorakhpur, Bareilly, Moradabad and Meerut.

INDIA SIGNS PACT WITH SOUTH KOREA FOR EXPORT CREDIT

India has signed an initial pact with South Korea for export credit facility of USD 9 billion for **infrastructural development in India**. Export credit will be utilized through lending by EXIM Bank to promote the projects for priority sectors, including smart cities, railways, power generation and transmission etc in India as well as to supply the goods and services from India and Korea as part of projects in third countries.

CABINET APPROVES INTEREST SUBVENTION SCHEME FOR FARMERS

Cabinet has approved the Interest Subvention Scheme (ISS) for farmers for the year 2017-18. This will help farmers getting short term crop loan up to USD 4,615 payable within one year at only 4% per annum. The Government has allocated a sum of USD 3.12 billion for this purpose. The scheme will continue for one year and it will be implemented by National Bank For Agriculture And Rural Development (NABARD) and Reserve Bank of India (RBI).

INDUSTRY WATCH

- **TELANGANA GROWS 10 % IN GSDP**
- **PHARMACEUTICALS SECTOR GROWS 7% IN MAY**
- **PALM OIL IMPORT RISES 21.58% IN MAY**
- **IT-ITES OFFICE ABSORPTION INCREASES BY 10% IN 2016**
- **PE & VC INVESTMENTS RECORD 10 YEAR HIGHEST AT USD 3.1 BILLION**

TELANGANA GROWS 10 % IN GSDP

Telangana has achieved a 10% year on year ('y-o-y') growth in **Gross State Domestic Product ('GSDP')**, as compared to a national average of 7.1% y-o-y growth in 2016-17. The share of Telangana's contribution to the national GDP was at 4.28% in 2016-17 against 4.21% during 2015-16. Telangana State Industrial Policy (TS-iPass) has attracted investments of USD 11.23 billion and created around 1 million direct and indirect jobs.

PHARMACEUTICALS SECTOR GROWS 7% IN MAY

Organized pharmaceuticals retail market has grown by 7% to USD 1.46 billion in May. This year, the market has maintained the trend of steady growth- starting in January with 10%, 7% in February, 10% in March, and 8.3% in April. Chronic therapies including anti-diabetic drugs registered a growth of 15.3%, cardiac drugs grew at 8.3%, and neuro drugs 3.6% during the month. Among the top 10 companies, Zydus registered the highest growth at 15.7%, followed by Lupin 13.2% and Macleods at 13.1%.

PALM OIL IMPORT RISES 21.58% IN MAY

Palm oil import has increased by 21.58% to 799,346 tonnes in May 2017 compared to 657,454 tonnes in May 2016. Among palm oil products, import of Refined, Bleached and Deodorized (RBD)

palmolein increased by 12.73% to 294,000 tonnes from 261,000 tonnes in the same period year ago. India imports palm oil, mainly from Indonesia and Malaysia, and a small quantity of crude soft oil, including soyabean oil from Latin America.

IT-ITES OFFICE ABSORPTION INCREASES BY 10% IN 2016

Office space absorption by the Information Technology ('IT') and IT-enabled services ('ITeS') companies have risen by 10% to 16.81 million square feet in 2016, over the previous years. Bengaluru and Hyderabad together recorded more than 50% of IT space take-up. Office space demand from these companies have increased from 1.4 million square feet in 2001 to 15.2 million square feet in 2015.

PE & VC INVESTMENTS RECORD 10 YEAR HIGHEST AT USD 3.1 BILLION

Private Equity ('PE') & Venture Capital ('VC') investments have recorded the highest monthly investments in the past 10 years at USD 3.1 billion in May 2017. Financial services emerged as the most active sector with 11 deals worth USD 1.6 billion, followed by 4 deals in real estate worth USD 709 million and 6 deals in ecommerce sector worth USD 211 million.

CORPORATE HIGHLIGHTS

- **WIPRO ACQUIRES 26% STAKE IN DRIVESTREAM**
- **GCL ANNOUNCES TECHNOLOGY TIE-UP WITH PINNACLE ENGINES**
- **SUN PHARMA GETS USFDA APPROVAL FOR ANTI-CHOLESTEROL DRUG**
- **TNL RAISES USD 54.37 MILLION FROM ANCHOR BOOK ALLOCATION**
- **SHOPMATIC GETS USD 5.7 MILLION FROM ACP PTE LTD**

WIPRO ACQUIRES 26% STAKE IN DRIVESTREAM

Wipro Ltd has invested USD 0.8 million for 26% stake in US based IT consulting firm Drivestream. The Company has acquired 19,679 preferred stocks and 27,865 common stocks. Drivestream is provider of oracle based cloud services across sectors ranging from insurance, healthcare to telecom and has a workforce of around 73 employees. Its revenue stood at USD 20.5 million in 2016.

GCL ANNOUNCES TECHNOLOGY TIE-UP WITH PINNACLE ENGINES

Greaves Cotton Ltd. ('GCL') has announced a technology tie-up with Pinnacle Engines, a US based company, for the launch of a BS VI- compliant engine for 3-wheelers in India. Pinnacle will grant license to Greaves Cotton for manufacturing and selling 3-wheel Pinnacle Engines and 2 Wheel (110 CC) Pinnacle Engines. Greaves Cotton will make a USD 7.5 million milestone-linked payment and 5% royalty to Pinnacle Engines.

SUN PHARMA GETS USFDA APPROVAL FOR ANTI-CHOLESTEROL DRUG

Sun Pharmaceutical Industries has received approval from US Food and Drug Administration ('USFDA') for its generic version of ezetimibe tablets used to reduce high cholesterol levels. The approval is given for the tablets of 10 mg strength. Ezetimibe tablets had annual sales of approximately USD 2.7 billion in US for the 12 months ended April 2017.

TNL RAISES USD 54.37 MILLION FROM ANCHOR BOOK ALLOCATION

Tejas Networks Ltd ('TNL') has raised USD 54.37 million by selling shares to investors as part of the anchor book allocation. 13.59 million shares were allotted to 17 anchor investors at USD 3.9 each. The company plans to raise USD 69.2 million through a fresh issue of shares, constituting 19.55% of its post-issue paid-up equity capital.

SHOPMATIC RAISES USD 5.7 MILLION FROM ACP PTE LTD

Shopmatic Pte Ltd has raised USD 5.7 million in a fresh funding round led by technology-focused venture capital firm ACP Pte Ltd, with participation from Singapore-based fund Spring Seeds Capital Pte Ltd. The funds will be utilized in expanding their operations in markets like Indonesia, Philippines and Middle East. The Company has amassed a user base of about 75,000 merchants, while adding about 700-800 merchants every day.