



**MARKET MOVEMENT**

Major Indices	May 27, 2017	June 02, 2017	% Change	Change
BSE Sensex	31,028.21	31,273.29	0.78	
NSE Nifty	9,595.10	9,653.50	0.60	

**INDIAN ECONOMY AT A GLANCE****POLICY WATCH**

- **GOI OKAYS PARTNERSHIP MODEL FOR DEFENCE SECTOR**
- **FIVE PER CENT GST LEVIED ON SOLAR POWER EQUIPMENT**
- **CBDT EXTENDS SFT FILING DEADLINE TO JUNE 30, 2017**
- **INDIA, RUSSIA TO JOINTLY MAKE AIRCRAFTS, AUTOMOBILES**
- **GOING ABROAD MADE EASY WITH E-SANAD**

**GoI OKAYS PARTNERSHIP MODEL FOR DEFENCE SECTOR**

The Government of India ('GoI') has approved strategic partnership model for Defence manufacturing in India. Private companies can now make submarines, fighter aircraft, helicopters and armored carriers/main battle tanks through joint ventures with their foreign counterparts. The new policy will not only boost the government's 'Make in India' programme but also augment the private sector's presence in the defence equipment market.

**FIVE PER CENT GST LEVIED ON SOLAR POWER EQUIPMENT**

All solar power equipment will now attract a 5% goods and services tax ('GST') as opposed to the current nil duty, according to an official statement issued by the Revenue Secretary, GoI. The new rate will be applicable from July 1, 2017 making solar energy generation more expensive. India, the world's third biggest greenhouse gas emitter, plans to generate 100 gigawatts of solar power in the next five years to fuel its economic expansion while reducing its carbon footprint.

**CBDT EXTENDS SFT FILING DEADLINE TO JUNE 30, 2017**

The Central Board of Direct Taxes ('CBDT') has extended the Statement of Financial Transaction ('SFT') filing deadline to June 30, 2017. SFT filing is mandatory for all banks, MFs and financial institutions over a certain value under the 114E of Income Tax Rules. The extension is expected to facilitate ease of compliance for filing SFT report.

## **GOING ABROAD MADE EASY WITH E-SANAD**

Government of India ('GoI') has launched e-Sanad, a service which is expected to digitize attestation of documents for people going abroad. An initiative of Ministry of External Affairs, e-Sanad will initially be hosting mark sheets and migration certificates with the help of Central Board of Secondary Education ('CBSE'). Central universities' documents will also be added subsequently. This would be helpful for employers to verify the details of potential employees.

## **INDIA, RUSSIA TO JOINTLY MAKE AIRCRAFTS, AUTOMOBILES**

India and Russia have agreed to make aircrafts and automobiles through joint ventures in the wake of agreements made in the St Petersburg Declaration outlining steps to further deepen bilateral ties between the two countries. Out of the 19 projects, the countries have signed agreements on intellectual property, building two units at the Kudankulam nuclear power plant, a programme of bilateral cultural exchanges for 2017-2019, a feasibility study for a high-speed link between Nagpur and Secunderabad, and a memorandum on cooperation between joint stock company ALROSA and India's Gem and Jewellery Export Promotion Council among others.

### **INDUSTRY WATCH**

- **INDIA'S ECONOMIC GROWTH PEGGED AT 7.2 % FOR FY 17-18**
- **ENGINEERING EXPORTS TO ISRAEL UP 640%**
- **INDIA SET TO BECOME GLOBAL STEEL PLAYER**
- **INDIA EXPECTED TO BE 3<sup>RD</sup> LARGEST SOLAR MARKET IN 2017**
- **FRENCH POWER MAJOR TO INVEST USD 1 BILLION IN INDIA**

## **INDIA'S ECONOMIC GROWTH PEGGED AT 7.2% FOR FY 17-18**

The World Bank ('WB') has predicted India's economic growth at 7.2 % for FY 2017-18. In its recently released India Development Update, WB has attributed the growth to demonetization and upcoming roll out of goods and services tax ('GST') as key elements for the formalization of the Indian economy. In its biannual report titled 'Unlocking Women's Potential' WB said that GST would lead to higher tax collection, greater digital financial inclusion and make India's fundamentals stronger and yet not increase the burden on the poor.

## **ENGINEERING EXPORTS TO ISRAEL UP 640%**

Engineering exports to Israel have grown 640% touching USD 146.42 million in April 2017 as opposed to USD 20 million last year according to Engineering Export Promotion Council ('EEPC'). This augurs very well for Prime Minister Narendra Modi's impending visit to the country later this year. EEPC India has ranked Israel 12th amongst India's engineering export destinations and it has figured prominently among the top 25 destinations for Indian exports.

## **INDIA SET TO BECOME GLOBAL STEEL PLAYER**

India is all set to become a global player in steel production and export according to Indian Steel Association ('ISA'). Backed by measures initiated by the Government of India ('GoI')

steel imports fell 36.6% to 7.427 Million Tonnes (‘MT’) and exports were up 102.1% to 8.244 MT in the financial year 2016-17. Going by the current trend with the introduction of new technology, equipment, automation and process control, the steel industry should strive to reach 15 MT to be globally recognized, according to an ISA representative. Apart from increasing production, India should also explore new markets with high imports but low production capacity, he added.

### **FRENCH POWER MAJOR TO INVEST USD 1 BILLION IN INDIA**

French power behemoth Engie, intends to invest at least USD 1 billion in the solar segment in India over the next 5 years. With plans to win 400 MW a year, the company aims to invest half a billion annually in solar projects in India.

### **INDIA SET TO BECOME 3RD LARGEST SOLAR MARKET IN 2017**

India set to become 3<sup>rd</sup> largest solar market in 2017 with a capacity addition of 8.8 gigawatt (GW) according to the India Solar Handbook 2017 by Bridge to India (BT). With a growth of 76% over 2016 projected for the year ahead, solar capacity is expected to touch 18.7GW by the end of 2017, which is about 5% of global solar capacity. As on March 2017, India had installed 12.2GW of utility scale solar.

## **CORPORATE HIGHLIGHTS**

- **ROHTO PHARMA INVESTS USD 5 MILLION IN SASTA SUNDAR**
- **SWIGGY RAISES USD 80 MILLION FROM NASPERS**
- **HONDA CARS TIES UP WITH IBM WATSON**
- **HFEPL TO SET UP SOLAR CHARGING STATIONS FOR ELECTRIC VEHICLES**
- **ISUZU AIMS TO CREATE NEW PICK-UP SEGMENT IN INDIA**

### **ROHTO PHARMA INVESTS USD 5 MILLION IN SASTA SUNDAR**

Rohto Pharmaceutical, a Japanese pharma company, has invested USD 5 million in Sasta Sundar Healthbuddy for digital healthcare network. The aim is to bring unique products which are internationally recognized in India through Sasta Sundar, an ideal platform for reaching out to the masses and educating them about healthcare. Rohto Pharmaceutical aims to have 250 Healthbuddy stores in West Bengal and 50 stores in Delhi by March 2018.

### **SWIGGY RAISES USD 80 MILLION FROM NASPERS**

Online food delivery start-up Swiggy (Bundl Technologies Pvt. Ltd) has raised USD 80 million from South African media company Naspers Ltd. This will help the company gain financial advantage in its business operations. Swiggy currently operates in 8 cities—Bengaluru, Delhi, Mumbai, Chennai, Pune, Gurugram, Hyderabad and Kolkata.

### **HONDA CARS TIES UP WITH IBM WATSON**

**Honda Cars India has tied up with IBM Watson IoT for IBM Cloud to enhance its connected car platform 'Honda Connect'. This partnership is initially for Honda's India operations,** with a possibility of being rolled out to other markets. This will enhance its existing Honda Connect platform by using Watson IoT and offer newer features around convenience, service booking, history, and safety and security like trip analysis and locate car.

### **HFEPL TO SET UP SOLAR CHARGING STATIONS FOR ELECTRIC VEHICLES**

**Hero Future Energies Private Limited ('HFEPL') is planning to enter the battery storage business and set up charging stations to tap** India's emerging electric vehicles (EV) market. The plan involves charging of batteries and then providing vehicles to its customers with drained batteries after they complete a trip.

### **ISUZU AIMS TO CREATE NEW PICK-UP SEGMENT IN INDIA**

**Isuzu Motors India, is aiming to create a new pick-up segment with its products manufactured in the country. The pick-up vehicle is the most** important product of ISUZU outside Japan. The company at its Sri City plant in Andhra Pradesh will manufacture three pick-ups, namely V-Cross (for personal), S-Cab and Regular Cab (for the commercial segment) besides the SUV. ISUZU also plans to export to the SAARC countries as well as Middle East and Africa.