



MARKET MOVEMENT

Major Indices	July 27, 2018	August 03, 2018	% Change	Change
BSE Sensex	37,336.85	37,556.16	0.58	
NSE Nifty	11,278.35	11,360.80	0.73	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **J&K Government approves first trade policy**
- **Cabinet approves raising USD 2.18 billion for Swachh Bharat Mission**
- **USD 426 million approved for safety-related projects in 8 cities**
- **CBDT signs 9 more unilateral APAs with taxpayers in July**
- **Government permits exploitation of conventional, unconventional hydrocarbon**

J&K Government approves first trade policy

Government has approved the first-ever trade and export policy to transform the state's economy into a competitive export-led entity. Policy targets include enhancing the domestic trade volume by five times in next 10 years, transforming the system from regulator to facilitator and from performer to enabler, and providing employment opportunities to educated and skilled youth in export trading of goods and services.

Cabinet approves raising USD 2.18 billion for Swachh Bharat Mission

Cabinet has approved raising funds up to USD 2.18 billion as Extra Budgetary Resources (EBR) for Swachh Bharat Mission during the financial year 2018-19. It would benefit around 15 million rural households eligible for incentives under the Swachh Bharat Mission (Rural) and also gram panchayats for Solid and Liquid Waste Management (SLWM). Expansion of the scope of work of International Centre for Drinking Water Quality to authorise it for receiving EBR funds for SBM(G), disbursement of the same to the states/UTs implementing agencies, and its repayment also got approved.

USD 426 million approved for safety-related projects in 8 cities

Government has approved USD 426 million for various projects to strengthen safety measures in eight cities- Delhi, Mumbai, Chennai, Ahmedabad, Kolkata, Bengaluru, Hyderabad and Lucknow. In Delhi, USD 96.9 million will be spent on a project leveraging latest technology such as video monitoring,

facial recognition analytics, person tracking, automatic number plate recognition, dedicated women safety patrol vans equipped with dashboards for viewing live feeds, GPS tracking, on-board video feed sharing, etc. for women's safety.

CBDT signs 9 more unilateral APAs with taxpayers in July

Central Board of Direct Taxes (CBDT) has signed nine more unilateral advance pricing agreements (APAs) with Indian taxpayers in July to reduce litigation by providing certainty in transfer pricing. APAs signed pertain to sectors like telecom, healthcare, manufacturing, engineering, media and irrigation. Complex issues like capacity utilisation adjustment; treatment of Advertising, Marketing and Promotion (AMP) expenses etc. have been resolved through these agreements.

Government permits exploitation of conventional, unconventional hydrocarbon

Cabinet has approved a policy allowing companies to exploit all kinds of hydrocarbon resources in a field, lifting contractual restrictions that had for years let them produce just the conventional oil and gas or coal bed methane (CBM) even when the potential for other forms of hydrocarbons existed in the same field. Private players can also get to exploit shale reserve, which was open only to state firms so far. Contractors will also have to pay an additional 10% of profit petroleum to the government on new discoveries.

INDUSTRY WATCH

- **Coal India output rises 14% to 177 mt in 4 months**
- **FDI in food processing sector rises 24% at USD 905 million in FY'18**
- **Cruise passengers visit grows to 162,660 in 2017-18**
- **Core sector registers growth of 6.7% in June**
- **US eases export controls for high-tech product sales to India**

Coal India output rises 14% to 177 mt in 4 months

CIL has registered a growth of 14% to 177.43 million tonnes (mt) of coal in the first four months of current fiscal compared to 155.53 mt in the year-ago period. Supplies to thermal power plants (TPPs) during the April-July period has risen 15.1% to 161.71 mt compared to 140.50 mt in April-July 2017. Growth in supplies to TPPS was majorly due to 12.5% higher rake loading to power sector during the period.

FDI in food processing sector rises 24% at USD 905 million in FY'18

Foreign Direct Investment (FDI) in the food processing sector rose 24% to USD 904.9 million in 2017-18 compared to USD 727.22 million during 2016-17. Sector attracted FDI worth USD 505.88 million and USD 515.86 million in 2015-16 and 2014-15 respectively.

Cruise passengers visit grows to 162,660 in 2017-18

1,62,660 cruise passengers visited India during 2017-18 through 139 ships, at six ports — Mumbai, Chennai, Cochin, Kolkata, New Mangalore and Mormugao. For the development of Cruise Terminals related infrastructure in Goa, Maharashtra, Kerala and Tamil Nadu, Government has sanctioned projects worth USD 15.5 million under the scheme for 'Assistance to Central Agencies for Tourism Infrastructure Development'.

Core sector registers growth of 6.7% in June

Eight infrastructure sectors of coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity have grown to 6.7% in June 2018 compared to 1% in June 2017 and 4.3% in May 2018. Cement, refinery products and coal output rose 13.2%, 12% and 11.5%, respectively, year-on-year (y-o-y). expansion in the electricity generation was 4% in June compared with 2.2% in the same month of the last fiscal.

US eases export controls for high-tech product sales to India

US has eased export controls for high-technology product sales to it by designating it as a Strategic Trade Authorization-1 (STA-1) country. Designation authorises the export, re-export and transfer (in-country) of specified items on the Commerce Control List (CCL) to destinations posing a low risk of unauthorised or impermissible uses. India is the only South Asian country to be on the list. Other Asian countries designated as STA-1 are Japan and South Korea. Till recently, India was designated as STA-2 countries along with seven others.

CORPORATE HIGHLIGHTS

- Mitsui ties up with Kao Corporation to enter diapers market in India
- USTDA signs MoU with IEDCL for 41 MW power project in Andhra Pradesh
- CERATIZIT India announces setting up of coating plant at West Bengal
- BEML signs MoU with HEC to meet the growing requirements of mining industry
- Wockhardt sets up its first manufacturing facility in Middle East

Mitsui ties up with Kao Corporation to enter diapers market in India

Mitsui & Co has tied up with Japanese consumer firm **Kao Corporation** to enter baby diaper market in India. Company's brand, Merries will compete with the likes of Procter & Gamble's Pampers which controls nearly half the market as well as another Japanese firm Unicharm that makes Mamy Poko. Merries generates more than USD 90 million in annual sales and is the leading premium brand in Japan in term of sales value share for tape and pants diapers.

USTDA signs MoU with IEDCL for 41 MW power project in Andhra Pradesh

US Trade and Development Agency (USTDA) has signed **Memorandum of Understanding (MoU)** with **IL&FS Energy Development** Company Limited (IEDCL) for the development of a 41-MW hybrid wind, solar, and energy storage power plant in Andhra Pradesh. Project is a follow-on to previous USTDA support that assessed the technical, financial and commercial viability of wind, solar, and energy storage hybrid power projects in Gujarat and Andhra Pradesh.

CERATIZIT India announces setting up of coating plant at West Bengal

CERATIZIT India, one of the leading players in the Indian cutting tool market has announced its expansion with setting up of a coating plant unit for inserts at Uluberia industrial area near Kolkata, to cater to the demand for Indian and other Asian markets. With the new coating device, the capacity for producing coated inserts will increase by nearly 40%. New coating device is an advanced Chemical Vapour Deposition (CVD) coating plant. Unit is environment friendly and is having zero discharge system.

BEML signs MoU with HEC to meet the growing requirements of mining industry

BEML Limited has signed an MoU with **Heavy Engineering Corporation Limited (HEC)** to meet the growing requirements of the mining industry. The companies will manufacture and supply products such as 'Rope Shovels & Walking Draglines' to cater to the needs of the mining industry. They would jointly work for manufacturing, marketing, supply, & commissioning and after-sales-service support for the jointly identified products.

Wockhardt sets up its first manufacturing facility in Middle East

Wockhardt has set up its first facility in the Middle East in Dubai for manufacture of **New Chemical Entities (NCEs)** to cater to global markets. Facility is spread over 10,000 sq meters, self-sufficient for handling warehousing, manufacturing operations, product testing and product stability.