



MARKET MOVEMENT

Major Indices	June 14, 2019	June 21, 2019	% Change	Change
BSE Sensex	39,452.07	39,194.49	(0.65)	
NSE Nifty	11,823.30	11,724.10	(0.83)	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- Government announces USD 200 million line of credit for Kyrgyzstan
- Asian Development Bank approves USD 237 million infrastructure projects
- Government approves SEZ amendment bill
- India approves Multilateral Instrument to curb tax treaty abuse
- CBDT issues new guidelines for compounding

Government announces USD 200 million line of credit for Kyrgyzstan

Government has announced a USD 200 million line of credit for Kyrgyzstan. Two sides upgraded their ties to the strategic partnership level and signed 15 agreements, including one to eliminate double taxation. Also, Bilateral Investment Treaty (BIT), agreements in the field of Health, security, defence and Information and Communication Technology were signed.

Asian Development Bank approves USD 237 million infrastructure projects

Asian Development Bank (ADB) has approved a project worth USD 237 million to develop infrastructure in seven district headquarter towns - Khowai, Ambassa, Dharmnagar, Kailashahar, Udaipur, Bishramganj and Belonia. Till now, there had been no provision of any funding for development of district headquarter towns in Tripura other than Agartala.

Government approves SEZ amendment bill

Government has approved the introduction of bill **Special Economic Zones (Amendment) Bill, 2019 to replace Special Economic Zones (Amendment) Ordinance, 2019**. With this amendment, a trust or any entity notified by the central government will be eligible to be considered for grant of permission to set up a unit in these zones, which will get certain tax exemptions and other incentives.

It will also provide flexibility to the central government to include 'trusts' in the definition of a 'person' to facilitate investments in these zones.

India approves Multilateral Instrument to curb tax treaty abuse

Cabinet has approved the ratification of the Multilateral Instrument (MLI) that will enable India to modify its tax treaties to curb revenue loss through treaty abuse or BEPS strategies where companies keep their profits in low-tax jurisdictions. It will ensure profits are taxed where substantive economic activities are carried out and where value is created. It will prevent tax treaty abuse under the name of the Base Erosion and Profit Shifting (BEPS) action plan.

CBDT issues new guidelines for compounding

Central Board of Direct Taxes (CBDT) has amended framework for compounding of offences and preventing money laundering, non-disclosure of foreign assets or possession of a benami asset. First category of offences open to compounding include defaults under tax deducted or collected at source, failure to file return. Second category of offences, for which compounding will not be allowed, deal with willful evasion of tax, removal or concealment or transfer or delivery of property to thwart tax recovery in a search operation. Third category of offences that "shall normally not be compounded" includes offences which a person was convicted by a court of law under direct tax laws, enabling others to evade taxes.

INDUSTRY WATCH

- **Beauty industry internet sales grows to USD 400 million**
- **Life insurance new business premium rises over 41% in May**
- **USD 6.3 billion worth of goods exported in 2018 under export incentive of US**
- **Services exports increases 2.8% to USD 18 billion in April**
- **Exports rise 3.93% in May**

Beauty industry internet sales grows to USD 400 million

Beauty and personal care products category has grown to USD 400 million on internet from USD 100 million in 2014. Internet connectivity has also caused a shift in consumer's traditional power structures along with premiumisation that has especially driven the demand for beauty and personal care products.

Life insurance new business premium rises over 41% in May

Life insurance industry's new business premium grew 41% to USD 4.08 billion in May 2019 compared to USD 2.89 billion in the same period last year. Total individual new business grew 15.92% to USD 1.55 billion as against USD 1.34 billion last year. Total group insurance new business rose to 63% to USD 2.52 billion as against USD 1.54 billion in the same period of last year.

USD 6.3 billion worth of goods exported in 2018 under export incentive of US

India has exported goods worth USD 6.3 billion to the US in 2018 under their export incentive programme. Total duty concessions accruing on account of the GSP were USD 240 million in 2018 which was about 3.8% of the value of India's exports to the US availing GSP benefits in 2018. India is a beneficiary of the GSP provided by Armenia, Australia, the European Union, Japan, Kazakhstan, New Zealand, Norway, Russia, Switzerland and Turkey.

Services exports increases 2.8% to USD 18 billion in April

Service sector exports rose by 2.8% to USD 18.06 billion in the first month of the current fiscal compared to USD 17.56 billion in April 2018. Services payments or imports in April 2019 rose by 4.6% to USD 11.4 billion from USD 10.92 billion in the same month of 2018-19.

Exports rise 3.93% in May

Merchandise exports rose 3.93% to about USD 30 billion in May, led by healthy growth in sectors such as chemicals, pharmaceuticals and engineering. Imports in May rose 4.31% to USD 45.35 billion. Gold imports increased 37.43% to USD 4.78 billion in the past month. Oil imports were up 8.23% to USD 12.44 billion, while non-oil imports rose 2.9% to USD 32.91 billion.

CORPORATE HIGHLIGHTS

- **Hexaware acquires US-based Mobiquity in USD 182 million**
- **BHEL receives 200 MW solar energy orders worth USD 115 million**
- **Alteria Cap invests USD 11.5 million in digital lender Lendingkart**
- **Postman raises USD 50 million from CRV**
- **L&T gets water supply project contract in Sri Lanka**

Hexaware acquires US-based Mobiquity in USD 182 million

Hexaware Technologies Ltd has acquired US-based digital services company Mobiquity for USD 182 million in an all cash deal. Mobiquity creates digital products for well-known brands in the world, such as Amazon Web Services, Rabobank, Philips, Wawa, Backbase and Otsuka. Mobiquity strengthens them in key strategic offerings of Cloudify Everything and Customer Experience Transformation.

BHEL receives 200 MW solar energy orders worth USD 115 million

BHEL has won two orders worth USD 115 million from NTPC Ltd and Gujarat State Electricity Corporation Ltd (GSECL). NTPC order envisages setting up India's largest floating SPV plant of 100 MW capacity at NTPC Ramagundam in Telangana, while the GSECL order involves setting up a 100 MW ground-mounted SPV plant at Raghanesda Ultra Mega Solar Park in Banaskantha district of Gujarat.

Alteria Cap invests USD 11.5 million in digital lender Lendingkart

Alteria Capital has made its single largest investment of USD 11.5 million in digital lender Lendingkart. Lendingkart offers collateral-free working capital and other business loans to small businesses. It also has another non-banking finance unit named Lendingkart Finance, which raises money from financial institutions and banks, and lends it out to customers. Funds will help in expanding its loan book and help small businesses with working capital.

Postman raises USD 50 million from CRV

Postman, a collaboration platform for Application Programming Interface (API) development has raised USD 50 million by CRV. Innovation in APIs will drive the future of software development, and this funding will accelerate Postman's growth in the API ecosystem. Postman serves more than seven million users and helps to support API development at more than 300,000 companies worldwide.

L&T gets water supply project contract in Sri Lanka

Larsen & Toubro (L&T) has received an EPC (engineering, procurement and construction) order is received from the National Water Supply & Drainage Board for the execution of the Kundasale Haragama water supply project in Sri Lanka's Kandy district. Project is funded by the Exim Bank of India and Bank of Ceylon and envisages to provide drinking water to approximately 330,000 people.

