



**MARKET MOVEMENT**

Major Indices	June 03, 2017	June 09, 2017	% Change	Change
BSE Sensex	31,273.29	31,262.06	(0.03)	
NSE Nifty	9,653.50	9,668.25	0.15	

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

- **ESOPS, FDI TRANSACTIONS EXEMPTED FROM LTCG TAX**
- **GOVERNMENT LEVIED ANTIDUMPING DUTY ON TDI**
- **INDIA SIGNS USD 39.2 MILLION PACT WITH WORLD BANK FOR ASSAM**
- **INDIA SIGNS AGREEMENT WITH SRI LANKA FOR USD 318 MILLION**
- **INDIA AND RUSSIA MADE WORLD'S FIRST HYBRID 'AEROBOAT'**

**ESOPs, FDI TRANSACTIONS EXEMPTED FROM LTCG TAX**

Central Board of Direct Tax ('CBDT') has exempted bona fide acquisition of securities on which the Securities Transaction Tax ('STT') is not paid. These transactions include Employee Stock Options ('ESOPs'), Foreign Direct Investment ('FDI') and transactions which are approved by Supreme Court, National Company Law Tribunal ('NCLT'), Securities and Exchange Board of India ('SEBI') or Reserve Bank of India ('RBI') from the Long Term Capital Gain Tax ('LTCG').

**GOVERNMENT LEVIED ANTIDUMPING DUTY ON TDI**

Government has imposed antidumping duty for six months in the range of USD 0.14-0.40 per kg on import of the organic compound Toluene di-isocyanate ('TDI') from China, Japan and Korea to ensure fair trading practices and creating a level-playing field for domestic producers vis-a-vis foreign producers and exporters. The product is used for production of certain type of foam, furniture cushion, industrial gaskets, protective pads for sports and automobile seats.

**INDIA SIGNS USD 39.2 MILLION PACT WITH WORLD BANK FOR ASSAM**

India has signed a loan agreement of worth USD 39.2 million with the World Bank for the 'Citizen Centric Service Delivery' project in Assam. This objective of the project is to improve the access to delivery of selected public services in Assam for duration of 5 years. Total project size is USD 49 million, out of which USD 39.2 million will be financed by the World Bank.

## **INDIA SIGNS AGREEMENT WITH SRI LANKA FOR USD 318 MILLION**

India has signed an agreement with Sri Lanka to provide USD 318 million as line of credit to develop the railway sector of Sri Lanka. The investment will be utilized in improving Sri Lanka's passenger transportation facilities to attract passengers towards cost-effective railways. India has been Sri Lanka's major development partner in the South Asian region for more than 40 years. Over the past years Foreign Direct Investment (FDI) from India in Sri Lanka has expanded considerably.

## **INDIA AND RUSSIA MADE WORLD'S FIRST HYBRID 'AEROBOAT'**

Joint Venture ('JV') of India and Russia has built world's first hybrid 'Aeroboat' which is unveiled in Moscow during an event. Aeroboat is capable of travelling on land, water, snow and sand. It is specifically designed to access difficult terrain, such as flooded or marshy areas where the use of regular boats is impossible. Aeroboats have capacity of going around 150 km on water compared to hovercrafts which move at 45-50 km per hour on an average.

### **INDUSTRY WATCH**

- **COFFEE EXPORTS RISE 11.51% IN APRIL**
- **GOLD IMPORTS INCREASED TO 103 TONNES IN MAY**
- **FDI IN SERVICE SECTOR INCREASES BY 26% TO USD 8.68 BILLION**
- **SEAFOOD EXPORTS RECORD HIGHEST GROWTH**
- **OILMEALS EXPORTS INCREASES 69% IN MAY**

## **COFFEE EXPORTS RISE 11.51% IN APRIL**

Coffee exports have grown by 11.5% year-on-year (y-o-y) to USD 92.42 million in April 2017 compared to USD 82.88 million in April 2016 due to strong demand in the global markets. India's major export destinations include Italy, Germany, Greece, Belgium, Spain, Switzerland and mainly ships varieties of coffee like Robusta and Arabica. India produces about 4.5% of world coffee production.

## **GOLD IMPORTS INCREASED TO 103 TONNES IN MAY**

Gold imports have increased to four-folds from previous year to 103 tonnes as jewellers have increased their purchases to refill inventory and stock up, ahead of roll out of Goods and Services Tax ("GST") in the month of May. Gold imports in the first 5 months of 2017 rise 144% from a year ago to 424.1 tonnes. India is the second largest consumer of the precious metal. This import will support global prices that are near their highest since past 6 weeks.

## **FDI IN SERVICE SECTOR INCREASES BY 26% TO USD 8.68 BILLION**

FDI inflow in service sector has grown by 26% to USD 8.68 billion in 2016-17 compared to USD 6.89 billion in 2015-16 with the government taking steps to improve the ease of doing business and attracting foreign investments. The sector includes banking, insurance, outsourcing, R&D, courier and technology testing. The overall foreign investment inflow in the country too has increased by 9% to USD 43.5 billion last fiscal.

## **SEAFOOD EXPORTS RECORD HIGHEST GROWTH**

Exports of seafood have recorded highest growth of around 23% (in value terms) in FY17 majorly supported by huge demand for frozen shrimp and frozen fish in overseas markets. India has exported 1,134,948 tonnes valued at USD 5.78 billion compared to 945,892 tonnes valued at USD 4.69 billion in FY16. Major importers were US, South East Asia and European Union.

## **OILMEALS EXPORTS INCREASES 69% IN MAY**

Export of oilmeals has increased by 69% to 97,871 tonnes during May 2017 compared to 57,954 tonnes in May 2016 due to better price parity in the global market. During April-May period of this fiscal, 301,569 tonnes was exported as against 171,932 tonnes in the year-ago period. Among types of oilmeals, shipment of soyabean meal increased to 48,159 tonnes in May 2017 from 10,400 tonnes and rapeseed meal rose to 42,488 tonnes from 3,090 tonnes in the same period.

### **CORPORATE HIGHLIGHTS**

- **WESTERN DIGITAL PLANS TO JOIN JAPAN-KKR GROUP FOR TOSHIBA BID**
- **ADANI PLANS TO INVEST USD 16.5 BILLION IN AUSTRALIA**
- **CADILA HEALTHCARE GETS USFDA APPROVAL FOR BADDI FACILITY**
- **SAMSUNG PLANS TO INVEST USD 0.76 BILLION AT NOIDA PLANT**
- **LENSKART PLANS TO INVEST USD 15.53 MILLION**

## **WESTERN DIGITAL PLANS TO JOIN JAPAN-KKR GROUP FOR TOSHIBA BID**

Western Digital Corp is planning to join consortium of Japanese government money and KKR & Co LP to bid for Toshiba Corp's chip unit. The consortium is expected to be the favored bidder for the world's second biggest producer of NAND memory chips as the presence of state-backed fund, Innovation Network Corp of Japan (INCJ), and Development Bank of Japan (DBJ) will be taken as the government's stamp of approval.

## **ADANI PLANS TO INVEST USD 16.5 BILLION IN AUSTRALIA**

Adani Enterprises has announced its plans to invest USD 16.5 billion in Australia for Carmichael coal mine project. The Company has already invested USD 3.3 billion in the project including buying the bulk coal handling port of Abbot Point. Now the Company has signed contracts for design, construction, operations, supply of materials and professional services.

## **CADILA HEALTHCARE GETS USFDA APPROVAL FOR BADDI FACILITY**

Cadila Healthcare has received Establishment Inspection Report ('EIR') from the United States Food and Drug Administration ('USFDA') for its Baddi facility in Himachal Pradesh. This receipt of EIR indicates successful closure of 483 points raised based on the inspection carried out between February 21, 2017 to March 1, 2017. Also, Cadila has received final approval from the USFDA to market Mirtazpine orally disintegrating tablets USP in strengths of 15 mg, 30 mg & 45 mg.

### **SAMSUNG PLANS TO INVEST USD 0.76 BILLION AT NOIDA PLANT**

The Korean electronics major 'Samsung' will invest USD 0.76 billion to double its manufacturing capacity for smartphones and refrigerators at its Noida plant. This investment would be in the position to make Noida plant as a major production hub and create about 5,000 new jobs. This investment reaffirms Samsung's commitment to Make-in-India and Make-for-India and to the state of Uttar Pradesh.

### **LENSKART PLANS TO INVEST USD 15.53 MILLION**

Lenskart is planning to invest over USD 15.53 million on business expansion, including opening of 400 stores, in the next 2 years. The company, which has a strong online presence, is eyeing a total of 700 stores by March 2019 by targeting small towns, tier II and III cities. Currently, Lenskart has its stores over 80 cities in India on franchise model.