



MARKET MOVEMENT

Major Indices	August 12, 2016	August 19, 2016	% Change	Change
BSE Sensex	28,152.40	28,077.00	(0.26)	
NSE Nifty	8,672.15	8,666.90	(0.06)	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **Smart Ganga City programme launched in 10 cities**
- **Haryana offers 90% subsidy to promote solar water pumps**
- **Government extends subsidy scheme to solar-powered cold storages**
- **Centre announces USD 294.93 million aid for Andhra Pradesh**
- **Government approves USD 290 million highway projects in six states**

Smart Ganga City programme launched in 10 cities

The 'Smart Ganga City' programme that focuses on 10 cities located along Ganga has been launched. As part of this, Sewage Treatment Plants and improvement of drainage network on hybrid annuity mode on public private partnership basis will be taken up in these places. Haridwar, Rishikesh, Mathura, Varanasi, Kanpur, Allahabad, Lucknow, Patna, Sahibganj and Barrackpore are the places where the programme will be implemented in the first phase.

Haryana offers 90% subsidy to promote solar water pumps

Government is offering a 90% subsidy to promote solar water pumps of 2 HP, 5 HP and 10 HP during the current financial year in Haryana. Under the initiative, farmers will need to bear just 10% cost while the rest will be shared between the central and state governments as financial assistance for setting up 3,050 such pump sets.

Government extends subsidy scheme to solar-powered cold storages

India is the world's second largest producer of fruits and vegetables. However, around 30% of the produce perishes due to lack of adequate cold storage facilities. To boost the use of solar powered cold storages, the Ministry of New and Renewable Energy has extended its subsidy scheme to solar refrigeration units as well. Most solar powered items, including solar lamps and solar heating systems, get 30% subsidy under different programmes. There are barely 10 solar cold storages being used in the country so far

Centre announces USD 294.93 million aid for Andhra Pradesh

Centre announced a special assistance of USD 294.93 million to Andhra Pradesh to bridge its revenue gap and for the development of seven of its backward districts. The amount will include USD 175.60 million to bridge the resource gap of revenue-deficit Andhra Pradesh and USD 54.24 million for the development of seven backward districts in Rayalaseema and north coastal Andhra regions of the state. The Union government has also committed an assistance of USD 67.16 million for developing Amaravati, Andhra Pradesh's capital city.

Government approves USD 290 million highway projects in six states

Government has approved USD 290 million highway projects for six states - Nagaland, Andhra Pradesh, Maharashtra, Karnataka, Uttarakhand and Arunachal Pradesh. This includes the NH 61 stretch in Nagaland for an estimated USD 52 million, besides upgradation of Rayachoti-Kadapa stretch on NH 18 for an estimated USD 53 million in Andhra Pradesh is approved. In Maharashtra approval was given for two-laning of Nagpur-Umred-Bramhapur-Armori stretch for USD 40 million and reconstruction and widening of a highway stretch on NH 94 in Uttarakhand for USD 31.6 million.

INDUSTRY WATCH

- **Affordable housing market doubles from last year**
- **SBI approves merger with associate banks**
- **June industrial growth at 8 month high**
- **M&A deals worth USD 4 billion in July**
- **Investments by Indian firms abroad rise 60.8% to USD 2.3 billion in July**

Affordable housing market doubles from last year

The affordable housing market doubled in new launches in the first half of 2016 as against the same time last year. Of the 60,000 apartments launched in the top eight cities in the first half

of 2016, as many as 17,000 were affordable housing units, a 17% year-on-year increase. The highest supply of affordable housing was recorded in Pune at 4,170 units followed closely by Bangalore at 4,155 units.

SBI approves merger with associate banks

State Bank of India (SBI) has announced the merger of 5 associate banks viz. State Bank of Bikaner and Jaipur (SBBJ), State Bank of Mysore (SBM), State Bank of Travancore (SBT), State Bank of Hyderabad and State Bank of Patiala with itself. SBI also announced the merger of unlisted Bharatiya Mahila Bank (BMBL) with itself. The swap ratio for the merger is 28 equity shares of SBI will be issued for every 10 shares held in SBBJ. For both SBM and SBT, the swap ratio for merger is 22 shares of SBI for every 10 shares held in SBM and SBT. SBI also announced merger of two unlisted associate banks viz. State Bank of Hyderabad and State Bank of Patiala with itself.

June industrial growth at 8 month high

Industrial growth accelerated to an eight-month high in June, aided by production of electricity, mining, commercial vehicles and mobile phones. The growth was 2.1%, as against 1.1% growth in May, on the back of robust electricity and mining production. The manufacturing sector, which contributes 75% to the Index of Industrial Production which measures the industrial output, grew by 0.9% cent during the month, slightly higher than 0.6% the previous month.

M&A deals worth USD 4 billion in July

Merger and acquisition (M&A) deals worth USD 4 billion were announced in July due to a significant surge in domestic and inbound deal activity, taking the year-to-date deal tally to USD 19.87 billion. There were 44 M&A deals worth USD 4,083 million in July, while in the corresponding period last year, there were 43 transactions worth USD 2,082 million. The overall M&A market witnessed significant surge of around 96% year-on-year in deal values.

Investments by Indian firms abroad rise 60.8% to USD 2.3 billion in July

Direct investments by Indian firms abroad rose by 60.8% to USD 2.30 billion in July 2016. Indian companies had invested USD 1.43 billion in their overseas ventures in July 2015. The figure stood at USD 1.86 billion in June 2016. The investments were in the form of issuance of guarantees (USD 892.93 million), loans (489.42 million) and equity (USD 916.07 million).

CORPORATE HIGHLIGHTS

- **Altico Capital invests USD 25.85 million in Legacy Group**
- **China's Tidfore invests in Uttam Galva**
- **Singtel announces 7.39% stake in Bharti Telecom for USD 659 million**
- **Wipro invests USD 1.5 million in Israeli cyber Security Company**
- **TA invests USD 140 million in W fashion brand owner**

Altico Capital invests USD 25.85 million in Legacy Group

Altico Capital, a non-banking finance company and Varde Partners has invested USD 25.85 million in Bengaluru-based real estate developer Legacy Group. With this, the total investment of Altico in Bengaluru is USD 85.55 million in the last twelve months. It is a portfolio investment that includes several projects spread across central and north Bangalore which are at various stages of execution including few that are at late stage nearing completion, providing multiple and diversified sources of cash flows for debt servicing.

China's Tidfore invests in Uttam Galva

Uttam Galva Metallics has signed an investment agreement of USD 150 million with China's Tidfore Heavy Equipment Group Co. Limited, a deal promoted by South Korean steel major Posco. The investment will be in the form of equity for Uttam Galva Metallics, which is expanding its Wardha (Maharashtra) unit with Posco. This deal will give Tidfore access to the Indian market.

Singtel announces 7.39% stake in Bharti Telecom for USD 659 million

Singapore Telecommunications Ltd (Singtel) has signed an agreement with its majority owner Temasek Holdings (Pte) Ltd to purchase a 7.39% stake in Bharti Telecom Ltd for USD 659.51 million. Prior to the agreement with Temasek, Singtel already owned 39.78% of Bharti Telecom besides a direct stake of 15.01% in Airtel through its subsidiaries Pastel Ltd and Viridian Ltd.

Wipro invests USD 1.5 million in Israeli cyber Security Company

Wipro has invested USD 1.5 million to acquire minority stake in Tel Aviv, Israel, based cyber security platform provider Insights Cyber Intelligence Limited. The IT major has acquired stake of less than 20% in the Israeli start-up through investment. Insights offer a threat intelligence driven security platform employing cyber intelligence, rapid mitigation and one-click remediation.

TA invests USD 140 million in W fashion brand owner

TCNS Clothing Company, owner of brands such as W, Aurelia and Wishful, has raised USD 140 million from TA Associates, a US-based private equity firm, by selling a stake of around 40%. The move has led to the exit of Matrix Partners, which held 15-20% stake in the company. TCNS will look to add 700 stores in five years. The company operates 300 stores at present, including some in markets such as Sri Lanka and Mauritius.