



MARKET MOVEMENT

Major Indices	August 05, 2016	August 26, 2016	% Change	Change
BSE Sensex	28,078.35	27,782.25	1.05	
NSE Nifty	8,683.15	8,572.55	1.27	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- PE funds invest USD 486 million in office realty during Jan to June
- Jawaharlal Nehru Port Trust signs agreement with bankers for external commercial borrowing
- India, Germany sign pact on vocational training
- Crop cover scheme to be USD 2686 million businesses
- Maharashtra seeks Chinese investment for state's growth

PE funds invest USD 486 million in office realty during Jan to June

Renewed confidence among institutional investors has pushed private equity flows into commercial real estate in the first half of 2016 even beyond the cumulative investments witnessed during the whole of last year. Office realty has received over USD 485.97 million investments from private equity funds during January to June against USD 481.94 million in 2015, a JLL India study showed. Given the steady rise in these investments, private equity inflows into commercial real estate in 2016 may even cross the previous five-year high of USD 645.22 million seen in 2014.

Jawaharlal Nehru Port Trust signs agreement with bankers for external commercial borrowing

India's largest container handling port Jawaharlal Nehru Port Trust (JNPT) has signed an agreement to raise USD 400 million from State Bank of India and Development Bank of Singapore, to improve the infrastructure required for doubling its existing capacity to 9.85 million

twenty foot equivalent units (TEUs) annually. Port projects, including connectivity projects, are critical to developing cargo handling capacity at Ports. With the thrust on port led development, improving viability of projects is critical. JNPT is the first Major Port to finalise the terms of external commercial borrowing.

India, Germany sign pact on vocational training

India and Germany have signed an agreement that aims to foster conditions that will help create and improve workplace-based vocational training in India's industrial clusters. This new project will run for three years starting August 2016 with a budget of USD 3.37 million (EUR 3,000,000). Under the pact, German technical assistance will be used to enhance industry institute partnerships between Indian and German organizations, build capacity of local training institutions and foster industry linkages which will help adapt elements of the German dual system into the Indian context.

Crop cover scheme to be USD 2686 million businesses

The government has created a new market of around USD 2686 million with its new crop insurance scheme. This segment will be almost twice the size of the fire insurance business of non-life companies, which includes premium from covering buildings, factories, houses and shops. Until last year, crop insurance was a business that generated less than USD 746.26 million of premium and most of it was booked by the Agricultural Insurance Corporation. The difference between the subsidized rate the farmer pays and the actuarial rate will be paid by the government. "The farmer now sees more value in farm insurance as the entire crop is covered. The policy also covers pre-sowing and post-harvest risks.

Maharashtra seeks Chinese investment for state's growth

Maharashtra has urged Chinese companies to invest in sectors, including infrastructure, to help accelerate economic growth of the state and the country as well. Indian manufacturers can follow the Chinese methods of manufacturing products and services of international qualities at an affordable price. Such expertise will not only lift the quality of the Indian products and services but will also give them an edge into international market. China's knowledge in areas like water and waste management, along with its experienced urban planners and administrators will provide a necessary push to the growth of Maharashtra and India.

INDUSTRY WATCH

- **Domestic air traffic grows 25% in July**
- **India is world's third biggest tech start-up hub**
- **Mobile wallets, e-commerce transactions on a rise**
- **July sees 39 PE/VC investments worth USD 886 million**

- **India on 10 wealthiest country list, takes 7th spot**

Domestic air traffic grows 25% in July

Domestic air traffic rose 25.8% in July on a year-on-year basis as low fares continue to spur travel demand. While air traffic has been growing at 20% plus for several months in a row, this is second time in 2016 when the air traffic grew by 25%. In March, the traffic rose 25.25%. Last month domestic airlines flew 8.5 million passengers as against 6.7 million passengers in July 2015. IndiGo continues to lead all the airlines and the Guragon-based airline has now inched closer to 40% market share. IndiGo's market share rose to 39.8% in July from 37.9% in June as it improved its load factors and added aircraft.

India is world's third biggest tech start-up hub

India is world's third largest tech start-up hub in terms of number of technology-driven start-ups, after the US and the UK. As of end of 2015, the US had more than 47,000 tech start-ups, the UK had over 4,500 and India had around 4,200 tech start-ups. Bengaluru has the largest number of technology start-ups in India, the city of is host to around 26% of domestic tech start-ups, followed by Delhi NCR (23%), Mumbai (17%), Hyderabad (8%) and Chennai (6%). Even in terms of total number of start-ups, comprising both tech and non-tech areas, India ranked fifth globally with around 10,000 start-ups.

Mobile wallets, e-commerce transactions on a rise

The adoption of mobile wallets to do recharge and e-commerce transactions has seen an increase among customers with an annual growth rate of 180%, while mobile transactions have been growing 80% per annum. A mere 23% of the people with internet access do digital banking (internet and mobile). Of the 470 million banking customers in 2015, about 60 million or 13% did online banking transactions. This is set to increase to 173 million by 2020. MSMEs (micro, small and medium enterprises) and shopkeepers still use cash and cheques for majority of their transactions, despite almost all of them having access to the internet.

July sees 39 PE/VC investments worth USD 886 million

39 private equity and venture capital investments worth USD 886 million in July 2016, registering a decline of 58 per cent as compared to the corresponding period last year the decline in both value as well as volume terms was mainly due to the drop in number of early-stage and large-sized deals. In July 2015, there were 71 PE/VC deals worth USD 2.1 billion. Meanwhile, exits grew significantly to USD 1.8 billion in July this year from USD 550 million in July 2015. From a sector perspective, real estate and financial services were the largest contributors, accounting for 43 per cent of deal value and 41 per cent of deal volume.

India on 10 wealthiest country list, takes 7th spot

India has figured among the top 10 wealthiest countries in the world with a total individual wealth of USD 5,600 billion while the United States topped the chart. India was ranked 7th ahead of Canada (USD 4,700 billion), Australia (USD 4,500 billion) and Italy (USD 4,400 billion), which came in at 8th, 9th and 10th slots, respectively. The US is the wealthiest in the world in terms of total individual wealth held (USD 48,900 billion) while China stood second and Japan third, with total individual wealth of USD 17,400 billion and USD 15,100 billion, respectively.

CORPORATE HIGHLIGHTS

- **Tata firm TAL dispatches floor beams for Boeing from Nagpur**
- **Piramal invests USD 22 million in Smaaash Entertainment**
- **Myntra clocks over USD 80 million sales in July**
- **Maggi regains top slot in noodles market with 57% share in June**
- **Gionee to invest USD 75 million**

Tata firm TAL dispatches floor beams for Boeing from Nagpur

Tata Group-controlled TAL Manufacturing Solutions Ltd (TAL), a wholly-owned subsidiary of Tata Motors, has dispatched 5,000th Advanced Composite Floor Beam (ACFB) to plane maker Boeing Co. for its 787-9 and 787-10 Dreamliner aircraft. These ACFBs are shipped out of the aerospace manufacturing facility located in MIHAN SEZ, Nagpur. Currently, TAL is the only non-US facility to supply ACFBs to Boeing for its 787-9 Dreamliner, and it will also supply this component to the soon-to-be-built 787-10 Dreamliner. The ACFBs are shipped to Boeing partners in Italy, Japan and the US.

Piramal invests USD 22 million in Smaaash Entertainment

Piramal Enterprises Ltd's structured investment group (SIG) unit has agreed to invest USD 22 million in Smaaash Entertainment Pvt. Ltd, a sports-based entertainment company. Currently, Smaaash has five gaming arcades in Mumbai, Bengaluru, Gurgaon, Noida and Hyderabad. The company is known for its arcades that feature sports such as cricket, football, paintball, go-karting and a host of virtual games. Smaaash will use the funds to enter new markets in India and abroad.

Myntra clocks over USD 80 million sales in July

Online fashion store Myntra, which is owned by Flipkart, clocked over USD 80 million sales in July, helped by its 'End Of Reason Sale' during the month. The fashion store attracted 600,000 new users during the 'End Of Reason Sale' in July, of whom 80% have shopped on Myntra. It now clocks more than 10 million monthly active users, up from less than 5 million a year ago.

Maggi regains top slot in noodles market with 57% share in June

Nestle India Ltd's instant noodle brand Maggi, whose sales were severally hit by the Food Safety and Standards Authority of India (FSSAI) ban last year, has regained its leadership position capturing 57% share of the market in June this year, within nine months of its relaunch. Maggi after a five-month ban, it had 10.9% of the market share, which climbed to 35.2% in December 2015.

Gionee to invest USD 75 million

China-based smartphone maker Gionee is investing USD 75 million to set up a manufacturing unit in India, to be operational in two years. The company currently assembles smartphones in partnerships with Foxconn and Dixon. About 60% of the devices are made in India. With its own unit (targeted capacity of 30 million devices annually), the company will cater to the entire Indian market with locally made devices and also export these. It has allocated USD 89.55 million this financial year for marketing and branding activities.