



MARKET MOVEMENT

Major Indices	July 29, 2016	August 05, 2016	% Change	Change
BSE Sensex	28,051.86	28,078.35	0.09	
NSE Nifty	8,638.50	8,683.15	0.51	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- **Cabinet approves signing of Air Services agreement between India and Lao**
- **NHAI gets nod to monetise highway projects**
- **Government clears 89 single-brand retail, one multi-brand proposals**
- **Rajya Sabha clears GST Bill**
- **Government approves policy for award of waterfront & related land**

Cabinet approves signing of Air Services agreement between India and Lao

Cabinet has given its approval for signing of new Air Services Agreement between India and Lao People's Democratic Republic (Lao PDR). Under the agreement, the designated airlines of the two countries shall have fair and equal opportunity to operate the agreed services on specified routes. It is expected to spur greater trade, investment, tourism and cultural exchange between the two countries bringing it in tune with the developments in the civil aviation sector.

NHAI gets nod to monetise highway projects

Government has opened up brownfield investments in the highway sector to institutional investors. National Highways Authority of India (NHAI) is allowed to monetise public-funded national highway projects, which are operational and are generating toll revenues for at least two years after the commercial operations date, under a toll operate transfer model. The monetisation will be subject to approval of the Ministry of Road Transport and Highways or NHAI on a case-to-case basis.

Government clears 89 single-brand retail, one multi-brand proposals

Government has approved 89 proposals for foreign investment in single brand retail trading (SBRT) and one in the multi-brand sector up to March this year. The companies whose SBRT proposals got approval include IKEA, H&M, Adidas, Swarovski International Holding and Montblanc. In multi-brand retail sector, approval is given to the proposal of Tesco Overseas Investments Ltd.

Rajya Sabha clears GST Bill

The Rajya Sabha has passed the constitution amendment bill for the goods and services tax (GST), setting in motion the process for rolling out the country's single biggest tax reform. Once in place, it will, driven by the principle of one nation, one tax, economically unify the country for the first time.

Government approves policy for award of waterfront & related land

Government has approved the policy for award of waterfront and associated land to port dependent industries in major ports and its operationalisation. Under the policy, concession will be granted to port dependent industries for setting up dedicated facilities in major ports for import and/or export of cargo and their storage before transportation to their destination, for a period not exceeding 30 years.

INDUSTRY WATCH

- **Services sector growth touches 3-month high in July**
- **First 'masala' rupee bond listed on London stock exchange**
- **Manufacturing PMI for July at four-month high at 51.8**
- **India's Iranian crude imports in July surge 21%**
- **NMDC gets government nod for diamond exploration in Andhra Pradesh**

Services sector growth touches 3-month high in July

India's Services Business Activity Index was at its three month high of 51.9 in July compared with 50.3 in June. The growth is attributed to faster increase in new business underpinning stronger growth of output and boosting confidence. Part of the upswing in incoming new work was supported by price discounts. Output charges were lowered for the first time in nine months, while input costs also decreased.

First 'masala' rupee bond listed on London stock exchange

The first rupee-denominated bond issued outside India by an Indian company – termed 'masala' bond – was listed on the London stock exchange. The bond raised around USD 450 million. It has a maturity of three years and an annual yield of 8.33%. It was more than four times oversubscribed, with significant interest from Asian investors. This deal signifies a strengthening of the already close economic ties between the UK and India and paves the way for further masala bonds to be listed in the UK.

Manufacturing PMI for July at four-month high at 51.8

Manufacturing activities posted a four-month high on the back of increasing demand from both domestic and external markets. The widely tracked Nikkei Purchasing Managers' Index (PMI) went up to 51.8 points in July against 51.7 in the previous month, indicating a further improvement in overall business conditions across the sector. Merchandise exports rose 1.27% in June.

India's Iranian crude imports in July surge 21%

India shipped in 461,000 barrels per day (bpd) of Iranian oil in July, nearly a 21% increase from June and more than double than the about 215,000 bpd imported a year ago. For the first seven months of 2016, India imported about 359,000 bpd of Iranian oil, up 67% from the same period a year ago.

NMDC gets government nod for diamond exploration in Andhra Pradesh

The government's Forest Advisory Committee has given its permission to state-owned mining company National Mineral Development Corporation (NMDC) to enter into Kalyandurg forest range in Ananthapur district, Andhra Pradesh. NMDC will be for carrying out diamond exploration in this region. As per the proposal, NMDC will drill 64 bore holes for diamond exploration in 153 hectare area in Ananthapur district.

CORPORATE HIGHLIGHTS

- Warburg Pincus invests USD 125 million in Stellar Value Chain Solutions
- Infosys invests in second cloud computing start-up Cloudyn
- Venture Catalysts invests USD 150,000 in AppSay
- Adidas gets approval for FDI in retail
- Lupin arm buys 21 Japanese generics for USD 150 million

Warburg Pincus invests USD 125 million in Stellar Value Chain Solutions

Stellar Value Chain Solutions Pvt. Ltd has received a **USD 125 million investment from Warburg Pincus LLC**, a global private equity firm. Stellar is looking to provide integrated logistics solutions which will include modern distribution centres and warehousing facilities at strategic locations across India over the next few years. Stellar Value Chain serves customers in the food and beverages, fast moving consumer goods, consumer durables, electronics and technology, lifestyle, automotive, pharmaceutical and engineering industries.

Infosys invests in second cloud computing start-up Cloudyn

Infosys Ltd has invested **USD 4 million to pick up a minority stake in Cloudyn Ltd**, an **Israel based company that makes** software for monitoring and optimizing cloud computing. This is second investment from Infosys in an Israel-based cloud-computing start-up. Last year, Infosys invested USD 4 million for a minority stake in Cloud Endure Ltd, an Israeli-based start-up, which offers solutions to help large companies move applications to cloud and cloud-based Disaster Recovery software.

Venture Catalysts invests USD 150,000 in AppSay

Venture Catalysts, a seed investment platform, announced its investment of **USD 150,000 in AppSay**, a **business communications** platform. The investment round will allow AppSay to scale up its operations and develop its tech framework to further refine its product. The AppSay platform is built to protect customer information of businesses.

Adidas gets approval for FDI in retail

Adidas India has received the government's approval to bring in foreign direct investment (FDI) in retail through its existing wholesale entity, and will not have to set up a separate retail company for the purpose. The company plans to open 30-50 company-owned Adidas stores in large cities by 2020, and will file another FDI application by this month for Reebok to set up its company stores.

Lupin arm buys 21 Japanese generics for USD 150 million

Lupin has agreed to buy a portfolio of 21 generic brands from Japanese company **Shionogi & Co for USD 150 million** (15.4 billion yen), to strengthen its presence in the world's second largest pharmaceutical market. The acquisition by Lupin's Japanese subsidiary **Kyowa Pharmaceutical** will be effective from December 1, 2016 and is subject to certain closing conditions and regulatory approvals, including the transfer of marketing authorization of products.