



MARKET MOVEMENT

Major Indices	October 28, 2016	November 04 , 2016	% Change	Change
BSE Sensex	28,077.18	27, 274. 15	(2.86)	
NSE Nifty	8,693.05	8,433.75	(2.98)	

INDIAN ECONOMY AT A GLANCE**POLICY WATCH**

- 84,460 more affordable houses for urban poor sanctioned for five states
- India-Japan amended tax treaty comes into force
- Council fixes 4-level GST rate structure
- Government allocates USD 1550 each for 585 ‘mandis’ for waste management
- Australia announces 19 grants worth USD 6.3 million for projects with India

84,460 more affordable houses for urban poor sanctioned for five states

Ministry of Housing & Urban Poverty Alleviation has approved construction of 84,460 more affordable houses for urban poor under Pradhan Mantri Awas Yojana(Urban) in five states with a total investment of USD 465 million for which Central Assistance of USD 190 million has been approved. West Bengal has been sanctioned 47,379 houses, Punjab got 15,209 houses, Jharkhand - 12,814 houses, Kerala got 5,968 houses and Manipur, for the first time has got 3,090 houses approved.

India-Japan amended tax treaty comes into force

The amended bilateral tax treaty between India and Japan, which provides for strengthened exchange of information to help reduce tax evasion, has come into force from October 29. The agreement to amend the 27-year old Double Taxation Avoidance Agreement (DTAA) was signed when Japanese Prime Minister Shinzo Abe visited India in December 2015.

Council fixes 4-level GST rate structure

Overcoming opposition from some States, the GST Council finalised a multiple-slab rate structure, including the cess, for the new indirect tax. The quantum of cess on each of these will depend on the current incidence of tax. Ultra luxuries, demerit and sin goods, will attract a cess for a period of five years on top of the 28% GST. The lowest slab of 5% will be for items of common consumption.

Government allocates USD 1550 each for 585 ‘mandis’ for waste management

Government will provide USD 1550 to all the 585 agricultural marketing centres or ‘mandis’ in the country which are to be covered through the e-NaM platform for setting up of waste management plants. The fund allocated to mandis would be over and above the allocation made for setting up the e-NaM platform. Besides this, it has also decided to earmark one per cent fund of the flagship Rashtriya Krishi Vikas Yojna (RKVY) for the cleanliness drive. Government has integrated 250 mandis in 10 states with the electronic national agriculture market (e-NAM) in the first phase.

Australia announces 19 grants worth USD 6.3 million for projects with India

In a bid to boost ties with India, the Australian government has announced 19 grants worth USD 6.30 million for several projects in the field of education, science, sports, arts and culture. The successful grants include an exchange between TAFE NSW and India's Centurion University to share expertise for training indigenous learners, collaboration between University of New South Wales and Indian scientists to develop effective new water purification systems for the country's water supply.

INDUSTRY WATCH

- **Manufacturing PMI hits 22-month high in October**
- **Domestic M&A activity continues to dominate deals landscape in Q3**
- **Eight core industries rise 5% in September**
- **PE investment in realty up 22% at USD 4.24 billion in Jan-Sept**
- **Growth in 2-wheeler industry maintained**

Manufacturing PMI hits 22-month high in October

Growth in India’s manufacturing activity touched a 22-month high in October, with a stronger rise in new orders and output, showed the widely tracked Nikkei India Manufacturing Purchasing Managers’ Index (PMI). The PMI rose to 54.4 in October from 52.1 in September.

Higher demand is reflected during the festival season, consumer goods registered the strongest rate of expansion in output and new orders, outperforming intermediate and investment good.

Domestic M&A activity continues to dominate deals landscape in Q3

Domestic M&A activity continued to dominate India's deals landscape, recording 137 transactions with an aggregate disclosed value of USD 7.3 billion in the three months. This was about 65% of the total deal volume, compared with about 54% in the year-ago period, and about 64% of the total disclosed deal value, compared with 32% a year earlier.

Eight core industries rise 5% in September

The core sector output grew 5% in September from a year ago compared with 3.2% expansion in August. At 21.3%, sale of passenger vehicles in September was the highest in terms of monthly sales in more than four years. The sharpest rise in output expansion was seen in refinery which grew 9.3% from 3.5% in August.

PE investment in realty up 22% at USD 4.24 billion in Jan-Sept

Private equity (PE) investments in the real estate sector has increased by 22% to USD 4.24 billion from USD 3.6 billion during the same period last year with investors' rising interest in the office and retail assets. PE investment in office segment stood at USD 936 million in the first three quarters of the 2016 calendar year as against USD 619 million in the year-ago period. Retail segment got USD 575 million investment in January-September against USD 154 million in the corresponding period of last year.

Growth in 2-wheeler industry maintained

The two-wheeler industry's sales, including exports, have grown by 7% in October to 1.42 million. The industry's full-year growth rate is expected to be in the double digits against a low 3% last year. Exports make up one-tenth of the industry's sales.

CORPORATE HIGHLIGHTS

- **Freshdesk raises USD 55 million from Sequoia Capital India and Accel**
- **Dabur acquires personal care business of South African CTL Group**
- **Advanced Enzyme to buy JC Biotech for USD 7.5 million**
- **Zensar Technologies buys U.K's Foolproof**
- **IBM acquires Sanovi Technologies to boost hybrid cloud**

Freshdesk raises USD 55 million from Sequoia Capital India and Accel

Freshdesk has raised USD 55 million in a new round of funding led by Sequoia Capital India, along with existing investor, Accel Partners. The funding comes a year after Freshdesk raised its Series-E round in 2015, when the startup was valued at USD 500 million. Founded in October 2010, Freshdesk is one of the first software-as-a-service (SaaS) companies from India to take on the global market. Its helpdesk software can be used by customer support agents from around the world on various channels like email, phone and social media.

Dabur acquires personal care business of South African CTL Group

Dabur has announced its entry into the South African consumer market by acquisition of personal care, hair care and creams businesses of the South Africa based-CTL group of companies, at a valuation of USD 1.5 million. Dabur South Africa (PTY) has entered into an agreement with CTL Contracting Proprietary Ltd for acquiring business of development, manufacturing, packaging and sale of personal care products in South Africa. Separately, Dabur South Africa (PTY) will also acquire equipment of Carbotec Laboratories Proprietary Ltd and immovable property from CTL Management and Personnel Services Proprietary Ltd.

Advanced Enzyme to buy JC Biotech for USD 7.5 million

Advanced Enzyme Technologies has inked an agreement with Hyderabad-based active pharmaceutical ingredients (API) maker JC Biotech to acquire a 70% stake for USD 7.5 million. The company is looking to acquire similar enzyme-focused companies. The Indian enzyme market stood at USD 105 million last year and likely to grow 15% to USD 279 million in 2022. JC Biotech currently has about 50% market share in the country.

Zensar Technologies buys U.K's Foolproof

Zensar Technologies has signed a definitive agreement to acquire U.K.-based Foolproof and its three wholly-owned subsidiaries in the United Kingdom and one wholly-owned subsidiary in Singapore for an undisclosed amount. Through the buyout, Zensar is planning to strengthen its digital business. Under the terms of the agreement, Foolproof will become the wholly-owned subsidiary of Zensar Technologies (UK) Ltd. On completion of the deal, Foolproof will operate under its own brand name and will continue to be managed by its founders.

IBM acquires Sanovi Technologies to boost hybrid cloud

IBM has acquired home-grown Sanovi Technologies to bolster its cloud offerings for an undisclosed sum. Sanovi provides hybrid cloud recovery, cloud migration and business continuity software for enterprise data centers and cloud infrastructure. After the transaction completion, IBM plans to integrate the Sanovi's capabilities into its Global Technology Services unit. The company also envisions leveraging Watson Analytics to expand Sanovi's disaster recovery management (DRM) capabilities.