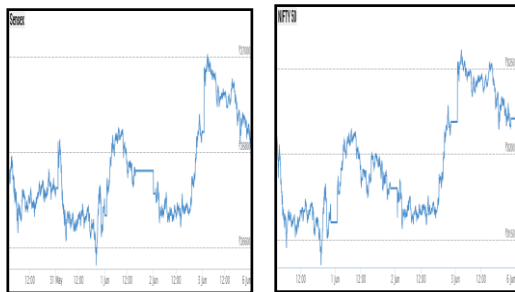


# THE FINANCIAL EDGE

06<sup>th</sup> June, 2016



For the week ended June 03, 2016

### Closing value as on 03-06-2016

Index	Value	% change
Sensex	26843.03	0.71
Nifty	8220.80	0.79
Nasdaq	4942.52	0.18
Nikkei	16642.23	-1.14
Straits Times	2809.23	0.24
Hang Seng	20947.24	1.80
FTSE 100	6209.60	-0.98
DAX	10103.26	-1.78
Shanghai Composite	2938.68	4.17

### Closing value as on 03-06-2016

Commodity	Value	% change
Gold (Rs./10 grams)	29387.00	2.74
Silver (Rs./KG)	39079.00	0.55
Crude Oil (Barrel)	3253.00	-1.72
Aluminium (Rs./KG)	103.35	-0.29
Copper (Rs./KG)	313.60	-0.22
Nickel (Rs./KG)	572.10	1.78
Zinc (Rs./KG)	133.65	4.66
Natural Gas (Rs./MMbtu)	162.00	10.20

### Market Briefing

Equity markets extended gains for the second straight week on robust quarterly earnings and impressive macro-economic data. The BSE Sensex advanced 189.43 points, or 0.71 per cent to 26,843.03 on June 3 from 26,653.60 on May 27 last month, while NSE Nifty 50 index gained 64.15 points, or 0.79 per cent to 8,220.80 from 8,156.65 during the same period. Among the 51 components in the Nifty index, 32 stocks ended the week in green. Sectorwise, the BSE Metal index, BSE Auto index and BSE Bankex gained 4.96 per cent, 3.76 per cent and 1.35 per cent, respectively, during the week. The BSE Consumer Durables index and BSE Healthcare index slid 2.68 per cent and 2.63 per cent. Foreign institutional investors remained net buyers in the domestic equity markets as they bought shares worth of Rs 2,013.70 crore in the past five trading sessions. On the flip side, Indian rupee depreciated marginally 0.27 per cent to 67.24 during the same period. Data released during the week showed the economy grew at 7.9 per cent in the fourth quarter of 2015-16 taking the overall GDP growth to a five-year high of 7.6 per cent in the fiscal, mainly on account of good performance of manufacturing and farm sectors. The manufacturing sector during the fourth quarter recorded a growth rate of 9.3 per cent while farm sector grew at 2.3 per cent.

### Buzzing News for the week

#### Domestic

- ✓ AIF investments rise 30% to Rs 18,000 crore in March quarter
- ✓ Centre met 3.9% fiscal deficit target in FY16
- ✓ FDI equity flow jumped to \$60 bn between June '14 & Jan '16'
- ✓ FPIs remain bullish on equities; pump in Rs 2,500 cr in May
- ✓ Indian economy grows at 7.6 per cent in FY'16, 7.9 per cent in Q4
- ✓ Indian economy to grow 7.7% in FY17: Ficci survey
- ✓ India's manufacturing PMI seen at 50.7 in May
- ✓ Mutual funds pump in Rs 6,500-cr in stocks in Apr-May
- ✓ Services growth cools sharply to 6-month low in May
- ✓ Total SIP accounts cross 1-crore mark in April

#### International

- ✓ Euro zone factory growth remained tepid in May: PMI
- ✓ Eurozone economic sentiment improves for second month
- ✓ Japan's economy improved but weak; PM Shinzo Abe set to delay tax hike
- ✓ US consumer spending surges; inflation creeping up
- ✓ US factory activity expands, construction spending tumbles
- ✓ US gains just 38,000 jobs, lowest in 5 years; rate at 4.7%

## Mutual Fund Debt Schemes

Ultra Short Term Funds	NAV	1 Week	AUM (Crs.)	Floating Rate - Short Term	NAV	1 Week	AUM (Crs.)
Kotak Treasury Advantage Fund(G)	24.47	7.45	4749	UTI FRF-STP(G)	2483.40	7.23	4444
Tata Floater(G)	2310.52	7.24	3521	Birla SL FRF-Short Term Plan-Ret(G)	251.83	7.97	2841
Reliance Medium Term(G)	31.86	7.00	4720	HDFC FRIF-Short Term Plan-Ret(G)	25.70	7.58	11054
IDFC Ultra Short Term Fund-Reg(G)	21.53	6.96	3779	Reliance FRF ST(G)	24.14	6.14	4367

*"Business is still more often about whom you know, not what you know."*

*- Alejandro Cremades*

## Strategic Investments

### **PFC acquires 23% stake in loan defaulter Shree Maheshwar Hydel Power Corp**

In the wake of loan default worth Rs 700 crore, Power Finance Corporation (PFC) has acquired over 23% stake in Shree Maheshwar Hydel Power Corp by invoking pledged shares and partially converting debt into equity. PFC had lent INR 700 crore to SMHPCL, besides guaranteeing INR 400 crore to the bond holders of SMHPCL. SMHPCL has defaulted in repaying the loan to PFC.

### **Reliance Industries to invest \$16-M for 40% of US vision analytics start-up NetraDyne**

Reliance Industrial Investment and Holdings Limited (RIIHL), a wholly owned subsidiary of publicly-listed Reliance Industries, is investing \$16 million in CCPS of a San Diego, CA (USA)-based technology startup NetraDyne Inc. Upon conversion RIIHL will get 15,075,708 equity shares at \$1.0613 per share or 40% of the equity stake. The target entity is engaged in the development of vision analytics based products targeted at industries such as fleet management, automotive, security and surveillance. The entity is in development stage and has not launched commercial operations yet.

## Mergers & Acquisitions

### **Alivira to acquire 60% in Spain's Karizoo Group**

Alivira Animal Health Limited, a subsidiary of publicly-listed SeQuent Scientific Limited, is to acquire majority stake in Karizoo Group, Spain, one of the leading animal health products companies in Europe. Alivira would acquire 60% stake in the family held Vila Vina Participacions ("VVP") which owns Karizoo Spain, Phytosolutions Spain, Covivet Spain and Karizoo Mexico. The existing promoters will continue to hold the balance 40% stake. The acquisition will be made through Alivira Ireland, a wholly owned subsidiary of the acquirer.

### **Dr Lal PathLabs to acquire Delta Ria and Pathology**

Publicly listed Dr Lal PathLabs (DLPL) is to acquire 100% of Delta Ria and Pathology for INR 8,272.51 per share. The target company has an existing revenue share arrangement with DLPL and reported FY16 revenues of INR 2.2 Cr. DLPL will also increase its stake in existing group firms Paliwal Diagnostics and Paliwal Medicare by 10% each within six months. The additional stake in Paliwal Diagnostics will be acquired at a price of not more than INR 65,343 per share for and INR 39,439 per share for Paliwal Medicare. Post acquisition, the company's stake in the two entities will go up to 80% from 70% previously.

### **GenY acquires B2B lead generator Tailcurrent**

GenY Medium, a Hyderabad-based digital marketing solutions firm, has acquired TailCurrent, a business-to-business lead generation company. TailCurrent claims to serve over 35 companies. GenY offers solutions to manage brand perceptions online using technology and analytics. GenY has acquired the brand, domain, technology IPs and the client base.

### **Indian Hotels sells Taj Boston to US real estate consortium**

Boston-based real estate development firms New England Development and Eastern Real Estate, along with their partners, Rockpoint Group L.LC and Philadelphia-based Lubert-Adler, are to acquire Taj Boston, the luxury hotel that owned by publicly listed Indian Hotels. The seller had recently announced that it would sell the property for at least \$125 million. The deal is scheduled to close in July of 2016 and the hotel will remain a Taj branded property.

### **Shilpa Medicare to acquire residual 32% in Nu Therapeutics for Rs.3.2 Cr**

Publicly-listed Shilpa Medicare Ltd is to acquire the remaining 32.06% stake in Hyderabad-based Nu Therapeutics Pvt. Ltd for INR 3.21 crore. Shilpa Medicare already owns 67.94% stake in Nu Therapeutics. Following the acquisition Shilpa Medicare will hold 100% stake in Nu Therapeutics.

### **Tirupati Tyres acquires 90% stake in Aspen Lifestyles**

Mumbai-based publicly listed Tirupati Tyres Ltd has acquired 90% stake in Aspen Lifestyles. The acquisition is financed through internal accruals. The target is into Lifestyle Accessories, Leather goods and Polymers.

### **TMP acquires controlling stake in IM Global from ADAG**

Sino-US group Tang Media Partners (TMP) has acquired a controlling stake in independent studio IM Global, from the Anil Ambani-controlled Reliance Group (ADAG). This deal will provide IM Global and its TV wing with capital to further invest in film and television development. TMP founding partner Donald Tang will serve as the executive chairman of the IM Global board. ADAG will continue to maintain a minority equity interest in the company. IM Global and Reliance Entertainment were represented by Winston & Strawn in the transaction, while TMP was represented by Sheppard Mullin Richter & Hampton.