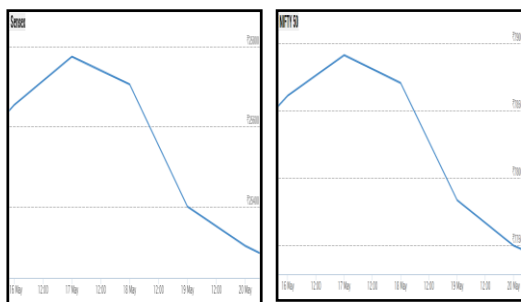


THE FINANCIAL EDGE

23rd May, 2016



For the week ended May 20, 2016

Closing value as on 20-05-2016

Index	Value	% change
Sensex	25301.90	-0.74
Nifty	7749.70	-0.83
Nasdaq	4769.56	1.10
Nikkei	16736.35	1.97
Straits Times	2763.82	1.06
Hang Seng	19852.20	0.67
FTSE 100	6156.30	0.29
DAX	9916.02	-0.37
Shanghai Composite	2825.48	-0.06

Closing value as on 20-05-2016

Commodity	Value	% change
Gold (Rs./10 grams)	29640.00	-1.31
Silver (Rs./KG)	39486.00	-3.63
Crude Oil (Barrel)	3247.00	4.84
Aluminium (Rs./KG)	104.65	1.65
Copper (Rs./KG)	310.75	0.29
Nickel (Rs./KG)	568.50	-2.13
Zinc (Rs./KG)	123.30	-2.53
Natural Gas (Rs./MMbtu)	139.90	-1.06

Market Briefing

Concerns over record losses posted by public sector banks and possibility of an interest rate hike by the US Federal Reserve as early as June impacted market sentiments in the previous week. As a result, benchmark indices BSE Sensex and NSE Nifty shed nearly a percentage point for the week ended May 20. The 30-share index retreated 187.67 points, or 0.74%, to 25,301.90 on May 20 from 25,489.57 on May 13. The 50-share index also slid 65.20 points, or 0.83% to 7749.70 from 7814.90 during the week under review. In the Nifty 50 index, 16 components ended the week in green, rest all other settled in red with Bank of Baroda falling the most — 12.96%, followed by State Bank of India (down 7.11%), Adani Ports (down 5.65%) and Lupin (5.21%). On the other hand, ITC, ONGC, Dr Reddy's Labs and YES Bank gained 5.84%, 4.54%, 4.21% and 3.11%, respectively. Barring the BSE Realty index (down 2.13%), all other sectoral indices also ended the week in red. The BSE Capital Goods index, the BSE Telecom index and BSE Power index slid 2.27%, 2.25% and 1.95%, respectively, during the week. Foreign institutional investors (FIIs) remained net buyers in the domestic equity markets as they bought shares worth of Rs 1,973 crore in the past five trading sessions. Rupee depreciated around 1% to 67.41 on May 20 from 66.76 on May 13.

Buzzing News for the week

Domestic

- ✓ Early stage PE investments take a hit, outlook bullish
- ✓ FPIs stay glued to Indian market, pump in Rs 1,800 cr in May
- ✓ FY18 fiscal deficit target may be set at 3-3.5% instead of 3%: BofA
- ✓ India's net FDI flows to hit \$ 38 bn this fiscal: Kotak
- ✓ India's April wholesale price inflation up at 0.34%
- ✓ India's forex reserves down marginally
- ✓ Moody's sees India growing at 7.5% in 2016, 2017
- ✓ Mutual Funds chase IT stocks, exposure swells to Rs 40,000 cr in April
- ✓ Oil drops below \$48 on Fed hike speculation, fading support from outages
- ✓ SEBI tightens registration norms to prevent money laundering
- ✓ SEBI tightens rules on offshore derivatives

International

- ✓ China's central bank pumps \$3 billion into market
- ✓ Drop in US jobless claims points to rebound
- ✓ Eurozone business growth slows, but not in Germany, France
- ✓ Slumping Japan exports, factory orders add to headaches for PM Shinzo Abe, BoJ
- ✓ US consumer prices post largest gain in three years; housing starts up

Mutual Fund Debt Schemes

Ultra Short Term Funds	NAV	1 Week	AUM (Cr.)	Floating Rate – Short Term Funds	NAV	1 Week	AUM (Cr.)
IDFC Ultra Short Term Fund-Reg(G)	21.44	9.43	3779	UTI FRF-STP(G)	2472.00	6.41	4444
Reliance Medium Term(G)	31.71	8.98	4720	Birla SL FRF-Short Term Plan-Ret(G)	250.81	7.84	2841
Tata Floater(G)	2300.63	8.62	3237	HDFC FRIF-Short Term Plan-Ret(G)	25.60	6.44	11054
SBI Ultra Short Term Debt Fund(G)	1965.90	8.58	9399	Reliance FRF ST(G)	24.05	7.50	4367

"The real measure of your wealth is how much you'd be worth if you lost all your money."

- Anonymous

Debt Financing

IFC to invest \$20-M in MFI Grameen Koota

IFC proposes to invest up to INR 135 Cr (approximately \$20 million equivalent) in Grameen Koota in the form of senior debt investment by subscribing non-convertible debentures ("NCD"). As of December 2015, the shareholders of Grameen Koota include promoters (7.7%), CreditAccess Asia NV. (81.2%), Creation Investments Social Funds II (10.23%) and employees (0.87%). Headquartered in Bengaluru, the company currently operates in 5 Indian States (Karnataka, Maharashtra, Tamil Nadu, Madhya Pradesh and Chhattisgarh) across 71 districts through 298 branches.

Mergers & Acquisitions

Carlson Rezidor acquires CDMS from Chanakya Hotels

Global hospitality major Carlson Rezidor Hotel Group has bought out Indian partner Chanakya Hotels' stake in their joint venture Country Development and Management Services (CDMS). The Country Inns & Suites By Carlson will now be managed by Carlson Hotels (South Asia) Pvt Ltd, the Indian affiliate of Carlson Rezidor Hotel Group. This acquisition also includes four Radisson Blu hotels managed in India by CDMS. The company aims to have 170 hotels in operation and under development by 2020 in the country.

Jiangsu Longzhe to pick up 51% in Diamond Power in Rs.825-Cr deal

China-based Jiangsu Longzhe Technology and Trade Development Co Ltd has proposed to acquire a 51% stake in publicly-listed power cables company Diamond Power Infrastructure Ltd. by investing INR 825 Cr (\$125 million). The amount will be invested through a partially convertible instrument with a coupon rate for debt and at INR 103.50 or higher per equity share (with face value of Rs. 10 per share) for the equity portion. Ernst & Young is advising the target company on the debt realignment plan.

MyeCA acquires Mohali based legal firm Lawin1

Delhi based accountancy and compliance startup MyeCA has acquired Mohali based legal startup firm Lawin1 Legal Process Solutions in a cash and stock deal for about \$584,000. With the deal, Karvin Management Consultants, the parent company of MyeCA, has added legal services to its portfolio.

Piramal Enterprises to buy 4 Pfizer brands for Rs.110-Cr

Publicly listed Piramal Enterprises Consumer Products Division is to acquire four brands from Pfizer Limited for a consideration of INR 110 crores. The acquisition includes Ferradol, Neko, Sloans and Waterburys Compound. Additionally the agreement also includes the trademark rights for Ferradol and Waterbury's Compound in Bangladesh and Sri Lanka. These brands are available in India for the past 30+ years.

Redington hikes stake in Turkey's Linkplus to 80%; buys addl 10% for \$1.15 M

Listed IT distributor Redington India has acquired an additional 10% stake from the shareholders of Linkplus, a leading distributor of Oracle software in Turkey, for USD1.15 million. With this, Redington's stake in Linkplus has increased to 80%. The balance 20% share will be purchased by 2017 at a price/earning (P/E) multiple of 5X. The company has received an approval of competition board of Turkey for the acquisition.

Singapore's STT to buy 74% in Tata's data centre biz

Singapore Technologies Telemedia (STT), owned by Temasek Holdings, through ST Telemedia Global Data Centres (STT GDC) will pick up a 74% stake in the data centre unit of Tata Communications for an enterprise value of Rs 3,130 crore. Tata Communications, formerly known as Videsh Sanchar Nigam (VSNL), will continue to hold the remaining 26%. The target asset has 44 data centres and co-location centres with over a million square feet of space. Standard Chartered Bank advised ST Telemedia, while Jefferies & Co ran the sale process for Tata Communications.

Strides Shasun to divest British subsidiary for Rs 240-Cr

Publicly-listed drug firm Strides Shasun approved the divestment of the company's UK arm Shasun Pharma Solutions Ltd (SPSL) which is into CRAMS API Business to the current management team of SPSL with funding by the promoter group, for an enterprise value of GBP 25 million. Shasun had acquired SPSL in the year 2006 from Rhodia. In FY16 SPSL achieved an EBITDA of GBP 3.94 million with revenue of GBP 33.27 million.

Undone: Tata Steel scraps Tata Metaliks merger

Tata Steel Ltd has withdrawn its plan to merge its subsidiaries Tata Metaliks Ltd and Tata Metaliks DI Pipes Ltd with itself. Tata Steel's board of directors has agreed to apply for a recall of a Bombay High Court order passed on August 21, 2015, sanctioning the scheme of amalgamation. With this decision, Tata Metaliks will continue to operate as a subsidiary of Tata Steel. Tata Metaliks DI Pipes is a wholly-owned subsidiary of Tata Metaliks Ltd.