



**MARKET MOVEMENT**

Major Indices	August 05, 2016	August 12, 2016	% Change	Change
BSE Sensex	28,078.35	28,152.40	0.26	
NSE Nifty	8,683.15	8,672.15	0.12	

**INDIAN ECONOMY AT A GLANCE****POLICY WATCH**

- **Lok Sabha passes Taxation Laws (Amendment) Bill**
- **Bill to ease recovery of debt from defaulters passed**
- **Rajya Sabha Passes Mental Health Care Bill**
- **Government infuses USD 3.42 billion capital into 13 PSU banks**
- **Centre allocates USD 100.9 million for Agricultural Marketing Infrastructure in 2015-16**

**Lok Sabha passes Taxation Laws (Amendment) Bill**

The Lok Sabha has passed The Taxation Laws (Amendment) Bill, 2016, that, among other things, will pave the way for the textile sector getting tax sops. The bill, which will amend the Income Tax Act, 1961, and The Customs Tariffs Act, 1975, seeks to exempt land banks of erstwhile public sector undertakings from levy of capital gains tax when transferred to the government. The move will allow the government to acquire a large land bank of the erstwhile VSNL, a former public sector undertaking which was privatized in 2002.

**Bill to ease recovery of debt from defaulters passed**

A bill that amends four different Acts to expedite disposal of debt recovery applications was passed by the upper house of Parliament, the Rajya Sabha. The bill will complement the Insolvency and Bankruptcy Code passed by Parliament in May. The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016, amends four Acts — the Securitization and Reconstruction of Financial Assets and Enforcement of

Security Interest (SARFAESI) Act of 2002, the Recovery of Debts due to Banks and Financial Institutions Act of 1993, the Indian Stamp Act of 1899, and the Depositories Act of 1996.

### **Rajya Sabha Passes Mental Health Care Bill**

**Rajya Sabha has passed a bill seeking to provide better healthcare for people suffering from mental illnesses. This would seek to urgently** address the lack of infrastructure and shortage of psychiatrists in the country. The Mental Health Care Bill 2013, which provides for protection and promotion of rights of persons with mental illness during the delivery of health care in institutions and in the community, was passed unanimously by a voice vote.

### **Government infuses USD 3.42 billion capital into 13 PSU banks**

**Government has provided USD 3.42 billion capital to 13 Public Sector Undertaking (PSU) Banks including SBI, PNB and IOB** to enhance their lending operations and enable them to raise more money from the market. This is the first tranche of capital infusion for the fiscal and more funds would be provided in future depending upon the performance of the PSU banks.

### **Centre allocates USD 100.9 million for agricultural marketing infrastructure in 2015-16**

The Government allocated USD 100.9 million for the Agricultural Marketing Infrastructure (AMI) scheme during 2015-16. This is a sub scheme of the Integrated Scheme for Agricultural Marketing. Under the AMI scheme, capital investment subsidy @ 25% of the capital cost for general category beneficiary and @33.33% for special category beneficiary is provided for construction/creation of scientific godowns and other marketing infrastructure in the country.

## **INDUSTRY WATCH**

- **Government approves USD 231.8 million to develop technology for power plants**
- **Passenger vehicle sales up 17% in July**
- **Railways to increase non-fare revenues**
- **Handicraft exports rise 8.5% in 2015-16**
- **Energy PSUs to fund fertilizer plants**

### **Government approves USD 231.8 million to develop technology for power plants**

Government has approved USD 231.8 million R&D project to develop advanced ultra super critical technology for thermal power plants, a move that would ensure energy security. A consortium of

three government entities -- Bharat Heavy Electricals Ltd (BHEL), Indira Gandhi Centre of Atomic Research (IGCAR) and NTPC - have proposed a R&D project for development of this technology for thermal power plants of future, envisaging reduced coal consumption as well as Carbon Di-Oxide (CO<sub>2</sub>) emission. The project is formulated with a timecycle of two and a half years.

### **Passenger vehicle sales up 17% in July**

Passenger vehicle sales increased almost 17% year on year in July, prompting the industry to raise its full-year forecast even as better monsoon rains and salary increase of central government employees are expected to boost consumer sentiments in both rural and urban areas. Carmakers sold 259,685 passenger vehicles last month, 16.8% more than the year earlier, driven by demand for new launches such as Maruti Suzuki's Brezza and Baleno, Hyundai's Creta and Renault.

### **Railways to increase non-fare revenues**

Railway ministry has set up a dedicated wing with the mandate to focus on Non-Fare Box Revenue. The non-fare box revenue directorate would look at advertisements at stations, commercial exploitation of vacant land and space rights over station buildings, including station redevelopment, advertisements on coaches and locos, sponsorship of uniforms for railway personnel, hoardings on land alongside tracks, commercial farming along tracks, monetisation of soft assets, including revenue from advertisements on websites and parking of vehicles on railway land, among other things.

### **Handicraft exports rise 8.5% in 2015-16**

India's handicraft exports have increased by more than 8% during the last financial year, touching nearly USD 4.62 billion. The exports of handicrafts have shown an increase of USD 361.41 million from USD 4,257 million to USD 4,617 million – an increase of 8.5% in rupees term in 2015-16 as compared to previous year.

### **Energy PSUs to fund fertiliser plants**

Top state-run energy companies are going to make heavy investments in fertilizer plants. This includes more than USD 770 million in equity in a special purpose vehicle that will revive fertiliser plants in Uttar Pradesh as well as Bihar and Jharkhand. The energy companies include Coal India, NTPC and Indian Oil Corporation.

## **CORPORATE HIGHLIGHTS**

- **Joint Venture set up for first auto-shredding plant in India**
- **Volkswagen starts IT arm to support global brands from Pune**
- **Salarpuria, Apollo form JV to buy out projects in Bengaluru, Vadodara**
- **Norway's Yara acquires Tata Chemicals' urea business for USD 400 million**
- **Aditya Birla Nuvo to merge with Grasim Industries**

### **Joint Venture for first auto-shredding plant in India**

A Joint Venture (JV) agreement has been signed between MSTC Limited and Mahindra Intertrade Ltd to set up an auto shredding plant. This is a unique initiative and will give boost to the “Make in India” programme by providing a source of specialized steel. The shredding plant will be first of its own kind in India and set up in a PPP mode. It will reduce the dependence on present annual import of shredded scrap of 5-6 million tonne in India and consequently reduce the foreign exchange out go. It will also help in domestic sourcing of raw material for secondary steel sector.

### **Volkswagen starts IT arm to support global brands from Pune**

Volkswagen AG, the German car major, has started an in-house Information Technology (IT) arm, namely Volkswagen IT Services India, in Pune in order to better serve the IT-related needs of its global brands such as Audi, Bentley, Bugatti, Lamborghini, Porsche and Skoda. Volkswagen has invested around USD 3.4 million into Volkswagen IT Services India and has a team of 300 professionals with expertise in areas like AVA, Microsoft Technologies, SAP, Service Now, mobility and testing.

### **Salarpuria, Apollo form JV to buy out projects in Bengaluru, Vadodara**

Apollo Global Management LLC and realty firm Salarpuria Sattva Group have formed a Joint Venture (JV) to buy out 100% stake in two projects, in Bengaluru and Vadodara, from a consortium of offshore investors for USD 41.2 million. The investment, done through Apollo Asia RE Singapore Pte Ltd (Apollo Asia Fund), is a partnership between the Bengaluru-based developer and the investment firm where both will invest equity capital and develop the projects. The two undeveloped land parcels include 10 acres near Malleswaram in Bengaluru and 18 acres in Vadodara.

### **Norway's Yara acquires Tata Chemicals' urea business for USD 400 million**

Tata Chemicals has announced sale of its urea business to Yara Fertilisers India Pvt Ltd for nearly USD 400 million. Tata Chemicals will continue to own the brands Paras, TKS and Daksha. This transaction does not include specialty products and complex fertilizers. The urea business along with

the assets, liabilities, contracts, deeds etc shall be transferred and vested with Yara India on a slump sale basis.

**Aditya Birla Nuvo to merge with Grasim Industries**

Aditya Birla Nuvo Ltd (ABNL) will merge with Grasim Industries Ltd in a bid to unlock shareholder value and create a USD 9 billion enterprise. With the merger, the Aditya Birla Group decided to hive off its financial services business into a separate entity, which will be listed later. The board of directors of Grasim Industries Ltd, ABNL and Aditya Birla Financial Services Ltd at their respective meetings approved the merger of ABNL into Grasim and subsequent demerger and listing of the financial services business through a composite scheme of arrangement.