



**MARKET MOVEMENT**

Major Indices	November 04, 2016	November 11, 2016	% Change	Change
BSE Sensex	27, 274. 15	26,818.82	(1.66)	
NSE Nifty	8,433.75	8,296.30	(1.62)	

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

- **Government demonetizes high denomination bank notes**
- **Government and ADB signs USD 48 million loan agreement for Assam**
- **MSDE announces launch of Pradhan Mantri Yuva Yojana**
- **RBI modifies debt restructuring norms**
- **Assam ties up with Railways for USD 757 million track ventures**

**Government demonetizes high denomination bank notes**

Government has decided to demonetize existing bank notes of Rs 500 and Rs 1000 denominations from 8<sup>th</sup> November, 2016. This decision has been taken to tackle black money in the economy, curb financing of terrorism through the proceeds of fake currency notes and use of such funds for subversive activities such as espionage, smuggling of arms, drugs and other contrabands into India.

**Government and ADB signs USD 48 million loan agreement for Assam**

Asian Development Bank (ADB) and the Government of India have signed a USD 48 million loan to help Assam continue its drive to improve access to efficient and reliable power. This is the second tranche loan of the USD300 million multi tranche financing facility for the Assam Power Sector Investment Program that was approved by the ADB Board in July 2014. The project will help Assam to enhance capacity and efficiency of its power distribution system to improve electricity service to end users.

### **MSDE announces launch of Pradhan Mantri Yuva Yojana**

Ministry of Skill Development and Entrepreneurship (MSDE) has launched the Pradhan Mantri Yuva Yojana. This is MSDE's flagship scheme on entrepreneurship education and training. The scheme is for five years (2016-21) with a project cost of USD 75 million. It will provide entrepreneurship education and training to over 700,000 students in 5 years through 3050 Institutes. It will also include easy access to information and mentor network, credit, incubator and accelerator and advocacy to create a pathway for the youth.

### **RBI modifies debt restructuring norms**

Reserve Bank of India (RBI) has eased the rules for various stressed asset resolution schemes and expanded the scope of the loan recast plan, scheme for sustainable structuring of stressed assets (S4A). This was previously limited to the infrastructure sector. RBI has also streamlined the process for change of ownership of stressed assets outside of the so-called strategic debt restructuring process, which allowed creditors to convert debt into equity and take over the management of defaulting companies.

### **Assam ties up with Railways for USD 757 million track ventures**

Railway Ministry has announced a USD 757 million Joint Venture (JV) project with Assam government for the construction of four elevated railway tracks between Kamakhya and New Guwahati. The move is aimed at eliminating 12 level crossing gates in Guwahati. The construction of the elevated tracks connecting Kamakhya and New Guwahati would decongest city roads and free up railway land, besides enabling the railways to develop Guwahati station as a commercial hub.

## **INDUSTRY WATCH**

- Sales of passenger vehicles grow by 4.48% to 280,677 units in October
- Spending in highways and shipping up
- India's fuel demand rise 6.6 % yoy in October
- Government mandates 20% local components in mobiles for companies seeking export subsidy
- Indirect tax collection grows 26.7%, direct tax collection up 10.6% during April-October

### **Sales of passenger vehicles grow by 4.48% to 280,677 units in October**

Sales of passenger vehicles grow by 4.48% to 280,677 units compared to 268,630 units in the corresponding period of the last fiscal. Sales of commercial vehicles too went up by a strong 11.90% to 65569 units during the period under review. While sales of medium and heavy commercial vehicles increased by 16.92% to 25,934 units, those of light commercial vehicles grew by 8.84% to 39,635 units.

### Spending in highways and shipping up

Government has spent a total of about USD 60.6 billion in the past two and a half years in **highways and shipping sector** to build world class highways and shipping infrastructure in the country. Road Transport & Highways Ministry has spent about USD 48 billion to build a total of 14,594 Km and award 21,247 Km of National Highways, the Shipping Ministry has spent about USD 12.6 billion for various projects aimed at modernizing and mechanizing the shipping sector and making it more efficient.

### India's fuel demand rise 6.6 % yoy in October

India's fuel demand rose 6.6% in October compared with the same month last year. Consumption of fuel, a proxy for oil demand, totalled 16.49 million tonnes. Sales of petrol was 13.8% higher from a year earlier at 2.11 million tonnes. Cooking gas or liquefied petroleum gas (LPG) sales increased 10.3% to 1.86 million tonnes, while naphtha sales surged 4.8% to 1.11 million tonnes.

### Government mandates 20% local components in mobiles for companies seeking export subsidy

Government has mandated the use of over 20% indigenous components in mobile devices and 40% in telecom equipment made in the country for companies seeking 3 per cent interest subsidy on exports. The order also mandates that only those companies will be eligible for the interest subsidies which are involved in complete manufacturing of products in the country over those who only assemble their products.

### Indirect tax collection grows 26.7%, direct tax collection up 10.6% during April-October

Government's revenue collection in April to October rise indirect tax-mop up growing at an impressive 26.7% while that of direct tax came in at 10.6%. The total direct and indirect tax collections at the end of October stood at USD 130.60 billion, more than half the USD 246.36 billion target for 2016-17.

## CORPORATE HIGHLIGHTS

- JustRide raises USD 3 million from group of global investors
- Square Yards Consulting raises USD 12 million from Reliance Group's PE arm
- Apollo Tyres invests USD 79 million in a new facility in Andhra Pradesh
- Adani commissions 100 MW solar plant in Punjab
- APG, Virtuous Retail set up joint venture to acquire retail assets

### JustRide raises USD 3 million from group of global investors

JustRide, a car rental start-up that allows people to lease out their personal vehicles, has secured USD 3 million in a bridge round from a group of global investors as well as a trio of Y Combinator

partners. It has raised money from San Francisco-based Susa Ventures, London's Kima Ventures, Axan Ventures and SCM Holdings, as well as Japan's IT-Farm.

### **Square Yards Consulting raises USD 12 million from Reliance Group's PE arm**

**Square Yards Consulting Pvt. Ltd, a real estate listings and advisory firm, has raised USD 12 million from the private equity arm of Anil Ambani-led Reliance Group.** Square Yards will use the funds to strengthen its team and expand its presence to more than 25 countries. The company had raised USD11 million from a group of high net worth investors last year.

### **Apollo Tyres invests USD 79 million in a new facility in Andhra Pradesh**

**Apollo is investing USD 79 million to set up a state-of-the-art manufacturing facility in Andhra Pradesh.** The proposed manufacturing facility will be the fifth plant for Apollo Tyres in India. The company has two plants in Kerala and one facility each in the states of Tamil Nadu and Gujarat.

### **Adani commissions 100 MW solar plant in Punjab**

**Adani Enterprises Ltd has announced the commissioning of Punjab's largest solar power plant of 100 MW, at an investment of USD 96 million.** The plant has been set up by its subsidiary Adani Green Energy Ltd. The plant is situated at Sardargarh & Chughe Kalan, Bhatinda. The technology used for setting up this plant includes Poly Crystalline Silicon PV Modules and Horizontal Single Axis Tracker (HSAT).

### **APG, Virtuous Retail set up joint venture to acquire retail assets**

**APG Asset Management NV and Virtuous Retail (VR), the retail development arm of investment firm The Xander Group Inc., have formed a joint venture (JV), which has acquired a portfolio of three shopping malls assets from a Xander-sponsored fund for about USD 300 million.** This is an initial portfolio, and the partners will acquire more retail assets going forward. APG has invested 77% of the equity for a majority shareholding in the JV and Xander has invested the remaining 23%.