



**MARKET MOVEMENT**

Major Indices	September 09, 2016	September 16, 2016	% Change	Change
BSE Sensex	28,797.25	28,599.03	(0.68)	
NSE Nifty	8,866.70	8,779.85	(0.97)	

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

- Cabinet approves deeper tariff cuts to APTA countries
- Telangana government, Cisco sign pact for tech initiatives
- Cabinet gives go ahead for setting up GST Council
- Government extends pact with ISA on exploring manganese nodules
- Environment Ministry announces initiatives for R&D in HFC refrigerant alternatives

**Cabinet approves deeper tariff cuts to APTA countries**

The Union Cabinet has allowed the government to offer deeper concessions on tariffs while trading with APTA countries comprising Bangladesh, China, India, Lao PDR, Republic of Korea, and Sri Lanka. From 570 tariff lines, the number of products on which duty concessions will be given have increased to 3,142. The Margin of Preference (MoP) has been increased from 23.9% of 33.45%, implying that duties on each of the products will be reduced by a third for the importing countries.

**Telangana government, Cisco sign pact for tech initiatives**

Government of Telangana and Cisco have signed an agreement to cooperate on a host of initiatives, including Smart Cities, Internet of Things (IoT), cybersecurity, education and digitisation of monuments. Cisco will set up a Centre of Excellence (CoE) at the T-Hub premises, the largest building in India to be entirely dedicated to entrepreneurship. As part of the smart city project, called the Digital Zone project, Cisco will take up a 2.2 km area near Hi-Tech City in Hyderabad, and convert it into a smart city.

### **Cabinet gives go ahead for setting up GST Council**

**Cabinet has approved the establishment of the GST Council, which will decide on the rate, exemptions, threshold and relevant** legislation by November 22, 2016. The first meeting of the council will be held on September 22 and 23. The cabinet has also approved the setting up of an attached GST Council secretariat.

### **Government extends pact with ISA on exploring manganese nodules**

**Government has decided to extend the agreement with International Seabed Authority (ISA) by 5 years for exploration** of manganese nodules. This will also help in extracting minerals like nickel, cobalt and copper. By extending the contract, India's exclusive rights for exploration of polymetallic nodules in the allotted area in the central Indian ocean basin will continue and would open up new opportunities for resources of commercial and strategic value in area beyond national jurisdiction.

### **Environment Ministry announces initiatives for R&D in HFC refrigerant alternatives**

**The Ministry of Environment, Forest and Climate Change (MoEFCC) has announced an ambitious collaborative R&D programme** to develop next generation, sustainable refrigerant technologies as alternatives to hydro fluoro carbons (HFCs). This R&D initiative brings together Government, research institutes, industry and civil society to develop long term technology solutions to mitigate impact of currently used refrigerant gases on the ozone layer and climate. With this initiative, India reaffirms its commitment to working with all other nations to safeguard the earth's natural ecosystem.

## **INDUSTRY WATCH**

- **India's microfinance industry registers 60% growth in fiscal 2016**
- **Indirect tax collection rises 27.5% to USD 50.9 billion till August**
- **Direct tax mop-up rises 15% to USD 28.63 billion in April-August**
- **196.6% growth in tourists arrival on e-Tourist visa in August 2016**
- **Mutual Fund folio count rises 2.1 million to around 50 million in August end**

### **India's microfinance industry registers 60% growth in fiscal 2016**

**Indian microfinance Industry (MFI) expanded more than 60% to USD 8.23 billion in 2015-16 compared to the** previous year. The MFI client base has expanded by 2.8 million in the year, taking

the total number of clients to 39.9 million. The top 10 MFIs classified as Non-Banking Financial Companies (NBFCs) accounted for about 80% of the total gross loan value. 94% of the total loans taken from MFIs are for income generating activities, dominated by agriculture and animal husbandry.

### **Indirect tax collection rises 27.5% to USD 50.9 billion till August**

**Net indirect tax collections in the April-August period grew 27.5% to USD 50.9 billion on the back of surge in excise collections.** The collection till August 2016 shows that 43.2% of the annual budget target of indirect taxes, which includes Central Excise, Service Tax and Customs, has been achieved. Till August, Indirect tax net revenue collections are at USD 50.9 billion, which is 27.5% more than the net collections for the corresponding period last year.

### **Direct tax mop-up rises 15% to USD 28.63 billion in April-August**

**Direct tax collections were up 15% in April-August period due to robust increase in personal income tax.** Indirect taxes growth was even better at 27.5% over this period because of a healthy rise in excise collections. In the first five months of the fiscal, the government has managed 22.3% of the budgeted direct tax collection for FY17 and net direct tax collection was USD 28.63 billion while indirect taxes added up to USD 50.9 billion.

### **196.6% growth in tourists arrival on e-Tourist visa in August 2016**

**A total of 66,097 tourists arrived in August 2016 in India on e-Tourist Visa as compared to 22, 286 during the month of August 2015** registering a growth of 196.6%. The Government of India has extended this scheme for citizens of 37 more countries from 26<sup>th</sup> February 2016 taking the tally to 150 countries. Status of achievements in respect of e-Tourist Visa availed by International tourists visiting India last year in 2015 has been surpassed in the first 6 months of the current calendar year 2016.

### **Mutual Fund folio count rises 2.1 million to around 50 million in August end**

**The number of folios has surged by over 2.1 million in the first five months of the ongoing fiscal to around 50 million.** This is mainly on account of strong participation from retail investors. This follows an addition of 5.9 million folios or investor accounts in the preceding financial year (2015-16) and 2.2 million in 2014-15. The number of folios jumped to 49.8 million at the end of August from 47.66 million at the end of last fiscal, a gain of 2.13 million.

## CORPORATE HIGHLIGHTS

- **Hinduja Foundries to merge with Ashok Leyland**
- **Tata Power completes Welspun Renewable Energy acquisition**
- **Ganges Internationale partners with PanelClaw to provide solar roof mounting solutions**
- **ONGC signs deal to buy extra 11% stake in Russian Vankor fields**
- **Mercedes sets up India's largest spare parts warehouse**

### **Hinduja Foundries to merge with Ashok Leyland**

The Board of Hinduja Foundries Ltd has given its approval for amalgamating the company with heavy commercial vehicle maker Ashok Leyland subject to regulatory and shareholders' approval of both the companies. The Board also approved the exchange ratio on the amalgamation in which one hundred equity shares of Rs 10 each of Hinduja Foundries Ltd will get 40 shares at Rs 1 each fully paid of Ashok Leyland Ltd.

### **Tata Power completes Welspun Renewable Energy acquisition**

Tata Power Renewable Energy Limited, a 100% subsidiary of Tata Power, has completed acquisition of 100% shareholding in Welspun Renewables Energy Private Limited (WREPL) and its subsidiaries. WREPL has about 1,141 mw of renewable power projects comprising about 990 mw solar power projects and about 150 mw of wind power projects. Of the renewable portfolio, more than 1,000 mw of capacity is operational and the balance capacity is under advanced stages of implementation.

### **Ganges Internationale partners with PanelClaw to provide solar roof mounting solutions**

Ganges Internationale, a technology company has tied up with PanelClaw to offer solar flat roof mounting solutions in Indian and international markets. Ganges, renowned for their manufacturing expertise and local engineering support will supply Polar Bear components for PanelClaw and will be their exclusive license partner for the sale of Polar Bear in Southeast Asia.

### **ONGC signs deal to buy extra 11% stake in Russian Vankor fields**

Oil and Natural Gas Company (ONGC) has signed definitive agreements with Russian state-run oil major Rosneft OAO to purchase additional 11% stake in JSC Vankorneft. The daily production from the field is around 421,000 barrels per day (bpd) of crude oil on an average and together with the earlier acquisition of 15%, ONGC Videsh's share of daily oil production from Vankor will be about 110,000 bpd.

### **Mercedes sets up India's largest spare parts warehouse**

**Mercedes Benz India Pvt. Ltd has set up a parts warehouse in Pune, the largest by any luxury car maker in the country.** The 16,500 sq. m warehouse can stock up to 44,000 parts, meaning customers can get parts and accessories replaced quickly, instead of waiting for imports, which takes time. The warehouse will have a vehicle preparation centre that can stock as many 5700 cars to customize them before delivery.