

Daily Economic News Summary: 15 September 2016

1. Uber partners NSDC, Maruti to skill 1 million by 2018

Source: **Live Mint** ([Link](#))

Transportation app Uber has launched a new initiative in partnership with Maruti Suzuki and National Skill Development Corporation (NSDC) for creating livelihood opportunities for one million people by 2018. Under UberSHAAN, the company will provide access to skill development and driver training to the unskilled, Uber India president Amit Jain told *PTI*. The initiative will also help trained drivers receive commercial licenses, vehicle financing and leasing solutions, he added.

“With UberSHAAN, our plan is to rapidly scale India’s entrepreneurial base and generate one million livelihood opportunities on the Uber platform by 2018. Our partnership with the National Skill Development Corporation and Maruti Suzuki will be instrumental in realising our goal by 2018,” he said. Uber has about 4 lakh drivers on its platform in India, which is its second largest market in terms of trips taken after the US. R.S. Kalsi, executive director (marketing and sales) at Maruti Suzuki, said they expect to train 30,000 drivers under this programme. “Through this partnership, we will be able to promote safe and responsible driving while facilitating meaningful livelihood for youth,” he added.

2. Ashok Leyland, Hinduja Foundries boards approve merger plan

Source: **Live Mint** ([Link](#))

The boards of automobile parts maker Hinduja Foundries Ltd and heavy commercial vehicle maker Ashok Leyland Ltd have approved a proposal to merge the companies. Both Hinduja Foundries and Ashok Leyland are part of the Hinduja group. Hinduja Foundries makes grey iron castings for automobiles.

“The amalgamation will result in operational efficiencies and help realize significant cost synergies. We are confident that the roll out of the best practices of Ashok Leyland Ltd will benefit Hinduja Foundries Ltd,” said Vinod K. Dasari, chief executive officer and managing director, Ashok Leyland Ltd. The boards also approved the share-swap ratio in which shareholders of Hinduja Foundries will get 40 equity shares of Ashok Leyland for 100 shares held in the auto parts maker.

3. ONGC signs deal to acquire additional 11% in Russia’s Vankorneft

Source: **Live Mint** ([Link](#))

State-run Oil and Natural Gas Corp. Ltd (ONGC) said late on Wednesday night that it has signed definitive agreements with Russia's Rosneft OAO for acquiring an additional 11% stake in JSC Vankorneft, the company that has a license to produce hydrocarbons from the Vankor field in Siberia. The deal, announced on 16 March, is expected to receive approvals from the boards of the companies as well as the Indian and Russian governments by the end of 2016, ONGC said.

Once completed, ONGC Videsh Vankorneft Pte Ltd, the overseas arm of the oil explorer, will have a 26% stake in JSC Vankorneft, including the 15% it had acquired earlier for \$1.26 billion. That deal was concluded in May this year. ONGC did not disclose the price at which the additional 11% is being acquired, but is likely to be in the range of \$924 million going by the original valuation. The definitive agreement was signed in Moscow on 14 September by ONGC Videsh chief executive officer and managing director Narendra K. Verma and Igor Sechin, chairman of Rosneft's board of directors.

4. Altico Capital invests Rs300 crore in Pune township

Source: **Live Mint** ([Link](#))

Altico Capital India Pvt. Ltd, the non-banking financial company (NBFC) of Asia-focused investor Clearwater Capital Partners LLC, has invested Rs.300 crore in a residential township in Pune being developed by Pune-based Kumar Urban Development Pvt. Ltd. The funds will be used to refinance the developer's existing loans, allow current investors to exit the project and to fund construction. The first phase of the 100-acre KUL Ecoloch township, a mid-segment project located at Hinjewadi in Pune, is being delivered, while the second and third phases are under construction. This is Altico's third deal in Pune since the beginning of this year. It earlier entered into a multi-project financing arrangement with Marvel Developers with an investment of Rs.240 crore. It also invested Rs.180 crore in the Pharande Group to part-refinance an existing loan and fund construction.

"Through this transaction, Altico Capital has further strengthened its presence in the Pune market. The overall exposure to this key market should cross Rs.1,000 crore soon, with our main focus remaining on providing capital to leading developers focused on mid-income and affordable residential projects in established locations," said Altico chief executive Sanjay Grewal. With the Altico funds coming in, lenders LIC Housing Finance Ltd and LICHFL Asset Management Co. Ltd will be able to exit the project while some of the money will be used for funding construction of the remaining phases.

5. Major telcos submit bids for October 1 spectrum auction

Source: **Business Standard** ([Link](#))

A majority of telecom operators in the country have submitted their applications to participate in the biggest-ever spectrum auction - scheduled to start from October 1- barring Telenor, which decided not to bid in the sale. The seven operators include Bharti Airtel, Vodafone, Idea Cellular, Reliance Jio, Reliance Communications (RCom), Aircel and Tata Teleservices. However, the auction will not see participation from any new player. State-run telecom operators - BSNL and MTNL –have not submitted their bids, as was the practice in past auctions. RCom and Aircel have submitted separate bids even though the two companies announced their merger on Wednesday. All the major players submitting their applications is indicative of a positive sentiment about the auction in the industry, said an official in the department of telecommunications (DoT).

The government, placing around 2,354.55 megahertz of spectrum on the auction block, hopes to garner around Rs 5.66 lakh crore, provided all the airwaves are sold at the base price. Norway-based Telenor had announced earlier it would not be participating in the auction. Hence, its absence has not come as a surprise to the DoT. The latest spectrum auction should help remove fragmentation and improve quality of services. Also, the rules have been made as bidder-friendly as possible. For this, the government has taken several steps, which include its plans to assign spectrum won in the auction within 30 calendar days from date of making the payment. Also, the spectrum usage charge has been set at three per cent for new spectrum being auctioned, which is lower than the prescribed five per cent in 2015.

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