Daily Economic News Summary: 23 August 2016

1. Ports to promote waterways as Centre plans policy rejig

Source: **The Hindu** (Link)

The Centre is framing a policy to enable all major ports to set up subsidiary companies to develop inland waterways. This is part of its plan to cut logistics costs for exporters by moving more cargo on water instead of over land. The establishment of separate units will facilitate easy foreign funding for inland waterway projects by capitalizing on the financial credentials of the government owned ports, Union Minister for Shipping, Highways and Waterways Nitin Gadkari said on the sidelines of a summit organised by the Indo-American Chamber of Commerce on Monday. "We are framing a policy at the department level," Mr. Gadkari said. "As nobody will give loans to inland waterway projects, we will use the financial credential of ports, which will set up subsidiary companies for developing inland waterway projects. We will be framing it in 15 days," he said.

The objective of the government is to reduce logistics costs to make exports competitive and all ports will be asked to improve inland waterways in their periphery to divert large part of the cargo on waterways which is cost effective.

2. Volume growth drives HPCL Q1 net

Source: **The Hindu** (Link)

Hindustan Petroleum Corporation Ltd. (HPCL) has reported a 30 per cent increase in its net profit to Rs.2, 098.38 crore in the first quarter ended June 30, 2016, from Rs.1,614.13 crore in the year ago period. The company attributed the rise in profits to primarily growth in volumes, stable refining margin and inventory gains.The combined gross refining margin (GRM) for the quarter stood at $6.83 a barrel. The company's net revenue fell 5.7 per cent to Rs.51,661.04 crore from Rs.54,822 crore due to a slump in product prices.HPCL had earlier announced a bonus issue of two shares for every equity share of Rs.10, capitalising reserves to the extent of Rs.677.25 crore, subject to approvals, the company said in a statement.

3. Aditya Birla Fashion pips Myntra; buys India rights of Forever 21
Source: **Business Standard** (Link)

Aditya Birla Fashion and Retail, part of Aditya Birla Group, has pipped e-commerce portal Myntra to acquire the rights for global fashion chain Forever 21 in the country for an undisclosed sum. Forever 21 had a three-year-old tie up with DLF Brands and wanted to exit the partnership for much aggressive play in the country, said sources in the know. Myntra was also in talks to buy the rights of Forveer 21, reports said earlier.

Aditya Birla Fashion has signed a memorandum of understanding (MoU) with US based Forever 21 to acquire its exclusive online and offline rights for Indian market and its existing store network in India from the current franchisee Diana Retail, the company said today in a release.

4. Artificial intelligence start-up Octo.ai raises $200,000

Source: **Live Mint** (Link)

Delhi-based artificial intelligence start-up Octo.ai has raised $200,000 from early stage investor Outbox Ventures, Rahul Khanna, managing partner of venture debt fund Trifecta Capital and Jaspreet Bindra, head of e-commerce at Mahindra & Mahindra, the company said on Tuesday. Arjun Malhotra and Rohan Malhotra of Investopad, Sidharth Rao, co-founder of WebChutney and US-based angel Rakesh Agrawal were among the other investors who participated in the round.The company will use the fund for enhancing technology.

Founded by Akshaya Aaron and Dipankar Sarkar, Octo.in (Aurora Borealis Pvt. Ltd) is an open-source analytics platform built for machine learning. It helps companies retain their data and apply machine learning to power real-time insights, recommendations and personalised feeds on their platform.It allows them to install Octo, and send personalised push messages to each user to drive more active users and engagement. Octo has built in an advanced rule engine and a routing mechanism to handle marketing communication. It also allows marketplaces to power their seller analytics. The system can provide sellers with recommendations for products and insights on how their products are doing.

5. Monte Carlo to venture into footwear segment

Source: **Live Mint** (Link)

Woollen and cotton apparel brand Monte Carlo Fashions Ltd is all set to enter the footwear segment with a premium line of formal and casual wear shoes for men, starting next month. Launched in 1984, the Ludhiana-based company will be sourcing and marketing the products through a third party, the details of which will be made public in September. “We are venturing into shoes next month. There is a lot of potential in the market for a good brand. We have tied up with a Delhi-based company which will be our official brand licensee,” said Sandeep Jain, executive director at Monte Carlo Fashions Ltd, refusing to disclose details about the tie-up and the product. “It will be a premium line and will be sold through multi-brand retail outlets” he said, adding that the company is looking to earn initial revenue of Rs.15 crore in the next three years from footwear segment.

Currently, Monte Carlo sells apparels for men, women and children through more than 200 exclusive brand outlets, about 1,300 multi-brand stores and 60 large format retail stores. The company also sells through online marketplaces like Flipkart, Amazon and Snapdeal.

6. Maggi regains top slot in noodles market with 57% share in June

Source: **Live Mint** (Link)

Nestle India Ltd's instant noodle brand Maggi, whose sales were severally hit by the Food Safety and Standards Authority of India (FSSAI) ban last year, has regained its leadership position capturing 57% share of the market in June this year.Within nine months of its relaunch, Maggi noodles now accounts for 57.1% market share of the instant noodles segment riding on its marketing /branding initiatives and new variants. In November, when the company relaunched Maggi after a five-month ban, it had 10.9% of the market share, which climbed to 35.2% in December, according to a Nestle India presentation made to financial analysts and institutional investors.