

Daily Economic News Summary: 17 October 2016

1. India seeks \$500-bn BRICS trade by 2020

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

While a key agreement on setting up a BRICS credit rating agency eluded them, leaders of the five emerging large economies ended their eighth summit with a commitment to strive for greater synergy and higher economic growth. With Indian and Chinese exports to the West shrinking, Prime Minister Narendra Modi called for doubling of intra-BRICS trade to \$500 billion by 2020.

This was seen as a key to spur growth in BRICS economies, two of which have recorded negative growth. Chinese President Xi Jinping drew attention to “some countries getting more inward looking in their policies... Protectionism is rising and the forces against globalisation are an emerging risk,” he said. The ‘Goa Declaration’, issued at the end of the summit, welcomed “experts exploring the possibility of setting up an independent BRICS Rating Agency based on market-oriented principles, in order to further strengthen the global governance architecture. However, it was felt that experts should study the proposal further since credit rating agencies need to have credibility,” said Amar Sinha, secretary (economic relations), external affairs ministry. An important idea that nearly reached fruition was the suggestion that BRICS members should trade in their local currencies. If this happens, trading costs could come down by up to six per cent, according to estimates.

2. Ashok Leyland to set up facilities in Andhra Pradesh & Telangana

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

Commercial vehicle major Ashok Leyland is planning to set up new manufacturing facilities in Andhra Pradesh and Telangana. The Chennai-based company is expanding its manufacturing base into the neighbouring states and looking at other states to cut down the freight and logistics cost, besides addressing inventory related issues and demand, said a senior official. While the state government of Telangana has confirmed the development adding that the initial investment would be around Rs 500 crore, company sources don't want to comment on the investment numbers, but confirmed that it has signed a memorandum of understanding (MoU) with the Telangana government.

Initially, the company is planning to set up bus assembling and building facilities, followed by a truck plant, which is expected to provide direct employment to over 1,000 people.

It may be noted, earlier Ashok Leyland has signed a MoU with the Andhra Pradesh government during the partnership meet in Vizag to establish a manufacturing unit in the area. Company sources said that few more state governments have approached the company to set up facilities and it is considering the same.

3. FirstCry buys Mahindra's BabyOye for Rs362.1 crore

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

Online babycare store FirstCry (BrainBees Solutions Pvt. Ltd) has acquired the franchise division of Mahindra Retail Pvt. Ltd, a subsidiary of Mahindra and Mahindra Ltd, which owns online babycare business BabyOye for Rs.362.1 crore in a cash and stock deal, a move that is expected to help the company significantly expand its offline presence as well as strengthen its position as a leader in the babycare segment. In a filing to the Bombay Stock Exchange on Saturday, Mahindra and Mahindra Ltd said the deal will comprise an equity component worth Rs.354.6 crore and Rs.7.5 crore in cash.

Besides, FirstCry has also raised \$34 million in a fresh fundraise from the Mahindra Group, Zurich-headquartered private equity fund Adveq, Infosys co-founder Kris Gopalakrishnan and existing investors IDG Ventures India, New Enterprise Associates, SAIF Partners, Temasek Holdings, Valiant Capital Partners and Vertex Ventures. FirstCry has so far raised \$125 million from investors, according to venture capital database Crunchbase, making it by far the most well capitalised business in the online babycare segment.

4. Venture capital investments surge in September quarter

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

Venture capital (VC) investment in India almost doubled in the September quarter from the preceding three months even as number of deals remained flat, signalling big-ticket funding and something of a revival in investor interest which had hit rock bottom, according to a KPMG-CB Insights report. Venture capital companies ploughed in \$1.04 billion between July and September as against \$584 million in the June quarter, although the number of deals was flat at 108, from 107 in the previous quarter. Venture capital investments in India have been falling since October-December 2015.

5. Google's Rajan Anandan invests in women health tracker startup Maya

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

Bengaluru-based women's health tracker startup Maya has raised an undisclosed amount in funding from Rajan Anandan, Google vice-president Southeast Asia and India. Previously called LoveCycles, Maya had raised seed funding of Rs5 crore from Prime Venture Partners earlier this year. The company has also appointed technology veteran Raghunath Mallena as its chief technology officer and co-founder. Founded in early 2012 by John Paul, Maya enables women to keep track of their menstrual and physiological health via a mobile application. Maya is building a personal health assistant that uses data, analytics and machine learning to provide women actionable insights around their health. To date, Maya has processed more than 100 million data points to build its predictive models.

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