

Daily Economic News Summary: 21 July 2016

1. UK government arm pumps Rs 1000 Crore into IIFL Finance

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

The UK government-owned CDC Group said it would acquire a 15 per cent stake in Mumbai-based India Infoline Finance, a non-bank finance company, for Rs 1,000 crore. Owned by IIFL Holdings, a diversified financial group, it will use the capital to expand in semi-urban areas and its offering in affordable housings. This is the second high-profile investment in a IIFL Group company. Late last year, Canadian investor Prem Watsa's Fairfax India increased its stake in IIFL Holdings to 30.7 per cent from the earlier 8.8 per cent, through an open offer worth Rs 1,341 crore. The proposed investment by CDC is through compulsorily convertible preference shares, resulting in about 15 per cent equity stake on a fully diluted basis.

2. Realty to be \$180 Billion Industry in India by 2020

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

India's real estate sector is set to become a USD 180-billion industry by 2020, building on initiatives such as smart city mission and tax sops for investment trust REIT, a top NHB official said on Wednesday. *"The real estate sector is set to become a 180 billion dollar industry by 2020," National Housing Bank (NHB) Managing Director and CEO Sriram Kalyanaraman was quoted as saying in a CII statement. On the basis of the Smart City projects, land record digitisation, withdrawal of corporate tax from REIT structure, the real estate sector growth is bound to attract funds and confidence of the investors as well in a big way,"* he added.

Home loan disbursements from NHB have been encouraging, Kalyanaraman said. The demand for warehousing space would grow whenever the GST Bill is implemented. Addressing the conference, CBRE - India and South East Asia Chairman Anshuman Magazine said: *"A balanced regulatory framework and healthy financing environment are the two key pillars for the sustainable development of the real estate sector. Recently announced policy amendments, including those on RERA and REITs, will aid the growth of the sector."* The government is working with industry stakeholders to address development bottlenecks and help bring confidence back into the real estate market in India, Magazine said.

3. Tourism Min okays projects worth Rs 275 Crore

Source: **Pioneer** ([Link](#))

The Union Tourism Ministry has approved projects worth Rs75 cr for the development of Krishna and heritage circuit in Haryana, Rajasthan and Gujarat under the Central flagship Swadesh Darshan Scheme. A senior official from the Ministry said that under Krishna Circuit in Rajasthan, Shrinath Ji (Nathdwara), Govind Devji (Jaipur), Kanak Vrindavan (Jaipur), Charan Mandir (Jaipur), Galtaji Temple Complex (Jaipur), and Khatu Shyam (Sikar) are covered with total project cost of approximately Rs98 Crore.

Besides, the Central Sanctioning and Monitoring Committee (CSMC) for the SD Scheme which met under the chairmanship of Vinod Zutshi, Tourism Secretary on Tuesday also approved the sites located in and around Kurukshetra (Haryana) for inclusion in Krishna Circuit. *“Sites such as Jyotisar, Brahma Sarovar, Sannhit Sarovar, Narkatari: Baan Ganga, Amin: Abhimanyu Ka Tila will be developed. The project envisage world class infrastructural development of the sites with special emphasis on audio visual and projection show, site illumination, solar lighting and street lighting, construction of tourist facilitation centres, yatri sheds, infrastructural development of way-side amenities, parking, public convenience, construction of open air theatre, culture interpretation centre, fountains and landscaping,”* the official explained. Total project cost for integrated development of Krishna Circuit in Haryana is estimated at Rs96.00 Crore.

4. Delhi Metro Rail Corporation going solar to save power bills

Source: **Pioneer** ([Link](#))

To save on rising electricity bills, metro rail corporations across the country are going solar in a big way. While Delhi Metro Rail Corporation has already taken the lead in this regard followed by its counterpart in Jaipur by setting up power plants on the rooftop of their stations, other metro rails like those in Mumbai, Chennai and Bangalore are following the suit. A senior official from the Union Urban Development Ministry said that the DMRC has plans to install solar Photo Voltaic (PV) power plants of 20 Mega Watt power (MWp) capacity by 2017 on the rooftops of its stations, depots and office buildings under Renewable Energy Service Companies (RESCO) model through open competitive bidding.

In this model, the developer will invest the entire cost of solar plant while DMRC will pay for the energy generated at a tariff as agreed mutually in the Power Purchase Agreement (PPA). Out of this, 6.3 MWp solar plant capacity has been installed and made operational till date. The official from the Ministry, which has the mandate to oversee the working of the metros in the country, said that the Jaipur Metro Rail Corporation Ltd. (JMRC) has informed that they have installed a 100 KWp roof mounted solar power plant at its Mansarovar Depot and it is

under operation since last December. Similarly, Chennai Metro Rail Limited (CMRL) has awarded the work for installation of 1 MW solar energy on the rooftop on its metro stations while Bangalore Metro Rail Corporation Ltd. (BMRCL), Mumbai Metropolitan Region Development Authority (MMRDA) and Mumbai Metro One Pvt. Ltd. (MMoPL) are in the process of doing the same soon.

5. Zopo to invest \$15 Mn to set up unit in India

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

China-based smartphone maker Zopo Mobile is planning to invest \$15 million (Rs 100 crore) to set up a manufacturing plant in India by the end of this year. The company, which had entered the country in September 2015, is looking to set up the facility in Noida, near Delhi. Domestic electronics firm Adcom is the exclusive national distributor of Zopo here and currently 50,000-60,000 devices are sold every month. *"We are exclusive national distributors for Zopo. We are representing Zopo in all their operations right from marketing, sales and logistics,"* said Adcom Chairman Sanjeev Bhatia. He added that by Diwali, the company plans to sell about 100,000 devices every month and have an annual turnover of Rs 1,000 crore. Speaking about the manufacturing plans of Zopo, Bhatia said the idea is to export to south-east Asian countries from India. Zopo already have presence in countries such as Nepal, Sri Lanka, Bangladesh and Vietnam, among others, and with manufacturing starting here, all these countries will be supplied devices from India.

6. Govt introduces online payment system for FBOs

Source: **The Statesman** ([Link](#))

The Delhi government on introduced online payment system for licensing and registration of food business operators (FBOs). The Drug Control and Food Safety Department under the Health Department stated that the applicants can now pay dues through credit/debit card and netbanking. *"This will eliminate delay in collection of fees and simplify processes for applicants as well,"* said a Delhi government official. Besides, the department has undertaken the training and education of 23,000 street food vendors to ensure clean, wholesome and unadulterated food for the public. *"The trained vendors will be issued certificates and skill cards. The department is also planning next phase of this programme in which some 1,80,000 vendors will undergo training and education on hygiene and other issues,"* said the official.

As per the official, the department has also introduced a credit note system in dealings between the food safety officers and the food business operators, which used to be in cash. *"This practice of many years has now been shelved. In the new practice no cash dealings will be done. Instead, payment to FBOs will be made by the department through a crossed account payee cheque. Also the measure will ensure transparency and also check corruption,"* stated the official. Further, the official stated that the department has also taken steps to end the "Inspector Raj" by ending the practice of posting food safety officers to specific areas for long duration.



By Harsha Hazarika