

Daily Economic News Summary: 24 October 2016

1. Rs 6-lk-cr investment promised to state

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

Madhya Pradesh Chief Minister Shivraj Singh Chouhansaid the state received investment proposals worth Rs 6 lakh-crore at the fifth Global Investors Summit at Indore. He was addressing the concluding day of the two-day biennial summit. "Till recently, Madhya Pradesh was only known for its worst-ever industrial disaster — the Bhopal gas tragedy. It has now turned into the most-preferred investment destination of India. As we conclude today (Sunday) we have expression of interests to the tune of Rs 5,62,887 crore from 2,630 companies despite not signing any memoranda of understanding (MoUs) with any company," the chief minister said. Industry bigwigs said they would either enhance the quantum of investment or make fresh investments in the state.

The Aditya Birla group pledged an investment of Rs 20,000 crore in cement and expansion of Hindalco's Mahan Alumina project in Singrauli, payments banking, mobile phone brand Idea and optical fibre sector. An equal amount of investment has been committed by the ministry of petroleum for setting up a solar power plant of 2,700 mega watt. Indian Oil Corporation (IOC) will chip in with Rs 4,800 crore for the venture. "IOC and Oil India (both owned by the central government) will set up the plant," said Dharmendra Prasad, minister of petroleum. Essar group has promised Rs 4,500 crore, Procter & Gamble has planned to invest Rs 1,100 crore, while Avgol would invest Rs 230 crore for making hygiene solutions.

2. RBI decides to allow FDI up to 100% in other financial services

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

The Reserve Bank of India (RBI) on Thursday decided to allow foreign investment up to 100 per cent under the automatic route in 'other financial services'. RBI, however, said foreign investment in an activity that is regulated by an Act will be restricted to foreign direct investment (FDI) limits. Hence, sectors such as insurance, which already have pre-defined FDI limit (49 per cent in insurance) will continue to follow that. RBI said such FDI shall be subject to conditionalities, including minimum capitalisation norms as specified by the concerned regulator or government agency. In the financial services activities that are not regulated or are partly regulated by any financial sector regulator or where there is a lack of clarity regarding regulatory oversight, FDI will be allowed up to 100 per cent under the government approval route.

3. Masala bonds pick up, \$1.24 bn raised, another \$3-4 bn in pipeline

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

Masala bonds are catching on with \$1.24 billion raised by three Indian companies and a bank and another \$3-4 billion likely to be issued over the next year. Adani Transmission, HDFC, NTPC and Indiabulls have issued these bonds through which Indian entities can raise money in global markets with investors bearing the currency risk. Funds raised through any other instrument in the overseas market place the currency risk on the issuer of the bonds. Several private and state-owned banks, infrastructure companies and infrastructure finance companies are interested in issuing masala bonds.

4. Food-tech start-up Box8 raises Rs50 crore

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

Food technology start-up Box8 (Poncho Hospitality Pvt. Ltd) has raised Rs50 crore (\$7.5 million) in a Series B funding round led by IIFL Seed Ventures Fund, a unit of IIFL Holdings Ltd, and existing investor Mayfield Fund, said two people aware of the development. Box8 was started by Indian Institute of Technology-Kharagpur alumnus Amit Raj and Indian Institute of Technology-Bombay alumnus Anshul Gupta as Poncho, a quick service restaurant for Mexican food, in July 2012. In January 2014, the company changed its menu to Indian food and rebranded itself Box8.

Box8 is a full-stack service provider that handles everything from procurement of raw materials and preparation of the food to delivery. It is currently operational in Mumbai, Pune and Bengaluru and offers an assortment including ice creams, meal boxes, wraps, sandwiches, salads and desserts.

5. Microsoft opens cybersecurity centre to boost investments in India

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

Microsoft India on Friday launched its first full-scale Cybersecurity Engagement Centre (CSEC) in the country, giving a fillip to its cybersecurity investments in India. Located in Delhi, this first-of-its-kind centre in India will bring together Microsoft capabilities to foster deeper cybersecurity collaborations with public and private sector organisations and build a trusted and secure computing environment, a critical enabler for India's digital transformation. This centre will focus only on India specific malware data and will work with government agencies and Microsoft partners to detect and respond to data breaches.

Announcing these cybersecurity investments in the country, Bhaskar Pramanik, chairman, Microsoft India, said, “Data is becoming the driver of growth and innovation across every sector and will catalyze the 4th industrial revolution. We believe security of critical information is imperative for our corporate customers, just as it is vital to ensure security and privacy of citizen data and transactions. Our first investment towards this was setting up our local data centers in India last year, and today’s launch of the Cybersecurity Engagement Center is the second. Our cybersecurity investments in the country underline our relentless commitment to partnering India in realizing its digital vision.”

By Nandini Malhotra

