

## Daily Economic News Summary: 25 August 2016

### 1. Sitharaman wants 200-bp lending rate cut for MSMEs

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

Making a strong case for providing medium & small manufacturers and exporters with cheaper credit, Commerce and Industry Minister Nirmala Sitharaman on Wednesday pitched for a cut in the repo rate by as much as 200 basis points to help the cash-starved micro, small and medium enterprises (MSME) sector. "The cost of credit is still too high in India and the MSME sector, which creates a lot of jobs and contributes to exports, is hard pressed for cash," she told reporters.

Repo rate is the rate at which the central bank lends money to commercial banks. The Reserve Bank of India, which has maintained the key interest rate at 6.5 per cent since April this year citing inflationary concerns, is scheduled to hold its next policy review on October 4. The next policy will be presented by Urjit Patel, who will take charge as governor on September 4. Sitharaman said that while she will take up the matter with Finance Minister Arun Jaitley, banks also needed to acknowledge the negative effect of high credit costs on MSMEs whose competitiveness is affected.

### 2. Zoomcar raises \$24 million in funding round led by Ford arm

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

Car rental start-up Zoomcar has raised \$24 million in a Series B funding round led by Ford Smart Mobility Llc, a unit of Ford Motor Co., the firm said in a statement on Wednesday. Existing investors Sequoia Capital, Nokia Growth Partners and Empire Angels also participated in the round. The company had raised \$21 million, in two tranches between October 2014 and July 2015, from Sequoia Capital, Empire Angels, T.V. Mohandas Pai (chairman of Manipal Global Education) and Abhay Jain (adviser at Manipal Group), among others, thus taking its war chest to \$45 million.

Zoomcar was founded in 2012 by chief executive Greg Moran and David Back. The latter quit the company in May last year and returned to the US, citing personal reasons. The company initially owned the entire fleet of cars available on its platform. However, in April, the company launched the Zoomcar Associate Program, essentially allowing private car owners to make their vehicles available on Zoomcar.

### **3. SlideApp to tie-up with Paytm**

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

In a bid to incentivize mobile readers and offer plethora of choices to use their rewards in ways that range from purchasing utilities to entertainment, SlideApp, India's leading lock screen app for Android phones, has announced its association with India's largest mobile wallet, Paytm. SlideApp is an app for lock screen, which ensures you can earn and that too with content of your interest. It helps you earn while sitting idle or travelling. All you need to do is just slide on the content pieces. The app was launched last November and had recently tied up with Mobikwik as well, to offer its customers ease of using rewards.

On Slide, content is carefully selected and presented to ensure what you read is interesting, fun and makes you smile. This lock screen app for Android phones has turned into a media platform that offers updates from various walks of life and ensures that each piece is of interest to the users. SlideApp incentivizes users to read more on the app; be it content that's from publishers/advertisers or curated content from bloggers. The app has already been downloaded by over 2 million users and is one of the top apps on Google Play in its category of news and magazines.

### **4. IFC to invest \$125 million in Hero Future Energies**

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

International Finance Corp. (IFC), the private sector investment arm of the World Bank, said on Tuesday it will invest \$125 million (Rs.840 crore) in Hero Future Energies Ltd, the renewable energy arm of the Hero Group.

Established in 2012, Hero Future Energies is present in nearly 10 states of India. The company is currently developing 150 megawatts (MW) in wind power assets and about 90MW in solar power assets. It has a pipeline of 1.1GW of wind projects till 2018-19 and expects to secure more than 500MW in solar projects under state and central bidding by 2015-16. In the rooftop solar segment, the company has plans to implement 100-200MW in projects by 2018-19. Hero Future Energies plans to commission capacity of more than 1GW in the next 12 months. IFC, together with IFC Global Infrastructure Fund, will invest up to \$125 million of equity and proceeds will be used to fund the construction of solar and wind power plants, read the

company's statement. Hero Future Energies is in talks with IFC and CDC Group Plc, a development finance institution owned by the UK government, to raise \$150 million (about Rs.1,000 crore), *Mint* reported in April. Hero Future Energies aims to use the funds to expand its capacity to 2GW by 2020, the report said.

## 5. Amazon set to expand private-label offerings

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

Online marketplace Amazon India plans to create its own private brands in fashion and expand its existing private label offering in electronic accessories and related products, two people familiar with the matter said. The company, which operates the Amazon Now grocery ordering app, is also considering launching private labels in groceries and has hired legal consultants to help it figure out structures that comply with regulations, the two people said on condition of anonymity. Amazon has hired former Myntra chief creative officer Gautam Kotamraju to lead its push into private brands in fashion. Kottamraju, who has worked 18 years in the fashion business, helped create Myntra's large private brands business, which generated more than 20% of Myntra's gross sales within two years of its launch. Now, brands such as Roadster, Mast & Harbour and Dressberry account for nearly 25% of Myntra's sales. Roadster is one of the top five brands on its platform.

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