

Daily Economic News Summary: 25 October 2016

1. BigBasket seeks govt's approval for Rs100 crore FDI

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

Online grocery store BigBasket has sought government's approval to infuse Rs100 crore foreign direct investment to further expand its business. The company, which sells fruits, vegetables and other food products online, plans to use the funds to strengthen backend infrastructure, increasing collection centres and processing units, sources said. According to a company official, foreign investment of Rs100 crore is sought to be put in by existing investors, including an overseas venture capital fund. As per the current policy, 100% foreign direct investment is allowed in trading of food products, including through e-commerce. But the proposals require approval from the Foreign Investment Promotion Board (FIPB), under the finance ministry. The government is making efforts to double the food processing level of fruits and vegetables, which currently stands at only 10%. Although company officials did not commit on future FDI, sources said that the firm may attract more FDI soon.

2. Emami unveils cement brand, expansion plans

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

Emami Ltd, a maker of consumer goods and edible oils, said it is looking to scale up its cement production capacity from 4 million tonnes (mt) to 15-20 mt in 3-5 years and unveiled its cement brand Double Bull on Monday. Emami said it has budgeted as much as Rs9,000 crore for the proposed expansion of its cement production capacity. The company currently has only one operating unit in Chhattisgarh. The integrated unit, which can produce up to 2.4 mt of cement a year, has been in operation since July. Two more limestone-grinding units are currently under construction—one each in West Bengal and Odisha. The facility in West Bengal, which will have capacity to produce 2 mt of cement a year, is likely to be commissioned in January. The Odisha unit near Balasore, with a production capacity of 1.5 mt, will be ready in about 12-15 months. Revenue from cement in the current fiscal is expected to touch Rs500 crore, according to director Aditya V. Agarwal.

In the first phase of development of its cement business, Emami will spend around Rs3,500 crore on its manufacturing facilities in a debt-equity mix of 70:30, he said, adding that repayment of the loans will start in two years. In the second phase of scaling up, the company is looking to expand in Rajasthan and Andhra Pradesh, where it has secured limestone deposits.

3. Arun Jaitley signals new approach to NPAs

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

The government on Monday signalled a recalibration of its strategy to resolve the bad debt problem by deciding to hand over stressed units in power, steel and shipping to well-

functioning public sector companies. Not only does it signal a toughening of stand vis-a-vis errant promoters, it also marks continuity in the policy on non-performing assets, estimated at Rs6.3 trillion, put together previously with the Reserve Bank of India (RBI) headed by former governor Raghuram Rajan.

After chairing a meeting with public sector bankers and heads of NTPC Ltd, Steel Authority of India Ltd and Cochin Shipyard Ltd, finance minister Arun Jaitley said the idea was to explore the option of banks enlisting the management team of established public sector units. “This will necessarily involve the banks invoking their powers under the contract converting a part of the debt into equity, taking control of those units and appointing a management team of established people from either current or retired representative who have great experience of those sectors,” he said.

4. Inox Wind to begin work on Gujarat's wind power project

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

Inox Wind said on Monday that it has bagged a repeat order from ReNew Power Ventures for a 50 MW wind power project in Gujarat. In a BSE filing, Inox Wind said it has bagged repeat order from "ReNew Power Ventures Pvt Ltd... For 50 MW wind power project to be executed in Gujarat". This is a turnkey project and is scheduled to be commissioned by March 2017, it added. ReNew Power Ventures is an independent power producer of clean energy. The deal is a part of 350 MW of orders announced by Inox Wind earlier this year. Shares of Inox Wind were trading 1.26 per cent higher at Rs 225.55 on the BSE.

5. Power Grid board nod to investments

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

Power Grid Corp on Saturday said its board had approved proposals to invest Rs 1,184.45 crore in power transmission projects across India. The company's board of directors, in its on Saturday, approved three investment proposals, Power Grid Corp said in a BSE filing. The board approved the proposal “Augmentation of Transformation Capacity in Southern Region” at an estimated Rs 167.75 crore, with commissioning schedule of 30 months from the date of approval. It approved investment for sub-station works associated with strengthening of transmission system beyond Vemagiri at an estimated Rs 608.24 crore, with commissioning schedule of 30 months. It also gave a go-ahead to investment in transmission system for ultra mega solar park at Tumkur at an estimated cost of Rs 408.46 crore.

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