

## Daily Economic News Summary: 26 October 2016

### 1. RIL signs \$573 million loan facility for six ethane carriers

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

Reliance Industries Ltd has raised a term loan of \$573 million to partially finance the construction of its six very large ethane ships, the company said in a statement on Tuesday. "RIL has ordered six very large ethane carriers (VLECs), the largest ethane vessels ever built in the world," the company said in its statement to BSE. "The facilities (loan) with door to door tenor of 12 year comprise of a Korea Trade Insurance Corp (K-sure) insured tranche of \$286.5 million and a commercial tranche of \$286.5 million," RIL added in the statement. Construction of these vessels is part of RIL's larger investment strategy in the refining and petrochemical business. The ethane gas imported using these vessels will be used for feeding RIL's crackers at Dahej, Hazira and Nagothane. This will ensure consistent supply of ethane at competitive prices, the company said in its statement. The loan facilities will be secured against the respective vessels. Construction of these vessels, the company said, will be financed through a 80:20 debt to equity ratio.

### 2. L&T Infotech announces the acquisition of Pune-based start-up AugmentIQ

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

IT services and solutions provider L&T Infotech today announced that it will acquire Pune based AugmentIQ Data Sciences, a start-up offering IP-based, big data and analytics solutions that allows enterprises derive business benefits from big data. The financial details of the deals were not disclosed. As a result of this acquisition, L&T Infotech will gain access to MAXIQ, the big data platform developed by AugmentIQ, which is currently servicing one of the world's largest credit bureaus, large banks as well as regulatory agencies. Also, the proprietary identity resolution technology from AugmentIQ is among the best in its class and can be adopted to solve the emerging needs of regulatory authorities across all markets.

"AugmentIQ is a very synergistic acquisition for LTI. Our clients are seeking big data solutions that can be implemented quickly and scale as per their requirements. AugmentIQ offers a very versatile platform that can expand instantly and enable accelerated data monetization," said Sanjay Jalona, CEO & Managing Director, L&T Infotech. MAXIQ from AugmentIQ brings the power of automation and Do-it-Yourself (DIY) to big data. Its end-to-end, self-service approach enables business users to leverage big data technologies such as Hadoop & Spark. The proposed acquisition will enable L&T Infotech to build upon MAXIQ by integrating it within LTI's MOSAIC Decision Science platform.

### **3. Tata Power to invest in renewable energy sector in India**

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

Tata Power will invest in renewable plants in India as it plans to increase its clean energy footprint to 30-40 per cent by 2025, a senior executive has said. Tata Power currently runs 3,300-megawatt (MW) on non-fossil fuel out of 10,500-MW in operation. The company will increase its renewable energy footprint to 30-40 per cent of the total 20,000-MW capacity it aims to build and operate by 2025, its chief executive and managing director Anil Sardana said here. "The aim is to have 8,000-MW out of the 20,000-MW by 2025," he said while addressing the Singapore International Energy Week which opened here yesterday. "The (power plant) investments in India will only be in renewables now. Our latest green project would be 185-MW hydro plant in Georgia to be commissioned in the first quarter of 2017," he said.

### **4. MOPE Investment picks up stake in Ganesh Grains for Rs100 crore**

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

MOPE Investment Advisors Pvt. Ltd has bought a stake worth Rs100 crore in Ganesh Grains Ltd, the seller of the Ganesh brand of packaged foodgrains. For MOPE Investment, which has bought shares worth Rs1,600 crore in 23 firms over a decade, this is the first investment in a Kolkata-based company. The mindset seems to be changing and companies based in eastern India are slowly opening up to external investors, said Vishal Tulsyan, managing director and chief executive of MOPE Investment. More than the money, Ganesh Grains needs mentoring to scale up its business, said managing director Manish Mimani. The company, which in 2015-16 clocked revenue of around Rs500 crore, has a "healthy" cash flow, but to take advantage of the growth opportunities it needs to expand its management bandwidth, he said. Ganesh Grains had been scouting for such an investor for almost two years. Though Tulsyan and Mimani declined to provide details of the transaction, the latter said MOPE has acquired a "sizeable minority stake" in Ganesh Grains and its representatives on the board will closely oversee the company's operations. "We typically take 20-40% in any company," said Tulsyan, which implies Ganesh Grains was valued at Rs250-500 crore.

### **5. Mahindra to revive Jawa, BSA brands to reboot motorcycle business**

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

Eight years after Mahindra and Mahindra Ltd entered India's intensely competitive two-wheeler market, the Anand Mahindra-led firm is re-charting its course. As part of a newly-crafted strategy, the maker of Gusto scooters and Centuro motorcycles plans to target the premium segment even as it scales down the mass market business, in a bid to become profitable, the company's top officials said at a press meet on Tuesday. As part of the move, Mahindra has bought a controlling stake in Classic Legends Pvt. Ltd, which recently acquired British motorcycle company BSA Co. along with all its existing global brand rights. Classic Legends

has also signed an exclusive brand licence agreement for the iconic Czechoslovakian brand called Jawa. Mahindra also owns 51% in Peugeot Motocycles. “Our plan is to focus more on the premium niche segment as we move forward,” said Pawan Goenka, executive director at Mahindra and Mahindra. He said the company aims to co-create a lifestyle company and allow customers to relive the experience of owning some classic motorcycle brands. Owing to the cult status the Jawa brand enjoys in India, it will address domestic markets, said Rajesh Jejurikar, chief executive and president two-wheelers and farm equipment business at the firm. It will produce and launch Jawa motorcycles at its facility in Pithampur, Madhya Pradesh, in two years’ time. The brands will be retailed separately, outside the Mahindra fold.

**By Nandini Malhotra**

