

## Daily Economic News Summary: 27 October 2015

### 1. Govt sees “unprecedented” cooperation at Africa meet

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

As the first heads of state began arriving in New Delhi for the India-Africa Summit—the largest gathering of foreign dignitaries in the national capital in over three decades—officials said on Monday that India expects “unprecedented” participation by leaders from the resource-rich continent. King Mohammed VI of Morocco and King Mswati III of Swaziland were the first to arrive in New Delhi late on Sunday and early on Monday. Others due to fly in ahead of Thursday’s summit include the presidents Salva Kiir of oil-rich South Sudan, the world’s newest country, Abdel Fattah el-Sisi of Egypt, Omar al-Bashir of Sudan, Muhammadu Buhari of Nigeria, Robert Mugabe of Zimbabwe, Ellen Johnson Sirleaf of Liberia and José Mário Vaz of Guinea Bissau.

The summit is billed as the biggest gathering of foreign dignitaries in New Delhi since the 1983 Non-Aligned Summit. Previous India-Africa summits—the first in New Delhi in 2008 and the second in Addis Ababa in 2011—were smaller events, with India and representatives of select African countries participating. *“This is a summit of 56 representatives—54 from Africa, (one from) the African Union and our prime minister. We are confident that in an unprecedented development, every institution and country invited will be present for the summit when our prime minister takes the floor on 29 October. This summit will be a gathering of every country in Africa, the African Union and India, which is unprecedented in the annals of any summit between Africa and another country,”* said Syed Akbaruddin, chief coordinator of the summit, on Monday. *“We will have representation across boundaries and different sectors. It will be a day full of leaders only speaking.”*

### 2. Investment via P-Notes rises to Rs 2.55 lakh crore in September

Source: **Financial Express** ([Link](#))

Investment through Participatory Notes (P-Notes) into India’s capital market grew to Rs 2.54 lakh crore (about USD 39 billion) at the end of September, from the previous month. Prior to that, investment via this route has been declining in the three months (June-August) after touching a seven-year high of Rs 2.85 lakh crore in May. This was the highest investment since February 2008, when the cumulative value stood at Rs 3.23 lakh crore.

P-Notes, mostly used by overseas HNIs (High Net Worth Individuals), hedge funds and other foreign institutions, allow such investors to invest in Indian markets through registered

foreign institutional investors (FIIs). This saves time and cost for them, but the flip side is that the route can also be used for round-tripping of black money. According to Sebi data, total value of P-Notes investment in Indian markets (equity, debt and derivatives) increased to Rs 2,53,875 crore at September-end, from Rs 2,53,310 crore in the previous month.

### **3. Blackstone to invest in cement, consumer lending in India**

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

Private equity (PE) firm Blackstone Group Lp is scouting for investments in India's cement and financial services firms, especially non-banking finance companies (NBFCs) and housing finance firms, said two people familiar with the development. *"The fund is keen to acquire a consumer lending business as they expect it to grow significantly over the next few years. Apart from that, it is aggressively chasing cement assets in the country as it doesn't have an exposure in this segment in India yet,"* said the first person mentioned above, who did not want to be identified.

In May, Blackstone had placed its bid to acquire 5.15 million tonnes per annum (mtpa) cement assets of French cement firm Lafarge SA, which was ultimately acquired by Kolkata-based Birla Corp. Ltd for an enterprise valuation of Rs.5,000 crore. *"The fund looks at cement as a consumer product rather than a business-to-business construction material product and it believes there is a significant growth opportunity in this space for newer investors to come in,"* the first person added.

### **4. Macquaire to invest in realty projects in India**

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

Macquarie Infrastructure and Real Assets (MIRA), an arm of Australia's Macquarie Group Ltd, which manages over \$100 billion of assets across funds globally, is set to invest in real estate projects in India, three people familiar with the development said. MIRA has appointed R.K. Narayan as managing director of its Indian arm, Macquarie Infrastructure and Real Assets (India) Pvt. Ltd, to head real estate investments in India.

Narayan was a consultant with real estate investment firm Aevitas Property Partners before his appointment, and also served as the chief operating officer at Infinite India Investment Management Pvt. Ltd. MIRA is in talks with Mumbai-based real estate firm Tata Housing Development Co. Ltd, a subsidiary of Tata Sons, to jointly set up an investment platform to invest in luxury residential projects. If the transaction goes through, the partners are expected to pump in at least \$200 million of equity capital into it, though the shareholding may differ.

## 5. Indigo IPO hits Street today

Source: **Financial Express** ([Link](#))

InterGlobe Aviation, which runs IndiGo, hit primary markets with its public offer or initial public offering (IPO) on Tuesday (October 27). The company has fixed the price band for its initial share sale at Rs 700-765, through which it could raise up to a little over Rs 3,000 crore. Post-issue, the shareholding of promoters and promoter group in the company will fall to 84.9-85.2 per cent from the current holding of 94 per cent.

The company plans to use the net proceeds for repayment of certain outstanding lease liabilities, consequent acquisition of aircrafts (Rs 1,166 crore), purchase of ground support equipment (Rs 34 crore) and for general corporate purposes. The issue will close on October 29 (Thursday).

IndiGo is one of the two profit-making domestic airlines with the other one being GoAir. At present, only two domestic scheduled carriers – Jet Airways and SpiceJet– are listed, while trading in long-grounded Kingfisher Airlines has been suspended for a long time. For the financial year ended March 2015, InterGlobe Aviation reported net profit of Rs 1,295.58 crore up 173 per cent, against Rs 474.44 crore in the previous financial year. The company registered net profit of Rs 987.3 crore in the financial year ended March 2013.

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