

## Daily Economic News Summary: 5 January 2016

### 1. Karnataka approves Rs 23, 383 crore worth projects ahead of global investor meet

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

The Karnataka government on Monday said it had approved six investment proposals worth Rs.23,383 crore at a high-level meeting chaired by chief minister Siddaramaiah, ahead of the state's global investor summit scheduled for next month. Among the proposals that got the nod is the Rs.14,800 crore investment by Karnataka Solar Power Development Corp. Ltd for setting up a 2,000 megawatt (MW) solar park in Tumkur district, some 70 km from Bengaluru. Of the other two fresh investment proposals, one worth Rs.1,889 crore, is by Minerva Steel Pvt. Ltd to build a steel plant, and another worth Rs.1,352 crore is by Wadi Cement Co. Pvt. Ltd to build a cement plant.

The rest of the approvals were given for expansion projects, including a Rs.4,570 crore investment by Udupi Power Corp. Ltd to increase its power generation unit's capacity in Udupi from 1,200 MW to 2,800 MW, a Rs.620 crore expansion proposal by Tata Power Kirloskar in Kolar and a Rs.150 crore proposal by Toyota Textile Machinery Pvt. Ltd in Bengaluru. Once they take off, the investments will generate employment for 10,407 people, the government said. As Karnataka prepares for the global investor summit, the government is targeting a total of Rs.1 trillion in investment in the next 40 days, K. Ratna Prabha, additional chief secretary in the industries department, told *Mint* in an interaction. *"We have already received proposals worth Rs.62,770 crore for the meet, out of which Rs.24,577 crore has been cleared. The rest is in the pipeline. Our aim is to get Rs.40,000 crore or so in the next 40 days to reach a realistic target of Rs.1 trillion in this meet,"* said Ratna Prabha. While the chief minister clears projects under Rs.100 crore, those involving larger investments are approved by the state's high-level clearance committee.

### 2. "Make in India" gets ambitious, flying cars, e-nose on wish list

Source: **Times of India** ([Link](#))

India's technology think tank under the ministry of science & technology has come out with 'Technology Vision 2035' here at the ongoing Indian Science Congress, identifying the challenges ahead and how they can be dealt with through technological interventions while realizing the dream of a developed India by the year 2035. The think-tank -- Technology Information, Forecasting and Assessment Council (TIFAC) -- in the Vision document lists a technology road-map for India, giving details of 12 sectors and technologies that in some cases

exist but need to be deployed, some in the pilot stage that must be scaled up and technologies in R&D stage.

It, in fact, talks about many future technologies, ranging from flying cars, real time translation software, personalized medicine, wearable devices, e-sensing (e-nose and e-tongue) to 100% recyclable materials among others which may be used in different areas to solve day-to-day problems. The trajectories delineated as part of this 'Technology Vision 2035' along with its actualization would not only lead to the desired quality of life for citizens but also boost our comprehensive national power", said Prime Minister Narendra Modi in his foreword to the document, while emphasizing that the pressure on country's resources can only be solved through use of technology. The document was released by the PM after he inaugurated the 103rd Indian Science Congress on Sunday where he promised that his government would "make it easier to do science and research" in India and envisioned a future in which innovation makes lives of people better.

### **3. Tata Consultancy Services (TCS) to join auction for Dell's Perot Systems**

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

Tata Consultancy Services Ltd (TCS) has joined the bidding process for Perot Systems, an IT management business of Dell Inc., according to people familiar with the matter. The company had been interested in acquiring the company since last year, but re-emerged as a bidder in the last few days, the people said, asking not to be named because the matter is private. TCS joins three other contenders for Perot Systems, which *Reuters* reported last month: Cognizant Technology Solutions Corp. Ltd, NTT Data Corp. and Atos SE. *The Economic Times* first reported that TCS was still interested in Perot Systems. Dell declined to comment, while TCS could not immediately be reached.

Dell had been seeking more than \$5 billion for Perot Systems, but is unlikely to receive that price tag, the people added. Perot Systems is major provider of IT consulting to hospitals and government departments. Founded in 1988 by former US presidential candidate Ross Perot, it was acquired by Dell in 2009 for \$3.9 billion. While that deal helped Dell diversify beyond its core personal computer business, the company is now focused on making inroads in cloud computing, business software and data management—a key driver of its deal to acquire EMC Corp. Dell has also been speaking to private equity firms about selling Quest Software, which helps with information technology (IT) management, as well as SonicWall, an e-mail encryption and data security provider. Together, these assets could be worth around \$4 billion.

#### **4. India's Samhi Hotels gets Rs 440 crore from Goldman Sachs**

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

Goldman Sachs Group Inc. has invested Rs.440 crore for a significant minority stake in Indian hotel investment and development firm Samhi Hotels, the companies said in a statement on Tuesday. Samhi, which operates 10 hotels and is developing 16 more, will use the money to grow its portfolio to about 30 to 35 properties, the company's chief executive officer Ashish Jakhanwala told *Reuters*. Its portfolio is leased to operators such as Marriott International, Starwood Hotels, Accor SA and Hyatt International. A gradual recovery in Asia's third-largest economy is boosting demand for hotel rooms.

Hotel occupancy in India in the year to 31 March 2015 rose to 60.3%, the highest in four years. Revenue per available room, a measure of profitability, grew for the first time since 2010-2011, showed a report by consultant HVS. *"There will be continued opportunities for acquisitions, given several hotels need fresh capital to relieve them of financial stress of past few years,"* said Jakhanwala. Samhi has raised \$240 million in equity since 2011 and has focussed on acquiring economy and mid-scale hotels and refurbishing or rebranding them. Samhi declined to specify the exact stake that the Goldman Sachs investment had bought. Samhi's biggest investor remains Equity International, founded by billionaire real estate mogul Sam Zell, which has invested \$90 million in Samhi.

#### **5. Uber rival Lyft now brings General Motor's \$500 million to battle**

Source: **Economic Times** ([Link](#))

General Motors will invest \$500 million in Lyft, giving the ride-hailing startup a valuation of \$5.5 billion and a major ally in the global battle against Uber Technologies. The investment, part of a \$1 billion financing round for Lyft, is the biggest move by an automaker to date when it comes to grappling with the meteoric rise of the ride-hailing industry.

GM and Lyft said they will work together to develop a network of self-driving cars that riders can call up on-demand, a vision of the future shared by the likes of Uber chief executive officer Travis Kalanick and Google-parent Alphabet. More immediately America's largest automaker will offer Lyft drivers vehicles for short-term rent through various hubs in US cities, the companies said in separate statements on Monday. GM president Dan Ammann, who is joining Lyft's board as part of the deal, expects the automotive industry to *"change more in the next five years than it has in the last 50 and we obviously want to make sure we're at the forefront of that change."*

## 6. India may be Amazon's next "Trillion \$" market

Source: **Economic Times** ([Link](#))

Amazon has its sights set on India, the next "trillion dollar market", said Fortune. Diego Piacentini, the Amazon executive in charge of the company's operation in Asia and Europe told Fortune that *"the size of opportunity [in India] is so large it will be measured in trillions, not billions"*

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**By Harsha Hazarika**