

Daily Economic News Summary: 20 February 2017

1. Paytm to invest Rs600 crore over 10 months to expand QR code payment system

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

Online payments firm Paytm, run by One97 Communications Pvt. Ltd, will invest Rs600 crore over the next 10 months to expand its QR code-based payment network, the company said on Monday. Noida-based Paytm said it is aiming to add 10 million merchants enabled with these codes across 650 districts by December. QR code, or Quick Response code, is a machine-readable label that contains information such as account details of the merchants. Paytm first introduced this payment option in October 2015 allowing a customer to scan a code with their smartphones and instantly transfer money to the merchant's Paytm account. According to the company, the investment will go into scaling up manpower, technology, cashbacks and merchant education so as to make more users and merchants transact digitally for the first time and become a part of the digital economy.

2. Saks Fifth Avenue planning India stores, in talks with Aditya Birla Fashion

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

Luxury goods retailer Saks Fifth Avenue Inc. is in advanced talks with Aditya Birla Fashion Retail Ltd to open two stores in India, according to two people aware of the development. The first store is likely to open in Aerocity, near the Indira Gandhi International Airport in Delhi, followed by a second in an upcoming retail project in Mumbai's Bandra Kurla Complex business district, and said one of the two people, both of whom spoke on condition of anonymity. A team from Saks Fifth Avenue has visited India twice in the past three months and is likely to make another trip in March, said the second person. The potential partners have reached an understanding and are in the process of finalizing their plans, this person said.

3. Wind power installations may cross 5,000 MW this year

Source: Hindu Business Line ([Link](#))

Sarvesh Kumark, Chairman of Indian Wind Turbine Manufacturers' Association, is confident that wind power installations in India will cross the 5,000-MW-mark. The previous high was 3,472 MW of fresh capacity set up in 2015-16. The Association's General Secretary, D V Giri, is a shade less optimistic. While 5,000 MW is not impossible, he says, upwards of 4,500 MW is certain. 5,000 MW is a heady number — just two years back the sector struggled to achieve half of it. In the first ten months of the financial year, till January, the sector added 2,094 MW, which means close to 3 GW would need to be put up in just two months. However, a rush of activity towards the end of the year is not uncommon, as power producers hurry to finish the projects by March, so that they could avail themselves of the depreciation benefits and also be ready for the peak winds of summer. In 2015-16 installations of 3,472 MW, as much as 1,700 MW came in March alone. Further, the 'generation-based incentive' scheme, under which the government gives 50 paise a kWhr of electricity generated by wind turbines, expires this March. Year-end installations will therefore peak, as developers rush to meet the March deadline.

4. Microsoft, Flipkart announce strategic cloud partnership

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

Information technology giant Microsoft on Monday announced a “strategic partnership” with Flipkart, wherein as a first step, the online retailer will adopt Microsoft Azure as its exclusive public cloud platform. The strategic partnership was aimed at providing consumers in the country the best online shopping service, it said. Microsoft chief executive officer (CEO) Satya Nadella and Flipkart Group CEO Binny Bansal announced the partnership at an event in Bengaluru. We are launching our strategic partnership together. I have always been an admirer what Flipkart has done, in not only starting e-commerce, but now in payments and logistics. It is really getting India on the map... I'm pleased to announce that Flipkart has chosen Microsoft Azure as its exclusive public cloud platform,” Nadella said.

5. Carlyle, TPG, Warburg Pincus in talks to buy stake in Indira IVF Hospitals

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

Three leading US-based private equity funds—Carlyle Group, Warburg Pincus Llc and TPG Growth—are in separate discussions to buy a minority stake in Indira IVF Hospitals Pvt. Ltd, a chain of infertility clinics in north India, three people close to the development said. Indira IVF Hospitals is looking at a valuation of \$600-800 million (Rs4,000-5,300 crore), and the promoters may dilute their stake by 10-20%, said the first of the three people, all of whom spoke on condition of anonymity. Thus, a deal is likely in the range of Rs800-1,000 crore, this person said. Consulting firm KPMG and the boutique investment bank, o3 Capital, are advising the private

equity funds on the transaction, said the second person. Indira IVF has an Ebitda of around Rs250 crore and is a highly profitable firm, said a fund manager involved in the discussions—one of the three people cited earlier. Ebitda stands for earnings before interest, taxes, depreciation and amortization.

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