



August 05, 2024 – Monday

## Economy

### Atmanirbhar shouldn't lead to inefficient import substitution: Ex RBI chief

Owing to supply disruptions caused by the Russian-Ukrainian war, many countries started thinking about being self-sufficient with respect to critical imports' and India needs to ensure that Atmanirbhar should not degenerate into inefficient import substitution', former RBI Governor C Rangarajan said on Saturday. Addressing the 14th Convocation of the ICFAI Foundation For Higher Education, he said India's development strategy should be multidimensional and growth may be stimulated by raising investment rate, emphasizing agriculture, manufacturing and services, absorbing new technologies and promoting a mix of sectors that are employment friendly.

[https://www.business-standard.com/economy/news/atmanirbhar-shouldn-t-lead-to-inefficient-import-substitution-ex-rbi-chief-124080300633\\_1.html](https://www.business-standard.com/economy/news/atmanirbhar-shouldn-t-lead-to-inefficient-import-substitution-ex-rbi-chief-124080300633_1.html)

### World Bank B-Ready index groundwork kicks off

India has begun the groundwork for the Business-Ready or B-Ready index, the World Bank's new flagship report benchmarking the business environment and investment climate in economies worldwide. B-Ready is replacing the World Bank's Doing Business index that ranked countries based on their business enabling environment. As part of the exercise, the commerce and industry ministry has asked traders, clearing agents and freight forwarders for details such as total time and cost involved in social trade, especially when exporting digitally ordered goods.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/world-bank-b-ready-index-groundwork-kicks-off/articleshow/112270442.cms>

## Finance

### Banks' profits healthy, but margins may shrink and deposits could disappoint

Banks saw an increase in stress in unsecured retail, micro finance and some rural advances as seasonal impact of the heatwave, election season slowdown and higher risk weights led to increase in slippages during the first quarter. However, analysts do not expect asset quality to be a challenge yet. Instead, most observers believe that Indian lenders will have to contend with falling margins and slow deposit growth this year.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-profits-healthy-but-margins-may-shrink-and-deposits-could-disappoint/articleshow/112270468.cms>

### Banks may offer small loans on UPI against FDs

Private banks are likely to target new-to-bank customers for credit on UPI against fixed deposits as collateral. Although the National Payments Corporation of India (NPCI) is yet to launch credit-line-on-UPI service, banks have begun working on their structures. Lending against deposits is seen as a cost-efficient way to provide loans against credit cards requiring minimum value of transactions for banks to break even, said two senior bank officials who did not wish to be named.

<https://economictimes.indiatimes.com/markets/stocks/news/banks-may-offer-small-loans-on-upi-against-fds/articleshow/112274405.cms>

### **NBFC growth likely to take a hit as banks show funding reluctance**

Non-banking financial companies (NBFCs) may witness a period of subdued growth as banks are slowing down funding following higher risk weights, amid tight liquidity conditions. According to the latest Reserve Bank of India (RBI) data, the year-on-year (Y-o-Y) growth in bank credit to NBFCs dropped to 8.5 per cent in June compared to 16 per cent in May. Additionally, data shows that incremental lending by banks to NBFCs has fallen to just Rs 7,420 crore in the April–June quarter of FY25 (Q1FY25). It is essentially due to banks running down their portfolios concerning state-owned finance companies.

[https://www.business-standard.com/finance/news/nbfc-growth-may-slow-as-banks-cut-funding-amid-increased-risk-weights-124080201289\\_1.html](https://www.business-standard.com/finance/news/nbfc-growth-may-slow-as-banks-cut-funding-amid-increased-risk-weights-124080201289_1.html)

### **Rising dissent & rains to test RBI's status quo on key rates**

For the Monetary Policy Committee that is meeting this week, the most significant event since it last assembled in June is not the Federal Reserve Chair's commitment to cut interest rates that would guide global central banks, but the bountiful rains the country received in the past few weeks. Governor Shaktikanta Das, who has bluntly rejected the idea of towing the developed world in monetary policy making, will have a reason to change his tune on the panel's decision on Wednesday after declining to give any signal on his actions.

<https://economictimes.indiatimes.com/news/economy/policy/rising-dissent-rains-to-test-rbis-status-quo-on-key-rates/articleshow/112270428.cms>

## **Industry**

### **FMCG players see dip in beverage sales in Q1**

Fast-Moving Consumer Goods (FMCG) players witnessed a decline in sales of beverages in Q1 owing to consumers preferring carbonated drinks during the harsh summers. “The ready-to-drink business was impacted by intense summer and our ready-to-drink business is primarily an out-of-home single-serve business. It is not a take-home business and that is why we saw the impact,” said Sunil D’Souza, Managing Director and CEO of Tata Consumer Products Ltd in an earnings call.

<https://www.thehindubusinessline.com/companies/fmcg-players-see-dip-in-beverage-sales-in-q1/article68484987.ece>

### **E-commerce led by quick-commerce emerging as ‘high growth channel’ for FMCG companies**

FMCG players are witnessing strong growth in the overall e-commerce segment, led by quick-commerce platforms. Companies such as Dabur India, Nestle India, Hindustan Unilever and Tata Consumer have reported high double-digit growth on e-commerce channel in their Q1 earnings. A recent report by Kantar also noted that consumers in the top nine metros are increasingly adapting to e-commerce and quick-commerce mode, which is fuelling the premiumisation trend. Infact, quick-commerce is growing at a faster clip.

<https://www.thehindubusinessline.com/companies/e-commerce-led-by-quick-commerce-emerging-as-high-growth-channel-for-fmcg-companies/article68484714.ece>

### **Spending on outbound tourism to rise 11%, reaching \$55 bn in 2034: Report by Nangia NXT and FICCI**

Spending on outbound tourism is expected to grow from \$18.82 billion in 2024 to \$55.39 billion in 2034, a report said. The 'Navigating Horizons' report jointly prepared by Nangia NXT and Ficci said packaged tours still dominate the outbound market in India, with a share of 39.20 per cent in 2024, as there is a preference for choosing pre-planned tour packages from travel service providers due to greater convenience and customisation. The report said that availability of Indian or vegetarian food options as well as awareness about niche tourism will help increase the number and frequency of Indians engaging in foreign travel in the coming years. The market has already seen robust growth with rising disposable incomes, an expanding middle class, systemic ease and flexibility in obtaining visas, and a desire for international experiences.

[https://www.business-standard.com/industry/news/spending-on-outbound-tourism-to-rise-11-reaching-55-bn-in-2034-report-124080400233\\_1.html](https://www.business-standard.com/industry/news/spending-on-outbound-tourism-to-rise-11-reaching-55-bn-in-2034-report-124080400233_1.html)

### **IT companies realign workspaces for flexibility**

The top IT and ITes companies are realigning workspaces to prioritise flexibility, innovation, diversification, and sustainability, resulting in flexible space in real estate portfolios doubling to 10-15% in 2024. By area, that has surpassed 50 million square feet, accounting for approximately 7% of total Grade A stock as of Q2 2024, and this trend is expected to gain traction in 2025. Arpit Mehrotra, managing director, office services, Colliers India, said that the demand for flexible workspaces continues to rise, driven by domestic and global enterprise space uptake across various segments, reflecting a broader shift towards adaptable workspaces.

<https://economictimes.indiatimes.com/industry/services/property/-cstruction/it-companies-realign-workspaces-for-flexibility/articleshow/112270412.cms>

## Agriculture

### Dairy industry to milk revenue growth of 13-14% this fiscal on strong demand, healthy supply to offer support

With strong consumer demand and also improved supply of raw milk, India's dairy industry is expected to record a healthy revenue growth of 13-14 per cent this fiscal, said a report by CRISIL. The demand, it added, will be supported by rising consumption of value added products (VAP), and the ample supply will be driven by good monsoon prospects. Further, the rise in raw milk supply will also lead to higher working capital requirements for dairy products. Along with this, the continued capital expenditure by organised dairies over the next two fiscal years will result in debt levels inching up, CRISIL said, while maintaining that the credit profiles will remain stable supported by strong balance sheets.

<https://www.financialexpress.com/business/industry-dairy-industry-to-milk-revenue-growth-of-13-14-this-fiscal-on-strong-demand-healthy-supply-to-offer-support-3573247/>

### After year-long rise, prices of pulses start declining

After staying elevated more than one year, prices of key pulses varieties — chana, tur and urad — across mandis have been on the decline in the last one month, official and trade sources said. They said that the significant jump in imports, imposition of stockholding limits and significantly higher sowing in the ongoing kharif season due to adequate monsoon rainfall, has led to improvement in supplies.

<https://www.financialexpress.com/policy/economy-after-year-long-rise-prices-of-pulses-start-declining-3573485/>

## Infrastructure

### Relief for homeowners likely as finance ministry may modify LTCG regime

One of the most hotly debated proposals of this year's Budget may see a tweak, with the finance ministry likely to provide relief to homeowners by finetuning the new long-term capital gains (LTCG) provisions announced on July 23 that seek to remove indexation benefits for unlisted assets, including property and gold. The changes being considered include extending the effective date of the new regime to the next financial year, instead of the day the Budget was tabled in Parliament. Besides, discussions are going on about grandfathering the purchase of all asset classes, including property, where the indexation provision could apply.

[https://www.business-standard.com/economy/news/likely-relief-to-property-owners-finmin-could-modify-the-new-ltcg-rules-124080400479\\_1.html](https://www.business-standard.com/economy/news/likely-relief-to-property-owners-finmin-could-modify-the-new-ltcg-rules-124080400479_1.html)

## Energy

### Numaligarh Refinery's expansion will augment crude refining capacity: Hardeep Puri

As India's energy sector continues to expand and strengthen, Minister for Petroleum and Natural Gas Hardeep Puri stated that the country's journey towards energy self-sufficiency is gaining momentum. In a post on X on Sunday morning, the Minister noted that the expansion of the Numaligarh Refinery in Assam is underway. Once complete, it will increase its refining capacity from 3 million tonnes per year to 9 MMTPA.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/numaligarh-refinerys-expansion-will-augment-crude-refining-capacity-hardeep-puri/articleshow/112267501.cms>

## Telecom

### **Trai issued norms without much change in challenges faced by telcos: COAI**

Telecom regulator Trai's new quality of service norms with stricter provisions have come without much change in challenges that telecom operators face on ground in terms of roll-out, illegal transmitters etc, industry body COAI said on Sunday. The Telecom Regulatory Authority of India (Trai) has issued new quality of service rules on Friday, making it mandatory for telecom operators to compensate subscribers in case of service outages for more than 24 hours at a district level. Trai has also increased the penal amount to Rs 1 lakh from Rs 50,000 for failing to meet each quality benchmark under the new rules.

[https://www.business-standard.com/industry/news/trai-issued-norms-without-much-change-in-challenges-faced-by-telcos-coai-124080400440\\_1.html](https://www.business-standard.com/industry/news/trai-issued-norms-without-much-change-in-challenges-faced-by-telcos-coai-124080400440_1.html)

## **States**

### **Andhra Pradesh hastens to add new ports, airports**

Andhra Pradesh is speeding up ongoing airport and port projects, and finalising a slew of new proposals since the formation of the NDA government in the State. For the upcoming greenfield international airport at Bhogapuram, executed by the GMR group, Union Civil Aviation Minister K Ram Mohan Naidu, a Member of Parliament from Telugu Desam Party (TDP), and party head and Chief Minister N Chandrababu Naidu have pledged all support to ensure the first phase is ready by January-June 2026.

<https://www.thehindubusinessline.com/economy/logistics/andhra-pradesh-hastens-to-add-new-ports-airports/article68482457.ece>

### **Telangana IT exports up 11.3% at ₹2.68 lakh crore; outpaces the national average**

Telangana's IT/ITeS sector exports defied the national trend of slowed growth, surging by 11.3 per cent in the financial year 2023-24 to breach the ₹2.68-lakh crore mark. This figure rose further to ₹2.69 crore by June 2024. The industry also added 40,570 new jobs during the period, showcasing its resilience amidst a challenging economic climate.

<https://www.thehindubusinessline.com/info-tech/teelangana-it-exports-up-113-at-268-lakh-crore-outpaces-the-national-average/article68485315.ece>

### **Over 97% of Smart Cities Mission funds utilized in Tamil Nadu**

Nearly 97 per cent of funds allocated by the Centre for 11 cities in Tamil Nadu under the Smart Cities Mission have been utilised. The cities are Chennai, Coimbatore, Madurai, Salem, Thanjavur, Vellore, Thoothukudi, Tiruchirappalli, Tirunelveli, Tiruppur and Erode. The cities have undertaken a total of 733 projects amounting to ₹17,984 crore. Of these, 706 projects have been completed, totalling ₹17,390 crore.

<https://www.thehindubusinessline.com/news/over-97-of-smart-cities-mission-funds-utilized-in-tamil-nadu-with-733-projects-completed/article68484518.ece>

## **External**

### **India seeks duty concession on cars, machinery in FTA with Sri Lanka**

India is seeking customs duty concession on a number of goods including cars, commercial vehicles and machinery from Sri Lanka under a comprehensive free trade agreement (FTA), talks for which are underway, an official said.

India has also sought easier visa norms to further facilitate entry of professionals from here, the official said. The 14th round of talks between senior officials of India and Sri Lanka was concluded recently in Colombo.

[https://www.business-standard.com/economy/news/india-seeks-duty-concession-on-cars-machinery-in-fta-with-sri-lanka-124080400191\\_1.html](https://www.business-standard.com/economy/news/india-seeks-duty-concession-on-cars-machinery-in-fta-with-sri-lanka-124080400191_1.html)

### **India free-trade agreement with Oman hits market-access roadblock**

After nearly finalising a pact, the proposed free-trade agreement (FTA) between India and Oman has hit a speed breaker, amid differences over market access for petrochemical products, people aware of the matter said. The main area of contention has been the pressure on Delhi to give greater market access for polyethylene and polypropylene-intermediates used to manufacture plastics, medical devices, electronics and automobile components. These petrochemical products attract 7.5 per cent import duty in India.

[https://www.business-standard.com/economy/news/india-oman-fta-hits-speed-breaker-over-market-access-issues-124080400342\\_1.html](https://www.business-standard.com/economy/news/india-oman-fta-hits-speed-breaker-over-market-access-issues-124080400342_1.html)