

September 01, 2025 – Monday

Economy

Private capex likely to rise 21.5% to ₹2.67 trn in FY26: RBI article

Capital investment by the private sector is likely to rise 21.5 per cent to Rs 2.67 lakh crore in 2025-26 aided by robust macroeconomic fundamentals, and a 100-bps policy rate cut, according to an RBI article. Despite global uncertainties, Indian firms entered the 2025-26 fiscal year with healthier balance sheets, higher cash buffer, improved profitability, and greater access to diversified funding sources, said the article 'Private Corporate Investment: Growth in 2024-25 and Outlook for 2025-26' published in the Reserve Bank of India's (RBI's) August bulletin.
https://www.business-standard.com/finance/news/private-capex-likely-to-rise-21-5-to-2-67-trn-in-fy26-rbi-article-125083100357_1.html

Finance

Operational creditors trail financial lenders in spurring insolvency cases

Data reveals a shift in insolvency case initiations, with operational creditors now trailing financial creditors for the first time since fiscal 2017, suggesting a growing preference for out-of-court settlements. While financial creditors initiated slightly more cases overall, operational creditors dominated resolutions for smaller defaults, indicating a strategic approach to debt recovery. Cumulatively, creditors recovered ₹3.96 lakh crore in resolved cases.
https://economictimes.indiatimes.com/industry/banking/finance/operational-creditors-trail-financial-lenders-in-spurring-insolvency-cases/articleshow/123620724.cms

Rural India has lagged other population groups in deposit and credit growth over the last 25 years

Giving loans to “Bharat” (rural India) and mobilising deposits from it seems to have proved relatively challenging for scheduled commercial banks (SCBs) over the last quarter-century, according to RBI data. This is borne out by the fact that SCBs’ credit disbursement and deposit accretion activity in rural India lagged that of semi-urban, urban and metropolitan areas.
https://www.thehindubusinessline.com/money-and-banking/rural-india-has-lagged-other-population-groups-in-deposit-and-credit-growth-over-the-last-25-years/article69996961.ece

FinMin proposes removing condition of Indian residents holding key positions in insurance companies for investment

The Finance Ministry has proposed to erase provisions related to the condition of Indian residents holding majority of directors and key managerial positions in insurance companies with foreign investment. Draft for Changes in Indian Insurance Companies (Foreign Investment) Rules, 2015, is being considered as a precursor for amending the law of 100 per cent foreign direct investment (FDI). However, a senior government official told businessline, “Once the draft is converted into final rules, it will be applicable for existing companies as well.”
https://www.thehindubusinessline.com/economy/finmin-proposes-removing-condition-of-indian-residents-holding-key-positions-in-insurance-companies-for-investment/article69996080.ece

Net ECB inflows rise to $4.6 billion in Apr-Jun 2025, shows RBI data

The net inflows of foreign resources via External Commercial Borrowings (ECBs) rose to $4.6 billion in April-June period of the financial year 2025-26 (Q1FY26) from $ 2.8 billion in the same period previous year, the Reserve Bank of India data showed. RBI, in its monthly August bulletin, said the registrations of ECBs moderated in Q1FY26, although inflows continued to outpace outflows, resulting in positive net inflows. The ECB registrations slowed to $9.1 billion in Q1FY26, down from $11.1 billion in Q1FY25.
https://www.business-standard.com/finance/news/net-ecb-inflows-rise-april-june-2025-rbi-data-125083100504_1.html

India's forex reserves dip $4.4 billion to $690.7 billion in latest week: RBI

India's foreign exchange reserves (Forex) declined by $4.4 billion in the week that ended August 22 to $690.720 billion, driven largely by slump in foreign currency assets, the Reserve Bank of India (RBI) said in its latest 'Weekly Statistical Supplement'. For the reported week, India's foreign currency assets (FCA), the largest component of foreign exchange reserves, stood at $582.251 billion, down by $3.652 billion.
https://www.thehindubusinessline.com/markets/forex/indias-forex-reserves-dip-44-billion-to-6907-billion-in-latest-week-rbi/article69996149.ece

Industry

Small is big for quick commerce players

With plans to drive up average order values (AOVs) by selling big-ticket items not working out, quick commerce players have reverted to the tried and trusted sale of groceries and consumer staples. It was never going to be easy, given the costs, inventory constraints and delivery logistics. In January, Blinkit started 10-minute deliveries of laptops, monitors and printers in the metros. Later, both Blinkit and Zepto were offering the MacBook Air, iPads, and AirPods, in select cities. But things didn't go quite as expected.
https://www.financialexpress.com/business/industry-small-is-big-for-quick-commerce-players-3962856/

E-shoppers delay buying ahead of GST changes, festive sales likely to rise

The planned GST changes have prompted some e-shoppers to postpone purchase decisions in hopes of lower taxes on certain products like consumer goods and electronics, say analysts, while emphasising that the blip is only temporary and sales are set to rebound as clarity improves and festive fervour takes hold. Goods and services are currently charged under a four-tier system with rates ranging from 5 per cent to 28 per cent. GST reform, proposed by the Centre, says that most goods will be charged at either 5 per cent or 18 per cent. Durables such as washing machines, air conditioners and refrigerators will be among the goods charged lower rates under the new GST regime.
https://www.business-standard.com/economy/news/e-shoppers-delay-buying-ahead-of-gst-changes-festive-sales-likely-to-rise-125083100263_1.html

Indian Beverage Association pitches for rationalisation of GST on aerated beverages

The Indian Beverage Association has urged the GST Council to reclassify aerated beverages as "food/merit" category and put them in 18 per cent GST slab. Currently, aerated beverages are classified as 'sin/demerit goods', leading to 40 per cent taxation, which includes 28 per cent GST and 12 per cent compensation cess. It has also reiterated its demand of rationalising GST on fruit-based juices to 5 per cent from the current 12 per cent slab.
https://www.thehindubusinessline.com/economy/indian-beverage-association-pitches-for-rationalisation-of-gst-on-aerated-beverages/article69996960.ece

Analysts see auto demand rebound in H2 FY26 on GST relief and rate cuts

India's automotive sector is expected to shift into higher gear in the second half of FY26, as a combination of policy support, rural revival and new launches align to lift demand across segments. Brokerages see repo and CRR rate cuts, along with a likely GST rate reduction as key triggers, particularly for two-wheelers and small passenger vehicles (PVs). Two-wheelers are expected to benefit the most from the demand upswing. Tax relief in the recent budget, improving rural sentiments and a pipeline of premium electric two-wheelers are expected to accelerate sales, B&K Securities said.

https://www.business-standard.com/industry/auto/auto-demand-rebound-fy26-gst-rate-cuts-rural-recovery-analyst-outlook-125083100129_1.html

20% ethanol fuel cuts mileage but is safe, say automakers amid complaints

India's roll-out of fuel blended with 20 per cent ethanol will hurt a vehicle's mileage by 2 per cent-4 per cent but is safe to use, a lobby group representing the country's automakers said, aiming to assuage motorists' concerns in the world's third-largest car market. India set a 2025 target years ago for 20 per cent ethanol blending in fuel, called E20, as part of Prime Minister Narendra Modi's focus on clean energy. But in recent weeks it has become the only choice at nearly all fuel stations, causing furore among drivers over its impact on vehicle performance and durability, especially older vehicles.
https://www.business-standard.com/industry/auto/20-ethanol-fuel-cuts-mileage-but-is-safe-say-automakers-amid-complaints-125083100271_1.html

EV penetration in domestic 2W market can rise to 40% by FY31: Ather Energy

Electric two-wheeler penetration could rise to about 40 per cent by FY31 in an 'optimistic scenario' when the overall two-wheeler industry in India touch 3-3.1 crore units annually growing at 8 per cent CAGR, according to Ather Energy Ltd. The growth is expected to be driven by increased EV launches, strong government support, rapid infrastructure development, reduced battery prices, and a faster consumer shift, the company said in its annual report for 2024-25.
https://www.thehindubusinessline.com/companies/ev-penetration-in-domestic-2w-market-can-rise-to-40-by-fy31-ather-energy/article69995785.ece

FMCG companies see benefits in selling BPC items on quick commerce

Fast-moving consumer Goods (FMCG) companies are increasingly launching products for quick commerce and e-commerce platforms as they shift strategies to stay profitable and relevant in a world of instant customer gratification. This is especially true for the beauty and personal care segments. Product makers are launching dedicated premium products for quick commerce channels.
https://www.thehindubusinessline.com/companies/fmcg-companies-see-benefits-in-selling-bpc-items-on-quick-commerce/article69996099.ece

Hotels on the lookout for staff ahead of busy months

India's hospitality sector is gearing up for a busy travel season. Hotels are expected to hire many temporary workers. The demand is rising for bartenders, chefs, and front-office staff. Experts predict a 15-20% increase in temporary jobs. Radisson plans to hire over 1,600 new employees. There is also a need for skilled professionals in sales and revenue management.
https://economictimes.indiatimes.com/industry/services/hotels-/-restaurants/hotels-on-the-lookout-for-staff-ahead-of-busy-months/articleshow/123619941.cms

Global players eye India's tech gaps as strategic opportunity to back country's chip manufacturing ambitions

Global players are eyeing India's semiconductor ecosystem, recognizing opportunities to support its chip manufacturing ambitions. Companies are increasing operations, localizing equipment manufacturing, and investing in R&D and workforce training. Semicon India 2025 will showcase this collaboration, with Delta Electronics among those leveraging their expertise to contribute to India's growing semiconductor industry.
https://economictimes.indiatimes.com/industry/cons-products/electronics/tech-gaps-in-indias-semiconductor-sector-draw-global-players-eyeing-big-opportunity/articleshow/123615555.cms

Agriculture

Govt reviewing free-grains scheme to cut costs

The Union food ministry has begun a process to weed out ineligible beneficiaries under the free ration scheme Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), a move that will put a lid on the rising food subsidy bill. Rationalising PMGKAY beneficiary pool will be on top of the agenda of a meeting of state food secretaries scheduled to be held here today, according to official sources.

https://www.financialexpress.com/policy/economy-govt-reviewing-free-grains-scheme-to-cut-costs-3962774/

China to reimpose fertiliser export curbs, India braces for hike: SFIA

India's specialty fertiliser industry is bracing for renewed supply challenges as China prepares to reimpose export restrictions from October, potentially triggering price hikes that will directly impact farmers, a senior industry official said on Saturday. The temporary resumption of Chinese specialty fertiliser exports has provided short-term relief, but this reprieve will be brief as Beijing plans to tighten export controls through increased inspections and consignment delays from next month.
https://www.business-standard.com/economy/news/china-to-reimpose-fertiliser-export-curbs-india-braces-for-hike-sfia-125083100233_1.html

Infrastructure

Passenger traffic at Indian airports to grow at 7% CAGR over 2024-25 to 2026-27: Report

Indian airports are set to experience growth in passenger traffic. CareEdge Ratings projects a 7 per cent CAGR increase from 2024-25 to 2026-27. This growth will be driven by factors like favorable demographics and rising non-aero revenues. India is the third-largest aviation market. Investments in airport infrastructure and capacity expansion are expected to further boost the sector.
https://economictimes.indiatimes.com/industry/transportation/airlines-/-aviation/passenger-traffic-at-indian-airports-to-grow-at-7-cagr-over-2024-25-to-2026-27-report/articleshow/123613726.cms

Energy

Advanced tech coal power project on the back burner

The government is reevaluating plans to develop an advanced ultra supercritical (AUSC) technology-based power project considering its high upfront costs, officials said, adding that the resultant power would be unaffordable without viability gap funding (VGF). "AUSC will offer improved efficiency, but the initial cost of this project is concerning," a senior official told ET on condition of anonymity, adding that the country's energy mix is tilting towards more nuclear and renewable energy options that offer similar benefits, like low emissions, without the need for VGF.
https://economictimes.indiatimes.com/industry/energy/power/advanced-tech-coal-power-project-on-the-back-burner/articleshow/123619991.cms

States

Andhra Pradesh Government to incentivise donors in P4 programme

Andhra Pradesh Government is examining the feasibility of extending incentives and tax exemptions to the donors who came forward to shoulder the burden of the flagship poverty elimination programme, Public-Private-People Partnership (P4). The programme aims at bridging the socio-economic divide by encouraging the wealthiest 10 percent of population to support the bottom 20 percent of the poorest families.
https://www.thehindubusinessline.com/news/national/ap-govt-to-incentivise-donors-in-p4-programme/article69996971.ece

Mehsana exports ₹3,995 crore worth of cumin & other spices during FY25

Cumin, Isabgol and fennel seeds were among the ₹3995 crore worth of spice seeds that were exported from Mehsana in Gujarat during financial year 2024-25. Of the total exports, 25 per cent of the spices was shipped to China and an additional 16 per cent made its way to Bangladesh, figures shared by the Gujarat government stated. The same year 10 per cent of the total exports were to the United Arab Emirates (UAE), five percent to the United States and an additional four percent to Morocco.
https://www.thehindubusinessline.com/economy/agri-business/mehsana-exports-3995-crore-worth-of-cumin-other-spices-during-fy25/article69996279.ece

TN aims to complete defence testing infrastructure projects by December

Tamil Nadu has targeted completion of the flagship projects taken up under the Defence Testing Infrastructure Scheme by December 2025, the State government-backed investment promotion agency 'Guidance' said on Sunday. The projects aimed at promoting the defence industrial corridor in the State are being implemented in neighbouring Vallam Vadagal in Kancheepuram district and in Tiruchirappalli, by Tamil Nadu Industrial Development Corporation Ltd (TIDCO) in association with public and private entities.
https://www.thehindubusinessline.com/news/national/tn-aims-to-complete-defence-testing-infrastructure-projects-by-december/article69995869.ece

External

Govt working on solutions to mitigate impact of US tariff hike: DEA secy

The government is working on an action plan to mitigate the impact of a steep tariff hike of 50 per cent imposed by the US on Indian shipments, Economic Affairs Secretary Anuradha Thakur said. "There are certain employment-heavy sectors which do have exposure to the US and to that extent may get affected. The government is well aware of that and is assessing the possible impact and working towards possible solutions," she told PTI in an interview. Besides, the Department of Economic Affairs (DEA) Secretary said the government has taken some steps and more are in the offing to perk up domestic demand, which could also provide some support to manufacturing units feeling heat of US tariffs.
https://www.business-standard.com/economy/news/govt-working-on-solutions-to-mitigate-impact-of-us-tariff-hike-dea-secy-125083100147_1.html

Lagos Free Zone can provide access to US market: Nigeria to Indian firms

Indian businesses, mainly those hit by high US tariffs, can manufacture or assemble products in Lagos Free Zone (LFZ) in Nigeria, which provides preferential access to the US and other major global markets, a Nigerian official said on Sunday. LFZ Managing Director and CEO Adesuwa Ladoja, in an interview with PTI, said that recent tariff adjustments in the US have created real challenges for Indian companies, particularly in sectors like textiles, leather and automotive components.
https://www.business-standard.com/economy/news/lagos-free-zone-can-provide-access-to-us-market-nigeria-to-indian-firms-125083100127_1.html

Indian exporters shift focus to new markets amid US tariff hike

Facing rising US tariffs, Indian exporters of rice, gems, jewellery, and tractors had already begun diversifying into markets like the UAE, Bangladesh, and Italy. The Indian government is implementing a phased export diversification plan, targeting existing markets such as the EU and UK in the short term. Longer-term strategies involve exploring new opportunities in Latin America, Africa, and Eastern Europe.
https://economictimes.indiatimes.com/news/economy/foreign-trade/indian-exporters-shift-focus-to-new-markets-amid-us-tariff-hike/articleshow/123621635.cms

India's textile export to UK under FTA may offset US losses: CareEdge Ratings

A new report suggests that losses from US tariffs on Indian textiles could be offset by increased exports to the UK, thanks to the recent India-UK FTA. Ongoing EU trade negotiations may further boost India's textile trade. While textile exports are expected to decline, government support and growth in yarn and fabric exports could mitigate the impact.
https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-textile-export-to-uk-under-fta-may-offset-us-losses-careedge-ratings/articleshow/123614478.cms

India in talks with UAE for financial help to build 1 mn homes in Australia

India is in "deep negotiations" to create 1 million homes in Australia and has reached out to the UAE for financial help on the same, Union Minister Piyush Goyal has said. Goyal, who handles the Commerce and Industry portfolio, pegged this as a $500 billion opportunity. "I am in deep negotiation with my counterpart in Australia to create 1 million homes. 1 million homes. Anybody wants to do the maths? A million homes in Australia would be at least $500 billion opportunity," Goyal said while speaking here over the weekend.

https://www.business-standard.com/india-news/india-in-talks-with-uae-for-financial-help-to-build-1-mn-homes-in-australia-125083100254_1.html

Gems, jewellery exporters seek govt relief as US tariffs hit industry

The Gems and Jewellery Export Promotion Council (GJEPC) has urged the Centre to provide immediate relief measures as the tariffs imposed by the United States have started hitting the industry. US tariffs of 50 per cent on Indian goods came into effect on August 27. GJEPC Executive Director Sabyasachi Ray told PTI that exporters had "front-loaded" shipments to the US, anticipating tariff action, but the unexpected penal duty has left the industry reeling. "The market will be hit further if the concerns are not addressed within a quarter. A lot of demand had already been shipped to the US market before the tariff was implemented.
https://www.business-standard.com/economy/news/gems-jewellery-exporters-seek-govt-relief-as-us-tariffs-hit-industry-125083100223_1.html

India pushing rice exports to largest importer of world Philippines

India is pushing rice exports to the world's largest importer of the commodity -- the Philippines -- and to tap the opportunity, a large delegation of leading exporters will visit the Southeast Asian nation next month, an official said. The Philippines is an important market for India in agricultural products exports. In 2024, the Philippines imported agricultural goods worth about $20 billion, with key imports including semi-milled rice, wheat and meslin, oilcake, food preparations, and palm oil. India exported agricultural products worth $413 million to the Philippines in 2024, accounting for about 2 per cent of the Philippines' total agricultural imports.
https://www.business-standard.com/economy/news/india-pushing-rice-exports-to-largest-importer-of-world-philippines-125083100182_1.html

Shrimp exports to fall 15-18% this fiscal as US tariffs push duty above 58%: Crisil

India's shrimp export volumes are expected to decline by 15-18 per cent in the current fiscal year following a sharp hike in US tariffs, which will take the total import duty to 58.26 per cent, effective August 27, according to a report by Crisil Ratings.
https://economictimes.indiatimes.com/news/economy/foreign-trade/shrimp-exports-to-fall-15-18-this-fiscal-as-us-tariffs-push-duty-above-58-crisil/articleshow/123611713.cms

NALCO eyes active lithium assets in Australia via KABIL JV, talks underway

State-owned National Aluminium Company Ltd (NALCO) is firming up its overseas critical mineral strategy, with its joint venture entity Khanij Bidesh India Ltd (KABIL) entering into “early-stage talks to acquire stakes in operating lithium assets in Australia”, Brijendra Pratap Singh, Chairman and Managing Director, NALCO told businessline. The proposed Australian entry would mark its first potential acquisition in operating assets, signalling a strategic shift from greenfield exploration to lower-risk brownfield participation.
https://www.thehindubusinessline.com/companies/nalco-eyes-active-lithium-assets-in-australia-via-kabil-jv-talks-underway/article69993928.ece

Indian steelmakers urge government for minimum import price amid global slump

Indian steelmakers are requesting a minimum import price from the government as current safeguard duties prove insufficient amidst falling global prices. Industry executives report that hot rolled coils are trading significantly lower than expected, impacting profit margins. Analysts suggest a balanced approach, considering consumer prices and anticipating stable raw material costs and subdued global demand.
https://economictimes.indiatimes.com/news/economy/policy/indian-steelmakers-urge-government-for-minimum-import-price-amid-global-slump/articleshow/123620456.cms

Russia, China oppose 'discriminatory sanctions' against BRICS countries: Putin

Russia and China have taken a common stand against "discriminatory sanctions" that hinder the socioeconomic development of BRICS member countries, Russian President Vladimir Putin has said. Putin, who arrived here to attend the Shanghai Cooperation (SCO) summit, made the remarks in an interview with China’s state-run Xinhua news agency. He said that Russia and China are paying special attention to mobilising additional resources for critical infrastructure projects, and stand united in strengthening BRICS' ability to address pressing global challenges.

https://www.thehindubusinessline.com/news/world/russia-china-oppose-discriminatory-sanctions-against-brics-countries-putin/article69995820.ece