

## Daily Economic News Summary: 7 August 2015

### 1. Local handset makers on course to post robust revenue growth

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

Top Indian handset makers Micromax, Lava and Intex expect a scorching 100%\$ year-on-year revenue growth in the year to March 2016 on the back of surging smartphones sales and higher average sale prices.

Leading home-bred handset maker Micromax expects a 50% growth in sales from devices, while fast growing Intex aims to more than double its revenue growth to Rs 8000 crore this fiscal from Rs 3748 crore in the previous year, outpacing rivals.

### 2. Indian govt's capital infusion plan into PSU banks credit positive, not a game changer: Moody's

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

The Indian government's (Baa3 positive) plan to infuse Rs 70,000 crore into state-owned banks (PSU banks) through 2020 is credit positive but is not a game changer, Moody's Investors Service has said.

Though the move reverses an earlier policy of selective capital infusion, the amount is relatively small and banks will still need to raise additional capital from the equity markets, the agency said. *"Although the capital infusion plan is credit positive, we note that the capital amount is a fraction of the overall capital requirements over the next four years,"* said Srikanth Vadlamani, a Moody's vice-president and senior credit officer.

The government is aiming at improving the tier-1 capital ratios for all PSU banks to at least 7.5% by March. This marks a key change from the previous policy that specified certain profitability thresholds for banks to receive government capital.

### **3. India's macroeconomic fundamentals strong, says Doha Bank CEO R Seetharaman**

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

In India to explore two-way relationships in areas of trade, investment and banking, Doha Bank CEO today said he is positive about the country even as the global economy is still under pressure. Giving reasons for the strong characteristics of India's economic fundamentals, Doha Bank CEO R Seetharaman said, *"there is political stability and realignment of monetary and fiscal policies. Even as the global economy is still under pressure and is not in full recovery mode, I am cautious, but also positive about the momentum in Indian economy... because in terms of macroeconomic fundamentals, India has a very strong character,"* he told PTI.

Seetharaman said the rates at which the current account and fiscal deficits, along with the rates of inflation are hovering, is *"measurable, manageable and controllable"* and 7.5 per cent growth rate is *"formidable."*

### **4. India may lift ceiling on e-commerce exports**

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

With an eye to boost e-commerce exports, the government is considering to lift the present cap of Rs.25,000 on overseas shipments through the e-commerce route once it puts in place an electronic data interchange (EDI) software system to track such transactions.

In the foreign trade policy announced in April, the commerce ministry for the first time provided export incentives to e-commerce exports up to Rs.25,000 through courier services for items such as handloom products, books, leather footwear, toys and customized fashion garments from six ports on a pilot basis. The value of such items shipped through couriers are not captured under regular export data and often categorized as samples. The scheme is operational at airports and post offices of Delhi, Mumbai and Chennai on a pilot basis.

*"At present, the revenue department is developing the EDI software on a public private partnership mode with the Express Industry Council of India. Once the software is ready, the e-commerce incentive scheme will be rolled out throughout the country and without any limit on the value,"* a government official said, speaking under condition of anonymity.

## 5. Maharashtra government working on proposal to revive sick small-scale units

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

As part of its efforts to boost industrial development, Maharashtra government is working on a proposal to revive sick and closed small scale industries in the state. Finance Minister Sudhir Mungantiwar told that his department was working on a proposal to classify small-scale industries and the reasons behind their closure.

*"If some units can be revived, it will go a long way in improving industrial development. We want to see if some units can be restarted. Some may be having issues like VAT (Value-Added Tax) or non-payment of electricity bill. So, we need to work out which of these issues can be resolved and which units can be revived,"* he said.

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