

Indian Industry & Economy

Volume 1, Issue 11

Special points of interest:

- ◆ Rural growth rate overtakes urban in India automobile sales
- ◆ TCS to open up AI platform Ignio to third-party players
- ◆ Facebook and Google chase a new \$1 trillion payments market

Demonetisation reduced cash transactions, says Niti Aayog VC

Demonetisation of high value currency in November 2016 helped reduce cash transaction and encouraged digital payments, Niti Aayog Vice-Chairman Rajiv Kumar said today.

As per the RBI Annual Report released yesterday, 99.3 per cent of the demonetised Rs 500 and Rs 1,000 notes were returned to the banking system.

At the time of demonetisation, which among other things aimed at checking black money, about 86-87 per cent of the total currency in circulation was in the form of Rs 500 and Rs 1,000 notes.

"Who said the aim of demonetisation was to get back less money? Demonetisation has impacted the markets and market psychology. How much transaction used to take place in

cash (before the note ban), and what is the position now?", Kumar said replying to media queries on the sidelines of an event.

[Click here](#) to read the complete summary.

Express delivery cos ride high on GST wave

The roll-out of GST has opened new business opportunities for express delivery companies such as TCI Express.

Express cargo companies offer time-bound and faster deliveries than regular cargo movers. Price-wise (on a per kg basis), express players charge nearly double than regular ones.

While the pharmaceuticals sector account for

bulk of demand of these services, other sectors like lifestyle, telecom, auto and e-commerce too are taking to such deliveries.

According to PC Sharma, CEO and Wholetime Director, TCI Express, warehouse consolidation post GST helped the sector gain momentum as is evident in both rise in volume and value sales.

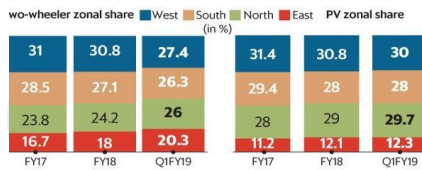
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Divergent paths

The share of east and north has together expanded by 570 basis points, far higher than that of the west and south.

In passenger vehicles, the share of north and east rose by 280 basis points, higher than the other two zones.



For about two years, demand for two-wheelers and passenger cars in rural areas has outpaced that in urban areas.

Rural growth rate overtakes urban in India automobile sales

It's not merely a blip, but a sustained trend. For about two years, demand for two-wheelers and passenger cars in rural areas has outpaced that in urban areas. According to Antique Stock Broking Ltd, the share of eastern and northern regions has increased by 570 basis points for two-wheelers and 280 basis points for passenger vehicles, since fiscal year 2017

(see chart). During the period, the share of states in the south and west has declined. Hundred basis points make up one percentage point.

Typically, these two geographic zones have a larger contribution from the rural population than the urban one. A more detailed analysis reveals that the states of Uttar Pradesh, Bihar, Madhya Pradesh, West Bengal

and Odisha have shown strong sales growth. However, Karnataka, Tamil Nadu and Maharashtra, which have a higher urban mix in population, have been lagging in growth.

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How govt policy will affect use of drones in India

The DGCA has announced a licensing regime for the commercial use of drones in India.

Civil aviation regulator Directorate General of Civil Aviation (DGCA) announced Monday a licensing regime for the commercial use of remotely piloted aircraft systems, that is, drones. Mint takes a look at the implications of the policy.

Why do businesses need drones?

Drones offer low-cost, safe and quick aerial surveys for data collection. This is useful for industries such as power, mining, realty, oil and gas exploration, railways and highways. With big data and tools such as 3D modelling, businesses can simulate and analyse varied situations.

Drones can inspect tall structures and offshore rigs. Relief, rescue work and policing can become more effective by using them. in.

[Click here](#) to read the complete summary.

Facebook and Google chase a new \$1 trillion payments market

'A string of other big-name players are also expanding in the country's digital payments market including its banks, its postal service, and its richest man, Mukesh Ambani.

Surendrasingh Sucharia always has a few thousand rupees in his pocket, but can't recall the last time he used cash. The 29-year-old product manager in Bangalore uses a string of smartphone apps including ones from Google and India's Paytm to pay for everything from \$40 bags of

groceries to street food that costs pennies.

A bewildering array of digital payment businesses from global names like Facebook Inc.'s WhatsApp to Google are in a slugfest to win Indian users.

Warren Buffett's Berkshire Hathaway Inc. is acquiring a stake in the company behind payments leader Paytm.

Meanwhile, a string of other big-name players are also expanding in the country's digital payments market including its banks, its postal service, and its richest man, Mukesh Ambani.

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FMCG grows at 10.9% in June quarter, lower than 14% in

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The fast-moving consumer goods (FMCG) sector is in a slow lane this year, compared to last year, according to a report.

The sector, broadly represented by daily household items such as food and beverages and personal care products, is estimated to grow by 12 per cent (in value terms) and close to 8 per cent by volume in 2018. This will fall short of the previous year's value growth rate of 14 per cent and volume growth of 10 per cent, data and research firm Nielsen said.

The latest numbers indicate a trend in the mar-

ket, now believed to be enjoying the benefits of a relatively organised distribution channel, not affected impacted by any disruption.

"The trade dynamism triggered by demonetisation and the goods and services tax (GST) roll-out has almost settled down. "

[Click here](#) to read the complete summary.

Wipro gets multi-year business process services deal from Denmark's Falck

IT services major Wipro on Wednesday said it has bagged a multi-year business process services engagement from Denmark-based Falck.

The financial details of the deal were not disclosed. As part of the contract, Wipro will help transform Falck's finance operations through

its enterprise operations transformation model, Wipro said in a statement. This engagement will help Falck increase operational efficiency and achieve data and process consistency across its different entities around the globe, it added.

Headquartered in Denmark, Falck is

supplier of ambulance services, employee health care and roadside assistance and is active in 35 countries with over 37,000 employees.

[Click here](#) to read the complete summary

India is said to ask RBI to identify banks that can be merged

India has asked its central bank to prepare a list of candidates for merger among 21 government-controlled lenders as it seeks to strengthen a banking system laden with bad debt, people familiar with the matter said. In a meeting this month, finance ministry officials also asked the Reserve Bank of

India to suggest a time frame for the consolidation, the people said, asking not be named as the information isn't public. The move is aimed at creating fewer, better-capitalized lenders and improving regulatory oversight, they said. India has been battling for years to clean up its banks, which have the highest bad-loan ratio after Italy among the world's 10 largest econo-

mies. Government-controlled lenders are estimated to hold 90 percent of non-performing loans, and 11 of the 21 are operating under an emergency program, supervised by the RBI, which restricts new lending.

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TCS to open up AI platform Ignio to third-party players

Tata Consultancy Services (TCS) is running controlled experiments on how to open up Ignio, its artificial intelligence platform, to third party developers including rivals to build applications on, as India's largest IT services firm attempts to establish a software brand.

The plan for Ignio, launched commercially three years ago, looks a lot like General Electric's strategy around its internet-of-things platform Predix. Companies can use applications built by other IT services firms on the Predix platform. But TCS is working on Ignio's business model, sales and branding strategy to differentiate it from its traditional services model.



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