

# Industry Matters

Weekly Updates

February 21, 2025



## Economy, Industry and Policy

**Boosted by PLI scheme, India's smartphone exports hit record Rs 1.5 trn:** India's smartphone exports reached Rs 1.55 trillion during the April-January period, boosted by the government's production-linked incentive (PLI) scheme, exports surpassed Rs 1.31 trillion in FY24. *[Business Standard]*

**Sectoral growth, tech to power India's \$23-35 trn 'Economic Vision':** For India to transform into a high-income country with a projected gross domestic product (GDP) of \$23-35 trillion, will need a sustained annual growth of 8 per cent to 10 per cent. *[Business Standard]*

**Union Budget balances fiscal and growth objectives-RBI:** With a fiscal deficit target of 4.4 per cent of gross domestic product (GDP), the Union Budget 2025-26 (FY26) has managed to balance fiscal consolidation and growth objectives. *[Business Standard]*

**India's exports to US up 39% to \$8.44 billion in Jan-Commerce ministry data:** India's exports to the US rose by 39 per cent year-on-year to USD 8.44 billion in January, while imports grew by 33.46 per cent to USD 3.57 billion, according to the commerce ministry data. *[The Economic Times]*

**Foreign companies' tax burden hits record low in India-CMIE data:** Foreign companies now pay less tax relative to their earnings than at any time in more than three decades. Foreign private companies paid 24.36 per cent of their pre-tax profit as tax in 2023-24, show numbers from the Centre for Monitoring Indian Economy (CMIE). *[Business Standard]*

**Renewed push for India-Middle East-Europe Economic Corridor:** The IMEEC will comprise two separate corridors, the east corridor connecting India to the Gulf and the northern corridor connecting the Gulf to Europe. *[Financial Express]*

**India, US committed to boost trade to \$500 billion through strong agreement in next 6-8 months-Goyal:** In 2023-24, the US was the largest trading partner of India with \$119.71 billion bilateral trade in goods (\$77.51 billion worth of exports, \$42.19 billion of imports and \$35.31 billion trade surplus). *[Business Line]*

**Reforms by stealth in personal income tax:** After skimming through the new Income Tax Bill tabled in Parliament last week, many folks seem to be put out that it didn't contain any 'reforms' on taxation. *[Business Line]*

**Commerce department likely to seek more funds to help MSME exporters:** The Department of Commerce may need to seek additional funds towards schemes to support especially micro, small and medium enterprise (MSME) exporters amid ongoing global uncertainties. *[Business Standard]*

**India's fiscal trajectory in line with our expectations-S&P Global Ratings:** S&P Global ratings on Tuesday said that India has had a strong record of meeting revenue and fiscal deficit targets at the central level and that the rating agency's expectations for fiscal trajectory in India are in line with projections made in the Union Budget for financial year 2026 (FY26). *[Business Standard]*

**Welfare schemes and rural jobs fuel labour crisis-industry executives:** A confluence of pandemic-spurred behavioural changes, availability of various welfare schemes, and a sudden spurt in infrastructure projects has led to a decline in labour migration, resulting in a shortage of workers across industries *[Business Standard]*

**India fastest growing economy, inflation under control-Vaishnaw:** Union Minister Ashwini Vaishnaw on Saturday highlighted India's economic strength, stating that the country remains the fastest-growing large economy while keeping inflation under control. *[Business Standard]*



## Foreign Investment

**Net FDI in India declines to \$1.2 billion Apr-Dec 2024-RBI data:** Net foreign direct investment (FDI) in India — inflows minus outflows — declined to \$1.18 billion during April-December 2024 from \$7.84 billion in the same period in 2023 due to a rise in repatriation and overseas investments by Indian firms. *[Business Standard]*

**Qatar ready to fast-track investment promotion, protection deal with India:** Qatar on Tuesday said it is ready to take steps to speed up the negotiations for a new bilateral investment promotion and protection agreement with India. *[Business Standard]*

**FII outflows show India offering higher returns to investors-FM:** Foreign Institutional Investment (FII) outflows from India's equity markets show that investors are booking profits, indicating investments in India are yielding good returns, Finance Minister Nirmala Sitharman said. *[The Hindu]*



## Trade Policy and Competitiveness

**Indian companies take a cautious stance on US reciprocal tariff moves:** India exported about \$6.79 bn worth of auto parts to US in 2023-24. Overall auto component exports stood at \$21.2 bn, while imports from US were \$1.63 bn of total \$20.9 bn in auto component imports. *[Business Standard]*

**Proposed India-US BTA- US may ask for more access to agri products, ethanol:** The United States (US) is likely to ask India for substantial market access in agriculture and dairy products, ethanol, and medical devices under the proposed bilateral trade agreement (BTA) that both countries have agreed to conclude in the next eight months. *[Business Standard]*

**Trump's 'black box' tariff formula adds uncertainty across Asia:** President Donald Trump's broader definition of reciprocal tariffs may impact most Asian economies, as per Nomura analysts. The new measures consider total tariffs and non-tariff barriers like tax, regulatory, and currency policies. *[The Economic Times]*

**New tie-ups in AI, chips, biotech can soften US tariff blow:** India's \$254-billion tech outsourcing industry aims to offset US reciprocal tariffs by expanding into AI, semiconductors, and biotech. Bilateral talks and initiatives like TRUST and Mission 500 will drive US-India tech collaboration and trade growth. *[The Economic Times]*

**Trump tariff gambit a red flag for US-Asia ties- 7 key factors to watch for semiconductor industry:** Can the 25% Trump tariff spell more trouble than benefits for the global semiconductor industry? A detailed analysis by the key semiconductor body in India- IESA. *[Financial Express]*

**Announcement on India-US trade pact has lifted business confidence-Goyal:** The recent agreement to seal a bilateral trade agreement with the United States (US) has given "confidence and a lot of relief" to businesses, as both sides will be able to work together with each other's competitive strengths. *[Business Standard]*



## Corporate Governance

**Sebi's new rules for REITs and InvITs around public offer documents:** Market regulator Securities and Exchange Board of India (Sebi) has proposed new rules regarding Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs). *[The Statesman]*

**CCI seeks public comments on draft rules for determining cost of production:** The Competition Commission of India (CCI) on Monday released the draft rules for determination of cost of production, seeking to update its framework for assessing predatory pricing under the competition norms. *[Business Standard]*

**IFSCA notifies new bullion market regulations, introduces key safeguards for consumers:** The International Financial Services Authority (IFSCA) has notified the IFSCA Bullion Market Regulations, 2025, which introduce important safeguards for the protection of customers' interests in the bullion market ecosystem in GIFT City, Gujarat. *[Business Line]*



## MSMEs and Start-ups

**Indian startup unicorns grow far beyond IIT, IIM, and ISBs-Study:** At the top of non-IIT/management institutes is Birla Institute of Technology & Science (BITS), which has produced 10 startup unicorn founders in the US. *[Business Standard]*

**DPIIT to sign MoUs with cos for setting up manufacturing incubation centres:** In a move to give a fillip to manufacturing startups, the Department of Promotion of Industry and Internal Trade (DPIIT) will be signing memorandums of understanding (MoUs) with corporates to set up manufacturing incubation centres. *[Business Standard]*

**Schemes under export mission in the works, focus on MSMEs:** The government is thinking of filling a part of the gap between the value of the export receivable and the price at which it is acquired by factoring service providers. *[Financial Express]*

**MSME prepack resolution model needs relook:** The Prepack Insolvency Resolution Process, which came into force in April 2021 to help small and medium enterprises impacted by Covid-19, has been quite a non-starter. *[Business Line]*

**Merger & Acquisition rules for small cos may be relaxed to ease compliance:** The ministries of micro, small and medium enterprises (MSME) and corporate affairs are weighing proposals to relax merger and acquisition (M&A) rules for smaller enterprises to push them to gain scale and reduce their compliance burden, officials said. *[The Economic Times]*



## Employment and Industrial Relations

**EPFO working to offer members a consistent interest rate regime:** The government is considering creating an interest stabilisation reserve fund under the Employees' Provident Fund Organisation to ensure a constant interest rate for over 65 million subscribers regardless of investment returns. *[The Economic Times]*

**New skilling policy to focus on tapping global demand for skilled workers:** The upcoming national skilling policy will lay greater stress on the growing global demand for skilled Indian workers, a person familiar with the development said. *[Business Standard]*

**Urban unemployment rate unchanged at 6.4% in Q3FY25-PLFS data:** Unemployment rate in urban areas during the third quarter (October-December) of FY25 remained unchanged at 6.4 per cent compared to the preceding quarter, according to the latest quarterly Periodic Labour Force Survey (PLFS) data. *[Business Standard]*

**India faces growing job crisis-Just 42.6% of graduates are employable:** India's job market is at a crossroads. As industries evolve with artificial intelligence (AI) and automation, fresh graduates are struggling to keep up. *[Business Standard]*



## Industrial Finance

**IL&FS Group initiates Rs 5,000 cr payouts in InvIT units and cash under interim distribution:** IL&FS Group has started an interim distribution of Rs 5,000 crore, including Rs 3,500 crore in InvIT units and Rs 1,500 crore in cash for debt resolution. These units belong to Roadstar Infra Investment Trust, holding six major road assets. *[The Economic Times]*

**We intend to invest Rs 90,000 crore by 2030:** State-owned Hindustan Petroleum Corp has charted out plans to invest Rs 90,000 crore till 2030 with a significant portion of the funds to be allocated for building a green energy portfolio. *[Financial Express]*

**APAC Finance M&A set to rebound with rate cuts and easing inflation:** The number of deals in the region's financial sector dropped 2.4% to 560 in 2024 from 574 in 2023, dragged by slower activity in the insurance and other nonbanking financial industries. *[Business Line]*



## Technology and Innovation

**Ashwini Vaishnaw to launch IndiaAI portal, 10 firms to provide 14,000 GPUs:** The central government is set to introduce the IndiaAI Compute Portal, allowing key stakeholders, including central ministries and state governments, to request compute capacity through the platform. *[Business Standard]*

**AI's oxygen- Undersea cables and satellites drive digital connectivity:** Digital connectivity is oxygen for artificial intelligence (AI). As the world organises itself to deploy and control the technology, investments in digital connectivity will be critical. *[Business Standard]*

**Eye on AI, chips, India-US look to deepen tech collaboration:** India and the United States will prepare a roadmap to accelerate artificial intelligence (AI) infrastructure by the end of the year, with an eye on enabling investments in data centres and increasing access to computing power for AI, the two countries announced in a joint statement. *[The Indian Express]*

**TCS collaborates with MassRobotics in North America to accelerate innovation in robotics sector:** TCS has collaborated with MassRobotics, with an aim to support MassRobotics' mission to foster robotics innovation by engaging with startups, researchers, and industry leaders. *[Financial Express]*

**AI-powered fintech the next big bet:** Beyond fintech, B Capital is also placing bets on robotics, space technology and advanced manufacturing in sectors such as electric vehicles, defence, and aerospace. *[Financial Express]*



## Industrial Infrastructure, Clusters and SEZs

**States should approach urban planning differently:** Budget 2025-26 has proposed an 'urban challenge fund' of ₹1 lakh crore to implement the proposals for develop cities as growth hubs. *[Business Line]*

**UAE-based NMDC Group PJSC to invest Rs 21,000 cr for Vadhvan Port Project:** NMDC Group PJSC, formerly National Marine Dredging Company PJSC, has signed a memorandum of understanding (MoU) with the Jawaharlal Nehru Port Authority (JNPA) to invest Rs 21,000 crore in the Vadhvan port project. *[Business Standard]*

**Air India, Lufthansa expand codeshare, add 60 routes across India, Europe:** Private carrier Air India on Thursday announced the expansion of its codeshare partnership with Lufthansa Group to offer 60 additional routes across 12 cities in India and 26 in Europe. *[Business Standard]*

**Support from govt, industries vital for Indian shipbuilders-CEO of Japanese co MOL:** Indian industries should collaborate to strengthen the local shipping and shipbuilding sectors, says Takeshi Hashimoto, CEO of Japan's MOL. He highlights the necessity of government support and a unified industry approach for long-term gains. *[The Economic Times]*



## Sustainable Industrialisation

**Assam cabinet approves mega industrial park, new policy for green energy:** Assam Chief Minister Himanta Biswa Sarma on Sunday said the state cabinet has approved a mega industrial park and a new policy for green energy. *[Business Standard]*

**HPCL plans Rs 50,000 cr investment to build 10 GW RE portfolio by 2030:** State-owned HPCL is set to invest up to ₹50,000 crore to boost its renewable energy portfolio to 10 GW by 2030 through its subsidiary HPRGE. The company aims for 1 GW capacity by 2025-26 and is establishing solar power plants and a biofuel portfolio. *[The Economic Times]*

**Government awards Reliance New Energy Battery for 10 GWh more capacity under PLI ACC Scheme:** The Ministry of Heavy Industries (MHI) on Tuesday confirmed that it has signed a Programme Agreement with Reliance New Energy Battery Limited (a subsidiary of Reliance Industries Limited) under the said Scheme. *[Business Line]*

**RInfra forays into renewable manufacturing, hires new execs:** Reliance Infrastructure (RInfra) on Tuesday announced its entry into the renewable energy equipment manufacturing sector with plans to establish integrated solar and battery manufacturing units. *[Financial Express]*

**India's solar share to soar, Renewables set to power 27% of energy mix by 2027-IEA:** To accelerate its renewable energy transition, the government launched the PM-Surya Ghar: Muft Bijli Yojana in February 2024, aiming to provide rooftop solar systems generating 300 kWh per month for 10 million households. *[Business Line]*

**Reliance Group to enter RE manufacturing space with solar, battery plants:** Reliance Infrastructure (RInfra) is diversifying into the renewable energy sector by launching solar and battery manufacturing units. *[The Economic Times]*



## Sectoral News

**India auto component industry, with its small market share, may not face brunt of US reciprocal tariffs:** India's auto component industry is expected to see a limited impact from potential US tariffs, accounting for only 3% of the \$97 billion in imports. Other key suppliers like the EU, China, Japan, and South Korea will be hit harder. *[The Economic Times]*

**Trai calls for separate network authorisation for telecom infrastructure:** The Centre should grant network authorisations under the Telecommunications Act, 2023 instead of entering into an agreement with telecom entities, the Telecom Regulatory Authority of India (Trai) has recommended. *[Business Standard]*

**Govt moves to streamline insurance sector compliance ahead of 100% FDI:** The government plans to streamline compliance in the insurance sector by identifying redundant regulations, aiming for improved ease of business. *[The Economic Times]*

**NPPA directs pharma firms to update MRP after Budget 2025 duty exemptions:** The National Pharmaceutical Pricing Authority (NPPA) has instructed drug manufacturers and marketing firms to adjust the maximum retail price (MRP) of medicines and formulations that are no longer subject to customs duty, as per this year's budget. *[Business Standard]*

**Rise in quality awareness among manufacturers-CII:** Indian manufacturers are witnessing a rise in quality awareness, with the automotive and chemicals sectors leading the adoption of global certifications and quality protocols, according to a study by the Confederation of Indian Industry (CII). *[The Economic Times]*

**ISID** Institute for Studies in Industrial Development  
An institution of Indian Council of Social Science Research (Ministry of Education)  
4 Vasant Kunj Institutional Area, New Delhi - 110070, India

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**Team Members:** Satyaki Roy, Swati Verma, Sangeeta Ghosh, B Dhanunjai Kumar, Amitava Dey & Rakesh Gupta.  
Compiled by: Amitava Dey & Rakesh Gupta, Edited by Sangeeta Ghosh.

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