

# Industry Matters

Weekly Updates

March 07, 2025



## Economy, Industry and Policy

**Private investments may drop below 11% of GDP, says India Ratings:** After declining to a three-year low in FY24, the private sector investment is expected to fall further in the current financial year, India Ratings said in a research note on Wednesday. *[Business Standard]*

**Five key reforms India needs to boost trade-related infrastructure and enhance export competitiveness:** The government has recently increased the allocation for international development projects by 20% in the latest Union Budget, presenting an opportunity to use this funding for the development of trade-related infrastructure in partner countries. *[The Economic times]*

**MGNREGA work demand remains higher for the fourth straight month:** Households demanding work under the MGNREGA scheme remained higher than the last year for the fourth straight month in February. *[Business Standard]*

**Datanomics-India closes in on Japan for fourth-largest economy tag:** India's gross domestic product (GDP) growth is officially estimated to decelerate to 6.5 per cent during FY25 against 9.2 per cent last year. *[Business Standard]*

**Govt mulls expanding PLI scheme to boost local value addition, exports:** The central government is considering linking incentives to metrics beyond incremental sales such as domestic value addition and incremental exports, with the first phase of the PLI scheme gaining traction. *[Financial Express]*

**Policy coordination key to boosting growth:** The Budget for FY26, followed by the RBI's February monetary policy, needs to be seen together at least on two counts. First, can they surmount immediate problems confronted by the economy? Second, do they have the firepower to steer the economy towards the aspirational goal of becoming a developed country by 2047? *[Business Line]*

**India's services sector growth improves to 59 in Feb; overall PMI 58.8:** India's services sector witnessed a strong rebound in February, with the HSBC India Services Purchasing Managers' Index (PMI) rising to 59.0, up from 56.5 in January, which had been its lowest reading in over two years. *[Business Standard]*

**Govt committed to easing regulations, boosting export economy-Sitharaman:** Finance Minister Nirmala Sitharaman on Tuesday said the government remains steadfast in reducing regulatory burdens, besides enhancing trust-based governance and taking steps to make India a "seamless, export-friendly" economy. *[Business Standard]*

**World sees India as trusted partner, industry must take advantage-PM Modi:** Prime Minister Narendra Modi on Tuesday asked the Indian industry to take "big steps" for taking advantage of global opportunities at a time when the world is looking at India as a trusted partner, which can produce quality goods. *[Business Standard]*

**Need a relook at trade, industrial policies for exports-DGFT:** Apart from rising trade barriers and protectionism, India's exporters face other disadvantages like low credit coverage, high interest rates, no scheme for remission of duties to service exporters, insufficient branding and market outreach. *[Financial Express]*



## Foreign Investment

**FDI dips in India by 5.6% to \$10.9 billion in Oct-Dec quarter-Govt data:** Foreign direct investment (FDI) in India dipped by 5.6% year-on-year to \$10.9 billion in October-December quarter of this fiscal due to global economic uncertainties, government data said on Monday. FDI inflows during October-December 2023-24 stood at \$11.55 billion. *[The Statesman]*

**Post-FDI hike in insurance, policy safeguards must be weighed-CEA Nageswaran:** India should consider incremental policy safeguards along with the proposed Foreign Direct Investment (FDI) hike implementation in the insurance sector, Chief Economic Advisor Anantha Nageswaran has suggested. *[Business Line]*

**Do foreign investors not pay capital gains tax in other countries? Not true:** Foreign investors pay 20 per cent or more as tax on capital gains in certain jurisdictions, including emerging market peers such as Brazil and Mexico, as well as Saudi Arabia and Uzbekistan, according to data from tax consultancy network PwC. *[Business Standard]*

**India expands UK footprint as £41 billion partnership drives growth:** The UK also welcomed the opportunities presented by India's recent increase in the Foreign Direct Investment (FDI) limit in the insurance sector from 74% to 100%. *[Financial Express]*



## Trade Policy and Competitiveness

**Shift towards developed markets- India's FTA needle turns to the West:** It is exactly 25 years of India's free trade agreement (FTA) journey, started in the year 2000 when India-Sri Lanka FTA came into effect on 1st March, 2000. Post that, India turned its focus towards East under much published "Look East Policy" and went on to sign FTAs with Singapore, ASEAN, Korea, Japan, and Malaysia. *[Business Standard]*

**India Inc best judge, but govt would like speedier pvt investment-FM:** Finance Minister Nirmala Sitharaman on Thursday said the government would like the corporate sector to ramp up investment while maintaining that they are the best judge of commercial assessment. *[Business Standard]*

**Indian tariffs are WTO compliant; Centre should convey to US-GTRI:** India's import duties are in compliance with the global trade rules and the government should convey this to the US administration, economic think tank GTRI said. It also said that negotiating a comprehensive free trade agreement with the US presents several challenges. *[Business Standard]*

**India, EU discuss efforts to accelerate balanced, mutually beneficial FTA:** With India and the EU setting the year-end deadline to conclude a free trade agreement, teams from both sides held discussions on Saturday to accelerate efforts towards a balanced and mutually beneficial pact. *[Business Standard]*

**US President Donald Trump and trade policy- What should India do?:** President Donald Trump's threat to impose reciprocal tariffs on India is both ominous and obnoxious. But it cannot be wished away. So, the country needs to consider: What type of response is in national interest? *[Business Standard]*

**India-US trade deal long overdue, it will boost GDP of both nations-USIBC:** As commerce minister Piyush Goyal and his US counterpart Howard Lutnick begun talks to strike an early bilateral trade deal, US-India Business Council (USIBC) of the US Chamber of Commerce on Tuesday said that non-tariff barriers and red tape should be “dismantled with haste” as it slows market access. *[Business Standard]*

**Free trade agreement tariff concessions cost India Rs 94,172 crore in FY25:** With India negotiating trade deals with developed economies like the United States (US), European Union (EU), and United Kingdom (UK), its customs duty collection, budgeted to grow only 2.1 per cent to ₹2.4 trillion in FY26, may come under more pressure than it is now. *[Business Standard]*



## Corporate Governance

**CCI's draft regulations on cost in predatory pricing by dominant firms:** In February 2025, the Competition Commission of India (CCI) released draft regulations titled The Competition Commission of India (Determination of Cost of Production) Regulations, 2025. *[Business Standard]*

**Jio Financial to acquire SBI stake in Jio Payments Bank for Rs 104.5 crore:** The State Bank of India (SBI) has decided to divest its entire 17.8 per cent stake in Jio Payments Bank Limited, a joint venture between the state-owned bank and Jio Financial Services (JFS). *[Business Standard]*

**MCA looks to simplify M&A rules, seeks inputs from other ministries:** The Ministry of Corporate Affairs (MCA) is seeking inputs from various ministries to simplify procedural requirements and expand the scope of fast track for mergers & acquisitions (M&As), a senior official said. *[Business Standard]*



## MSMEs and Start-ups

**NITI Aayog plans policy for medium-size firms to aid their growth:** The NITI Aayog is formulating a policy to help medium enterprises become large companies, shedding their current inhibition about losing incentives meant for micro, small and medium enterprises (MSMEs). *[Business Standard]*

**RBI deputy gov Swaminathan J moots empathetic stance for stressed MSMEs:** In a meeting with senior management of major banks on Monday, Reserve Bank of India (RBI) deputy governor Swaminathan J emphasised that lenders should adopt a more empathetic approach towards micro, small, and medium enterprises (MSMEs) facing financial distress. *[Business Standard]*

**Indian startups raise \$1.65 bn in February, median valuation at \$83.2 mn:** Indian startups raised a total of \$1.65 billion (about Rs 14,418 crore) in funding at a median valuation of \$83.2 million in February 2025, according to data from Traxcn. *[Business Standard]*



## Employment and Industrial Relations

**Sustaining change in Indian labour markets:** The labour market seems to be working with signs of structural change across the country. Skilling and job-specific training will help staff climb the quality ladder. *[Business Line]*

**Job opportunities for women surge by 48% in 2025:** India's job market is witnessing a significant transformation, with opportunities for women increasing by 48% in 2025 compared to the previous year, according to foundit. *[Financial Express]*

**70% women workforce participation by 2047 key to Viksit Bharat-Labour Secy:** Achieving a 70 per cent women workforce participation by 2047 is crucial to make India a developed nation, and the government is working to turn it into a reality, Union Labour Secretary Sumita Dawra said on Wednesday. *[Business Standard]*



## Industrial Finance

**Prime Venture Partners announces \$100 million Fund V for early-stage startups:** Prime Venture Partners, which has backed companies such as Quizizz, PlanetSpark, MyGate, and others, announced the launch of its Fund V with a corpus of \$100 million. *[Business Line]*

**Fintech dominates India's startup funding this year, shows Tracxn data:** India's startup funding trends for 2025 so far show fintech leading with \$1,290 million, followed by retail (\$463 million) and Consumer (\$438 million). In terms of deal volume, consumer startups saw the highest number of funding rounds (92), ahead of high-tech (70) and retail (61), according to the data from market intelligence platform Tracxn. *[Business Standard]*

**IRFC to now venture into metro projects, says CMD & CEO Manoj Dubey:** Indian Railway Finance Corporation (IRFC), the financing arm of Indian Railways which was recently upgraded to Navratna status, will now look at financing metro projects across the country. *[Business Standard]*



## Technology and Innovation

**Why are enterprises reluctant to adopt GenAI despite the hype around it?:** Since late 2022, artificial intelligence (AI) and generative AI (GenAI) have dominated conversations across industries. OpenAI's breakthroughs showcased the transformative potential of AI, leading to expectations of a dramatic shift in the workplace. *[Business Standard]*

**A new way to measure digital capability- Tracking tech progress globally:** Countries are tracking their progress in technological capabilities as these are times when artificial intelligence (AI) matters more than military artillery and economies must remain competitive. *[Business Standard]*

**Jio & Airtel partner Big Tech companies to reap benefits of GenAI:** India's leading mobile operators, Reliance Jio and Bharti Airtel, are enhancing network operations and opening new monetisation avenues through AI collaborations with top tech firms. *[The Economic Times]*

**PSMC 'working' to bring semiconductor fab construction companies to India:** Powerchip Semiconductor Manufacturing Corporation (PSMC) is "actively working" to bring semiconductor fab construction companies to India from Taiwan to build India's semiconductor ecosystem. *[Business Standard]*



## Industrial Infrastructure, Clusters and SEZs

**Cargo growth at major ports slowed in 10MFY25, shows ministry data:** Central government-owned major ports have seen a growth of just 3.14 per cent during the ongoing financial year 2025 (FY25) so far, dragged down by a 19 per cent drop in iron ore cargo and falling crude oil consignments. *[Business Standard]*

**Cluster redevelopment in Mumbai races against time amid red tape:** Cluster redevelopment in the land-starved island city of Mumbai appears to be taking off despite challenges related to tenant consent, financing, bureaucratic delays, and skyrocketing land prices. *[Business Standard]*

**Jawaharlal Nehru Port allocated India's first offshore mining license:** India has issued its first offshore mining block to the Jawaharlal Nehru Ports Authority for construction sand to be used in developing a Greenfield Port at Vadhavan, Maharashtra. *[The Economic Times]*

**New national highway project awards rebound after year-long slump:** Awarding of new national highway building contracts has picked up pace with the government giving 1104-kilometre of contracts in January this year, which was one fourth of the total contracts given during the ongoing financial year 2025 (FY25) so far. *[Business Standard]*

**Cargo from Gujarat port takes INSTC's Eastern route to reach Kazakhstan:** India's connectivity and trade with Central Asia have been enhanced by a shipment from Gujarat using the eastern route of the International North South Transport Corridor (INSTC). *[The Economic Times]*

**60 Gw worth of renewable energy projects face connectivity troubles:** A mismatch between the development of power transmission infrastructure and the commissioning of renewable energy (RE) projects is expected to impact nearly 60 gigawatts (Gw) of RE capacity. *[Business Standard]*



## Sustainable Industrialisation

**ACME Solar lines up plan for nuclear energy foray:** Acme Solar is among the many private companies including Tata Power, Reliance Industries, Adani Group and Vedanta, to show its interest in the nuclear energy space. *[Financial Express]*

**Hindustan Power to invest Rs 620 crore in solar and battery energy storage projects in Assam:** Hindustan Power, led by Ratul Puri, commits Rs 620 crore to power and battery energy storage projects in Assam. The MoU signed at Advantage Assam 2.0 will see the development of a 100 MW solar power plant and a 100 MW battery storage system, creating over 5,000 man days of employment. *[The Economic Times]*

**NLC India secures 200 MW wind power project from SJVN:** NLC India Ltd has won a contract from SJVN Ltd to develop a 200 MW wind power project, aimed at generating 526 MU of clean energy per year. *[The Economic Times]*

**Tata Motors begins trials of hydrogen-powered heavy duty trucks for long haul transportation:** Tata Motors has begun trials for hydrogen-powered heavy-duty trucks to test their effectiveness for long-distance transportation. The 24-month trial includes 16 trucks equipped with Hydrogen Internal Combustion Engines and Fuel Cell technologies on major Indian freight routes. *[The Economic Times]*

**Adani Green Energy surpasses 12,000 MW milestone in renewable energy portfolio:** Adani Green Energy Limited (AGEL) has reached a significant milestone, surpassing 12,000 MW in its operational portfolio, making it the first renewable energy company in India to achieve this. *[The Economic Times]*



## Sectoral News

**Uttar Pradesh's handloom and textile industry to get boost, key initiatives launched:** Uttar Pradesh's handloom and textile industry is witnessing unprecedented growth. As the largest decentralised cottage industry after agriculture, this sector employs approximately 1.91 lakh handloom weavers and supports over 80,000 families. *[The Statesman]*

**Rising health insurance costs force one in 10 policyholders to skip renewal:** Health insurance costs have gone up sharply this year, making it harder for some people to afford their policies. About one in 10 policyholders have missed renewing their policy in the current financial year. *[Business Standard]*

**Pharma's next frontier:-Legacy systems to life-changing innovations:** The pharmaceutical and healthcare industries are at the epicentre of a sweeping digital revolution, that is altering the delivery of healthcare services and outcomes. *[Business Line]*

**India's steel industry contemplates potential fallout from Trump administration tariffs:** U.S. tariffs on steel imports may benefit Indian manufacturers by lowering steel prices, but pose challenges for the domestic steel industry. While some support cheaper steel, concerns about "steel dumping" and environmental impact arise. *[The Economic Times]*

**Auto component industry targets \$100 bn from exports in next 7-8 years-Study:** India's auto component industry aims for USD 100 billion in exports within 7-8 years, driven by significant recovery and growth strategies. Focus on classical components and emerging EV markets could further boost exports, with key targets in the US and Europe. *[The Economic Times]*

**US reciprocal tariff on auto may not hit Indian industry:** There will not be much impact to the Indian automobile industry if the US government applies reciprocal tariffs on automobiles, as very few vehicles are going to the country from India, industry veterans said on Wednesday. *[Business Line]*

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