

Industry Matters

Weekly Updates

March 21, 2025



Economy, Industry and Policy

India to be 3rd largest economy by 2028-Morgan Stanley: India will be the world's third-largest economy by 2028 as it becomes the world's most sought-after consumer market and gains share in global output, driven by macro stability influenced policy and better infrastructure. *[The Economic Times]*

Fitch retains FY26 India growth at 6.5%: India's low reliance on external demand is expected to shield the country from US trade policies, Fitch Ratings said Wednesday. While India's economic growth forecast for FY26 is unchanged at 6.5% from the December outlook, the projection for FY27 was revised upwards by 10 basis points to 6.3%. *[The Economic Times]*

OECD lowers India's growth forecast for FY26 to 6.4%: The Organisation for Economic Co-operation and Development (OECD) has revised downwards India's economic growth forecast for FY26 to 6.4% from 6.9% projected in its December outlook, amid rising global uncertainty. *[The Economic Times]*

India's wholesale inflation quickens to an 8-month high of 2.38% in February: India's wholesale inflation quickened to an 8-month high of 2.38 per cent in February on an annual basis, as against 2.31 per cent in January. *[The Economic Times]*

India's direct tax collections rise 16.2% to Rs 25.9 lakh crore as of March 16: India's direct tax collections was up 16.15 per cent year-on-year, reaching Rs 25.86 lakh crore as of March 16, as per the latest data released by the Central Board of Direct Taxes (CBDT). *[The Economic Times]*

A ₹1,500 crore boost for low-value UPI payments: The Union Cabinet Wednesday approved an allocation of ₹1,500 crore to continue promoting low-value UPI transactions. Under the 'Incentive Scheme for Promotion of Low-Value BHIM-UPI Transactions (P2M)' small merchants will continue to receive a 0.15% incentive on UPI transactions up to ₹2,000 for FY25. *[The Economic Times]*

India's forex reserves rise to \$653.97 billion, up \$15.26 billion as of March 7: India's forex reserves saw a significant increase, reaching \$653.97 billion in the week ending March 7, 2025, marking a \$15.26 billion rise. This followed a dip to \$638.69 billion the previous week, with the Reserve Bank of India actively managing market liquidity to stabilize the rupee. *[The Economic Times]*

India, China outperform global trade in 2024, trade resilience stressed in 2025-UNCTAD: China and India outperformed global trade averages in 2024, UN Trade and Development (UNCTAD) said in its Global Trade Update Friday. It said that trends like the widening deficits of the US and EU with China along with India's rising deficit with Russia amid shifting energy trade could prompt new tariffs, restrictions, or investment shifts, adding to economic uncertainty. *[The Economic Times]*



Foreign Investment

Foreign insurers find life in India tough despite easier FDI norms: Foreign insurers have steadily retreated from India despite regulatory reforms that eased ownership restrictions as challenges of scaling in the market without strong local partnerships remain a problem. *[The Economic Times]*

Net FDI dips to \$1.4 bn in Apr-Jan 2025; gross FDI rises 12.4%-RBI data: The net foreign direct investment (FDI) in India declined to \$1.4 billion during the 10 months of 2024-25 (April 2024-January 2025) from \$11.5 billion a year ago, owing to higher repatriation and outward FDI from India. *[Business Standard]*

Sebi may ease FPI disclosure norms, double granular disclosure threshold: The Securities and Exchange Board of India (Sebi) is likely to raise the investment threshold for granular ownership disclosures by foreign portfolio investors (FPIs) from ₹25,000 crore to ₹50,000 crore, according to people in the know. *[Business Standard]*



Trade Policy and Competitiveness

India's exports to US may fall 3-3.5% post reciprocal tariffs, diverse exports to offset impact-SBI Research: India's exports to the US could decline 3-3.5% post reciprocal tariffs, which should be negated through higher export goals across both manufacturing and services fronts. *[The Economic Times]*

India's trade deficit narrows sharply to \$14.05 bn in February while Trump's tariff risks loom: India's trade deficit narrowed sharply to \$14.05 billion in February, down from \$22.9 billion in January, mainly due to a sharp decline in imports. This marks the lowest deficit since August 2021. *[The Economic Times]*

India and New Zealand to begin talks on FTA after a decade, announces PM Modi: India and New Zealand have decided to start detailed negotiations on a mutually beneficial free trade agreement, Indian Prime Minister Narendra Modi said on Monday after talks with his New Zealand counterpart Christopher Luxon. *[The Economic Times]*

India's merchandise trade deficit will be under pressure in fiscal 2026, services sector to provide respite-Crisil: India's merchandise trade deficit will be under pressure in the fiscal year 2026, as domestic private consumption is expected to remain strong, maintaining imports up. *[The Economic Times]*

Taiwan ready to assist India reduce trade deficit with China-Taiwanese Deputy NSA Hsu Szu-Chien: Taiwan can help India reduce its import of electronic components from China and the best way to bolster the economic engagement including in the semiconductor sector would be to seal a free trade pact. *[The Economic Times]*

Argentina emerging as key partner for India's food and energy security: Argentina is a major food supplier for India and aims to enhance energy security through partnerships. Bilateral trade reached \$4.6 billion. *[The Economic Times]*



Corporate Governance

Airtel, Volvo, Ericsson tie-up to explore Extended Reality, AI: Bharti Airtel (Airtel) on Monday announced for research partnership to explore the potential of Extended Reality (XR), Digital Twin technologies and artificial intelligence (AI) in the manufacturing sector, along with Sweden's Ericsson and Volvo Group. *[Business Line]*

AstraZeneca to buy EsoBiotec for up to \$1 billion: AstraZeneca is set to acquire biotechnology firm EsoBiotec for up to \$1 billion, including a \$425 million upfront payment and up to \$575 million contingent on milestones. EsoBiotec's ENaBL platform facilitates rapid cell therapy treatments. *[The Economic Times]*

Adani enters cables, wires biz through new JV; sends shocks through Polycab, R R Kabel stocks: Adani Enterprises Limited has announced the successful incorporation of a new joint venture company, Praneetha Ecocables Limited (PEL), through its wholly owned subsidiary, Kutch Copper Limited (KCL). *[The Economic Times]*

Allianz and Jio Financial reach initial deal for India insurance business: Reliance group-owned Jio Financial Services has reached a preliminary agreement with Germany's Allianz SE to form an insurance business in India. *[The Economic Times]*

Bharat Forge set to acquire AAM India's axle business, CCI invites public comments: The Competition Commission of India (CCI) has initiated an investigation into the proposed acquisition of AAM India Manufacturing Corporation Private Ltd (AAMCPL) by Bharat Forge Ltd (BFL). *[Business Line]*

Bajaj Allianz breaks up in Rs 24,000-crore deal: Bajaj Finserv has signed a binding agreement to acquire Allianz SE's 26% stake in its life and general insurance ventures for ₹24,180 crore, ending a 24-year-old partnership. *[The Economic Times]*

Hero MotoCorp forays into electric three-wheeler by acquiring stake in Euler Motors: The country's largest two-wheeler manufacturer, Hero MotoCorp (HMCL), on Thursday said it was foraying into the electric three-wheeler market by acquiring a significant stake in Euler Motors with an investment of up to ₹525 crore. *[Business Line]*



MSMEs and Start-ups

MSME closures since Covid cross 75,000 mark: The total count of MSMEs shut since Covid has crossed the 75,000 mark. The annual number has jumped to 35,567 as of February 28 in the current financial year from 19,828 closures in FY24; 13,290 in FY23; 6,222 in FY22; and 175 in FY21 since July 2020 after the launch of the government's Udyam registration portal. *[Financial Express]*

Karnataka tech startups see funding slowdown, but Bengaluru remains India's innovation hub: Karnataka's startup ecosystem may have seen a dip in funding in 2024, but Bengaluru continues to cement its position as the nerve centre of India's tech innovation. *[Financial Express]*



Employment and Industrial Relations

Kerala becomes first Indian state to establish senior citizens commission: Kerala has become India's first state to create a commission for senior citizens, focusing on their rights, welfare, and rehabilitation. *[The Economic Times]*

PFRDA notifies UPS regulations: The Pension Fund Regulatory and Development Authority (PFRDA) has notified regulations for the operationalisation of the Unified Pension Scheme (UPS) under the National Pension System (NPS). *[The Economic Times]*

EPFO settles 21.6 mn claims within 3-day deadline via auto mode: Retirement fund body EPFO settled a record number of 21.6 million claims through the autonomous process in the current financial year till March 6, which was more than double the figure of last fiscal. *[Business Standard]*



Industrial Finance

RBI may go for 75 bps rate cut this fiscal, 25 bps each in April, June and October 2025: SBI research ecowrap predicts 75 basis points rate cut this fiscal. Experts believe that CPI inflation will be 3.9 per cent in the fourth quarter of FY25 and will average at 4.7 per cent for the entire year. *[The Economic Times]*

State Bank of India shelves \$1.7 bn fund raising as yields elevated: State Bank of India, the country's largest lender by assets, is shelving plans to raise funds this fiscal year, discouraged by elevated bond yields despite a policy rate cut and liquidity boost from the central bank. *[The Economic Times]*

Banks wrote off bad loans worth Rs 16.35 trillion in last 10 years: Banks have written off non-performing assets (NPAs) or bad loans worth about Rs 16.35 trillion in last 10 financial years, Parliament was informed on Monday. *[Business Standard]*

Govt says 28,818 insolvency applications involving Rs 10 lakh cr resolved under IBC: As many as 40,943 applications were filed under the the Insolvency and Bankruptcy Code (IBC), of which 28,818 applications involving Rs 10 lakh crore were resolved even before admission. *[The Economic Times]*

RBI pumped about ₹15.5 lakh cr into the banking system in the last 2 months: The Reserve Bank of India (RBI) has injected liquidity – durable and transient – aggregating about ₹15.5 lakh crore into the banking system in the last couple of months to help overcome funds crunch and support credit growth. *[Business Line]*



Technology and Innovation

Electronics sector poised to become world's largest manufacturing sector-MeitY: The electronics industry is set to become the largest manufacturing sector globally and in India, with Tamil Nadu emerging as a leader. Zetwerk's new unit in Sriperumbudur, inaugurated by Union Minister Ashwini Vaishnaw, highlights the region's potential and the state's role in achieving the USD 500 billion electronics manufacturing target. *[The Economic Times]*

NTT Data India to invest \$500 million on AI platforms, data centres, sovereign cloud: IT and business services company will invest \$500 million in India over the next 12-18 months for accelerated AI platforms, growing data centre bandwidth, sub-sea cable expansion and to address financial sector's demand for sovereign cloud. *[Business Line]*



Industrial Infrastructure, Clusters and SEZs

19,826 km roads constructed so far under Bharatmala-Nitin Gadkari: Bharatmala projects covering a total length of 26,425 km have been awarded and out of this 19,826 km have already been constructed, Union Minister of Road Transport and Highways Nitin Gadkari informed Lok Sabha in a written reply earlier this week.

[The Economic Times]

Aluminium association seeks RoDTEP scheme for units in SEZs: The Aluminium Association of India (AAI), the apex body representing the Indian aluminium industry, has urged the Government to extend the Remission of Duties or Taxes on Export Products (RoDTEP) Scheme for aluminium-producing units located within Advance Authorisation (AA) holders, Export Oriented Units (EOUs), and Special Economic Zones (SEZs).

[Business Line]

Cabinet approves six-lane greenfield highway in Maharashtra; to be built on BOT mode at an investment of Rs 4500 cr: The cabinet committee on economic affairs on Wednesday gave its go ahead to the construction of a six-lane access controlled greenfield high speed national highway in Maharashtra to be developed on build, operate and transfer (BOT) mode at a cost of Rs 4500.62 crore. *[The Economic Times]*

Hindalco to invest Rs 45,000 crore in India's metal business-Kumar Mangalam Birla: Aditya Birla Group chairman Kumar Mangalam Birla on Thursday announced that Hindalco will be investing Rs 45,000 crore in India's metal business. *[The Economic Times]*

Govt plans to make NH in Assam like in US; plans to invest Rs 3 lakh crore-Gadkari: Union Minister Nitin Gadkari on Wednesday said the government is planning to invest Rs 3 lakh crore in Assam to construct national highways at par with those in the US. *[The Economic Times]*



Sustainable Industrialisation

India's renewable energy sector sees job surge, but attrition remains a challenge: As India pushes towards its goal of 500 GW of non-fossil fuel capacity by 2030, employment in the renewable energy sector is projected to grow by 18.9% this fiscal year. *[The Economic Times]*

India's renewable hydrogen developers bank on cost advantage in lackluster global market-S&P: India's renewable hydrogen developers hope cost advantages and offtake interest will help kickstart "green ammonia" export opportunities in 2027 despite the sector's uncertain outlook. *[The Economic Times]*

Renewables company Jakson Green lines up \$1 billion for expansion: Noida-based renewable energy player Jakson Green plans to invest up to \$1 billion in expanding its renewable energy portfolio over the next four years. *[The Economic Times]*



Sectoral News

NBFC sector strengthens with RBIs positive stance and rate cut support for growth-Jefferies: Non-Banking Financial Companies (NBFCs) are seeing improvements in asset quality, liquidity, and interest margins due to RBI's supportive measures and easing macroeconomic challenges. *[The Economic Times]*

Indian Auto giants announce price hikes from April 2025: Two of India's leading automobile manufacturers, Tata Motors and Maruti Suzuki, have announced price increases across their vehicle ranges effective April 1, 2025, citing rising input costs as the primary reason. *[Business Line]*

India's auto parts & medical exports show robust growth; auto parts exports rise to \$7.7 billion in FY24: Exports of auto components as well as medical and scientific instruments have demonstrated robust growth over the past three years. *[The Economic Times]*

India's online gaming sector may cross \$9 billion by 2029: The online gaming sector in India is expected to grow by over two-fold to \$9.1 billion by 2029, largely dominated by real money games, a joint report by real money gaming platform WinZO Games and IEIC said on Wednesday. *[Business Standard]*

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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