

Industry Matters

Weekly Updates

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Economy, Industry and Policy

India's informal sector isn't off the map-It's being tracked better than ever: Recently, Indian GDP measurement came under considerable discussion in the media on account of an observation emanating from the Niti Aayog based on a projection made by the World Bank—that India has become the world's fourth largest economy. *[Mint]*

India's economy maintains growth momentum despite global uncertainties-CareEdge: India's economy continues to demonstrate resilience amid global uncertainties, as country's real GDP grew by 7.4 per cent in the fourth quarter of FY25, bringing full-year growth to 6.5 per cent, surpassing expectations, according to the recent report by CareEdge Economic Pathways report. *[Business Line]*

RBI repo rate cuts alone can't shift India's economic growth gear: Clearly, it is not for the RBI and its monetary policy committee (MPC) to fix any of these deep structural issues and magically create growth. *[Business Standard]*

Gaining clean-tech edge: The Trump tariff turmoil has given India a rare opportunity to gain a competitive edge by positioning itself as a leader in clean-tech manufacturing. The National Manufacturing Mission's focus on clean-tech, announced this year, could be a critical step towards achieving these goals. *[Business Line]*

India a 'bright spot' amid global uncertainty-CEA Nageswaran: India remains a rare "bright spot" in a world facing growing uncertainty, said Chief Economic Advisor (CEA) V Anantha Nageswaran, pointing to the country's steady economic performance despite ongoing global challenges. *[Financial Express]*

India's share in global exports touch 3% on booming services: India's share in global exports touched 3% in 2023 from 2.2% in 2010 growing at 6.3% annually during the period, which was highest pace among the major economies of the world, according to the United Nations Conference on Trade and Development (UNCTAD) report. *[Financial Express]*

FM Nirmala Sitharaman-Fintech companies must see Bharat as fertile ground: Finance minister Nirmala Sitharaman on Wednesday said fintech firms should view rural India as a fertile ground not just as a social responsibility, but as an opportunity to create new markets. She urged them to focus on expanding credit to micro, small and medium enterprises (MSMEs). *[The Economic Times]*

India sees job market turnaround, 80% of occupations see job posting growth: Indian job postings rose 8.9 per cent following eight consecutive monthly declines according to data from Indeed. While it is still 1.8 per cent lower than the same time last year and around 16 per cent below peak levels, postings remain nearly 80 per cent above pre-pandemic volumes. *[Business Line]*

India's trade deficit narrows to \$21.88 billion in May on lower imports: India's trade deficit for the month of May 2025 narrowed to \$21.88 billion from a five-month high of \$26.42 billion in April, data released by the Ministry of Commerce and Industry showed on Monday. This was primarily on account of lower imports. *[Financial Express]*

India 5th largest economy, leading digital, mfg push-PM Modi at CEO Forum: Addressing the India-Cyprus CEO Forum, PM Modi emphasised that India has become the fifth-largest economy globally and is rapidly moving towards becoming the third-largest economy soon. *[Business Standard]*

Govt plans to amend refund provision in new Income Tax Bill, 2025: Section 433 of the new IT Bill, 2025, states that a refund must be claimed by filing a return - regardless of whether it is belated. *[Business Standard]*

The Government's net borrowings under control, show steady trend-SBI: As per the data, gross market borrowing through government securities (G-secs) is estimated at ₹14.8 lakh crore in the Budget Estimates for FY26, while net borrowing is projected at ₹11.5 lakh crore. *[Business Line]*

India's textile sector may gain edge as Vietnam deals with labour costs, Bangladesh faces political instability: India's textile sector may gain a competitive edge in the global market due to rising labour costs in Vietnam and ongoing political instability in Bangladesh, two of its key export rivals, according to a report by Systematix Research. *[Business Line]*



Foreign Investment

Global trade uncertainty, high capital costs may further hit FDI flows: Note that the US Budget deficit has increased structurally to over 6 per cent of gross domestic product (GDP), as against the past 50-year average of 3.8 per cent. *[Business Standard]*

Madhvani Group to invest ₹10,000 crore in India over the next 5 years: Madhvani Group, one of the largest conglomerates in Uganda with diversified investments spanning several sectors across Africa, the Middle East and North America, said on Sunday that it plans to invest ₹10,000 crore in India over the next five years. *[Business Standard]*

Finance Ministry clarifies bonus share issuance for FDI-prohibited sectors, provides retrospective relief: The Finance Ministry has issued a much-needed clarification regarding issuance of bonus shares to non-resident shareholders by companies operating in sectors prohibited for Foreign Direct Investment (FDI). *[Business Line]*

India-China electronics firms turn to tech tie-ups as JV rules delay deals: Talks between Voltas and China's Highly Group have failed to revive their previously scrapped joint venture (JV) for setting up a compressor plant in India. The Chinese firm has now offered a technical partnership in light of continued political tensions and regulatory bottlenecks. *[Business Standard]*



Trade Policy and Competitiveness

FTA with India brings genuine' competitive advantage, UK Parliament told: The Free Trade Agreement (FTA) negotiations concluded with India places the UK at a genuine competitive advantage in the manufacturing sector, the House of Commons was told this week. *[Business Standard]*

Dealing with China's coercion: In April 2025, China's decision to impose export controls on rare earth elements and other critical minerals sent shock-waves across global industries, particularly in high-tech and green sectors. The move, couched in national security and environmental rhetoric, highlights Beijing's leverage in geo-economic statecraft. *[Business Line]*

As EU's green trade rules kick in, India works policy shifts: India is preparing for significant rulebook shifts across ministries to align with the EU's stricter 'green' regulations impacting trade. These regulations, set to take effect within a year, cover packaging, antibiotic use in livestock, deforestation-free products, and waste shipment. *[The Economic Times]*

India-Peru FTA-New Delhi seeks assured supply of critical minerals: India is hopeful of securing access to Peruvian mines, as part of the free trade agreement (FTA) being negotiated, for an assured supply of critical minerals such as copper, zinc, lithium, molybdenum and rare earth elements, essential for its green energy transition and manufacture of electrical vehicles, sources said. *[Business Line]*

India eyes critical minerals as trade talks with Canada revive: India and Canada revive FTA talks, eyeing collaboration on critical minerals like lithium, cobalt, and rare earths. As India diversifies from China, Canada's rich reserves and ESG-compliant supply offer strategic opportunities for EV, solar, and tech sectors through joint ventures and trade pacts. *[Financial Express]*



Corporate Governance

ITC completes acquisition of Sresta Natural Bioproducts, owner of 24 Mantra Organic brand: Multi-conglomerate ITC has completed the acquisition of Sresta Natural Bioproducts, which owns the '24 Mantra Organic brand' in an all-cash deal valued at ₹472.50 crore. *[Business Line]*

Hindustan Zinc plans to invest Rs 12k cr in capacity addition: Hindustan Zinc, India's leading silver and zinc producer, will invest ₹12,000 crore to expand its production capacity. The initial phase involves establishing a 250,000-tonne integrated zinc smelter in Debari, Rajasthan, augmenting the existing 1.3 million-tonne annual capacity. *[The Economic Times]*

Reliance to invest up to ₹8,000 crore to expand beverage business: Fast-moving consumer goods (FMCG) arm of Reliance Retail Ventures, Reliance Consumer Products Ltd (RCPL), is set to invest between ₹6,000-₹8,000 crore over the next 12-15 months to expand its beverage manufacturing capacity. *[Business Standard]*

L&T targets clean energy edge with hydrogen, modular reactors: L&T accelerates clean energy push with green hydrogen, SMRs, and renewables. CMD S N Subrahmanyam highlights tech advances, global projects, and sustainability goals at AGM. *[Financial Express]*



MSMEs and Start-ups

Digital competition Bill-Online cos tell Parl panel to protect innovation: The thresholds for the ex ante (preventative) regulations under the Draft Digital Competition Bill should be increased in a manner that protects the domestic startups and innovation, the Indian online startups and tech product companies have told a parliamentary panel, according to the people in the know. *[Business Standard]*

Operator-led startups outpace peers in funding speed and deal size: There is a rising momentum of operator-led companies in India's startup ecosystem, as 238 former operators transitioned from scaling businesses to founding their ventures between 2022 and 2024. *[Business Standard]*

Sustainable development-The rise of green MSMEs: Micro-, small- and medium-sized enterprises (MSMEs) in the country are increasingly embracing green practices, as sustainability is fast emerging as a crucial factor for growth, moving beyond just compliance. *[The Economic Times]*

Digital Divide-MSMEs struggle to tap into AI revolution as high costs block access: MSMEs in the country are facing challenges in adopting AI solutions due to financial constraints, including the high costs of infrastructure, tools, and training. *[The Economic Times]*



Employment and Industrial Relations

Jobless rate at 5.6%, women's work participation down in May, shows data: Unemployment in May rose to 5.6 per cent with youth and women most affected, while labour force participation fell to 54.8 per cent, latest PLFS data shows. *[Business Standard]*

Auto sector shifts into high gear with 10.1% salary hikes in FY25: The automotive sector is set to lead salary hikes in FY25, offering an average increase of 10.1%, ahead of the 8.8% average across India Inc, according to Deloitte's latest study. The hikes are driven by demand for talent in areas like EVs, R&D, automation, AI, and ML. *[The Economic Times]*

Job creation in India outpaces other countries, but still lower than last year- Indeed data: Indian job postings experienced a significant rebound in May, increasing by 8.9% after a period of decline. While still slightly below last year's levels, postings remain considerably higher than pre-pandemic figures, driven by the formalization of the Indian economy. *[The Economic Times]*

IBM, Accenture show diverging hiring trends amid IT sector recovery: Fresh data from LinkedIn signals a growing divergence in hiring patterns among top IT services firms, with Accenture accelerating employee additions in 2025, while IBM continues to recover from a sharp workforce contraction recorded late last year, according to data put together by research analysis firm Thurro. *[Business Standard]*

Employers head to Tier-II cities, but governance gaps may pare gains: Employers are betting on smaller cities - but without a governance model that keeps pace with economic change, the gains may not last. *[Business Standard]*

Employees under Unified Pension Scheme now eligible for retirement, death gratuity benefits: Union Minister Jitendra Singh announced that central government employees under the Unified Pension Scheme (UPS) will now receive retirement and death gratuity benefits, aligning them with the Old Pension Scheme (OPS). *[The Economic Times]*



Industrial Finance

Fuelling Growth-PSU banks told to boost credit to crucial sectors: The government is encouraging state-run banks to increase lending to productive sectors, particularly MSMEs, through targeted Mudra financing and identification of high-employment clusters. Loan melas are planned for retail customers, following the RBI's recent rate cut to boost private sector investment. *[The Economic Times]*

NABARD urges bankers to move towards value chain financing, market-linked interventions: Ajay Kumar Sood of NABARD encouraged bankers to adopt value chain financing. He emphasized moving past traditional lending methods. Cooperative Banks will now lend to LAMPS and PACS for farmers. *[The Economic Times]*

Vedanta declares ₹7 interim dividend, offloads 1.6% stake in Hindustan Zinc: Vedanta Limited on Wednesday said its board has approved first interim dividend of ₹7 per share for the financial year 2025–26, amounting to approximately ₹2,737 crore. *[Business Standard]*

NBFCs bank on surplus liquidity for credit push: NBFCs are set for a credit boost as RBI cuts repo rate to 5.5% and eases risk weights on unsecured lending. Enhanced liquidity and lower borrowing costs are expected to revive bank funding to NBFCs, aiding retail lending and improving net interest margins in the coming quarters. *[Financial Express]*



Technology and Innovation

From automation to real impact-Creating right environment for SMEs to trust AI: The AI revolution is no longer limited to large enterprises. Today, Agentic AI that can plan, reason, and take action autonomously for various business needs is becoming more accessible and relevant for small and medium-sized enterprises (SMEs). *[The Economic Times]*

HCLTech partners with E.ON to create private cloud infrastructure: HCLTech has entered into a strategic partnership with E.ON, a European energy company, to support the transformation of E.ON's cloud infrastructure under the terms of the contract. *[Business Standard]*

Embedding AI into ops will lead next phase of value creation-TCPL: Artificial Intelligence is rapidly transforming almost every function in the FMCG sector and investments in digital ecosystem will help Tata Consumer Products operate with greater precision and speed, a senior company official said on Wednesday. *[Business Standard]*

AI Robots to be next wave in manufacturing-Salesforce's Bhattacharya: AI and robotics are set to transform manufacturing, says Salesforce South Asia CEO Arundhati Bhattacharya. As plant floor digitisation grows, AI adoption in sales, supply chains, and distribution is already boosting efficiency. Salesforce India crossed \$1B revenue in FY24 with major expansion plans. *[Financial Express]*



Industrial Infrastructure, Clusters and SEZs

NTPC Group working on 20 GW pumped storage projects; aims to commission 5 GW by FY32: NTPC Group is actively developing pumped storage projects (PSP) with a total capacity of 20 GW across India, aiming to commission 3-5 GW by fiscal year 2031-32. THDC India, an NTPC subsidiary, recently commissioned the first unit of its 1,000 MW Tehri PSP. *[The Economic Times]*

Kolkata port records strong cargo growth in April-May amidst geopolitical tensions: Syama Prasad Mookerjee Port, Kolkata, experienced a significant surge in cargo handling during April-May 2025, marking a 27.56% year-on-year increase despite global geopolitical challenges. *[The Economic Times]*

Uttar Pradesh targets 15 new industrial zones to push MSME growth: To boost its \$1-trillion economy goal, Uttar Pradesh has planned to develop new micro, small, and medium enterprises (MSMEs) estates across 765 acres. The proposed industrial zones are aligned with the target of achieving MSME exports worth more than ₹3 trillion over the next two to three years. *[Business Standard]*

Medical device makers call for an SEZ 2.0 booster shot: As countries, including India, engage with each other to smoothen pathways to do business through free-trade agreements (FTA), among other measures, these discussions have put a spotlight on local medical device makers invested in special economic zones (SEZ), and their call for an amended SEZ 2.0 policy. *[Business Line]*

Karnataka Govt, BACL, ANSR launch global innovation hub at Bengaluru Aerocity: The hub aims to foster cutting-edge innovation across industries such as artificial intelligence, quantum computing, blockchain, customer experience technologies, aerospace, space tech, BFSI, manufacturing, and defence. *[Business Line]*

Reforms led to 108 multimodal cargo terminals-Ashwini Vaishnaw: Government reforms simplifying multimodal cargo terminal establishment have led to 108 facilities being set up in the last three years. This initiative includes a new railway siding facility at Maruti Suzuki India Ltd in Manesar, capable of transporting 450,000 cars annually. *[The Economic Times]*

Clean industry projects worth \$89 bn stall amid financing woes: India's clean industrial projects pipeline worth \$89 billion is facing financing bottlenecks as only one project has reached a final investment decision in the past six months, a report by a clean industry alliance showed. *[Business Standard]*

Atmanirbharta in shipping a key goal of maritime policy: Sarbananda Sonowal: India is actively moving towards establishing atmanirbharta (self-reliance) in shipping and ship building, and has pushed for multiple joint ventures between Indian and major global private sector shipyards. *[Business Standard]*



Sustainable Industrialisation

NITI Aayog works out road map to meet India's rising energy demand: To meet increasing energy demand as India aspires to be a developed nation, the NITI Aayog is working out a road map till 2070 to reduce emission and increase the penetration of clean energy across various sectors. *[Business Standard]*

Dharan Infra-EPC to expand into renewable energy segment: The new subsidiary, Dharan Infra Solar Pvt Ltd, will operate in the solar power and renewable energy sector and undertake design, development, and execution of solar modules and hybrid energy systems. *[Business Line]*

Wind energy centre of Atma Nirbhar Bharat: India becomes 3rd largest maker of renewable energy; wind capacity hits 51.5 GW in a decade: On Global Wind Day 2025, Minister Prahlad Joshi emphasised wind energy's pivotal role in India's clean energy goals and its ambition to become a global manufacturing hub. India has achieved 51.5 GW of wind capacity and aims for 100 GW by 2030. *[The Economic Times]*

Govt's 2nd VGF boosts battery energy storage systems development-IESA: Industry body India Energy Storage Alliance on Wednesday hailed the government's announcement of the second tranche of the viability gap funding to boost the development of standalone Battery Energy Storage Systems. *[Business Standard]*

Juniper Energy commissions 59 MWp solar project in Maharashtra's Wardha: Juniper Green Energy on Wednesday announced the commissioning of the 59 MWp solar component of its 75 MW hybrid power project in Wardha, Maharashtra. *[Business Standard]*

Hero Motocorp introduces 'Battery-As-A-Service model EV ownership: Hero MotoCorp announced it will launch a subscription-based Battery-as-a-Service (BaaS) model for its VIDA electric scooter starting next month. This 'pay-as-you-go' ownership model aims to lower upfront costs, making electric mobility more accessible. *[The Economic Times]*

EV race hits a speed bump-Why India's auto makers are struggling to shift gears: A Vector Consulting Group study reveals India's EV push is hampered by auto component suppliers' R&D limitations, causing project delays. Automakers struggle with outdated processes while juggling petrol/diesel lines, leading to bottlenecks. *[The Economic Times]*



Sectoral News

Upcoming pharma park to position UP as bulk drug manufacturing hub: The Uttar Pradesh government is betting big on the upcoming pharma park in Lalitpur, which is expected to position the state alongside Gujarat and Andhra Pradesh as one of India's leading bulk drug manufacturing hubs. *[Business Standard]*

Auto industry has resilience to tackle rare earth issue-HD Kumaraswamy: The government is actively engaging with EU to ensure that concerns of Indian companies and hard-to-abate sectors are adequately addressed under CBAM, says union minister of heavy industries and steel. *[Business Standard]*

Hindustan Zinc targets ramp up of silver output using new technology: According to market analysts from leading brokerage firms, the disinvestment of the government's stake in Hindustan Zinc will be key to unlocking India's silver growth as it will allow the company to perform to its full potential. *[Business Line]*

Shortage of rare earth magnets can decelerate India's automotive ride-Crisil: Rare earth magnets, low in cost but critical in function, could emerge as a key supply-side risk for India's automotive sector if China's export restrictions and delays in shipment clearances persist, according to a report by Crisil Ratings. *[The Economic Times]*

Indian toy standards better than global norms, boosting exports-BIS: Indian quality standards on toys are better than global benchmark, helping domestic manufacturers in exporting their products in overseas markets, according to a senior BIS official. *[Business Standard]*

India's auto sector least impacted by rare earth curbs as over 95% vehicles have IC engine; EVs, hybrids hit hardest: India's auto sector is least impacted by the recent curb of rare earth magnets by China as over 95 per cent of vehicles in India's are internal combustion engine (IC) vehicles noted a report by Nuvama. *[Business Line]*

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