

Industry Matters

Weekly Updates

July 18, 2025



Economy, Industry and Policy

Developments since June 6 decision show why we need to be cautious-MPC's Nagesh Kumar: The Reserve Bank of India's (RBI) decision earlier this month to tighten its stance to 'netrual' from 'accommodative' even as it cut the policy repo rate by a larger-than-expected 50 basis points (bps) to 5.50 per cent caught markets off-guard. *[The Indian Express]*

RDI scheme should fund firms that can deepen R&D, have absorptive capacity: The Research, Development and Innovation (RDI) Scheme has been cleared by the Cabinet. The scheme allocates ₹1 trillion (or \$12 billion) to funding R&D in Indian industry. Of this, ₹20,000 crore is in this year's budget. *[Business Standard]*

India's growth cycle bottoming out, normal monsoon support growth ahead-HSBC: While global trade related uncertainties are expected to remain a headwind to private capital expenditure in the near term, the report expressed optimism over the country's investment prospects. *[Business Line]*

India's goods trade deficit could widen to \$300 billion in FY26, amid tepid export growth: The ongoing uncertainties surrounding US trade and tariff policies are likely to have a deeper impact on global trade flows in 2025, compared with what was seen during Trade War 1.0 (2018-19), due to the scale of tariffs applied to sectors and countries. *[Business Line]*

RBI reviews ULI rollout with lenders amid slow adoption: Reserve Bank of India officials met with banks and non-banking finance companies. The discussion centered on increasing lending through the Unified Lending Interface. Some lenders expressed concerns about integrating ULI with existing systems. *[The Economic Times]*

Ayushman Bharat, Jan Dhan among schemes to be excluded from departmental appraisal: The government has decided to exclude nine flagship schemes, including Ayushman Bharat and PM Kisan, from the standard appraisal process for central sector programs for the next five years, starting April 1, 2026. *[The Economic Times]*

India's exports flat at \$35.14 bn in June; trade gap at \$18.78 bn: India's trade deficit stood at \$18.78 billion in June 2025, according to data released by the government on Tuesday, reported PTI. The gap comes amid stagnant export growth and a decline in imports. *[Business Standard]*

India set to hit \$10 trillion GDP by 2035, with GCCs adding \$0.5 trillion-Goldman Sachs: Global Capability Centers have the potential to contribute USD 0.5 trillion as gross value added to the Indian economy when the country's GDP edges towards USD 10 trillion, employing about 20-25 million people, Gunjan Samtani, Co-Chairman of Goldman Sachs in India, said on Monday. *[Business Line]*

Piyush Goyal highlights key engagements across banking, MSMEs, aerospace, and infrastructure: Union Commerce and Industry Minister Piyush Goyal shared key developments from the past week, reflecting the government's continued push to strengthen India's trade, industrial, and infrastructure landscape. *[Business Line]*

Globalisation must be tempered to local needs-FM Nirmala Sitharaman: Finance Minister Nirmala Sitharaman calls for globalisation that aligns with local requirements, emphasising humanism and ethical practices at the IICA North East Conclave in Shillong. *[Business Standard]*

Bids for RBI's 7-day VRRR auction fall short of notified amount: The Reserve Bank of India (RBI) received bids worth Rs 1.51 trillion at the seven-day Variable Rate Reverse Repo (VRRR) auction, against the notified amount of Rs. 2.5 trillion. The central bank accepted the entire bid amount at a cut-off rate of 5.49 per cent. *[Business Standard]*

Digital infrastructure transforms India's tax administration, refunds surge 474%: India's tax administration has undergone a dramatic transformation over the past decade, with taxpayer refunds growing at nearly double the pace of tax collections, Ministry of Finance sources told ANI. *[Business Line]*



Foreign Investment

Tata Steel begins Port Talbot EAF project as UK backs £500-mn investment: Tata Steel's Port Talbot transformation gets underway with construction of a 3 mt electric arc furnace, backed by £500 mn UK government support for low-carbon steelmaking. *[Business Standard]*

Stellantis looks to rev up India investments to increase market share: Stellantis, aiming to bolster its presence in India's competitive automotive market, is contemplating further investments to expand its retail network and introduce new products. Despite a current market share of under 1%, the company plans to double exports from India and is focusing on localization and strategic product launches. *[The Economic Times]*

Japan's SMFG considers making additional \$1.1 bn investment in YES Bank: Nearly two months after acquiring a significant stake in private lender YES Bank, Japanese financial major Sumitomo Mitsui Financial Group (SMFG) is considering an additional investment of around \$1.1 billion. *[Business Standard]*

FDI cap hike and PSB mergers back on govt's agenda to strengthen financial sector: The government is considering a fresh wave of financial sector reforms, including possible consolidation of public sector banks and raising the 20 per cent FDI cap in PSBs. *[Financial Express]*

FDI hike in PSBs hinges on RBI review of voting, shareholding norms: The government will decide on increasing foreign investment in public sector banks after the Reserve Bank of India reviews voting rights. Current rules limit foreign investment to 20%. The RBI is reviewing shareholding limits for private banks too. India allows 74% foreign investment in private banks. *[The Economic Times]*



Trade Policy and Competitiveness

India should avoid rushing for trade agreement with US, say experts: India should avoid rushing into a trade deal with the US that compromises core sectors like agriculture, experts on Sunday said, cautioning that Washington is not sparing even its key partners like the EU. *[Business Standard]*

India, US talks for proposed trade pact going on at a very fast pace-Piyush Goyal: India and the US are accelerating negotiations for a bilateral trade agreement, aiming to finalize the first phase by fall. Simultaneously, discussions are underway with the EU for a comprehensive free trade agreement, targeting completion by year-end. *[The Economic Times]*

India eyes tariff advantage in key US sectors over China, Canada, Mexico: Commerce and Industry Minister Piyush Goyal on Monday said that trade talks between India and the United States are progressing rapidly, as Indian negotiators began a week-long round of discussions in Washington. *[Business Standard]*

Trade war-A second chance for India to attract global manufacturing: Services trade from India has become a major success. From 2005 to 2023, India's share of global services exports doubled - from under 2 per cent to over 4 per cent. *[Business Standard]*

India waiting to see how US tariffs, trade deals roll out before aiding industry: The Indian government is waiting to see how the full spectrum of the US tariff rollout and various trade deals being negotiated play out before it draws up a backup plan for the industry, a senior official has said. *[Business Line]*

India, New Zealand start second round of FTA talks: India and New Zealand begin second round of FTA talks aiming to boost bilateral trade from \$1.29 billion to 10x over 10 years. Key issues include dairy, meat, wine, and services market access. *[Financial Express]*



Corporate Governance

Mahanagar Gas to invest Rs 1,500 crore in battery, biogas ventures to diversify beyond CNG: Mumbai's Mahanagar Gas Limited plans to diversify its operations. The company will invest ₹1,500 crore in new energy segments. This includes setting up a battery manufacturing unit and a compressed biogas production facility. *[The Economic Times]*

Adani Group close to acquiring Jaiprakash Associates, makes ₹12,000 cr bid: With a cash payout of ₹3,500 crore, the Adani Group is leading the race to acquire Jaiprakash Associates. The offer also includes retaining ₹890 crore within the company after its acquisition. *[Business Standard]*

NLC India to invest ₹1.25 trn capex by 2030, bets big on renewable energy: NLCIL is arranging finance for the planned capex of ₹1.25 trillion through internal accruals, domestic loans, Initial Public Offering's (IPOs), External Commercial Borrowings (ECBs). *[Business Standard]*

India Inc cash reserves double as balance sheets get leaner: Over 300 Indian companies became debt-free in FY25, collectively doubling their cash reserves to Rs 50,463 crore. This trend, indicating India Inc's cautious approach to new investments despite recent repo rate cuts, reflects a preference for balance sheet strength, equity funding, and asset-light strategies. *[Financial Express]*

INOXGFL consolidates wind business, plans Rs 40,000 cr RE push: Inox Wind's merger with Inox Wind Energy has eliminated ₹2,050 crore in intra-group debt, streamlining operations and strengthening its balance sheet. *[Financial Express]*

GAIL said to be in early talks to buy LNG from Trump-backed Alaska project: GAIL is in preliminary discussions to procure LNG from the Alaska LNG project, aligning with India's aim to boost energy imports from the U.S. and diversify its energy mix. The potential deal hinges on the landed cost of LNG, with GAIL planning to expand its Dabhol LNG terminal capacity significantly. *[The Economic Times]*

How rising market power is driving India Inc's post-pandemic profit boom: Corporate India has exhibited strong pricing power in recent years, resulting in a steady rise in profit margins across many sectors despite fluctuations in raw material and energy prices, and a persistent slowdown in revenue growth. The margin expansion has been most pronounced in the post-pandemic period. *[Business Standard]*



MSMEs and Start-ups

Shiprocket launches multimodal AI model for MSMEs and D2C businesses: E-commerce enablement platform Shiprocket on Friday launched a multimodal AI engine, Shunya.ai, for MSMEs and D2C businesses. The AI stack is developed to support multilingual commerce, regional customer experiences, and scalable automation. *[Business Standard]*

Indian start-ups ride low-Earth orbit satellite boom: India's space-tech start-ups are accelerating their presence in the Low-Earth Orbit (LEO) satellite segment, driven by surging demand for real-time, high-resolution imagery and low-latency communication services. *[Business Line]*

NABARD launches RuralTech CoLab to promote rural tech start-up ecosystem: The National Bank for Agriculture and Rural Development (NABARD) has launched RuralTech CoLab, a unified portal that brings the rural tech start-up ecosystem together. The portal will provide a platform for fintech, agritech and digital capability partners to promote innovation and co-create smart, scalable and inclusive solutions. *[Business Line]*



Employment and Industrial Relations

India's pension managers want to bend bond rules to chase yield on your retirement savings: Indian pension managers are seeking regulatory changes to boost investment flexibility as their assets surge. They've requested the Pension Fund Regulatory and Development Authority to ease restrictions on corporate bond tenors and allow investments in bonds rated by a single agency. *[The Economic Times]*

Govt asks states to align job schemes with ₹99,446-cr ELI programme: The Centre has called on states to align their employment-oriented initiatives with the newly launched Employment Linked Incentive (ELI) Scheme. This move is aimed to maximise job creation, deepen formalisation, and strengthen the country's employment ecosystem. *[Business Standard]*

Unemployment rate unchanged at 5.6% in June: The unemployment rate (UR) remained at 5.6 per cent June, Statistics Ministry reported on Monday. UR is defined as the percentage of individuals unemployed among persons in the labour force. *[Business Line]*

Festive hiring 2025 expected to generate 2.16 lakh seasonal jobs: India's festive season is set to boost employment. Over 2.16 lakh seasonal jobs are expected in the second half of 2025. This marks a significant rise in temporary employment. Retail, e-commerce, and BFSI sectors are driving this surge. *[The Economic Times]*

TCS bench policy exploitative, distressing, says IT employees union: IT union NITES says TCS' new 35-day bench rule pressures employees and promotes a culture of fear, calling on the labour ministry to probe the company's treatment of staff. *[Business Standard]*



Industrial Finance

RDI scheme should fund firms that can deepen R&D, have absorptive capacity: The Research, Development and Innovation (RDI) Scheme has been cleared by the Cabinet. The scheme allocates ₹1 trillion (or \$12 billion) to funding R&D in Indian industry. Of this, ₹20,000 crore is in this year's budget. Initial comments on how the funds will flow suggest that much of it will be provided in the form of low- or zero-interest loans to a mix of funds of funds and directly to firms. *[Business Standard]*

Indian Bank hands over sanction letters worth ₹1,011 cr to over 3,000 women: Public sector Indian Bank has handed over sanction letters worth ₹1,011 crore to over 3,000 women, extending financial support to Self Help Groups across Tamil Nadu. *[Business Standard]*

Sub-prime lending by PSBs rises on the back of govt guarantees: Public sector banks in India are actively lending to Micro, Small, and Medium Enterprises. This lending focuses on new and lower-rated businesses. Government guarantee schemes facilitate this. Data from the Reserve Bank of India shows a decrease in subprime borrowers. *[The Economic Times]*

MFIs raise lending rates despite policy cut amid high credit costs: Despite policy rate cuts by the Reserve Bank of India, several microfinance institutions (MFIs) in India have increased their lending rates, diverging from other financial institutions. This decision comes amid concerns from the central bank and government regarding high interest rates for low-income borrowers. *[The Economic Times]*

Public sector banks surge to 43% market share in home loans, overtaking private lenders: Public sector banks now lead in home loan financing. They increased their market share significantly in the last four years. Data shows their share rose to 43% in FY25. Private banks saw a decrease in their share during this period. *[The Economic Times]*

SBI likely to launch Rs 25,000 crore QIP; LIC may invest Rs 7,000 crore: State Bank of India (SBI) may launch a Rs 25,000 crore QIP on July 16, with LIC likely to invest Rs 7,000 crore as anchor. The move aims to boost SBI's capital adequacy and support future growth. *[Financial Express]*



Technology and Innovation

India's strategic pivot in research and innovation: The story of modern economic growth is the story of sustained investment in research and development (R&D). Between 1820 and 2000, global GDP surged 300-fold, and average incomes rose thirteenfold. *[Business Line]*

Nasscom launches US CEO Forum to boost India-US tech collaboration: Industry body Nasscom has launched a special forum to deepen India-US technology collaboration and provide a platform to reinforce the bilateral tech corridor as a foundation for global digital transformation and inclusive economic growth. *[Business Standard]*

Govt monitoring iPhone production as China recalls techies from India: iPhone maker Apple has alternatives to handle issues related to the return of Chinese professionals from Foxconn's India plant, the Centre said, adding that it is monitoring production targets at the Foxconn plant, news agency PTI reported. *[Business Standard]*

India's data centre capacity to hit 3GW by 2030 on investment surge: Rising data consumption, AI and cloud adoption, and policy initiatives focused on data localisation are the main drivers of data centre demand, the report stated. *[Business Standard]*

Centre's semiconductor push could cut chip imports by \$20 bn-McKinsey: Semiconductor chips are essential components in virtually all electronic devices, enabling a wide range of functionalities from basic computation to advanced technologies. *[Business Line]*

Agentic AI startups tap growing consumer demand: Agentic AI, capable of autonomous decision-making, is rapidly expanding beyond enterprise solutions into the consumer market in India, driven by a tech-savvy population seeking personalized and intuitive services. *[Financial Express]*



Industrial Infrastructure, Clusters and SEZs

SEZ amendment Bill may be taken up in monsoon session of Parliament: The Special Economic Zone (SEZ) Amendment Bill — to overhaul the existing two-decade old law — is likely to come up in the monsoon session of Parliament. *[Business Standard]*

Vanya Steels to set up 10 MW waste-to-energy plant at Rs 100 cr investment in Karnataka: Vanya Steels is investing Rs 100 crore in a 10 MW waste-to-energy power plant at its Koppal, Karnataka facility, expected to be operational by July 31, 2025. Utilizing Waste Heat Recovery Boiler technology, the project will convert industrial waste heat into clean electricity. *[The Economic Times]*

SAEL to invest ₹8,200 cr in Greater Noida solar manufacturing plant: Through one of the largest investments seen so far in the solar manufacturing space in India, the plant in Greater Noida will boost SAEL's total module manufacturing capacity to 8.5 GW. *[Business Standard]*

Vizhinjam port eyes 40% EXIM share in total cargo volumes over 3-5 years: Vizhinjam International Seaport, India's first deepwater transshipment port, is rapidly expanding its infrastructure to commence direct export-import (EXIM) operations by September. *[Financial Express]*

New RE policy to attract Rs 1.5 lakh cr investment, generate jobs-Bihar Energy Secy: Bihar's new renewable energy policy aims to attract Rs 1.5 lakh crore in investments. It also seeks to create significant job opportunities. The policy targets 23.96 GW of renewable energy by FY 2029-30. *[The Economic Times]*

MNRE to issue new norms on domestic sourcing: The Ministry of New and Renewable Energy will issue new Revised List of Models and Manufacturers (RLMM) norms soon following the public consultation it sought in April. *[Business Line]*

Union Minister Nitin Gadkari lays foundation for NH projects worth Rs 2,042 crore in Karnataka: Union Minister Nitin Gadkari laid the foundation for nine national highway projects in Karnataka, totaling 88 km with an investment of Rs 2,042 crore. He assured projects worth Rs five lakh crore will be undertaken in the state over the next five years. *[The Economic times]*



Sustainable Industrialisation

Global EV majors Tesla, VinFast, Kia set for India face-off on Tuesday: India's electric vehicle (EV) landscape is set to witness some big-ticket moves. Three multinational EV majors — Tesla, VinFast, and Kia — will unveil their products, announce pricing, and open pre-bookings. *[Business Standard]*

Assam halts green hydrogen policy-NTPC Green, L&T, others rethink investment plans: Assam has paused its green hydrogen policy, prompting major players like NTPC Green and L&T to reconsider their bids. The sudden policy shift and reduced incentives raise investor concerns over clean energy stability in the state. *[Financial Express]*

Clean tech revolution-Key role of critical minerals in Atmanirbhar Bharat: The government initiatives and recycling infrastructure are crucial for securing a domestic supply chain and fostering economic growth. *[The Economic Times]*

Tata Steel eyes hydrogen-ready steelmaking at Netherlands plant in green push: In its FY25 annual report, the company said, in the Netherlands, concerns over noise, dust, and emissions near manufacturing facilities have increased pressure to implement decarbonisation and social impact programmes. *[Business Line]*

NTPC, NLCIL get ₹27,000-cr green push as India hits 50% non-fossil power milestone: In a major boost to India's clean energy ambitions, the Centre has cleared a ₹27,000-crore equity infusion into two state-run power majors — NTPC Ltd and NLC India Ltd (NLCIL) — for scaling up renewable energy investments. *[Business Line]*

Delhi updates Solar Energy policy, trebles subsidy: Delhi government has significantly increased subsidies for rooftop solar systems, effective July 10. Households can now receive ₹10,000 per kW, up to ₹30,000. Group housing societies and RWAs are eligible for ₹2,000 per kW for common facilities, including EV charging. *[The Economic Times]*

Govt launches scheme to incentivise electric trucks by up to Rs 9.6 lakh under PM E-DRIVE: Union Minister HD Kumaraswamy launched a scheme to promote electric trucks. The PM e-Drive initiative aims to deploy 5,600 e-trucks. Incentives will be provided, up to Rs 9.6 lakh per vehicle. Old trucks must be scrapped to get the benefits. *[The Economic Times]*



Sectoral News

Tata Motors, M&M, three others may raise over Rs 2k cr PLI claims: Tata Motors, M&M, Bajaj Auto, Ola Electric, and TVS Motor are expected to claim over ₹2,000 crore under the PLI scheme for achieving investment and sales targets in FY25. Bajaj Auto leads with a projected claim of ₹630 crore. *[The Economic Times]*

Taiwanese, Vietnamese firms keen to invest in footwear sector in India-CLE: Companies from Taiwan and Vietnam are keen to invest in India's non-leather footwear sector, and the government support is crucial to facilitate these investments, Council for Leather Exports (CLE) Chairman RK Jalan said on Sunday. *[Business Line]*

Centre working on strategies to make Indian telecom financially sound- Jyotiraditya Scindia: Union Minister Jyotiraditya M Scindia stated the Centre's commitment to strengthening Indian Telecom Industries Limited (ITI) financially, recognizing its significant contribution to India's telecom revolution. *[The Economic Times]*

Electronics, pharma sectors corner 70% of PLI disbursements in FY25: Large-scale electronics manufacturing and pharmaceuticals cornered about 70 per cent of the total fiscal incentive disbursements in 2024-25 under the production-linked incentive (PLI) schemes, according to government data. *[Business Line]*

Govt to launch ₹1,345 crore scheme for rare earth magnet production: The Ministry of Heavy Industries is preparing to roll out a subsidy scheme worth ₹1,345 crore aimed at promoting domestic manufacturing of rare earth magnets, Union Minister HD Kumaraswamy said on Friday, reported news agency PTI. The proposal is currently under inter-ministerial consultation. *[Business Standard]*

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