

Industry Matters

Weekly Updates

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Economy, Industry and Policy

India-UK FTA a boost for MNCs looking at China+1: The free trade agreement (FTA) with the UK can potentially boost investment inflows into India by multinational companies pursuing supply chain diversification away from China, apart from encouraging domestic firms to add capacity in a broad range of sectors. *[The Economic Times]*

India's economic growth makes it a global stability anchor-NITI Aayog VC: India's sustained economic growth makes it an "anchor of stability for the world, which needs new engines of growth and development models that can be scaled and shared, Vice Chairman of NITI Aayog Suman Bery has said. *[Business Standard]*

To achieve electronics manufacturing target, India has to lift restrictions on Chinese items-C Veeramani: The solution to the crisis of Chinese restricting critical minerals, capital equipment and engineers is that India should lift restrictions on imports from China, C Veeramani, Director at Centre for Development Studies (CDS) and RBI Chair Professor, said on Wednesday. *[Business Line]*

India's IT sector to see flat revenue growth of 0-2% in FY26-CareEdge Ratings: The Indian IT sector is expected to witness a flat revenue growth of 0 to 2% in FY26 as compared to the previous year in terms of constant currency revenue growth. *[Business Line]*

Finance Commission needs to focus on strengthening local bodies, says Raghuram Rajan: Former RBI Governor Raghuram Rajan suggests the 16th Finance Commission should prioritize devolving more funds to local bodies for effective problem-solving. He emphasized decentralization, drawing comparisons with China and the US regarding local government employment. *[The Economic Times]*

Govt taking multi-pronged approach to sustain economic growth amid uncertainties-MoS Finance: The government is actively working to maintain economic growth amidst global challenges. Fiscal deficit target revision is not required. India's economic strength relies on solid fundamentals. *[The Economic Times]*

Capex back at front & centre of govt's policy play as private sector watches from sidelines: The Centre is actively monitoring capital expenditure. This is because private investment is slow due to global uncertainties. The Centre's spending has increased significantly in the first two months of the fiscal year. Government's capital expenditure aims to stimulate economic growth. *[The Economic Times]*

Plan to revive Digital Competition Bill causes alarm: India's plan to revive the Digital Competition Bill may hurt US trade ties and shave 1% off GDP, warns Esya Centre. The law targets Big Tech via ex-ante regulations, echoing the EU's Digital Markets Act. Stakeholder pushback highlights risks to jobs, MSMEs, and digital economy growth. *[Financial Express]*

Delhi govt's new industrial policy to push improved land use, infra upgrade: A draft of Delhi Industrial Policy for the next 10 years has been put in public domain by the government for getting stakeholders' feedback on it till July 30. *[Business Standard]*

Can the employment-linked incentive scheme address India's jobs challenge?: In a bid to support employment generation, the Union Cabinet earlier this month approved the employment-linked incentive (ELI) scheme, which was announced in the Union Budget last year as part of Prime Minister Narendra Modi's package to facilitate skilling and job creation in the country. *[Business Standard]*

India sees strong 12.6% growth in investment confidence in Q3 2025, highest among 32 economies: Despite witnessing a slight drop of 1.4 per cent in business investment confidence, India maintained the highest year-on-year confidence growth among 32 economies surveyed in Q3 2025, with a robust 12.6 per cent rise, according to the D&B Global Business Investment Confidence Index of Dun & Bradstreet (D&B), a data and analytics firm. *[Business Line]*

India's top think tank recommends easing investment rules for Chinese firms: India's top think tank suggests easing investment rules for Chinese companies, proposing up to a 24% stake without requiring security clearance. This initiative aims to boost foreign direct investment, currently hindered by stringent regulations imposed after 2020 border clashes. *[The Economic Times]*



Foreign Investment

Outbound FDI flows double to reach \$6.7 billion in Q1FY26 led by Tata Communications, Aster DM Healthcare, and others: India's outward foreign direct investment continued the momentum of last fiscal year into the first quarter of FY26. Overseas direct investment (ODI) outflows — investments by Indian companies abroad — doubled to \$6.7 billion during April-June 2025 compared to \$3.1 billion in the same quarter last year. *[Business Line]*

Net FDI slumps 98% to \$40 million in May 2025 as outward flows accelerate: The net foreign direct investment (FDI) in India -- which is the difference between gross inflows and outflows-- declined sharply by 98.2 per cent to \$40 million in May 2025 from \$2.2 billion in May 2024, on higher repatriation/divestment and outward investments from the country, Reserve Bank of India (RBI) data showed. *[Business Standard]*

Foreign investors fleeing India is not what you think: Despite headlines about foreign investor outflows, India's low net FDI in FY25 is largely due to outbound investments and exits—not a lack of interest. While this isn't alarming in itself, India still struggles to attract substantial fresh foreign capital. *[Financial Express]*

Sona Comstar to form \$20 million JV with Chinese firm JNT: Sona BLW Precision Forgings (Sona Comstar) on Sunday said it has signed a binding term sheet with Jinnaite Machinery (JNT) to establish a \$20 million joint venture (JV) company in China to manufacture and supply driveline systems and components to automotive original equipment manufacturers (OEMs) in China and globally. *[Business Line]*

Mahindra Industrial Park, Sumitomo Corp sign strategic deal with Osaka govt: Mahindra Industrial Park Chennai and Sumitomo Corporation sign a strategic deal with Osaka Prefecture to enhance Japanese investments, positioning Tamil Nadu as a preferred manufacturing destination. *[Business Standard]*

Angel One, LivWell announce ₹4 billion JV for digital life insurance: Angel One and LivWell announce a joint venture to set up a digital-first life insurance firm in India with Rs 4 bn capital, aiming to improve access and affordability. *[Business Standard]*



Trade Policy and Competitiveness

India, US seek to futureproof trade agreement amid tax and tariff concerns: The US is pressing India to commit to not reintroducing the so-called "Google tax", while New Delhi is seeking protection from potential future tariffs on pharmaceutical exports as part of the ongoing trade-deal negotiations. *[Business Standard]*

India must ease import curbs and FDI norms for external balance-IMF: The IMF advises India to ease import restrictions, boost the business environment, and liberalize FDI to maintain a strong external balance. While FY25 saw a robust external sector due to service exports and low oil prices, risks persist from trade and capital account restrictions. *[The Economic Times]*

28 states, UTs formulate export strategy to promote India's outbound shipments: To boost outbound shipments, 28 states and UTs have formulated export strategies, complemented by State and District Export Promotion Committees across all regions. Draft district action plans are prepared for 590 districts, with 249 formally notified, aiming to promote exports and address bottlenecks. *[The Economic Times]*

RIC reboot-Can Trump threats revive Russia-India-China troika?: Russia is pushing to revive the Russia-India-China (RIC) trilateral mechanism amid Western pressure, particularly on energy trade. While China quickly endorsed the idea, India is cautiously open. *[The Economic Times]*

US antidumping investigation threatens Indian solar module exports: A fresh US antidumping investigation targets solar imports from India, Indonesia, and Laos, potentially disrupting India's \$4.4B export market. Analysts warn of near-term headwinds for top players like Waaree, while India's rising solar capacity could offset long-term impact. *[Financial Express]*

Tariff rejig-India raises share in US imports of electronics, agri, textiles: India boosts its share in US imports of electronics, textiles, and agriculture amid US tariff rejig, gaining ground as China loses market share. While pharma exports stay stable, auto, steel, and chemical sectors face setbacks due to high tariffs and trade uncertainties. *[Financial Express]*

India, UK to ink FTA today-Trade, defence, energy on Modi-Starmer agenda: India and the United Kingdom are set to sign a historic Free Trade Agreement (FTA) on Thursday during Prime Minister Narendra Modi's official visit to the country. The FTA is expected to deepen economic ties between the two nations while also setting the stage for an ambitious new roadmap — the UK-India Vision 2035 — that expands cooperation well beyond trade. *[Business Standard]*

India, US conclude this week's crucial negotiations for a trade pact: Trade teams from India and the US have wrapped up this week's crucial round of negotiations for a bilateral trade agreement (BTA) in Washington DC ahead of the August 1 deadline for reciprocal tariff imposition by the US, sources said. *[Business Line]*

India-EFTA trade pact to be implemented from Oct 1-Goyal: Under the pact, India has received an investment commitment of \$100 billion in 15 years from the grouping while allowing several products, such as Swiss watches, chocolates, and cut and polished diamonds, at lower or zero duties. *[Business Line]*



Corporate Governance

NCLT approves merger of Adani Cementation with Ambuja Cements: The National Company Law Tribunal (NCLT) has approved the merger of Adani Cementation with Ambuja Cements, which will help to consolidate Adani Group's cement business under one unit and bring synergistic benefits. *[Business Line]*

Lloyds Metals to invest Rs 40,000 crore more in Gadchiroli: Lloyds Metals and Steel plans to invest over Rs 40,000 crore in Gadchiroli, Vidarbha, over the next five years, according to MD B Prabhakaran. The investment includes a steel plant and other units, with Rs 5,000 crore already invested. The company aims to build a beneficiation plant and a steel plant, generating 30,000 jobs. *[The Economic Times]*

Adani group seeks Competition Commission's nod to acquire Jaiprakash Associates: The Adani group has applied for regulatory approval to acquire Jaiprakash Associates Limited. This move follows Adani's bid for the debt-ridden company, which is currently undergoing insolvency proceedings. Several other companies, including Dalmia Cement, have also expressed interest in acquiring JAL. *[The Economic Times]*

IndoSpace to invest over 1,000 cr to develop 188-acre logistics park in Pune's Chakan: IndoSpace is set to invest over Rs 1,037 crore in Pune's Chakan area. The investment will facilitate the development of a 188-acre industrial and logistics park. This marks IndoSpace's eighth logistics park in Pune, expanding its footprint to 525 acres. *[The Economic Times]*

Govt considers market study to frame Big Tech competition regulations: The government may undertake a market study to establish a solid foundation for ex-ante regulations under draft Digital Competition Bill, said Harsh Malhotra, Minister of State for Corporate Affairs. *[Business Standard]*



MSMEs and Start-ups

Quick commerce platforms focus shifts to revive profitability than aggressive expansion: The report pointed out that the Q-commerce market in India is estimated to have touched around ₹64,000 crore in FY25, growing at an impressive CAGR of 142 per cent between FY22 and FY25. *[Business Line]*

Fintech firm PayU India to invest \$120 mn by end of FY26, say senior exec: Fintech company PayU India will invest \$100-\$120 million in its credit business alongside putting money in its payments vertical in FY26, said its group chief financial officer Arvind Agarwal. *[Business Standard]*

More domestic capital flowing into start-up ecosystem compared to Covid period-STPI-DG Arvind Kumar: STPI, established in 1991, aims to boosting India's IT sector and start-up culture, especially in tier II and III cities. Director General Arvind Kumar highlights initiatives like the NGIS scheme, providing funding and mentorship to start-ups. *[The Economic Times]*

AI-first startups challenge India's \$300 billion IT services giants: Venture capital pours into companies like Atomicwork and Nurix AI as autonomous agents promise to reshape enterprise workflows and force legacy players to adapt. *[Business Standard]*



Employment and Industrial Relations

EPFO reports record payroll addition of 2 million members in May 2025: Retirement fund body EPFO added all-time high 2 million net members in May 2025, which includes 942K new employees, as per the payroll data released on Monday. This is 4.79 per cent higher as compared to April 2025 and 2.84 per cent more on year-on-year basis. *[Business Standard]*

Skill development top motivator for Indian workers pursuing mobility experience, finds EY survey: An EY survey reveals that employee mobility is crucial for closing skill gaps and building future-ready teams in India. Indian employees view mobility assignments as career-transformative, prioritizing skill development and competitive financial packages. *[The Economic Times]*

Eligibility criteria for life cover under EPFO scheme eased: The labour ministry has eased eligibility norms under the EDLI scheme. Now, families of deceased employees will receive a minimum assurance benefit of ₹50,000, even if the employee's PF balance was below that amount. Service gaps of up to 60 days will be treated as continuous employment, and employees dying within six months of their last PF contribution will remain eligible. *[The Economic Times]*

Guaranteed pension may be sweetened further: The Centre may sweeten the guaranteed unified pension scheme (UPS) with new benefits, including pensions for dependent children and extended tax perks, to boost adoption among government staff. *[Financial Express]*

Small towns, big hiring-India's festive jobs boom moves beyond metros: Tier-II and III cities in India are experiencing a surge in manpower demand. Companies are increasing hiring in these areas before the festive season. This growth is fueled by urbanization and expansion of retail and logistics. *[The Economic Times]*



Industrial Finance

Why boom and bust in microfinance: Indian microfinance is no longer "micro". It reaches nearly 15 crore families, with an outstanding credit of ₹6.53 lakh crore and about 3 per cent of total bank credit. Microfinance is the capillary network of the financial system, reaching where banks cannot. *[Business Line]*

Vertis Infrastructure Trust raises ₹900 cr via sustainability-linked bond: The SLB is structured with predefined sustainability performance targets that link interest rates to the achievement of ESG outcomes, the InvIT claimed. *[Business Standard]*

India's VC funding hits \$3.5 bn led by fintech amid global slowdown-KPMG: Venture capital (VC) investment in India rose to \$3.5 billion across 355 deals in the second quarter of 2025 (April-June), marking an increase from \$2.8 billion across 456 deals in the previous quarter, according to the latest Venture Pulse report by KPMG Private Enterprise. *[Business Standard]*

EduFund secures \$6 million in Series A round to expand beyond metro cities: Education-focused investing platform EduFund on Monday announced it has raised \$6 million in a Series A round led by Cercano Management and MassMutual Ventures. In total, the company has so far raised \$12 million. *[Business Standard]*

Quick ratio-A timely shift in MSE lending norms: Establishing the quick ratio as a core benchmark for micro and small enterprises would represent a timely and strategic move by financial institutions, more accurately reflecting real-time solvency. *[Business Line]*

CIBIL-style score, green fund in works to meet textile sector's credit needs: The government is exploring a credit rating system and a unified green fund to improve credit access for the textile sector, particularly small units. The proposed credit protocol would help banks better assess risk, considering industry-specific challenges like long payment cycles. *[The Economic Times]*



Technology and Innovation

Statsguru-India's AI engine is running, but not yet fully inventing: India's artificial intelligence (AI) journey is at a turning point. Microsoft's recent layoffs and a call for AI upskilling underscore both the opportunity and the urgency. *[Business Standard]*

India's own Foxconn? Dixon's PLI-powered roadmap could reshape electronics: Dixon is transitioning from being predominantly domestic assembler - smartphone assembly accounted for 89 per cent of its revenue as of Q3 FY25 - to becoming a deeper player in electronics value chain. *[Business Standard]*

Govt working on voluntary code of conduct for companies using AI: The government is developing a voluntary code of conduct for companies utilising artificial intelligence (AI), along with procurement guidelines on the responsible use of AI in the public sector, a senior government official announced. *[Business Standard]*

Tata Communications collaborates with Amazon to establish advanced AI-ready network in India: Tata Communications is partnering with Amazon Web Services (AWS) to build an AI-ready network in India. This high-capacity network will connect three major AWS infrastructure locations, aiming to accelerate the adoption of generative AI and drive cloud innovation across the country. *[The Economic Times]*

India tops global fast payments with UPI processing 18 billion transactions monthly: India now leads the world in fast digital payments. The Unified Payments Interface or UPI drives this change. UPI processes billions of transactions monthly. It has transformed India into a digital-first economy. *[The Economic Times]*

From comics to chatbots, startups adopt Google AI for local impact: At Google I/O Connect India 2025, Indian startups demonstrated AI apps built on Google's platforms, powering innovations in translation, entertainment, and enterprise. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

India powers ahead-Half of energy capacity now green, solar shines bright: India has achieved a significant climate milestone, with 50 per cent of its installed power generation capacity now coming from non-fossil fuel sources - five years ahead of its 2030 target under the Paris Agreement signed in December 2015. *[Business Line]*

Kerala's solar prosumers seek revision of Renewable Energy Draft Regulations 2025: If the new draft regulations come into force, the renewable energy generation sector in Kerala, built with the participation of ordinary citizens, will be completely disrupted. *[Business Line]*

India completes 48 GW inter-state transmission network for renewable energy: India is expanding its renewable energy infrastructure, with 48 GW of inter-state transmission network installed for solar and wind power evacuation and 159 GW under construction. The government has planned a 340 GW network to evacuate 230 GW of renewable energy. *[The Economic Times]*

Despite geopolitical tensions, India's port sector expected to grow faster than major economies: India's port sector is poised for rapid expansion, outpacing many global economies, fueled by rising domestic consumption and government infrastructure initiatives. Cargo volumes have seen substantial growth, particularly in non-major ports. *[The Economic Times]*

Adani Ports, 2 others vie to build 174-acre logistics park in Greater Noida: Adani Ports, Super Handlers, and Empezar Logistics are eyeing to build a 174-acre logistics park in Greater Noida, which is expected to attract an investment of ₹1,200 crore. *[Business Standard]*



Sustainable Industrialisation

Indian auto sector can cut emissions by 87% with green power, steel: Study: India's automobile industry, the world's third largest, could cut its emissions by 87 per cent by 2050 through green electricity and low-carbon steel, according to an independent study released on Wednesday. *[Business Standard]*

Indosol Solar seeks to tap into govt support, eyes 10GW capacity by 2026: Indosol Solar Ltd. is aggressively expanding its solar manufacturing capacity to 10 gigawatts by 2026, capitalising on government incentives. The company plans to double its Andhra Pradesh module line by year-end and extend production from ingots to modules by late 2024. *[The Economic Times]*

JSW Energy signs electricity supply pact with BESCO for solar project with battery storage: SW Energy's subsidiary, JSW Renew Energy Forty Five, has secured a 25-year power purchase agreement with BESCO for a 100 MW solar project coupled with a 100 MWh Battery Energy Storage System (BESS) at a tariff of Rs 4.31 per kWh. *[The Economic Times]*

L&T to set up India's largest green hydrogen plant at IOCL Panipat Refinery: The plant to be set up by L&T Energy GreenTech Ltd, will supply 10,000 tonnes of green hydrogen per year to Indian Oil Corporation Ltd for 25 years, supporting the Centre's National Green Hydrogen Mission. *[Business Line]*

Reliance's expansion into green energy segment sparks analyst optimism: Billionaire Mukesh Ambani's firm on Friday revealed details of progress of a \$10 billion investment to build its clean energy portfolio and achieve net-zero carbon emissions by 2035. *[Business Standard]*

India's record renewables rollout moves it closer to 2030 goal: India's renewable energy sector experienced remarkable growth in the first half of 2025, adding 22 gigawatts of capacity, a 56% increase year-over-year. This surge propels India closer to its ambitious 2030 clean energy target, with non-fossil sources now exceeding fossil fuels in capacity. *[The Economic Times]*

China's Chery to supply tech to help India's JSW launch own EVs: Chery Automobile will provide technology and components to JSW Group, facilitating the launch of a new-energy vehicle brand in India by 2027. JSW will pay Chery a technology transfer fee and royalties, with no equity arrangement due to investment restrictions. *[The Economic Times]*



Sectoral News

Results preview-Pharma firms stare at muted earnings growth for Q1: The Indian pharmaceutical industry is set to report a muted earnings performance for the first quarter of the financial year 2026 (Q1FY26), largely due to sliding sales of blockbuster generic cancer drug Revlimid coupled with moderated growth in the domestic formulations sales. *[Business Standard]*

Trai declines DoT's request to regulate telemarketers: Spam calls and messages will continue to bother consumers. Telecom Regulatory Authority of India is unlikely to regulate telemarketers. The Department of Telecommunications wanted to bring telemarketers under regulation. *[The Economic Times]*

PSBs ready insurance units' divestment plan: State-run banks plan to disinvest in their insurance subsidiaries. This follows the Centre's approval of 100% foreign investment in the insurance sector. Banks like State Bank of India, Canara Bank, and Punjab National Bank may pursue IPOs and stake sales. *[The Economic Times]*

IRDAI proposes internal insurance ombudsman scheme, releases draft norms: IRDAI has proposed a framework mandating an internal insurance ombudsman scheme for insurance companies to address claim-related complaints up to Rs 50 lakh. This independent review mechanism aims to improve grievance handling and boost consumer confidence. *[The Economic Times]*

Maruti Suzuki and DPIIT sign MoU to propel auto & mobility startup innovation in India: Maruti Suzuki India has partnered with DPIIT to bolster the startup ecosystem, focusing on technology-driven solutions for automobile manufacturing and mobility. This collaboration provides startups recognized under the 'Startup India' initiative with mentorship, industry access, and infrastructure for solution validation. *[The Economic Times]*

Not just electric-Auto sector needs cleaner steel & power to really put the brakes on emissions: A new report reveals India's auto sector can slash manufacturing emissions by 87% by 2050 through green electricity, low-carbon steel, and cleaner supply chains. While EV adoption is crucial, addressing Scope 3 emissions from materials like steel is essential. *[The Economic Times]*

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