

# Industry Matters

Weekly Updates

August 01, 2025



## Economy, Industry and Policy

**Making sense of FDI trends:** Considering that they bring a package of entrepreneurship, technology, and integration with the global value chains besides augmenting capital stock, foreign direct investment (FDI) inflows are welcomed by most governments which actively court MNCs to invest in their countries through promotion, facilitation, incentives, and concessions. *[Financial Express]*

**Indian economy can grow over 6.5% in FY26 without hurdles-RBI MPC member:** Indian economy is growing at a robust pace and will not face any challenge in achieving a growth rate upwards of 6.5 per cent in the current financial year, RBI Monetary Policy Committee (MPC) member Nagesh Kumar said on Sunday. *[Business Standard]*

**India projected to grow 6.4% in 2025 & 2026, reform momentum driving stable growth-IMF:** The International Monetary Fund projects India's growth at 6.4 percent for fiscal years 2025 and 2026. This stable growth is supported by reform momentum, robust consumption, and public investment. *[The Economic Times]*

**Trump's 25% tariff will immediately impact India's export-intensive sector-FICCI's Director General Jyoti Vij:** Donald Trump imposed a 25% tariff on 'friend' India after months of trade talks, citing 'obnoxious' trade barriers and also imposed a penalty for India's 'energy ties' with Russia amid the Ukraine war. *[Mint]*

**India eyes \$1 billion in technical textile exports to UK by 2030 under new CETA trade deal:** The India-UK Comprehensive Economic Trade Agreement (CETA) is expected to boost India's technical textile exports to the UK to \$1 billion by 2030, from the current \$240 million. The agreement grants 100% duty-free access for Indian exports, giving India a competitive advantage over China. *[The Economic Times]*

**Maintaining sustained growth top priority-FM Sitharaman:** Maintaining sustained growth is the top priority amid global uncertainties, and an incremental rise in public capital expenditure is one of the drivers for economic development, Finance Minister Nirmala Sitharaman said on Saturday. *[Business Line]*

**Pharma exports seen to double to \$65-bn by 2030 despite headwinds:** Despite US tariff concerns, India's pharmaceutical exports are projected to double to \$65 billion by 2030. This growth is fueled by a strategic shift towards advanced therapeutics, complex generics, global acquisitions, and improved regulatory compliance, as Indian drugmakers expand their market share in key regions like the US and Europe. *[Financial Express]*

**Transforming a nation of job seekers:** The draft national skill policy is a comprehensive document, but it can do more on taking entrepreneurship deeper into underserved regions. *[Financial Express]*

**Why is India Inc not investing as much as it can? UBS report points to one major reason:** Uncertainty surrounding global trade deals is hindering long-term capital expenditure by Indian companies, according to a UBS Securities India report. Despite government initiatives and healthier corporate balance sheets, private sector investment has been sluggish. *[The Economic Times]*

**India flexible towards tie up between domestic and Chinese electronics firms:** India is demonstrating a flexible approach towards collaborations between domestic and Chinese companies, particularly in the electronics manufacturing sectors, a government source confirmed on Friday. This stance acknowledges China's significant role in global electronics production. *[Business Line]*

**Private sector needs to step up with govt having done most of heavy lifting-ASSOCHAM Chief Sanjay Nayar:** The recently signed India-UK FTA is a golden opportunity from India's perspective, Sanjay Nayar, President of ASSOCHAM and Founder-Chairman of Sorin Investment Fund said, asserting that the private sector has to really now step up with the government having done most of the heavy lifting. *[The Economic Times]*

**AI and machine learning jobs rise by 42 per cent y-o-y in June-Dept of Economic Affairs:** Artificial Intelligence (AI) and machine learning roles recorded a significant 42 per cent year-on-year (y-o-y) growth in June 2025, highlighted the Monthly Economic Review released by the Department of Economic Affairs. *[Business Line]*

**Structural change in output and employment needed for higher growth-S Mahendra Dev:** Structural reforms in output and employment are key for India's long-term growth, says S Mahendra Dev. In an interview, he discusses growth targets, credit trends, inequality, labour force participation, AI impact on jobs, and government efforts to boost agriculture and rural incomes. *[Financial Express]*

**New national policy on cooperatives calls for apex bank for the sector:** The new national policy on cooperatives has called for an apex cooperative bank to enhance collaboration among various tiers of cooperative financial institutions while preserving the three-tier credit structure of Primary Agricultural Cooperative Societies (PACS), District Credit Cooperative Banks (DCCBs) and state cooperative banks to provide affordable credit. *[Business Standard]*



## Foreign Investment

**DPIIT identifies electronics, chemicals, footwear, toys as key sectors for FDI growth:** The Department for Promotion of Industry and Internal Trade (DPIIT) has identified key sectors with high potential such as electronics, chemicals, footwear and toys where it seeks to boost foreign direct investments (FDI) by actively seeking out companies and facilitating inflows, sources have said. *[Business Line]*

**Raising FDI limit in insurance aimed at unlocking full potential of sector-FM Sitharaman:** Finance Minister Nirmala Sitharaman told Parliament that raising the FDI limit in the insurance sector to 100% will boost annual growth to 7.1%, attract stable foreign investment, and improve insurance penetration. The move simplifies foreign entry by removing the need for Indian partners. *[The Economic Times]*

**EU trade talks-India to offer regulatory certainty in manufacturing to woo FDI:** In the first such offer made during trade deal negotiations, India is working on a "new chapter" aimed at extending long-term regulatory certainty in the domestic manufacturing sector to attract investment from the European Union (EU), The Indian Express has learnt. *[The Indian Express]*

**To further tech manufacturing, India rethinks China blockade:** Nearly half a decade ago, India adopted a 'China-out' strategy of sorts, in response to the border clashes in 2020, introduced an anti-Beijing foreign investment policy, and kept Chinese firms out of critical sectors like telecommunications. *[The Indian Express]*



## Trade Policy and Competitiveness

**Trade deal uncertainty weighing on private sector investment-UBS:** Uncertainty around trade deals is emerging as a major factor holding back investment by India's private corporate sector, according to UBS Securities India. The report attributes the lack of clarity on global trade to countries and pending agreements as a contributing factor to companies' hesitation in investing in long-term capital expenditure (Capex). *[Business Line]*

**Tariff trouble-Multilateralism in the time of unilateral trade actions:** As nations frantically pursue trade deals with the US, many governments and trade experts have raised concerns regarding unilateral tariffs potentially violating the Articles of the General Agreement on Tariffs and Trade (GATT), which serve as the foundation for the World Trade Organisation (WTO). *[The Economic Times]*

**India-UK trade pact to help boost chemical exports, manufacturing-CHEMEXCIL:** The free trade agreement between India and the UK will help boost the country's chemical exports and domestic manufacturing as a number of product categories from the segment will enjoy duty-free access in Britain, CHEMEXCIL said on Sunday. *[Business Line]*

**Trade triumph:** The Comprehensive Economic and Trade Agreement (CETA) between India and the United Kingdom is a welcome addition to the country's evolving trade policy architecture in a challenging geo-political landscape. *[Business Line]*

**Are FTAs worth the trouble?:** So India and the UK now have a free trade agreement. As with all such agreements we don't know what the final benefits will be, to whom and when. But we do know one thing: that FTAs, especially the bilateral ones, are not based on any economic logic. *[Business Line]*

**India-US trade deal will be a game changer for investors-Arvind Panagariya:** The proposed trade agreement between India and the United States could be a major breakthrough for India's investment climate, said Arvind Panagariya, chairman of the 16th Finance Commission. *[Business Standard]*



## Corporate Governance

**ITC to invest ₹20,000 crore across businesses in medium term; to evaluate strategic options for ITC Infotech at right time-Chairman Sanjiv Puri:** Chairman and Managing Director Sanjiv Puri on Friday reiterated the diversified conglomerate's plans to invest ₹20,000 crore across business segments in the medium-term to continue to building the "portfolio for the tomorrow", adding that it would evaluate strategic options like demerger or restructuring of ITC Infotech at the "right time". *[Business Line]*

**India Inc faces a surge in family feuds amid succession planning vacuum:** A growing wave of wealth clashes and a persistent reluctance to formalise succession plans is turning India's corporate boardrooms into a battleground of family feuds. *[Business Standard]*

**Reliance Power & Reliance Infra unveil Rs 18,000 crore expansion plans: Aggressive capex in defence, renewables detailed:** Board of Directors of Reliance Infrastructure and Reliance Power approved resolutions to raise a total of Rs 18,000 crore by way of debt and equity. The two companies are planning a big capital expenditure to expand defence, aerospace and renewable energy businesses. *[Financial Express]*

**India's insurance giant LIC turns to Wall Street banks to hedge risk:** Life Insurance Corp. of India is actively hedging its liabilities by engaging with Wall Street banks like JPMorgan Chase & Co. and Bank of America Corp. LIC has entered into \$1 billion in bond forward rate agreements, significantly impacting FRA volumes. *[The Economic Times]*

**Tata Motors set to acquire Italian truck maker Iveco for \$4.5 billion in its biggest deal to date:** Tata Motors is reportedly close to acquiring Italian truck maker Iveco from the Agnelli family for \$4.5 billion, potentially the group's second-largest acquisition. Expected to be announced soon, the deal involves Tata buying Exor's stake and launching a tender offer for remaining shares, excluding Iveco's defense business. Iveco confirmed advanced talks, and its shares surged on the news. *[The Economic Times]*



## MSMEs and Start-ups

**78% of our borrowers are first-generation entrepreneurs accessing formal credit-UGRO Capital:** UGRO Capital, a data tech NBFC specialising in MSME lending, has highlighted a 48% credit gap in formal MSME financing in the country while emphasising the feasibility of creating a large MSME institution dedicated to MSME financing. *[The Economic Times]*

**ET Make in India SME Regional Summits-How Canon is powering Indian MSMEs with smart imaging solutions:** From Surat's bustling markets to corporate boardrooms nationwide, the Japanese imaging giant is redefining business efficiency with locally-designed technology and unmatched service support. *[The Economic Times]*

**Availability of skilled labours in MSMEs improve, access to finance spikes:** Additionally, nearly 20 per cent of respondents, especially in the manufacturing and services sectors, reported above-normal capacity utilisation. Around 29 per cent anticipate higher utilisation in the next 12 months. *[The Statesman]*

**Startups take the DMart playbook to smalltown India—investors like the idea:** Last week, India's test cricket captain Shubman Gill was part of a ₹100-crore investment into a supermarket chain that counts Kadapa, a small city in Andhra Pradesh with a population of under 500,000, as its biggest market. *[Mint]*

**Business confidence among MSMEs improved in Q1 FY26-Sidbi survey:** The Composite MSME Business Confidence Index (M-BCI) rose to 63.75 during the quarter under review from 60.82 in the previous quarter. A value above 50 suggests positive sentiment. *[Business Standard]*



## Employment and Industrial Relations

**Infosys to hire 20,000 freshers amid IT job loss fears:** Infosys CEO Salil Parekh has assured no job cuts, confirming plans to hire approximately 20,000 graduates this year. Strategic investments in AI and reskilling initiatives have enabled the company to maintain a competitive edge. While AI enhances automation and insights, it necessitates advanced skills. *[The Economic Times]*

**TCS to lay off 2% of its workforce, impacting over 12,000 employees:** India's largest IT services provider Tata Consultancy Services (TCS) on Sunday said it would lay off about 2 per cent, or about 12,260 employees, of its global workforce of 613,069 this financial year, as it seeks to become a more agile organisation in an era of artificial intelligence (AI)-led business transformation. *[Business Standard]*

**Over 31,500 govt employees opt for UPS till July 20-FM Sitharaman:** As many as 31,555 central government employees have opted for the Unified Pension Scheme (UPS) till July 20, and the last date to enrol under the scheme is September, Parliament was informed on Monday. *[Business Standard]*

**EPFO pension on higher wages-Govt finally breaks silence — here's what we know so far:** Minister of State for Labour and Employment Shobha Karandlaje told the Lok Sabha on 21 July 2025 that as per the Supreme Court order of November 4, 2022, the EPFO has so far disposed off 98.5% of the total 15.24 lakh applications. *[Financial Express]*

**Atal Pension Yojana enrolments cross 8 crore mark; adds 39 lakh new subscribers so far in FY26:** Atal Pension Yojana, a social security scheme administered by PFRDA, has surpassed 8 crore enrolments, with 39 lakh new subscribers in FY 2025-26. Launched in 2015, APY aims to provide a guaranteed monthly pension of Rs 1,000 to Rs 5,000 to subscribers post-60 years, benefiting the poor and unorganised sector workers. *[The Economic Times]*

**IIMs see surge in pre-placement job offers despite sluggish market. Startups, nonprofits join the hiring race:** India's leading business schools are seeing a sharp rise in pre-placement offers this year despite a sluggish job market. Students across Indian Institutes of Management in Ahmedabad, Bengaluru, Kolkata, Lucknow, Indore and Kozhikode who completed their summer internships in April-May are reporting strong hiring interest from recruiters. *[Mint]*



## Industrial Finance

**Shriram Finance eyes ₹3 trillion total AUM, 10 million customers:** Shriram Finance expects its assets under management (AUM) to exceed ₹3 trn by FY26, anticipates reaching 10 mn live customers in Q2. Umesh Revankar discusses growth drivers and future projections. *[Business Standard]*

**Bluehill VC to announce final close of maiden fund by end of 2025:** Bluehill VC is targeting the final close of its ₹350 crore maiden fund by the end of 2025. The firm has already raised ₹225 crore and has made investments in deep-tech start-ups. *[Business Standard]*

**Poonawalla Fincorp aims AUM growth upwards of 40% in FY26-CEO:** Financial Services firm Poonawalla Fincorp is targeting above 40 per cent growth in its asset book on the back of expansion in products portfolio including gold loans. *[Business Standard]*

**Zepto raises ₹7.5 crore from Elcid Investments, doubles revenue:** Mumbai-based non-banking financial company Elcid Investments said it is investing ₹7.5 crore in quick commerce company Zepto. The NBFC had invested in Zepto late last year as well, and following the latest share purchase it will hold 0.039 per cent stake in company, it said. *[Business Line]*

**AIIB building a robust pipeline of Indian projects to fund-Vice-president Pandey:** The Asian Infrastructure Investment Bank (AIIB) aims to expand its presence in India by increasing funding for both sovereign and private sector projects, particularly in clean energy, green mobility, and digital infrastructure. *[The Economic Times]*

**Non-bank lenders have a big problem in small business loans:** India's top NBFCs have flagged early signs of stress in small business loans following a sharp slowdown in spending by some states, weak borrower cashflows, slackening credit demand and rising delinquencies even in once-resilient segments. *[Mint]*

**PNB to focus on project financing to revive business loan growth-CEO:** Apart from project financing, the bank will also target sectors such as real estate, rental discounting and data centres for lending opportunities, Chandra said. *[Business Standard]*



## Technology and Innovation

**Reshaping the global semiconductor order:** As geopolitical fault lines harden and technology becomes the new theatre of power, semiconductors — the 'new oil' — sit at the heart of 21st-century economic security. A tripartite alliance between India, the United States, and Taiwan holds the key to rebuilding a resilient, diversified, and trusted global chip supply chain. *[Business Line]*

**Adapting content to the new age of Web search:** For over 25 years, the World Wide Web has allowed millions of individuals or solopreneurs, businesses, institutions, and media houses to publish their content and get it discovered by search engines. *[Business Line]*

**Only 20-25% of India's 850 mn internet users shop online, shows untapped potential-McKinsey:** A McKinsey & Company report indicates significant growth for India's e-commerce sector. Currently, only 20-25% of Indian internet users shop online, but this is expected to rise substantially. *[The Economic Times]*

**Wipro Infra to invest ₹500 crore in Karnataka for copper-clad laminate plant, create 350 jobs:** Wipro's initiative aims to enhance local manufacturing capabilities and strengthen India's position in the global electronics technology sector, serving key industries such as telecom, automotive, and AI. *[Business Line]*

**Nxtra Data plans ₹6,000 crore war chest to chase data centre growth:** Nxtra Data, Bharti Airtel's data centre arm, plans to invest ₹4,500-6,000 crore over the next 3-4 years to become a leader in India's data centre market, targeting a major capacity expansion. *[Business Standard]*

**AI has entered the chat—and the creator economy may pay:** Even as YouTube's new rules seek to curb content mass-produced with artificial intelligence (AI) tools, the large volume of such repetitive videos and audio is still a risk for Indian creators. *[Mint]*



## Industrial Infrastructure, Clusters and SEZs

**NTPC Green Energy plans RE, battery energy storage projects in Bihar:** State-owned NTPC Green Energy Ltd has plans to set up renewable energy and battery energy storage projects (BESS) in Bihar, a move which will increase the company's portfolio and presence in the clean energy space. *[Business Line]*

**DPIIT signs pact with Ather Energy to strengthen EV manufacturing:** The DPIIT has partnered with Ather Energy to foster growth opportunities for startups in the electric vehicle and manufacturing sectors. This collaboration aims to offer strategic mentorship and infrastructure support, particularly within the EV value chain. *[The Economic Times]*

**SAEL Industries arm commissions 50 MW solar project in Maharashtra:** Solar RE Power, a SAEL Industries subsidiary, commissioned a 50 MW solar plant in Maharashtra's Beed district. The plant will generate over 100 GWh of clean electricity annually, using high-efficiency TOPCon bifacial modules. *[The Economic Times]*

**India can become global hub for aircraft component production-Venttup:** The paper titled 'Building India's manufacturing momentum,' launched at the recently concluded Kerala Innovation Festival said the country is taking all the right steps to accelerate the manufacturing sector's growth. *[Business Line]*

**Juniper Green Energy, GUVNL sign PPA for 100 MW wind project in Gujarat:** Juniper Green Energy has signed a 25-year Power Purchase Agreement with Gujarat Urja Vikas Nigam Ltd (GUVNL) for a 100 MW wind power project in Gujarat, starting July 2027. Executed through its subsidiary, the deal was signed on July 18. *[The Economic Times]*

**Avaada to invest ₹5,000 crore for 1 GW renewable energy projects in Bihar:** Avaada Group and Bihar government have signed an initial agreement. Avaada will invest Rs 5,000 crore to develop 1 GW of renewable energy projects across Bihar. The projects include ground-mounted, floating solar, and battery storage. *[The Economic Times]*



## Sustainable Industrialisation

**India's EV Industry on the Brink-Rare earth magnet shortage threatens plant shutdowns:** India's Electric Vehicle (EV) manufacturers are fearing imminent plant shutdowns as their crucial rare earth magnet inventories are set to run dry by July 31. *[Business Line]*

**With new energy, JSW Group gets ready to disrupt EV market:** JSW Group is entering the passenger car market with JSW Motors, investing up to \$3 billion in new energy vehicles over five years. CEO Ranjan Nayak revealed plans for electric, hybrid, and plug-in hybrid vehicles under the JSW brand, launching in FY26. *[The Economic Times]*

**ALMM mandate for solar PV cells unchanged; implementation from June 2026:** The Ministry of New & Renewable Energy (MNRE) announced on Monday that the mandate for the Approved List of Models & Manufacturers (ALMM) for solar PV cells remains unchanged and will take effect from June 1, 2026. *[Business Line]*

**Decoding India's energy transition:** The World Economic Forum (WEF), in association with Accenture, recently released the 'Fostering Effective Energy Transition' report, which presents 118 countries' Energy Transition Index (ETI) scores, strengths, opportunities, and challenges impacting their energy transition. *[Business Line]*

**Tata Power-DDL, Magna Yuma to jointly set up battery-swapping stations for EVs in Delhi:** Tata Power-DDL partners with Magna Yuma to establish battery-swapping stations for electric vehicles in Delhi, aiming to boost clean energy adoption and sustainable mobility. Magna Yuma will handle the design, installation, and maintenance of these stations, with the initial setup at Tata Power-DDL's Shalimar Bagh and Badli Grid substations. *[The Economic Times]*



## Sectoral News

**Craft a new handicrafts ecosystem:** India's handicrafts sector, built on centuries of artisanal skill, generates \$4 billion in annual exports — yet it now stands at a crossroads. The sector risks losing ground in the fast-evolving global market as its traditional product mix has hit a ceiling. *[Business Line]*

**Indian auto industry faces subdued FY26 growth amidst weak demand:** The Indian auto industry is expected to see subdued growth of 6-7% in FY26, with most segments showing low to mid-single-digit growth, says a Motilal Oswal report. Demand weakness hit passenger vehicles (-1.4%) and two-wheelers (-8%), especially motorcycles (-9%) and small cars with steep declines. *[The Economic Times]*

**China's Rare Earth Grip-Supply shock may hit Indian industry, exports and bank books:** India's core industrial sectors, including transport, electronics, and machinery, are significantly dependent on rare earth imports, primarily from China. A recent SBI analysis warns that Chinese export curbs could disrupt domestic production, affect exports, and impact banks exposed to these sectors. *[The Economic Times]*

**UltraTech lines up ₹10,000-crore capex for FY26 to bolster capacity:** Cement maker Ultra Tech, which expects around 7 per cent growth in FY26, has allocated up to ₹10,000 crore as capex to bolster its capacity as well as energy and efficiency initiatives, according to the company's latest annual report. *[Business Line]*

**India's insurance sector on track to more than double by 2030, gross written premiums could hit ₹25 lakh crore:** India's insurance sector is projected to witness robust expansion, with gross underwritten premiums (GWP) expected to more than double — rising by 123 per cent to Rs 25 lakh crore by 2030 from Rs 11.2 lakh crore in 2024, according to a report by the Insurance Brokers Association of India (IBAI) and McKinsey & Company. *[The Indian Express]*

**Leather, textiles traders told to reap benefits:** The commerce and industry ministry has urged leather and textiles exporters to increase production and improve supply chains. This directive aims to fully leverage the market access advantages provided by the UK trade agreement, which removes tariffs on these labor-intensive industries. *[The Economic Times]*

**Apparel sector benefitting from new generation trade pacts:** India's apparel sector has long served as a cornerstone of economic growth, employment generation, and foreign exchange. Accounting for 2.3 per cent of GDP and directly employing more than 45 million people (with 70 per cent women workforce). *[Business Line]*

**Steel quality control order duplicative and hurts MSMEs-GTRI:** The report also flagged potential market distortion, citing exemptions for finished products like welded pipes, which appear to favour value-added imports over domestic manufacturing. *[Business Standard]*

**Trump's tariff move on India may backfire, pharma industry leaders say:** Indian pharmaceutical industry leaders strongly criticize U.S. President Trump's tariff announcement, arguing it will harm the American healthcare system more than India's economy. They emphasize India's crucial role in supplying affordable medicines, particularly generics, to the U.S., warning that tariffs will lead to drug shortages and price increases for American citizens. *[The Economic Times]*

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