

# Industry Matters

Weekly Updates

August 08, 2025



## Economy, Industry and Policy

**India's impressive financial inclusion journey:** The World Bank's Global Findex Database/s (GFD) is an important source of cross-country and multi-dimensional data on Financial Inclusion (FI) based on "nationally representative surveys." GFD-2025, released a few weeks ago, is the fifth such survey. *[Business Line]*

**MoSPI proposes new base years for IIP, GDP & CPI:** The government plans to update the base years for key economic indicators. The Index of Industrial Production (IIP) and Gross Domestic Product (GDP) will shift to a 2022-23 base year, while the Consumer Price Index (CPI) will be rebased to 2024. *[The Economic Times]*

**Beyond repo rates-Let's reimagine growth toolkit:** Discussions around Reserve Bank of India's monetary policy announcements tend to focus narrowly on repo rate adjustments and short-term liquidity measures. This repo-centric view often sidelines broader, structural policy options that could help in shaping India's long-term economic trajectory. *[Business Line]*

**RBI panel for retaining WACR as operating target of monetary policy:** An internal working group of the Reserve Bank of India (RBI) recommended retaining the overnight weighted average call rate (WACR) as the operating target for monetary policy, citing its effectiveness in policy transmission. *[Business Standard]*

**Towards an Indian growth model—III:** It is better for fiscal policy to focus on improving supply, while monetary policy does the cyclical demand adjustment. *[Business Line]*

**RBI likely to hold rates:** The upcoming RBI's Monetary Policy Committee (MPC) meeting will be held under the backdrop of sharply falling inflation, while the economic growth trajectory has been clouded by US trade policy. Does that mean RBI's MPC should cut rates further in the upcoming meeting? We don't think so. *[Business Line]*

**Fitch cuts India GDP growth projections to 6.3%; sees limited impact of US tariffs on corporates:** We expect India's robust infrastructure spending to underpin healthy demand for cement and building materials, electricity, petroleum products, steel, and engineering and construction companies during FY26, Fitch said. *[Business Line]*

**Wind turbine manufacturing: New norms mandate local sourcing, data control:** India has introduced stringent norms for wind turbine equipment makers, requiring them to source key components domestically and comply with strict data localisation rules. *[Business Line]*

**Product-specific export sops likely to counter US tariff:** India plans product-specific export incentives to counter new 25% US tariffs. Support may include credit subsidies, tax remissions, and marketing aid for vulnerable sectors like textiles, food, and seafood as BTA talks with the US continue toward a late 2025 deadline. *[Financial Express]*

**External flows' shifting paths:** In late 2024, the Institute of International Finance (IIF), the advocacy arm of global finance, put out a pessimistic projection that capital flows to emerging market economies (EMEs) are likely to fall to \$716 billion in 2025 from an estimated \$944 billion in 2024. *[Business Line]*

**Leather, textiles, gems, jewellery, shrimp exports to hit hard from 50% US tariff:** The 25 per cent duty, announced on July 31, will come into force from August 7 (9.30 am IST) and the additional 25% will come into effect from August 27. *[Business Line]*



## Foreign Investment

**JSW Steel-JFE to expand capacity with ₹5,845 crore investment:** The expansion will meet the fast-growing domestic demand for high-efficiency electrical steel, especially in the renewable energy, energy transition for decarbonisation, e-Mobility and AI data centre. *[Business Line]*

**Vietnamese EV manufacturer Vinfast begins production in India, to target Asian markets:** The company is increasingly focusing on Asian markets after struggling to gain traction in the U.S. and Europe. The factory will create more than 3,000 local jobs. *[Financial Express]*

**FII's just pulled out \$4 billion from 5 sectors. Should you join the selling spree?:** Foreign institutional investors triggered a significant selloff of \$4.17 billion in July, heavily impacting Indian equity markets, particularly the IT sector, which saw outflows exceeding \$2 billion. *[The Economic Times]*



## Trade Policy and Competitiveness

**China plus one-Funskool India sees increased global partnerships and exports growth:** India is emerging as a hub for global toy manufacturing as US retailers look to diversify away from China amid US-China tariff uncertainty. *[Business Line]*

**India's textile exporters say US tariff hit can be offset by FTAs:** India's textile exporters say exports loss because of the imposition of 25 per cent tariffs by US President Donald Trump will be compensated by gains in exports due to free trade agreements (FTAs) India has signed with other nations. *[Business Line]*

**Trump tariffs-India may extend support to vulnerable sectors worst affected:** To soften the blow of US President Donald Trump's reciprocal tariff of 25 per cent on Indian exporters, the government is weighing the option of extending support to select products worst affected by the levies, official sources said. *[Business Line]*

**India-UK free trade agreement-A win for India, a lifeline for global Britain:** The recently signed India-UK Comprehensive Economic and Trade Agreement (CETA) represents a significant win for India, showcasing its strategic negotiation. *[Financial Express]*

**World is witnessing trade policy dislocation, says finance ministry:** The finance ministry on Wednesday said the world has witnessed "trade policy dislocation" as well as "escalating conflicts" across West Asia since the presentation of Union Budget 2025-26 (FY26) in February. *[Business Standard]*



## Corporate Governance

**M&M completes SML Isuzu acquisition; to be called SML Mahindra Ltd:** Indian automaker Mahindra & Mahindra Ltd (M&M) has completed the acquisition of a 58.96 per cent stake in SML Isuzu Ltd from Sumitomo Corporation, Japan and Isuzu Motors Ltd, Japan. The company will be named SML Mahindra Ltd and Vinod Sahay will be named as Executive Chairman. *[Business Line]*

**InoxGFL to invest Rs 50,000 crore in renewable energy operations by FY29:** InoxGFL, a ₹1.53 trillion Indian conglomerate in chemicals, fluoropolymers, refrigerants, turbines and renewables, plans to invest ₹50,000 crore by FY29 in renewable energy operations across its businesses, said a top executive. *[Business Standard]*

**With ₹20,000 cr plan, Adani eyes global-style airport business hubs:** Adani Airports to invest ₹20,000 crore in city-side projects, with 70 per cent of the funds allocated to Mumbai and Navi Mumbai airports as part of its multi-phase expansion strategy. *[Business Standard]*



## MSMEs and Start-ups

**Trump trade tariffs-MCA planning to ease compliance burden for MSMEs:** As part of a broader strategy to shield domestic industry from US tariffs, the Ministry of Corporate Affairs (MCA) is planning to ease compliance reforms for medium, small and micro enterprises (MSMEs), according to official sources. *[Business Standard]*

**Agentic AI startups raise \$2.8 billion in 2025-Prosus:** A new generation of artificial intelligence (AI) startups focused on autonomous workplace agents attracted \$2.8 billion in global venture capital funding during the first half of 2025, signalling investor confidence in AI systems that work alongside human employees rather than merely assist them. *[Business Standard]*

**Energy start-up HYLENR raises \$3 mn in Pre-Series A funding round:** HYLENR, a clean energy start-up harnessing patented Low Energy Nuclear Reactions (LENR) to develop scalable, carbon-free heat energy systems for industrial heat and power, has raised about \$3 million in Pre-Series A funding round. *[Business Line]*

**FIEO and Amazon ink partnership to boost Indian MSME exports through e-commerce:** The collaboration aims to establish a task force to shape policies, improve infrastructure, and raise awareness. This initiative supports India's goal of achieving \$200-300 billion in e-commerce exports by 2030. *[The Economic Times]*

**Indian VCs, startups heading out to ride UAE's big tech wave:** Indian venture capital firms and startups are increasingly turning to the Middle East for investments and business opportunities, driven by the region's desire to diversify beyond oil and embrace technological advancements. *[The Economic Times]*



## Employment and Industrial Relations

**TCS assures labour ministry on job offers:** TCS has told the labour ministry it will honour all job offers despite delays in onboarding due to global headwinds. Responding to a union complaint, the IT giant cited deferred projects, denied layoffs, and questioned the union's role in ongoing hiring and restructuring issues. *[Financial Express]*

**Only 15% of PM Kaushal Vikas Yojana beneficiaries land jobs, govt data shows:** Government data reveals that less than 15% of the 1.6 crore candidates trained under PMKVY since 2015 have secured job placements. While placement tracking occurred in earlier phases, PMKVY 4.0 aims for broader career paths, leveraging digital platforms and Rozgar Melas. *[The Economic Times]*

**White-collar hiring grows 7% in July:** India's white-collar job market grew 7% YoY in July, driven by strong hiring in non-IT sectors like hospitality (+26%), insurance (+22%), and education (+16%). Fresher hiring rose 8%, with a 35% jump in education alone. *[The Economic Times]*



## Industrial Finance

**Sundaram Finance consolidated PAT grows 9%:** Non-banking finance company Sundaram Finance on Monday reported consolidated net profit of ₹475 crore for quarter ended June 2025 (Q1FY26) compared to ₹435 crores in Q1FY25. Consolidated revenue from operations grew 20 per cent to end at ₹2349 crore. *[Business Line]*

**ARCs gear up operations towards acquiring and resolving stressed retail loans:** ARCs shift focus to acquiring and resolving stressed retail loans amid decreasing corporate loan stress for future growth. *[Business Line]*

**Hero FinCorp halts unsecured loans, aims 14% growth in FY26 disbursements:** Hero FinCorp pauses unsecured lending over borrower over-leverage, shifts focus to secured loans, and targets 14% Y-o-Y growth in FY26 disbursements as part of balance sheet overhaul. *[Business Standard]*

**Big NBFCs raise billions as credit boom brews, RBI watches with interest:** Flush with parent backing and top credit ratings, India's largest NBFCs are raising record sums without chasing bank licences, as they prepare for a fresh wave of private sector credit demand. *[Business Standard]*

**Banks go all out to woo MSMEs:** Banks slash MSME loan rates to as low as 8.5% amid fierce competition, rising liquidity, and regulatory tailwinds. With RBI's CRR cut releasing Rs 2.5 lakh crore, credit to MSMEs surges 17% YoY. *[Financial Express]*



## Technology and Innovation

**Data exchanges can boost digital public infrastructure:** India has already demonstrated how Digital Public Infrastructure (DPI) can transform a nation — Aadhaar brought identity, UPI enabled seamless payments, and platforms like DigiLocker and CoWIN delivered public services at scale. *[Business Line]*

**With AI at the core, Heizen has a new model for software development at scale:** Heizen, a Bengaluru- and San Francisco-based startup, is redefining how software gets built by combining engineering talent with purpose-built AI agents. *[The Economic Times]*

**Semiconductor mission pushes India from being aspirant to becoming global powerhouse:** India is rapidly transforming its semiconductor landscape with the India Semiconductor Mission, aiming to become a global hub for chip manufacturing and design. With significant investments and incentives, the nation fosters domestic production, attracts major players, and cultivates a skilled workforce. *[The Economic Times]*

**Startups turn to plug-and-play AI for faster & cheaper deployment:** As enterprises rapidly scale up artificial intelligence (AI) adoption across operations, AI and SaaS startups are betting big on a new way to deliver results without the cost and complexity of traditional AI systems — modular AI. *[Financial Express]*

**AI is hitting young professionals hardest in the job market-Goldman Sachs warns:** Joblessness among Gen Z professionals in the tech industry is increasing at a quicker pace than both the broader tech workforce and other young age groups, according to Joseph Briggs, a senior global economist at Goldman Sachs Research. *[Financial Express]*



## Industrial Infrastructure, Clusters and SEZs

**Lilly sets up new centre in Hyderabad for global digital innovation:** Eli Lilly and Company (India) opened its new technology and innovation site in Hyderabad as a new strategic hub for advanced digital and technology capabilities that will improve efficiency across Lilly's global operations. *[Business Line]*

**Hindustan Power signs pact with UPPCL to set up 435MW DC solar project:** Hindustan Power has signed a power purchase agreement with Uttar Pradesh Power Corporation Ltd (UPPCL) to set up a 435 MW direct current solar project. The agreement includes supplying clean power for 25 years from the project to be set up in Uttar Pradesh, the company said in a statement. *[Business Standard]*

**JSW Energy commissions second 80 MW unit of the Kutehr Hydro Plant:** JSW Energy has commissioned an 80 MW unit at its Kutehr Hydroelectric Power Plant. The plant's commissioned capacity now stands at 160 MW. Power dispatch to Haryana has commenced. The final 80 MW unit is expected to be commissioned soon. *[The Economic Times]*

**Govt plans to develop 97 GW coal, lignite-based thermal power generation capacity:** India is set to boost its power generation. The power ministry plans to add 97 GW of coal and lignite capacity by 2035. This move aims to reach 307 GW of thermal power. It complements India's renewable energy goals. *[The Economic Times]*



## Sustainable Industrialisation

**GreenLine to deploy LNG, EV trucks for Hindustan Zinc:** As part of this strategic collaboration, GreenLine will invest ₹400 crore to deploy 100 Electric Trucks, replacing diesel vehicles for inter-unit concentrate movement between the HZL's mines and smelters. *[Business Line]*

**Solar power firms learn to live with red tape:** Late last week, India achieved a significant milestone by outpacing Japan to become the third largest solar energy generating country in the world. The country has produced 1,08,494 GWh solar power compared to 96,459 GWh generated by Japan. *[Financial Express]*

**NITI Aayog pitches for National EV policy with clear targets, timelines:** Government think tank Niti Aayog on Monday pitched for a National EV policy with clear targets and timelines to fast-track India's electric mobility transition. The Aayog, in its report titled 'Unlocking a USD 200 Billion Opportunity: Electric Vehicles in India', further recommended expanding corporate average fuel efficiency (CAFE) norms to a wider segment of vehicles. *[Business Standard]*

**Solar PV module capacity under PLI at 18.6 GW:** Under the government's Production Linked Incentive (PLI) scheme, India's solar photovoltaic (PV) module manufacturing capacity has hit 18.6 gigawatts (GW), while its cell-making capacity is close to 10 GW. *[Business Line]*

**KPI Green Energy bags project for 96 MW solar power component from Aditya Birla Renewables:** KPI Green Energy has secured a significant order from Aditya Birla Renewables for a 96 MWp solar balance-of-system project in Gujarat. KPIG Energia Private Limited, a subsidiary of KPI Green Energy, received the Letter of Award for the project located in Mahua. *[The Economic Times]*

**Centre shortlists 18 proposals for R&D of EV components:** The Centre has shortlisted 18 proposals for R&D of electric vehicle (EV) subsystems to cut reliance on imports and boost domestic manufacturing. These include projects on wireless chargers and traction motors, to be executed in collaboration with academia, industry, and government. *[The Economic Times]*



## Sectoral News

**Coal India looks to offer more coking coal to steel sector to tap potential market:** Coal behemoth Coal India is looking to offer more coking coal to the country's steel sector to tap the potential future market for coal consumption. India possesses 389.42 billion tonnes of geological coal resources, including 212 billion tonnes of proven reserves. *[Business Line]*

**Proposed mining policy to provide ease of doing business to industry stakeholders- Nitin Gadkari:** Union Minister Nitin Gadkari announced that the Centre is framing a new mining policy to ease business operations. The policy aims to grant all necessary clearances within three months, enabling production to commence in the fourth month. *[The Economic Times]*

**SJM calls for streamlining approvals and waiving animal trials to improve access to biosimilar products:** The letter further called for streamlining the approval process "to eliminate cost-driving requirements, ensuring biosimilars are priced affordably for all patients. *[Business Line]*

**Economic policies to support demand recovery-Hyundai Motor India MD:** Kim said the company expects 'domestic sales growth to be broadly in line with industry estimates of low-single digit' and 7-8 per cent volume growth in exports in 2025-26. *[Business Standard]*

**Industrial electronics key to India's \$500 bn manufacturing vision-ICEA:** The India Cellular and Electronics Association (ICEA) on Monday called for prioritising industrial and infrastructure electronics to meet India's \$500 billion electronics manufacturing target by 2030-31. *[The Economic Times]*

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