

# Industry Matters

Weekly Updates

August 22, 2025



## Economy, Industry and Policy

**Future policy actions dependent on growth-inflation dynamics-Nagesh Kumar:** Nagesh Kumar, member of the Reserve Bank of India's (RBI's) Monetary Policy Committee (MPC), says while the benign inflation outlook provides policy space, one has to watch how trade policy uncertainties play out. *[Business Standard]*

**RBI's MPC minutes-Status quo in August hinged on tariffs, rate-cut outcome:** Uncertainties over the impact of the United States' (US) tariffs on India, along with the ongoing transmission of past rate cuts, prompted the members of the Reserve Bank of India's Monetary Policy Committee (MPC) to maintain the status quo during the August meeting, the minutes showed. *[Business Standard]*

**Industry leaders call for more FTAs, sustainability push to make India a global manufacturing hub:** Industry leaders on Wednesday called for expanding India's Free Trade Agreements (FTAs) to secure preferential treatment in international markets, while stressing that sustainability and policy support will be critical for positioning India as a global manufacturing hub. *[The Economic Times]*

**India's non-smartphone electronics exports cross \$14 billion mark in FY24-25:** India's electronics exports surged to USD 38.57 billion in FY 2024-25, marking a 32.47% increase, driven by non-smartphone categories like solar panels and telecom equipment. This growth elevates electronics to 9% of India's total merchandise exports. *[The Economic Times]*

**A new era of financial oversight and regulation is here, says RBI Deputy Governor:** The Reserve Bank of India is transitioning towards principle and outcome-based regulations to offer regulated entities greater operational flexibility. This shift, as highlighted by Deputy Governor M Rajeshwar Rao, aims to foster innovation while ensuring consumer protection and financial system resilience. *[The Economic Times]*

**Shine a dozen-Capex push in the works for next-gen PSUs:** The Indian government is set to bolster select public sector undertakings (PSUs) in key sectors like critical minerals, renewables, and defence. This initiative involves capital infusion, expansion support, and technological upgrades to align with India's long-term economic objectives. *[The Economic Times]*

**GST reform, a welcome economic stimulus:** The timing could not have been better. With almost everyone in India grappling with the impact of the proposed "Trump Tariffs", Prime Minister Modi announced a proposal in his Independence Day speech to reduce the rates of GST. *[Business Line]*

**Continue smartphone PLI:** The origin of India's PLI for smartphones can be traced to three developments. First, the trade war on China by President Trump in his first term fuelled a search by global MNCs for alternative production destinations. *[Business Line]*

**Govt seeks to revamp entire tax system with GST reform, Income-Tax Bill:** The central government's proposal for a structural overhaul of the goods and services tax (GST), along with the Income-Tax Bill recently passed by Parliament, will lead to a complete revamp of both the direct and indirect tax system in the country, said a senior government official. *[Business Standard]*

**Make in India must not become make all India needs-Former RBI Guv Subbarao:** Sounding a note of caution, former RBI Governor D Subbarao on Monday said that 'Make in India' should not transform into 'Make all that India needs' as it would hurt investments in the country and impact productivity. *[Business Standard]*

**Export curbs ease positive, India must cut reliance amid \$100 bn gap-GTRI:** China's decision to ease restrictions on exports of rare-earth minerals and fertilisers to India is a positive signal, but India must work to reduce its dependence on the neighbouring country, with which it runs an alarming \$100 billion trade deficit, economic think tank GTRI said on Wednesday. *[Business Standard]*

**Govt likely to revive anti-profiteering rules under GST 2.0 overhaul:** The government is considering re-invoking anti-profiteering provisions for a limited period to ensure that businesses pass on indirect tax benefits to consumers, following the proposed overhaul of the goods and services tax (GST) regime, according to a senior official. *[Business Standard]*

**Parliamentary panel for export policy reset, manufacturing focus:** The Standing Committee on Finance urges recalibrating India's export strategy with a focus on manufacturing competitiveness, AI, market diversification, and addressing geopolitical uncertainties. *[Business Standard]*

**Govt likely to tighten rules for money-based games in Online Gaming Bill:** The government may introduce severe curbs on online money-based games in the forthcoming Online Gaming Bill, 2025. The draft Bill was reported to impose restrictions on online money games or online money gaming service offerings, a move that could impact multiple firms in the country. *[Business Standard]*

**Why India remains an important piece in the textile puzzle:** Industry leaders agree that while tariffs may sting, India's deeper advantages, its cotton base, integrated supply chain and skilled workforce, make it a piece of the global textile puzzle that no one can afford to ignore. *[Business Line]*

**GST reforms-Suggestions to boost ease of doing business and reduce costs:** There should be no restrictions on taking input tax credit (ITC), on the essential principle that once tax is paid, it should either be refunded or go into the ITC chain. *[Business Standard]*

**Parl panel pitches for 35% of GDP as investment to achieve 8% growth rate:** A parliamentary panel on Tuesday pitched for raising the investment rate from 31 per cent of the GDP to 35 per cent to achieve the ambitious growth target of 8 per cent. *[Business Standard]*

**India's 70% goods export exposed to Trump tariffs, ICRIER suggests negotiation and trade diversification:** Around 70 per cent of India's goods exports to the US, equivalent to \$60.85 billion, are now exposed to the 50 per cent tariff imposed by the US administration, according to an analysis by ICRIER. *[Business Line]*

**Turbocharging India-Assuming global economic leadership:** Higher tariffs could render many Indian products uncompetitive in US markets and bring unfavourable repercussions to the domestic economy. *[Business Standard]*



## Foreign Investment

**Govt mulling further FDI regime easing, more tax benefits for startups:** The commerce and industry ministry is working on a 100-day reforms agenda which may include proposals such as further liberalising FDI regime, easing investments from neighbouring countries, and more tax benefits for startups, an official said. *[Business Standard]*

**India should encourage targeted Chinese FDI in manufacturing under the PLI:** scheme-Study: India should encourage targeted Chinese FDI in manufacturing under the PLI scheme, particularly in high-dependence sectors like electronics, automobiles, and pharmaceuticals, thereby strengthening domestic capacity, local supply chains, and technology transfer. *[The Statesman]*

**India may crack open the gates to Chinese inflows:** Ahead of Prime Minister Narendra Modi's visit, India is weighing easier rules for Chinese investments in select sectors in another step to restore ties as New Delhi seeks to bolster trade amid US tariff uncertainty, said two people aware of the matter. *[Mint]*

**India deepens trade links with Singapore, Asean, amid US tariff headwinds:** India is intensifying its trade engagement with Singapore and Asean nations as it braces for the impact of new US reciprocal tariffs on Indian exports. *[Mint]*



## Trade Policy and Competitiveness

**Game theory playbook for US tariffs:** This Independence Day, India celebrates its freedom under the shadow of a trade trap sprung by US hypocrisy. Washington launched its tariff war on China with a crushing 145 per cent duty, but quickly retreated to 30 per cent. *[Business Line]*

**India ready to patch up, re-calibrate as US trade team postpones visit:** India is ready to patch up with the US and "re-calibrate" its strategy for the proposed bilateral trade agreement (BTA) even as US President Donald Trump has decided to put negotiations on hold and postpone the visit of his trade team to New Delhi on August 25, sources have said. *[Business Line]*

**India must reduce average tariffs, and also keep engaging with the US:** It has been argued that the American consumer buys Indian goods and India uses the dollars it gets to buy discounted Russian crude oil, which is refined and sold across the world. *[Business Standard]*

**India, US negotiating agreement to liberalise trade in goods-Minister:** India and the US are negotiating a multi-sector bilateral trade agreement and as a part of the negotiations, both sides are discussing liberalisation of trade in goods, including non-sensitive agricultural products, Parliament was informed on Tuesday. *[Business Standard]*



## Corporate Governance

**IDs' silent exodus marks a crisis in corporate governance:** India's boardrooms are witnessing a quiet yet significant shift. Over the past two years, there has been a noticeable increase in the number of Independent Directors (IDs) stepping down from corporate boards, often mid-term and citing vague reasons. *[Business Line]*

**Hindustan Zinc to invest ₹3,823 cr to build tailings reprocessing plant:** The new plant, with a capacity of 10 million tonnes per annum (mtpa), is targeted for completion within 28 months. The company plans to double its production capacity. *[Business Standard]*

**India Inc turns to equity, bonds as cheaper bank loans remain elusive:** Corporates raise record funds through QIPs, block deals and bonds as improved balance sheets and limited loan rate transmission push them towards capital markets. *[Business Standard]*

**Inox Wind sells Rs 175 cr stake in EPC subsidiary at ₹7,400 cr valuation:** Inox Wind has sold a stake in Inox Renewable Solutions for ₹175 crore. The valuation of the subsidiary is ₹7,400 crore. This sale follows the National Company Law Tribunal's approval of the merger of Inox Wind Energy into Inox Wind. *[The Economic Times]*



## MSMEs and Start-ups

**US tariff impact-MSME NPA classification period likely to be doubled:** The Union government is mulling extending non-performing asset (NPA) classification period on loans to the micro, small and medium enterprises (MSME) from the current 90 days to 180 days, a move which will provide breather to cash-strapped firms against the backdrop of steep US tariffs, a senior government official said requesting anonymity. *[Business Standard]*

**MSMEs in textiles, diamonds, chemicals to be most hit by US tariffs:** The imposition of higher tariffs by the US will significantly impact the micro, small and medium enterprise sector, which accounts for around 45 per cent of India's exports, while MSMEs in textiles, diamonds and chemicals are likely to be the most hit, a report by Crisil Intelligence said. *[Business Standard]*

**Nearly 60,000 SC/ST MSMEs onboarded on GeM-MoS:** The Centre has stepped up efforts to digitally empower Micro, Small and Medium Enterprises (MSMEs), including those led by Scheduled Caste (SC) and Scheduled Tribe (ST) entrepreneurs, through a series of e-commerce and online marketing initiatives. *[The Statesman]*

**MSMEs-Embracing the digital transformation wave:** MSMEs, employing over 110 million people and contributing 30% to the nation's GDP, are adopting mobile interfaces, cloud accounting, and automated payments to boost efficiency and competitiveness. *[The Economic Times]*



## Employment and Industrial Relations

**Youth getting first job in private sector to get ₹15,000 support-PM Modi:** Youth landing their first job in the private sector will get government support of ₹15,000, Prime Minister Narendra Modi said in his Independence Day address on Friday as he announced the launch of Prime Minister Viksit Bharat Rozgar Yojana (PM - VBRY). The scheme, with an outlay of ₹1 trillion, aims to help 35 million youth in the country. *[Business Standard]*

**What the revision of a 30-year-old inflation index means for rural wages:** Shifting the base year for two critical inflation indices is important as they determine minimum wages for agriculture and rural workers, and could also affect payments under the MGNREGA jobs program. *[Business Standard]*

**India's unemployment rate at 5.4% in Q1-First ever quarterly PLFS data:** The unemployment rate in the first quarter (April-June) this financial year stood at 5.4 per cent in the country, showed the first ever quarterly periodic labour force survey (PLFS) data, released for both rural and urban areas by the National Statistics Office (NSO) on Monday. *[Business Standard]*

**Amazon India creates 150,000 seasonal jobs, up from 110,000 last year:** Amazon India is boosting its workforce. It is creating 150,000 seasonal jobs. These jobs are across India. The focus is on tier-2 and tier-3 cities. This expansion prepares for the festive season. It includes opportunities for women and persons with disabilities. *[The Economic Times]*

**BFSI sector to add 2.5 lakh jobs by 2030; hiring shifts to tier II, III cities:** Mumbai, Aug 21 (PTI) India's BFSI sector is set for robust growth, with hiring projected to rise 8.7 per cent in 2025-26 and touch 10 per cent by 2030, creating nearly 2.5 lakh permanent jobs, a report said on Thursday. *[Mint]*



## Industrial Finance

**B2B fintechs turn to M&As to expand business lines and enter retail market:** Mergers and acquisitions are emerging as the next big play for business-to-business (B2B) fintechs, as they look to open new revenue streams and gain a foothold in the retail market. *[Business Standard]*

**Banks sanction Rs 62,791 cr to 2.75 lakh beneficiaries under Stand-Up India Scheme:** Since its launch in April 2016, the Stand-Up India Scheme has facilitated Rs 62,791 crore in loans to 2,75,291 accounts, promoting entrepreneurship among SC/ST and women. Additionally, Rs 17,811.72 crore has been disbursed under the Modified Interest Subvention Scheme for short-term crop loans in 2024-25. *[The Economic Times]*

**Weaver raises \$170 million to expand AI-led affordable housing finance:** Weaver Services secures \$170 million from Lightspeed, Premji Invest, and Gaja Capital to drive asset acquisitions, tech innovation, and housing finance access in tier-2 and tier-3 cities. *[Business Standard]*

**Centre asks banks to extend long-term loans for electric mobility:** The government is set to have a laser sharp focus on e-trucks in India's EV transition journey, which - according to Niti Aayog's findings in a recent report - have virtually not taken off. *[Business Standard]*

**Mudra Yojana NPAs against outstanding loans rise to 9.8% at end of FY25:** PMMY scheme mainly caters to those segments of society which have been outside the formal credit system because of a lack of collateral, business experience, etc, FM told Parliament. *[Business Standard]*



## Technology and Innovation

**India needs a 'Desi Counter Intuitive UPI App' to truly leverage data-SBI:** India needs a fully homegrown dominant UPI app to truly leverage data rather than remain dependent on foreign-grown payment platforms, according to a report by the State Bank of India (SBI). *[Business Line]*

**Is GenAI causing a Manchester moment for IT services?:** Rising GenAI adoption could erode India's IT labour arbitrage model and pressure service revenues, unless firms pivot to IP, product innovation, and higher-value tech. *[Business Standard]*

**India ready for next leap in semiconductors': ELCINA hails Cabinet approval of four-chip projects:** The Union Cabinet's approval of four new semiconductor projects worth about Rs 4,600 crore has received strong endorsement from industry body ELCINA, which termed the move a "turning point" in reducing India's import dependence and strengthening its global chip positioning. *[The Economic Times]*

**HP to double India manufacturing under PLI 2.0, eyes 35% scale-up in coming years:** India's traditional PC market grew 8.1 per cent year-over-year (y-o-y) in Q125, with 3.3 million units shipped, according to data from the International Data Corporation (IDC). HP retained its leadership in India's PC market with a 29.1 per cent share in Q125, growing shipments by 4.6 per cent year-on-year. *[Business Line]*

**Indian chemical firms step up to fuel self-reliance in semiconductor manufacturing:** Indian chemical companies are taking notable strides in developing a comprehensive ecosystem to support semiconductor manufacturing, a critical component of the country's broader push to establish itself as a global player in high-tech industries, according to a report by Bastion Research. *[Business Line]*



## Industrial Infrastructure, Clusters and SEZs

**Started studying Vadvan port project-APSEZ:** This greenfield container port project will have a total capacity of 24.5 million TEUs and will have equity from Jawaharlal Nehru Port Authority (JNPA) and the Maharashtra Maritime Board (MMB). *[Business Line]*

**Govt must resolve SEZ units' problems arising from definition of 'servicess':** SEZ service exports face DTA payment disputes, GST relief linked to strict compliance, and CBIC eases customs with a single all-India electronic bond system. *[Business Standard]*

**Reliance Infrastructure bags NHPC's Rs 4,000-crore solar-battery project:** Reliance Infrastructure has received a letter of award (LoA) for a 390 megawatt (Mw) solar power project and 780 megawatt-hour (MWh) battery energy storage system (BESS) from NHPC, the company said. *[Business Standard]*

**RITES targets ₹10,000 crore order book by FY26, eyes private sector growth:** RITES ended FY25 with ₹8,800 crore in orders and aims for ₹10,000 crore by FY26, focusing on execution, private sector projects, and exports to West Asia and Latin America. *[Business Standard]*

**KEC International bags ₹1,402 crore projects in T&D, civil and cables:** KEC International wins fresh orders worth ₹1,402 crore across transmission, civil and cables segments, taking YTD intake beyond ₹8,400 crore and strengthening its growth momentum. *[Business Standard]*



## Sustainable Industrialisation

**EV start-up Raptee to launch first-of-its-kind high-voltage electric motorcycle by November:** Chennai-based EV start-up Raptee.HV launched to address this dilemma and is now ready for commercial launch of India's first high-voltage electric motorcycle, which delivers performance equivalent to the 250-300 cc internal combustion engine vehicles. *[Business Line]*

**Siam makes a case for N1 commercial vehicles' inclusion in PM E-DRIVE:** The Society of Indian Automobile Manufacturers (Siam) has urged the Ministry of Heavy Industries (MHI) to bring N1 category commercial vehicles (CVs) — those that weigh less than 3.5 tonnes — under the PM E-Drive scheme for electric trucks. *[Business Standard]*

**India celebrates clean energy milestone but coal still king:** India has achieved 50% of its installed energy capacity from non-fossil fuels, ahead of its Paris Agreement target. However, the nation remains heavily reliant on coal, which powers 74% of its electricity. While renewable energy capacity is growing, limited storage and dependence on coal pose challenges to India's emissions reduction goals and energy transition. *[The Economic Times]*

**Rooftop solar installations seen doubling to 4 mn by March 2026 on PM Surya Ghar boost:** India aims to significantly boost rooftop solar installations. The government anticipates reaching 4 million installations by March 2026. This expansion is supported by the PM Surya Ghar Muft Bijli Yojana. *[The Economic Times]*

**Suzlon Group pledges 100 pc renewable energy usage at all units by 2030:** Wind energy solutions provider Suzlon Group has pledged to use 100 per cent renewable energy at all 15 manufacturing facilities by 2030. *[Mint]*



## Sectoral News

**JSW Steel, South Korea's POSCO Group join hands to set up 6 mtpa steel plant in India:** The agreement builds on the MoU signed by both parties last October and outlines the broad framework for the proposed 50:50 joint venture, said JSW Steel in a statement. *[Business Line]*

**Auto sector demand in India weak across segments except tractors:** The automobile sector witnessed a muted performance in the first quarter of FY26, with demand lagging expectations in most segments except tractors, according to a report by Motilal Oswal Financial Services. *[Business Line]*

**Planning to make India a global steel hub; new export markets tapped-HD Kumaraswamy:** India's steel sector is navigating global headwinds with resilience and purpose, said Union Minister for Steel, HD Kumaraswamy. The plan now is to position the country as a global steel hub, with a focus on sustainable green-steel making. *[Business Line]*

**India's tourism sector set to cross \$59 billion by 2028-Capitalmind PMS:** As per the report, domestic visitor spending is projected to reach ₹33.95 trillion by 2034, up from ₹14.64 trillion in 2023, reflecting a CAGR of 7.9%, per the WTTC's Economic Impact Research 2024. *[Business Line]*

**Govt aims to make India's auto industry No.1 globally in next five years-Nitin Gadkari:** Nitin Gadkari announced the goal to elevate India's automobile industry to global leadership in five years. He highlighted the sector's growth from Rs 7.5 lakh crore to Rs 22 lakh crore since 2014. The logistics cost has reduced to 10 percent of GDP. The express industry is projected to double by 2030, creating millions of jobs. *[The Economic Times]*

**Trai again-DoT-dials up heat on telemarketers:** The Department of Telecommunications (DoT) is urging the Telecom Regulatory Authority of India (Trai) to regulate telemarketers in response to mobile operators' concerns about spam. DoT has clarified Trai's questions, emphasizing the need for regulatory oversight to address promotional communications. *[The Economic Times]*

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