

Industry Matters

Weekly Updates

September 05, 2025



Economy, Industry and Policy

GST overhaul to boost demand, cut tax burden on households-India Inc: PHDCCI welcomed cuts on toiletries, packaged foods, and utensils, while the Confederation of Indian Textile Industry said rectification of GST inversion in the MMF value chain will release working capital and benefit thousands of MSMEs. *[Business Line]*

How to respond to external shocks: Indian exports affected by US double tariffs are less than 1 per cent of GDP because of a low aggregate value of about 2 per cent of GDP as well as exempt categories. Therefore, India can resist being pushed. Strategic autonomy is important. *[Business Line]*

A resilient economy: Even while India goes through turbulence amidst US reciprocal tariff, the credit profile of the economy remains supported. We at CareEdge Global (CGIL) have assigned a rating of BBB+ to India, with a stable outlook. *[Business Line]*

Piyush Goyal slams India Inc, says needs to step out of 'cosy comfort zone': The commerce minister said Indian industry sees the large domestic market as a comfortable profit zone, and that it needed to re-evaluate its efforts at value addition. *[Business Standard]*

GST 2.0 should pave way towards single nationwide tax rate: The long-term success of Goods and Services Tax (GST) lies in moving towards a single nationwide tax rate, and that GST 2.0 must act as the stepping stone by keeping to just two slabs 5 per cent and 18 per cent while capping the peak rate firmly at 18 per cent, not 40 per cent, a report said. *[Business Standard]*

Indian firms target small-town growth that's insulated from US tariffs: Indian firms focus on rural areas for growth amidst US tariff concerns. Rural consumption exceeds urban for six quarters. Low inflation and good harvests boost spending in villages. Companies like Britannia and Pidilite expand in smaller towns. Government tax cuts aim to protect the economy. *[The Economic Times]*

Govt likely to roll out four schemes to help exporters facing 50% US tariffs: In response to Washington's tariff hike, the Indian government is preparing a support package for exporters, potentially including credit and liquidity measures akin to those during the Covid-19 pandemic. *[The Economic Times]*

Consumption demand becomes broadbased; govt capex boosts investment: In what could be a sign of recovery in consumption demand, growth in private final consumption expenditure (PFCE), which represents the economy's consumption potential, improved to 7 per cent during April-June (Q1FY26) from a five-quarter low of 6 per cent in Q4FY25. *[Business Standard]*

The power of PMJDY in fostering rural prosperity: India's rural transformation over the past decade has been shaped by a series of visionary interventions by the Government of India. Among these, the Pradhan Mantri Jan Dhan Yojana (PMJDY) stands out as a foundational reform that has redefined financial inclusion and laid the groundwork for rural prosperity. *[Business Line]*

Swadeshi banking-A legacy with renewed relevance: The current policy framework on banking ownership and governance needs urgent review. Without intervention, Indian banking risks passing irrevocably into foreign hands. *[Business Line]*

Datanomics-India's GDP surprise driven by deflator effect across sectors: India's economy grew faster than expected in the first quarter of 2025-26 (Q1FY26), with real gross domestic product (GDP) expanding by 7.8 per cent year-on-year from 7.4 per cent in the previous quarter. *[Business Standard]*

India's GDP growth likely to stay strong in Q2FY26, say economists: With India's gross domestic product (GDP) growth accelerating to a five-quarter high of 7.8 per cent in April-June 2025, economists reckon the headline figure will stay strong well into the second quarter. *[Business Standard]*

Govt launches first Biofoundry Network with 21 facilities across India: India unveiled its first Biofoundry Network with 21 facilities nationwide to drive biomanufacturing, support start-ups, reduce imports and advance the \$300 billion bioeconomy target for 2030. *[Business Standard]*

India's strong GDP growth fails to boost equity markets amid US tariffs: GDP in India grew at 7.8 per cent in April-June quarter in real terms, but nominal growth, which represents output at current market prices, fell to 8.8 per cent from 10.8 per cent in last 3 months. *[Business Standard]*

Revenue deficit, capital spends-Key takeaways from 15th finance commission: The fiscal relationship between the Government of India (GoI) and the States is governed to a great extent by the recommendations of the Finance Commission (FC). *[Business Standard]*



Foreign Investment

Net FDI falls 21.1% to \$4.91 bn in Q1 FY26 on higher outward flows: The net foreign direct investment (FDI) in India, the difference between gross inflows and outflows, declined 21.1 per cent year-on-year (YoY) to \$4.91 billion in April-June 2025 period (Q1FY26) from \$6.22 billion in April-June 2024, on higher outward investments from the country and repatriation/divestment, the Reserve Bank of India (RBI) data showed. *[Business Standard]*

Approval mechanism for FDI from China may be eased: India may ease approval rules for Chinese FDI as relations with Beijing improve. Commerce minister Piyush Goyal hinted that the Press Note 3 mechanism could be relaxed, following PM Modi's SCO summit visit and talks with President Xi, signaling a reset in trade and investment ties. *[Financial Express]*

India's FDI challenge-We must turn success into sustainable growth: Our drop in net foreign direct investment (FDI) partly reflects profit repatriation from successful operations in India. The country's stability on the macro and policy fronts, plus high potential as a market, could form a global pitch to attract fresh inflows from abroad. *[Mint]*

GH2 Solar to set up green hydrogen electrolyzer manufacturing facility in Madhya Pradesh: GH2 Solar, on Monday, announced its upcoming state-of-the-art green hydrogen electrolyser manufacturing facility in Gwalior (Madhya Pradesh) through a joint venture (JV) with South Korea-based Advanced Hydrogen Energy Solutions (AHES). *[Business Line]*

Ceat completes acquisition of Camso, to invest \$171 mn in Sri Lanka: Tyre maker CEAT has announced \$171 million (around ₹1,500 crore) investment in Sri Lanka as it completes the acquisition of Michelin Group's Camso Construction compact line business, including Sri Lanka's Midigama plant and casting products plant in Kotugoda. *[Business Standard]*

Tamil Nadu signs investment deals worth Rs 3,819 cr at German conclave: Tamil Nadu signed 23 agreements with various companies in Düsseldorf, Germany, to get investments worth Rs 3,819 crore and to potentially create 9,070 jobs, said the state government in a statement. *[Business Standard]*



Trade Policy and Competitiveness

Bharat Forge chief Baba Kalyani co-chairs 12th India-Japan Business Leaders' Forum: Baba Kalyani, Chairman and Managing Director of Bharat Forge Ltd, co-chaired the 12th edition of the India-Japan Business Leaders' Forum, held in the presence of Prime Minister Narendra Modi and the Japanese Prime Minister Shigeru Ishiba. *[Business Line]*

India ups the tempo in diversifying trade deals: India is accelerating its efforts to diversify export markets amid trade tensions with the US, actively pursuing new trade agreements with the Eurasian Economic Union (EAEU), the European Union (EU), and the South African Customs Union (SACU). *[The Economic Times]*

Russian crude becomes cheaper for India amid US pressure on oil trade: India became a major importer of Russian crude after the start of the war in Ukraine in 2022, but the South Asian nation was recently slapped with crushing US tariffs for the trade. *[Business Standard]*

India must not concede on regulatory changes in trade deal with US: We congratulate the Indian government on this firm stand. However, we feel that what may be flying under the radar are a lot of systemic law and policy issues, of huge long term importance to India in terms of its economic interests and strategic autonomy," Forum of Trade Justice said. *[Financial Express]*

No easy fixes to India-China trade: With India-US trade strained, India's SCO participation sparks hopes for improved India-China economic ties. Rebalancing trade requires strategic approaches beyond simple protectionism, such as integrating into Chinese value chains and boosting value-added exports. *[The Economic Times]*

EU-India ties-Jaishankar hopeful FTA will be concluded soon: India would like to see its negotiations with the European Union for a free trade agreement moving to a "decisive conclusion" soon, said External Affairs Minister S Jaishankar on Wednesday. *[Business Line]*



Corporate Governance

Nuvoco Vistas Corp to invest ₹200 crore for 4-mtpa capacity expansion: Nuvoco Vistas Corporation, the cement arm of Karsanbhai Patel-led Nirmal, will invest ₹200 crore to increase its cement grinding capacity in eastern India by 4 million tonnes per annum (mtpa). *[Business Line]*

Multibillion-dollar deals fuel pickup in India's mergers & acquisitions activity: Mergers and acquisitions in India are increasing. Cross-border deals and private equity funds are driving this growth. M&A volume has reached nearly \$41 billion in 2025. Several major acquisitions have occurred recently, including Tata Motors' acquisition of Iveco Group's business. *[The Economic Times]*

Ashok Leyland to invest ₹5,000 crore over next 7-10 years in battery manufacturing: Commercial Vehicle Manufacturer Ashok Leyland has announced plans to invest over ₹5000 crore towards the development and manufacturing of next-generation batteries. *[Business Line]*

IOC's Project SPRINT starts to show results, company gains retail dominance: Indian Oil Corporation's (IOC) transformative project SPRINT has started to show results with improved operational performance at refineries and the company is regaining leadership position in fuel retail expansion, Chairman Arvindar Singh Sahney said. *[Business Line]*

Indian Oil Corporation lines up ₹1.66 lakh cr investment over next 5 years to grow business: IOC to scale up its capacity to refine crude oil into fuels like petrol and diesel from the current 80.75 million tonnes per annum to 98.4 million tonnes by 2028 with major expansions at Panipat, Gujarat and Barauni. *[Business Line]*

Digital competition bill-Companies may be allowed to contest 'Big Tech' tag to stay safe from preventive action: The Centre is considering a mechanism for large companies to challenge their designation as Systemically Significant Digital Enterprises (SSDEs) under the proposed digital competition law, pending a market study. *[The Economic Times]*



MSMEs and Start-ups

From overheating to caution, SME IPO valuations are normalising-Swyom Advisors' Agarwal: Over the past two years, India's SME IPO market has seen extraordinary momentum—both in terms of fund-raising and investor returns—before entering a phase of correction in 2025. *[The Economic Times]*

Battery tech startup Offgrid Energy Labs raises \$15 million in funding: Offgrid Energy Labs, a battery tech startup, has raised \$15 million in Series A funding led by Archean Chemicals. This investment will help advance their innovative ZincGel batteries, paving the way for large-scale energy storage solutions. *[Mint]*

Let's treat nonprofits as startups: To foster nonprofit unicorns, the Indian government should provide unrestricted funding, mirroring its successful startup initiatives. These organizations, often led by young founders, require flexible capital for experimentation and infrastructure. *[The Economic Times]*

Irdai hardens stance: No insurance licence to VC-backed fintechs: Irdai is reportedly tightening its grip on insurance manufacturing licenses for venture-backed fintech startups, favoring promoter-driven companies. This shift challenges startups like Onsurety and Loop Health, which raised significant funding based on securing these licenses. *[The Economic Times]*

AI, RBI nod, Amazon tie-up-How Skydo is powering India's small exporters: Skydo, a cross-border payments platform co-founded by former PhonePe and OLA executives Srivatsan Sridhar and Movin Jain, has emerged as one of India's fastest-growing fintechs for exporters in recent times. *[The Economic Times]*



Employment and Industrial Relations

Formal job creation down for two fiscals after record FY23: Net formal job creation under E PFO has declined for two consecutive years through FY25, falling from 13.8 million in FY23 to 12.9 mn. This decrease is attributed to the high base of FY23 due to the Atmanirbhar Bharat Rojgar Yojana. *[The Economic Times]*

Number of workers in unincorporated enterprises declines to 12.85 cr in April-June-Govt survey: Employment in the sector crossed the 13-crore mark for the first time in January-March 2025, reaching 13.13 crore -- well above all previous ASUSE annual estimates, which had remained below 13 crore. *[Business Line]*

India's white-collar job market up 3% in August, non-IT sectors drive growth: The hospitality and travel sector maintained its strong performance, posting a 22% y-o-y growth in August. Delhi-NCR (+41%) and Chennai (+19%) emerged as key hiring hubs. *[Financial Express]*

E-commerce platforms ramp up seasonal hiring ahead of festivities, create over 3.8 lakh jobs: Indian e-commerce companies prepare for increased sales. Flipkart, Amazon, and Myntra create over 3.8 lakh seasonal jobs. These jobs span supply chain, logistics, and customer service. Flipkart adds delivery hubs in tier-2 and 3 cities. *[The Economic Times]*



Industrial Finance

Elev8 Venture Partners closes ₹1,400 cr fund despite global VC slowdown: Elev8 Venture Partners closed its inaugural fund at ₹1,400 crore (\$160 million), with investors from Korea to Hong Kong backing the India-focused fund, defying a multi-year global venture capital downturn. *[Business Standard]*

PhonePe, DSP Finance launch loans against mutual funds up to Rs 2 crore: Fintech major PhonePe has rolled out a Loans against Mutual Funds (LAMF) product on its platform in partnership with DSP Finance, a non-banking financial company backed by the DSP Group. *[Business Standard]*

SBI and AFD sign 100 million euro Line of Credit to boost green financing in India: State Bank of India (SBI) has secured a EUR 100 million Line of Credit from Agence Francaise de Developpement (AFD) to bolster climate mitigation and adaptation efforts. These funds will support India's transition to a low-carbon economy and enhance resilience against climate-related risks. *[The Economic Times]*

PFC, JBIC ink Rs 3,500 cr loan pact to fund clean energy projects in India: Power Finance Corporation and Japan Bank for International Cooperation have formalized a loan agreement of 60 billion Japanese Yen to boost clean energy initiatives in India. This collaboration, under JBIC's GREEN initiative, aims to foster sustainable development and strengthen Indo-Japanese economic relations. *[The economic Times]*



Technology and Innovation

Bots gone bust? Escaping GenAI Bermuda Triangle: When CRM and ERP systems first emerged in the 1990s, global businesses rushed to mine the gold, only to find fool's gold. The majority of the early adopters wasted their money chasing the promised la-la world. *[Business Line]*

World trusts India, is ready to build semiconductor future here-Modi Highlighting India's rapidly growing semiconductor industry, Prime Minister Narendra Modi said on Tuesday that the world trusts India, believes in India, and is ready to build the semiconductor future with India. *[Business Standard]*

India to implement OECD's crypto reporting framework from April 2027: India will implement the Organisation for Economic Co-operation and Development's (OECD's) Crypto-Asset Reporting Framework (CARF) from April 1, 2027, bringing offshore cryptocurrency holdings of its residents under the tax net, according to a senior finance ministry official. *[Business Standard]*

UPI sets remarkable new volume milestone in August: Unified Payments Interface transactions have surpassed 20 billion in August. Data from the National Payments Corporation of India shows a rise in volume and value. Transaction amount registered a growth of 21 percent. Volume grew by 34 percent. UPI now accounts for 85 percent of India's digital transactions. It is live in seven countries, including France, marking its European entry. *[The Economic Times]*

India missed the chip bus. Now it's playing catch up: India has started manufacturing semiconductor chips. Prime Minister Narendra Modi received the first made-in-India chip. This marks a significant step after years of missed opportunities. The government is investing heavily to boost domestic chip production. The goal is to reduce reliance on foreign suppliers. India aims to become a key player in the global semiconductor market. *[The Economic Times]*

Semicon India 2025-AI can transform semiconductor ops, says industry: Artificial intelligence (AI) has emerged as a powerful catalyst for enhancing semiconductor efficiency and streamlining industry operations, marking a shift towards smarter manufacturing and design processes, industry representatives said during a panel discussion at Semicon India 2025 on Tuesday. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Govt plans policy changes to boost domestic demand for SEZ manufacturers: The government is working on policy changes to create domestic demand opportunities for special economic zones (SEZ) manufacturers, in a bid to protect the local industry, and absorb excess production from cancelled export orders due to the 50 per cent tariff imposed by the United States (US) on several Indian products, according to government officials. *[Business Standard]*

India's power output rises at fastest pace in five months on industrial boost: India's power generation surged in August, marking the fastest increase since March, driven by a robust manufacturing sector fueled by strong demand. This surge propelled coal-fired power generation upwards for the first time in five months. *[The Economic Times]*

Despite challenges, transmission, solar EPC a sweet spot-Hartek Group: For India to achieve its ambitious renewable energy goals, Singh calls for a three-pronged policy thrust—PLI support for transmission equipment, streamlined RoW clearances and greater investment in skill development. *[Business Line]*

Reliance to gain as China curbs price wars-Morgan Stanley: Reliance is building out a fully integrated solar supply chain in India at a time when overcapacity is forcing China to rationalize its polysilicon production and this could cut Reliance's energy costs by as much as 40% by 2030. *[Business Line]*

Mukand Sumi plans ₹2,345 crore steel plant in Karnataka: Mukand Sumi Special Steel Limited (MSSSL) announced plans to build a greenfield integrated steelmaking facility in Kanakapura, Koppal, Karnataka, with an investment of ₹2,345 crore. *[Business Line]*

Tech, automation to drive India's maritime future: Speaking at a roadshow in Bengaluru as part of the run-up to India Maritime Week 2025, he said the maritime future of India depends on efficiency, integration, and innovation. *[Business Line]*

Adani Green Energy operationalises 125-megawatt project in Gujarat: Adani Green Energy Ltd (AGEL) announced on Monday the operationalization of a 125-megawatt solar power project in Khavda, Gujarat, through its subsidiary, Adani Renewable Energy Fifty Six Limited. *[The Economic Times]*



Sustainable Industrialisation

Suzlon's S144 wind turbine achieves lowest carbon footprint certification: Suzlon Group, India's largest wind energy solutions provider, has announced that its Made-in-India wind turbine model S144 has achieved the lowest product carbon footprint (PCF) of 6.17 gCO₂ per kilowatt-hour of electricity generated, measured across the "cradle-to-grave" lifecycle. *[Business Line]*

Greenzo Energy wins green hydrogen plant order from Jindal Stainless: Greenzo Energy India Limited has secured an order from Jindal Stainless Limited (JSL) to supply and commission a green hydrogen electrolyser plant at JSL's Kalinga Nagar Industrial Complex in Jajpur, Odisha. *[Business Line]*

EV penetration in domestic 2W market can rise to 40% by FY31-Ather Energy: Electric two-wheeler penetration could rise to about 40 per cent by FY31 in an 'optimistic scenario' when the overall two-wheeler industry in India touch 3-3.1 crore units annually growing at 8 per cent CAGR. *[Business Line]*

India cuts fossil electricity output as clean generation hits new peak: India's clean electricity generation has surged by 20% in the first half of 2025, enabling a 4% reduction in fossil fuel-fired generation. This growth, driven by wind, solar, hydro, and nuclear power, is expected to push clean energy's share of the generation mix above 30% in the coming months, potentially peaking fossil fuel reliance. *[The Economic Times]*

ACME Solar secures 50 MW dispatchable renewable project from Tata Power-D: ACME Solar Holdings has secured a 50 MW Firm and Dispatchable Renewable Energy (FDRE) project from Tata Power-D, winning the tender with a tariff of Rs 4.43 per unit. The project, combining solar and battery storage, must maintain a 40% CUF and ensure peak-hour supply. *[The Economic Times]*

NTPC Green Energy announces commercial operation of 25 MW solar capacity: NTPC Green Energy, a subsidiary of NTPC, is set to commercially operate 25 MW of solar capacity starting September 3, 2024. This addition will increase the NTPC group's total installed and commercial capacity to 83,366 MW. *[The Economic Times]*



Sectoral News

Gems, jewellery exporters seek govt relief as US tariffs hit industry: The Gems and Jewellery Export Promotion Council (GJEPC) has urged the Centre to provide immediate relief measures as the tariffs imposed by the United States have started hitting the industry. *[Business Standard]*

Dhar's PM MITRA Park to be India's largest textile hub: CM Mohan Yadav: Madhya Pradesh is set to establish the country's largest PM MITRA (Mega Integrated Textile Region and Apparel) Park in Dhar. The project is expected to transform the state's textile sector and industrial landscape. *[Business Standard]*

Health Ministry to ease test licence, BA/BE study rules; pharma sector set to gain: The most significant change proposed is the replacement of the current licensing system for test licences, with a simplified intimation and notification mechanism. *[Business Line]*

UP approves policy to boost manufacturing of key electronics components: The Uttar Pradesh government on Tuesday approved an electronics component manufacturing policy with an investment target of Rs 5,000 crore to promote production of 11 key components such as displays and camera modules. *[Business Standard]*

India has a big import substitution opportunity in chemicals sector-SRF: India's burgeoning economy presents a significant \$25-30 billion import substitution opportunity in the chemicals sector, according to SRF's chairman, Ashish Bharat Ram. As India's economy expands, local capacity building for chemicals previously imported becomes viable. *[The Economic Times]*

Fertilizer industry faces compliance challenge as biostimulant regulations kick in: New regulations are impacting India's specialty fertilizer industry. Biostimulants now fall under government control. Small manufacturers may struggle with compliance costs. The Soluble Fertilizer Industry Association highlights implementation challenges. Thousands of biostimulant products await approval. Despite hurdles, the market shows growth. *[The Economic Times]*

Govt launches advanced biomanufacturing hubs to boost bioeconomy, innovation: India has launched a network of advanced biomanufacturing hubs to boost its bioeconomy and drive innovation across sectors like health, agriculture and energy. This initiative, under the BioE3 Policy, provides state-of-the-art infrastructure and expertise to startups and researchers. *[The Economic Times]*

Medical device manufacturers allowed to give free samples: Medical device companies in New Delhi can now give doctors free samples. There are rules for this. The sample's price must match what stockists pay. If the company bought the sample, that price counts. Company CEOs must ensure code compliance. Marketing costs must be disclosed yearly. *[The Economic Times]*

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