

# Industry Matters

Weekly Updates

September 12, 2025



## Economy, Industry and Policy

**A green industrial policy for CBAM key to securing India-EU FTA benefits:** The tariffs that Trump irrationally imposed on India would inflict pain. Growing other export markets has therefore become an immediate necessity. The EU market is about as large as the US market, and an early conclusion of the FTA (Free Trade Agreement) with the EU that is being negotiated would certainly go a long way in offsetting the loss in the US market. *[Business Standard]*

**TCA Anant-Misconceptions mustn't prevail over the reality of India's GDP estimates:** Every release of India's gross domestic product (GDP) data generates intense debate. Analysts pore over decimal points, commentators point to perceived inconsistencies and critics claim statistical sleights of hand. *[Mint]*

**India's reforms give cushion against global uncertainty-CEA Nageswaran:** Chief Economic Advisor V Anantha Nageswaran said GST overhaul and structural reforms will strengthen India's resilience to global risks and help meet the fiscal deficit target. *[Business Standard]*

**FMCG trade, industry brace for choppy GST 2.0 transition:** The fast-moving consumer goods (FMCG) trade is in flux ahead of the September 22 roll-out of the new GST rates, with distributors and retailers seeking credit notes, price protection and inventory adjustment to guard against losses on shift to the new tax regime. *[Business Line]*

**Capex loans scheme for states to continue in FY27 and beyond:** The Centre plans to continue its no-interest 50-year capital expenditure loan scheme (SASCI) for states beyond FY27. With Rs 1.5 lakh crore budgeted for FY26, the scheme links funds to reforms, digital agriculture, and infrastructure, supporting capex-led growth revival. *[Financial Express]*

**India's apparel export outlook revised to negative from stable, exports to shrink by 6-9% in FY26-ICRA** The outlook for the Indian apparel export industry has been revised to Negative from Stable by rating agency ICRA, following the upward revision in tariff rates by the US. The move is expected to adversely impact India's overall apparel exports, with revenues likely to decline in the coming fiscal. *[Business Line]*

**GST 2.0 implementation not investment heavy but will require careful recalibration of systems:** With GST 2.0 involving multiple rate reductions and rationalisation across products, businesses will now have to start recalibrating these changes to their inventory and also amend systems to handle the reporting, reconciliation and other input tax credit (ITC) related changes. *[Business Line]*

**Spurt in consumption to drive revenue buoyancy, to meet fiscal deficit target of 4.4%-Sitharaman:** Finance Minister Nirmala Sitharaman has expressed confidence that revenue buoyancy driven by spurt in consumption will take care of the estimated GST shortfall of ₹48,000 crore following reduction in tax rates on a host of items, and hence there will be no impact on public finances but definitely bolster GDP growth. *[Business Line]*

**Time for innovation corridors:** This Independence Day, the Prime Minister reiterated his vision, that of an Atmanirbhar Bharat leading to a Viksit Bharat by 2047. His emphasis was clear: India's growth and economic self-reliance must be anchored in domestic technological and manufacturing capacity. *[Business Line]*

**Scope and effects of GST 2.0** The Government is in a hurry to fast-track GST rate rationalisation — termed as GST 2.0 or big-bang reform. The Prime Minister spoke about it from the ramparts of the Red Fort on August 15. *[Business Line]*

**GST reforms will inject fresh growth momentum into the Indian automotive sector-SIAM:** The Society of Indian Automobile Manufacturers welcomes the government's GST rate cuts on vehicles. Shailesh Chandra believes this will boost the automotive sector. Reduced rates will make vehicles more affordable for first-time buyers. *[The Economic Times]*



## Foreign Investment

**Framework for FTA with Qatar by next month:** Govt aims to finalise terms of reference for a Free Trade Agreement (FTA) with Qatar by next month, seeking preferential export access after US tariffs. Talks also advance with EU, Oman, GCC, and other partners as New Delhi expands its global trade footprint. *[Financial Express]*

**A complex turn in India's FDI story:** Foreign direct investment (FDI) has remained a major contributory factor in India's economic landscape since the first wave of investments began in the wake of the 1991 reforms. *[The Hindu]*



## Trade Policy and Competitiveness

**India, Israel sign pact to further boost trade and investment:** India and Israel on Monday signed a Bilateral Investment Agreement (BIA) aimed at boosting trade and investment between the two countries. *[Business Line]*

**DGTR for anti-dumping duty on glass fibre imports from China, Bahrain, Thailand:** To protect domestic manufacturers from inexpensive imports, the Directorate General of Trade Remedies (DGTR) has suggested imposing an anti-dumping duty on glass fibre from China, Bahrain, and Thailand for five years. The recommended duty varies from USD 194 to USD 394 per tonne. *[The Economic Times]*

**India-EU trade talks at critical stage amid hurdles, officials tell parliamentary panel:** India and the EU are engaged in advanced FTA negotiations, addressing stringent standards and non-tariff barriers impacting Indian exports. The EU seeks greater certainty in financial services and shipping. *[The Economic Times]*

**Fair economic practices imperative as world seeks stable trade-EAM Jaishankar to BRICS amid Trump tariff turmoil:** Amidst global economic uncertainties and trade volatility exacerbated by Trump's tariff policies, External Affairs Minister Jaishankar conveyed Prime Minister Modi's message at the BRICS virtual summit. He emphasized the collective desire for a stable and predictable environment for trade and investment. *[The Economic Times]*



## Corporate Governance

**Amalgamation rules amended to broaden accessibility of fast-track mergers to unlisted cos:** The Ministry of Corporate Affairs has widened the scope of fast-track mergers by amending the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, offering relief to several categories of companies, including certain unlisted entities. *[Business Line]*

**Asian Paints to invest ₹2,000 crore in new 4 lakh kl plant in Indore** Asian Paints, the country's largest paint producer, plans to invest ₹1,500-2,000 crore in setting up a new greenfield plant at Indore in Madhya Pradesh, as it looks to take on the growing competition in the sector. *[Business Line]*

**Adani Group looks to invest \$60 billion in power, RE sectors till FY32:** Industrialist Gautam Adani-led Adani Group is looking to invest around \$60 billion up to FY32 in power sector, especially in renewables, generation and transmission/distribution. *[Business Line]*

**Tata Capital concludes IPO roadshows, positions itself as NBFC green leader:** Tata Capital, whose initial public offering (IPO) is upcoming, has concluded road shows across the world, including in India, with a valuation of its shares on offer at \$18 billion. *[Business Standard]*



## MSMEs and Start-ups

**Industry should share inputs to build MSME resilience in era of disruption-Joint Secretary, MSME Ministry:** Industry should come forward, work on growing government data sets and give their specific inputs to build resilience for MSME in this era of disruptions, said Ateesh Kumar Singh, Joint Secretary, Ministry of Micro, Small and Medium Enterprises at an event organised by PHDCCI in New Delhi on Tuesday. *[The Economic Times]*

**PhonePe partners with SIDBI, rolls out digital-first Udyam assist registration to simplify MSME onboarding:** This initiative will further accelerate the formalisation of informal micro-businesses into the mainstream economy as well as enhance credit flow to MSMEs, says Y.M. Kumari, Chief General Manager, SIDBI. *[The Economic Times]*

**India's toy startups prep to defy the Trump tariff storm:** Growing investor interest in India's toy and baby care startups is facing a new threat: Trump's tariffs. Yet, founders and their financial backers are counting on tax cuts, local incentives, curbs on substandard imports and fast-growing quick-commerce sales to navigate the storm. *[Mint]*

**Tamil Nadu's MSMEs brace for global headwinds as US tariffs reshape trade:** Tamil Nadu, one of India's largest industrial engines, is seeing its smallest firms carry the heaviest load even as shifting US tariffs on Chinese goods redraw global trade. *[The Indian Express]*



## Employment and Industrial Relations

**On EPFO table-Bank-like transactions, other reforms:** The Employees' Provident Fund Organisation (EPFO) is set to discuss the EPFO 3.0 initiative next month. This initiative aims to enable seamless transactions like ATM withdrawals and UPI payments. The central board of trustees may also consider increasing the minimum pension to Rs 1,500-Rs 2,500. The meeting will be held on October 10-11. *[The Economic Times]*

**Ministry of Labour & Employment signs MoUs to enhance job access and career guidance:** India's unemployment rate stands at just 2%, the lowest among G20 nations, said Mansukh Mandaviya, Minister of Labour & Employment, citing the World Economic Forum's 'Future of Jobs Report 2025'. *[Business Line]*

**On the rise-Share of contract labour at 42%, highest in over 25 years:** Persons on contract now account for 42 per cent of India's organised manufacturing sector workers, the highest it has been in at least 27 years in data going back to 1997-98. *[Business Standard]*

**India's informal workforce moves towards formalisation, shows govt data:** The country's informal labour force is slowly moving towards formalisation as the Employees' Provident Fund Organization (EPFO) recorded the highest-ever enrolment in 2024-25, driven by young additions to the workforce, a report said on Monday. *[Business Standard]*

**Airbnb supported 1.11 lakh jobs in India in 2024, contributed Rs 2,400 cr in wages:** Airbnb's presence in India significantly boosted the economy in 2024, supporting 1.11 lakh jobs and contributing Rs 2,400 crore in wages. Guest spending reached Rs 11,200 crore, with domestic travelers making up 91% of guests. The platform's activity accounted for 0.5% of India's travel and tourism GDP, demonstrating its growing impact on the nation's hospitality sector and allied industries. *[The Economic Times]*



## Industrial Finance

**Venture Catalysts Group raises ₹150 crore to scale multi-stage VC platform:** Multi-stage venture investing platform Venture Catalysts, has closed a ₹150 crore (\$18 million) funding round comprising a mix of primary and secondary transactions. *[Business Line]*

**Dhanlaxmi Bank to deepen retail and MSME focus, expand Tier 2, 3 presence:** Dhanlaxmi Bank plans to step up its focus on retail and MSME (micro, small and medium enterprise) segments to mitigate the impact of corporate investment slowdown and to boost interest revenue. *[Business Line]*

**Jio Financial Services forms joint venture with Allianz as German company parts ways with Bajaj:** Allianz Jio Reinsurance Ltd will invest an amount of Rs 2.50 lakh towards initial subscription of 25,000 equity shares of face value Rs 10 each for 50 per cent stake, JFSL said in a regulatory approval. *[Financial Express]*

**Slim credit demand sees large PSBs turn focus to mid-sized corporates:** With muted demand from large corporates, state-owned banks are shifting focus to mid-sized firms, which offer higher yields and stronger margins despite competition from bond markets. *[Business Standard]*



## Technology and Innovation

**AI pushes GCCs beyond back-office role:** Global Capability Centres in India are moving beyond back-office roles to become AI-driven innovation hubs. With GCCs expected to touch 5,000 by 2030, leaders highlight AI, talent density, and policy support as key to sustaining growth and global enterprise relevance. *[Financial Express]*

**Hospitals may raise IT innovation spend by 20-25% amid AI boost:** Amid increased emphasis on artificial intelligence (AI) and automation, Indian hospitals are expected to raise their information technology (IT) innovation spending by 20–25 per cent over the next two to three years, according to CII-EY HealthTech Survey 2025. *[Business Standard]*

**India must put policy first, politics later to realise its AI Ambition:** The country must institutionalise the technology with the sobriety that once anchored Aadhaar and implementation of GST. *[Business Standard]*

**India's display fab debate-Micro-OLED versus LCD and OLED technology:** The Ministry of Electronics and Information Technology (Meity) is considering state-of-the-art micro-organic light emitting diode (micro-OLED) technology (tech) as an option for the country's first display fabrication (fab) plant. *[Business Standard]*

**\$20-billion chip incentives with design, component focus on track for end-2025:** India's ambition to be a semiconductor superpower is poised to take a leap, with the Centre working on a \$20 billion package to propel its chip and fab ecosystem. *[Mint]*



## Industrial Infrastructure, Clusters and SEZs

**Chennai's transformative logistics growth:** The capital city of Tamil Nadu is poised to leverage upcoming projects such as enhanced port connectivity, new industrial corridors and a new airport. *[Business Line]*

**Deendayal and Jawaharlal Nehru ports eye magrail & hyperloop tech for faster cargo movement:** India's major ports are taking cargo movement to the next level with plans of high-speed transportation for faster landings at ports, before being moved to the hinterland. This is to cut carbon emissions and reduce time. *[Business Line]*

**Gautam Solar to set up 5 GW solar cell manufacturing facility in Madhya Pradesh:** Gautam Solar (GSPL) announced on Monday an investment of ₹4,000 crore for establishing a solar cell manufacturing facility in Madhya Pradesh. *[Business Line]*

**Adani Power wins additional 800 MW LoA from MPPMCL, total at 1,600 MW:** Adani Power Limited on Thursday received an additional Letter of Award (LoA) from MP Power Management Company Limited (MPPMCL) for the supply of 800 megawatt (MW) power under the greenshoe option, the company said in a filing. *[Business Standard]*

**India achieves 250 GW of non-fossil fuel electricity generation capacity-Pralhad Joshi:** India's non-fossil fuel electricity generation has significantly increased. It has reached 250 GW from 81 GW since 2014. Minister Pralhad Joshi shared this update. The country aims for 500 GW of renewable energy by 2030. *[The Economic Times]*

**AURIC Smart City projects to generate 62,405 jobs, Rs 71,343 cr investment potential-Govt:** AURIC Smart City's Shendra-Bidkin Industrial Area has garnered significant investments, exceeding Rs 82,315 crore, from companies like Ather Energy and Toyota Kirloskar. This development promises to generate over 49,455 direct and indirect jobs. To further support MSMEs, office space rents at AURIC will be reduced by 50% starting April 1, 2025. *[The Economic Times]*



## Sustainable Industrialisation

**Green energy push-Driving India's economic and geopolitical future:** India is at the cusp of an energy revolution. As the world's fastest-growing major economy and the third-largest emitter of greenhouse gases, the nation faces a dual challenge—meeting rising energy demand while achieving decarbonization goals. *[Business Standard]*

**EV drive gathers momentum in a maturing market:** The amendments to PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) scheme reflect a sophisticated policy evolution in e-mobility. *[Business Line]*

**India to soon have 50 lakh rooftop solar systems under PM Surya Ghar Muft Bijli Yojana-Pralhad Joshi:** Under the PM Surya Ghar Muft Bijli Yojana, over 20 lakh households have installed rooftop solar systems, with plans to add 30 lakh more soon. The scheme aims to benefit one crore households, with nearly half now receiving zero electricity bills. The government is also promoting domestic manufacturing of solar components and planning the second phase of the PM-KUSUM scheme. *[The Economic Times]*

**India to offer large carbon capture incentives as coal remains major part of energy mix:** India is set to launch a national carbon capture initiative, offering substantial government incentives to promote CCUS technologies. This move aims to balance rising energy demand with climate goals while continuing reliance on coal. The initiative could provide funding support ranging from 50% to 100% for select projects, integrating carbon capture with coal-based energy systems. *[The Economic Times]*



## Sectoral News

**Indian pharma sector needs price hikes, site and IP transfers to tackle US tariff uncertainty:** The report further noted that companies remain hopeful yet cautious around new growth avenues and product launches, which could help them offset the erosion in high-value launches. *[Business Line]*

**Steel industry looks to leverage AI in value chain, boost green transition financing:** Steel industry stakeholders will gather on Monday to discuss ways to ensure the sector's growth using artificial intelligence (AI) in value chain, financing for green transition and increasing raw material availability. *[Business Line]*

**Centre unveils draft telecom licensing rules under new Act:** The Centre has unveiled draft rules for licensing of core telecom services under the Telecommunications Act, 2023, marking a major step in overhauling the regulatory framework for India's communications sector. *[Business Line]*

**Andhra picks company to build 'India's largest' PCB manufacturing factory:** The Andhra Pradesh government will set up "India's largest" printed circuit board (PCB) manufacturing factory in Menakuru village near Naidupeta town, picking private company Syrma Strategic Electronics (SSEPL) for the project. *[Business Standard]*

**CIL plans data centres in closed mines to boost infra, sustainability:** Coal India Limited (CIL) was evaluating the potential of establishing data centres in its decommissioned mines, leveraging existing infrastructure to meet the country's growing demand for digital capacity while advancing sustainable development. *[Business Standard]*

**India's automobile industry is on threshold of transformation-Minister:** India is now among the fastest-growing electric vehicle markets in the world, as over 1 million EV units were sold in the country in 2024-25, Union Minister HD Kumaraswamy said on Wednesday. *[Business Standard]*

**Aluminium industry needs policy support for next phase of growth-Hindalco:** Hindalco and Vedanta executives said policy support, innovation and investment will be critical as India's aluminium demand is set to multiply, driven by urbanisation and industry needs. *[Business Standard]*

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