

# Industry Matters

Weekly Updates

October 03, 2025



## Economy, Industry and Policy

**Rate cut could be a close call as RBI eyes lower CPI, steady growth view:** After a one percentage point cut in the policy repo rate in three tranches — between February and June — the Monetary Policy Committee (MPC) of India's central bank left the rate unchanged at 5.5 per cent in August. *[Business Standard]*

**GST rate cut to boost consumption, provide a cushion against tariff impact-Finmin:** GST rate cut is likely to offset tariff impact besides leading to reduction in retail inflation, a Finance Ministry report said on Friday. It also called for close monitoring of impact of \$100 thousand H1B visa fee. *[Business Line]*

**In policy shift, upstream oil firms increase tech focus, seek contract reforms:** Decades of incremental policy reforms by India to attract investments by Big Oil haven't yielded the intended outcome. National hydrocarbon production has stagnated over recent decades, and import dependence for oil has remained the most obvious macroeconomic vulnerability for the country. *[Financial Express]*

**Factory activity slows to 4-month low in September:** India's manufacturing activity slowed to a four-month low of 57.7 in September as growth in new orders, output and input buying rose at the slowest rate since May, while job creation also declined to its lowest level in a year. *[The Economic Times]*

**Reform push increases upside bias on growth-FinMin:** Domestic components of demand have played a key role in supporting growth in Q1FY26 and are expected to remain so in the next half year as well. *[Financial Express]*

**September GST collection rises 9%, defies slowdown expectations:** India collected Rs 1.89 lakh crore as goods and services tax (GST) in September, up 9.1% year-on-year, official data showed on Wednesday, defying expectations of a slowdown in consumption due to postponement of some big-ticket purchases ahead of GST rate cuts. *[The Economic Times]*

**India gears up to embrace carbon market plans to counter climate criticism:** India will put the final pieces in place by the end of October to kick start a long-awaited domestic carbon market, and a separate United Nations supervised inter-governmental market for trade in emission credits by January. *[Business Standard]*

**StatsGuru-Decoding the recent slowdown in India's factory wage growth:** Wages have long been a sticking point in India's labour market. The Economic Survey for 2024-25 also flagged weak earnings growth across sectors. Factory wages, once seen as a marker of stable, formal employment. *[Business Standard]*

**GST without a seamless input tax credit system fails its core principles:** Indirect taxation, when designed poorly, is an enemy of economic growth. We were part of the early dreams of cleaning this up by going to the "value-added tax" (VAT), an internationally established idea, which was rebranded for India by us as goods and services tax (GST). *[Business Standard]*



## Foreign Investment

**Wheels India signs technical agreement with South Korean firm for hydraulics cylinder business:** Wheels India has signed a significant technical agreement with SHPAC, a leading hydraulics cylinder manufacturer in South Korea whereby there will be a technology transfer in manufacturing. *[Business Line]*

**Investment commitments worth ₹1.02 lakh crore made during World Food India- Food Processing Ministry:** The Ministry of Food Processing on Sunday said 26 companies made investment commitments of ₹1.02 lakh crore during the World Food India 2025 Summit. The Ministry inked MoUs in this regard and said that it is line with the government's vision to position India as a global food hub. *[Business Line]*

**Govt proposes to ease foreign investment rules in possible win for Amazon:** The Government has drafted a proposal to ease foreign investment rules to allow e-commerce companies such as Amazon to buy products directly from Indian sellers and then sell them to overseas customers, a document showed. *[Business Line]*



## Trade Policy and Competitiveness

**India-Oman free trade deal yet to clear last hurdle of 'Omanisation':** Most of the nitti-gritties of the proposed India-Oman free trade agreement (FTA) have been sorted out but there are still last-mile negotiations going on over India's demand for relaxations in the Gulf country's Omanisation policy which prioritises employment of Omani nationals in the private sector, sources said. *[Business Line]*

**US tariffs pose major risk to India's growth-Crisil Intelligence:** High tariffs imposed by the United States on Indian goods pose a major risk to the country's growth, Crisil Intelligence said in its September report. The tariffs will impact both Indian goods exports and investments, the report added. *[Business Line]*

**India-EFTA agreement set to be launched on October 1 after long wait:** The government is holding a mega event to launch the trade agreement between India and the four-member European Free Trade Association (EFTA) nations, which will come into force from October 1 after a one-and-half-year wait. *[Business Standard]*

**Government extends RoDTEP by six months to support exporters:** The government on Tuesday extended a key export support measure-the Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme-by six months till March 2026, providing relief to exporters facing strain due to higher US tariffs. The scheme was to end on September 30. *[The Economic Times]*

**India-EFTA trade pact: Swiss wines, apparels, watches to get cheaper in India:** As the free trade agreement between India and four European nations EFTA will come into effect from Wednesday, several Swiss products like wines, chocolates, apparel, and watches will become cheaper in the domestic market. *[The Economic Times]*



## Corporate Governance

**SEBI plans premium-based model for OTR computation in options:** The Securities and Exchange Board of India (SEBI) is reworking how the order-to-trade ratio (OTR) is computed for options, with plans to shift from a strike-price-linked model to one based on option premiums, people familiar with the matter said. *[Business Line]*

**Tata Motors demerger-Board approves key managerial changes:** Tata Motors Limited (TML) on Friday said that the National Company Law Tribunal (NCLT) has sanctioned its Composite Scheme of Arrangement involving the demerger of its commercial vehicles business and the amalgamation of its passenger vehicles vertical. *[Business Line]*

**SKF India to invest up to ₹1,460 cr on automotive, industrial units by 2030:** Auto components major SKF India group, which has undergone demerger of its automotive and industrial businesses, plans to invest up to Rs 1,460 crore by 2030 across the two verticals, including capacity expansion and setting up of a new plant. *[Business Standard]*

**Procter & Gamble will shut down business in Pakistan, following Shell and Pfizer exits:** Procter & Gamble is discontinuing its business operations in Pakistan, including manufacturing and Gillette Pakistan, opting for a third-party distribution model. This decision follows a global restructuring and makes P&G the latest multinational to exit the country, citing economic challenges like profit-repatriation curbs and weak demand, mirroring exits by Shell and Pfizer. *[The Economic Times]*



## MSMEs and Start-ups

**Kerala Bank ties up with Startup Mission to set up Fintech Innovation zone:** Kerala Bank also signed an agreement with Kerala Startup Mission to set up a Fintech Innovation Zone with the aim of promoting digital innovation in financial institutions and the state's cooperative banking sector. *[Business Line]*

**Beyond the tariff tears-The 99 per cent opportunity in India's MSME engine:** The recent spectre of 50 per cent "Trump tariffs" targeting key Indian export sectors — particularly textile, sea food, and gems and jewellery — has generated understandable anxiety across several geographical clusters. *[Business Standard]*

**Global Energy Alliance mobilizes \$1 billion for India's clean energy push:** The Global Energy Alliance for People and Planet (GEAPP) has helped mobilize \$1 billion in clean energy investments in India, according to its 2025 impact report released this week. The funding is part of a broader global effort by the alliance to accelerate energy transition in emerging economies, create jobs, and cut carbon emissions. *[The Economic Times]*

**Inside Noida's rapidly evolving MSME ecosystem-Opportunities and challenges:** Noida offers significant opportunities for MSMEs; however, experts and industry stakeholders emphasise the need for stronger policy support to help the sector make its next big leap. *[The Economic Times]*

**Unlocking \$1 trillion: The future of MSME lending in India with new strategies:** Traditional wisdom needs to be challenged, to enable and fuel MSME lending for the coming decade, says Rahul Jain, Head of BCG India & Hardik Shah, MD & Partner, BCG. *[The Economic Times]*



## Employment and Industrial Relations

**ESIC enrolls 2.3 million new employees under ESI scheme in July 2025:** Employees' State Insurance Corporation (ESIC) has added 2.3 million subscribers in July 2025, registering a growth of over 5 per cent compared to June this year. *[Business Standard]*

**TCS layoffs-Panic grips employees amid 'forced resignations', report reveals unseen 'human suffering':** TCS employees report an environment of fear with ongoing layoffs affecting teams, including those working on new technologies. Allegations include a 'fluidity list' for potential layoffs, causing uncertainty and forced resignations, with some employees facing harassment from HR before termination. *[Mint]*



## Industrial Finance

**Banks up scrutiny on education loan exposure, tighten underwriting norm post H-1B visa diktat:** Indian banks have increased scrutiny of their education loan portfolios and are tightening underwriting standards following the US government's move to tighten H-1B visa norms, including a proposed \$100,000 fee per new applicant, sources say. *[Business Line]*

**Fintechs hail RBI's new digital payments authentication framework:** Fintech firms and financial services players have welcomed the Reserve Bank of India's (RBI) new guidelines on digital payment transaction authentication, calling it a forward-looking framework that will strengthen security, build consumer trust and accelerate financial inclusion. *[Business Line]*

**Banks revamp underwriting as MSME delinquencies emerge:** Banks and non-banking finance companies (NBFCs) are recalibrating their underwriting models as early signs of stress emerge in the micro, small and medium enterprise (MSME) segment. *[Financial Express]*

**Sagarmala NBFC to tap maritime development fund for up to ₹15,000 crore:** With cabinet approval for the ₹25,000 crore Maritime Development Fund (MDF) in place, India's first maritime finance lender — state-owned Sagarmala Finance Company (SMFCL) — will start lending with a sizable portion of the fund allocated for critical port infrastructure and shipbuilding projects. *[Business Standard]*

**Easy EMIs make upgrades easy-Banks, fintechs offer low-cost loans on premium consumer durables:** AS THE GOODS and Services Tax (GST) rate cut has given a push to premiumisation in consumer spending, lenders are offering special deals such as zero-cost EMIs, cashbacks, discounts and flexible repayment options on consumer durable loans. *[Financial Express]*

**Fresh loan rates start hardening:** In a sign that lenders are adopting a more cautious approach towards loan pricing, rates across the board have been on the rise in the past couple of months. *[Financial Express]*



## Technology and Innovation

**CDIL, Kaynes in talks with Odisha for semiconductor ventures:** Continental Device India (CDIL Semiconductors) and Kaynes Technology are in discussions with the Odisha government for electronics and semiconductor-linked ventures, as the state sharpens its focus on building a mid-range semiconductor ecosystem. *[Financial Express]*

**Gaps and silos emerge as companies take up AI due to strategy mismatch:** Artificial intelligence (AI) adoption is nearly universal among large enterprises and yet a disconnect exists between early success and organisation-wide transformation due to mismatch in perception, strategy, and ownership. *[Business Standard]*

**Smart tech brings sea change in shipbuilding as revival gathers pace:** With a combination of fiscal disincentive and physical destruction, the British colonial government decimated the Indian shipbuilding industry. As the modern industry is revived with incentives, emerging technologies will accelerate its growth. *[Business Standard]*

**Global cloud and enterprise tech firms revamp India leadership:** Global cloud and enterprise technology companies are increasingly prioritizing India, appointing new country heads to leverage its growth potential. This trend, seen across cloud, AI, and enterprise sectors, signifies India's evolution into a strategic hub for innovation and data solutions. *[The Economic Times]*



## Industrial Infrastructure, Clusters and SEZs

**India's non-fossil-fuel power capacity crosses 250-GW mark:** India in August crossed the 250 GW-mark of installed capacity of power plants that do not use fossil fuel, helped in large part by the surge in solar energy units. This milestone is the half-way mark in the country's journey to its target of 500 GW non-fossil energy capacity by 2030. *[Business Line]*

**India Ship Technology Centre inaugurated at IMU Visakhapatnam campus:** The India Ship Technology Centre was inaugurated on Friday at the Visakhapatnam Campus of Indian Maritime University campus at a cost of ₹305 crore. *[Business Line]*

**Infrastructure work on 11 smart industrial cities to start by year-end:** Infrastructure development in 11 of 12 planned industrial smart cities will begin by the end of 2025 and is expected to be completed within three years. *[Financial Express]*

**27 MoUs worth over ₹66,000 crore signed to boost India's maritime sector:** These MoUs are a testament to India's maritime resurgence. By fostering collaboration between states, industries and global partners, we are unlocking a new era of shipbuilding and port-led growth. This is not only about infrastructure. *[Business Standard]*

**Strong global interest in industrial cities-NICDC chief Rajat Kumar Saini:** India's plan to develop industrial smart cities is picking up pace, attracting investment interest from major East Asian economies, said Rajat Kumar Saini, chief executive officer and managing director of NICDC. *[Business Standard]*

**Tata Communications wins multi-crore project to modernize GSTAT benches with advanced digital infra:** Tata Communications on Monday announced that the Ministry of Finance has awarded it with a strategic project to deliver a comprehensive digital infrastructure for the Goods and Services Tax Appellate Tribunal (GSTAT) benches. *[The Economic Times]*



## Sustainable Industrialisation

**Montra Electric explores all kinds of CVs in its portfolio-MD:** Montra Electric, the electric vehicle (EV) arm of the Murugappa Group, which currently manufactures electric three-wheelers, tractors and tippers, announced it is exploring the manufacture of all classes of electric trucks, from light to heavy-duty. *[Business Line]*

**Shifting gears-Affordable EVs add pace to auto race:** The compact and mini electric car segment is set to become the next arena of competition as automakers look to emulate the unrivalled dominance of Maruti Suzuki in this category on petrol engines. *[Financial Express]*

**India must press accelerator on battery storage to power future growth:** The lithium-ion battery is the backbone of modern energy, communication, and mobility systems in the 21st century. Its superior energy-to-weight ratio means devices can be smaller, lighter, and last longer, fundamentally transforming how we communicate, travel, and generate power. *[Business Standard]*

**TKIL Industries ties up with Switzerland-based SoHHytec, plans green hydrogen plant in India next year:** EPC contractor TKIL Industries (formerly thyssenkrupp Industries India) has entered into a tie-up with Swiss manufacturer SoHHytec as it plans to set up a green hydrogen plant in India next year. *[The Economic Times]*

**India set to lead global green hydrogen push-S&P Global:** India is becoming a leader in the global hydrogen sector. The focus is on green hydrogen. The National Green Hydrogen Mission is important for clean energy. India has resources to lead in green hydrogen development. Collaboration is key for progress. *[The Economic Times]*



## Sectoral News

**DoT signals stricter rules for satellite spectrum sharing amid interference concerns:** The Department of Telecommunications (DoT) is pushing for a tighter regulatory framework for spectrum sharing in satellite communications (satcom) to manage potential interference as new players enter. *[Financial Express]*

**Tariff uncertainties may spur rise in third-party pharma manufacturing:** Uncertainties around America's tariff policies may encourage more third-party manufacturing and geographical diversification in the pharmaceutical sector in the medium term, say analysts and industry insiders. *[Business Standard]*

**India enters coveted club of nations manufacturing telecom equipment-Union minister Scindia:** India launched BSNL's indigenous 4G stack, becoming the fifth country to manufacture telecom equipment. This transforms India's image from consumer to producer. Prime Minister Narendra Modi initiated the nationwide launch. Future plans include upgrading to 5G services. Connectivity will reach remote and challenging areas. This achievement highlights India's self-reliance in technology. *[The Economic Times]*

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