

Industry Matters

Weekly Updates

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Economy, Industry and Policy

Government must protect market from Chinese dumping: MPC's Nagesh Kumar: Nagesh Kumar, a key member of the Monetary Policy Committee, asserts that India must take proactive steps to safeguard its industries from the influx of inexpensive Chinese goods. He believes that investing in research and development is crucial for Indian companies to deliver superior products. *[The Economic Times]*

'Benign inflation opens space to support growth & investment,' Nagesh Kumar, member, monetary policy committee: "The benign inflation outlook opens up the policy space for monetary action. However, as the transmission of existing actions is still unfolding, there was a case for a pause for the moment," Kumar told FE. *[Financial Express]*

GST 2.0, and the profiteering problem: The government recently introduced one of the biggest changes to the GST framework since its 2017 launch. Effective September 22, GST 2.0 simplified the multi-tier structure into two main slabs — 5 per cent for essentials, 18 per cent for most goods, and a special 40 per cent for sin/luxury items. *[Business Line]*

Indian economy resilient but not immune to global challenges-RBI: Flux in the global economy presents considerable challenges to the global macroeconomic outlook and the Indian economy is not immune, the central bank said in its monthly bulletin. *[Business Line]*

Scope for providing more monetary boost to growth-MPC member Ram Singh: Ram Singh signals potential for multiple rate cuts in FY26-FY27, citing low inflation and scope for accommodative monetary policy to support growth. *[Business Standard]*

Rate cut likely by year-end; GST reforms to boost credit demand-Goldman Sachs: An additional policy rate cut is expected before year-end, alongside recent GST simplifications indicating that peak fiscal consolidation is behind us. These factors, combined with domestic regulatory easing, are likely to foster a gradual recovery in credit demand, said a report by Goldman Sachs. *[The Economic Times]*

ASSOCHAM to propose policy tweaks for lowering imports: ASSOCHAM plans to suggest ways for the government to cut India's reliance on imports. These proposals will detail specific reductions and require long-term commitment. The focus is on policy changes and incentives to boost domestic manufacturing. *[The Economic Times]*

WACR better aligned with repo rate amid improved liquidity-RBI: RBI's 'State of the Economy' report notes improved alignment between the weighted average call rate and repo rate under the revised liquidity management framework. *[Business Standard]*

Internationalising the rupee: India's path must diverge from China: At its last policy meeting, the Reserve Bank of India (RBI) unveiled several measures to boost the rupee's use in cross-border trade — a step towards its gradual internationalisation. *[Business Standard]*



Foreign Investment

UK businesses accelerate India expansion plans post-FTA: According to Grant Thornton's latest analysis, 72% of UK firms now identify India as a key market for international growth, up from 61% last year, signalling India's "shift to the centre of global strategy conversations. *[Business Line]*

Foreign investors to invest ₹50k cr in finance, banking sectors-Goyal: Commerce and Industry Minister Piyush Goyal has said that in the last few months, foreign investors have announced plans to invest over Rs 50,000 crore in India's finance and banking sectors. *[Business Standard]*

Net FDI turns negative in August as outflows, FPI selling rise: In a surprising turn of events, August witnessed a notable decrease in foreign direct investment in India, resulting in a rare negative net FDI for this fiscal year. The Indian rupee took a hit, prompting action from the Reserve Bank of India to stabilize the forex market. *[The Economic Times]*

FDI surge in India hits Rs 50,000 crore in recent months-Piyush Goyal: Union Minister Piyush Goyal has said that the recent surge in Foreign Direct Investment (FDI) in the country reflects the growing attractiveness of the Indian economy to global investors. *[Financial Express]*



Trade Policy and Competitiveness

Economic decolonisation reshaping entrepreneurship: In the backdrop of UK Prime Minister Keir Starmer visiting India — his first since taking office — the spotlight is once again on the India-UK Free Trade Agreement (FTA). But beyond the specifics of a trade deal, this moment offers something deeper: a compelling chapter in India's economic decolonization journey. *[Business Line]*

Trade pact review-India, ASEAN exchange proposals on last-mile issues: India has asked the ten-member ASEAN to finalise its position on New Delhi's counter proposal on outstanding issues—focussed on bridging its widening trade deficit with the bloc—as part of the ongoing review of the free trade agreement. *[Business Line]*

India, Brazil look to broaden PTA, eye \$20 bn bilateral trade by 2030: India and Brazil plan to broaden their preferential trade agreement under the Mercosur framework, eyeing \$20 billion in bilateral trade by 2030 and new digital cooperation. *[Business Standard]*

Tariffs on Indian exports to the US to drop 15-16% upon trade deal: India and the US are nearing a trade agreement. Tariffs on Indian exports could drop from 50% to 15-16%. This deal may involve India gradually reducing Russian oil imports. In return, the US is expected to offer concessions on energy trade. Both nations are also discussing increased imports of American corn and soymeal into India. *[The Economic Times]*

China challenges India's EV, auto PLI schemes at WTO over trade rules: China has alleged that certain conditions in India's Production Linked Incentive schemes for advanced chemistry cell battery, automobiles and the policy to promote the manufacturing of electric vehicles violate global trade rules, and has filed a complaint against these measures at the WTO. *[Business Standard]*

Unlocking new horizons for India-Europe trade: The benefits of the Trade and Economic Partnership Agreement are multidimensional, spanning agriculture, industry, and high-technology sectors. *[Business Line]*

Core sector growth slowed to 3% in Sept: The government said on Tuesday that core sector growth rate, based on performance of eight key infrastructure, was 3 per cent in September against 6.5 per cent of August. *[Business Line]*



Corporate Governance

IFSCA makes changes in year old listing norms, still waiting for first one: International Financial Services Centres Authority (IFSC) has amended listing norms by increasing the days for validity of financial information and more time for allotment beside others. *[Business Line]*

FRRB now looks at low audit fees, negative reserve parameters for reviewing cos' fin statements: High levered, 'negative reserves', 'low audit fees' and 'companies under Insolvency Resolution Process (IRP)' are new parameters that are in place now for FRRB for carrying out the review of companies' financials. *[Business Line]*

A dull Samvat 2081 showed markets a slave to earnings. Can India Inc revive profits for next bull run?: As Samvat 2082 begins, Indian investors are reminded that stock prices follow earnings. The Sensex rose just 3% in the previous year, its weakest in three years, due to slowing corporate profits. Strategist V K Vijayakumar notes that despite global challenges, fiscal and monetary reforms are starting to support a potential earnings-led market recovery. *[The Economic Times]*

Revised guidelines likely by March to create desi Big Four: The govt is preparing a plan to boost large audit and consultancy firms. This initiative aims to overcome regulatory hurdles that prevent domestic companies from growing. The goal is to create firms comparable to global giants. Changes to rules are expected soon to facilitate mergers, partnerships, and easier global collaborations. *[The Economic Times]*



MSMEs and Start-ups

A big reforms push for small biz-PMO, ministries readying major MSME plan: PMO, finance, and MSME ministries working on cluster-to-national reform roadmap with focus on jobs, cost control, legal ease, and innovation in small business sector. *[Business Standard]*

Domestic startups ride the AI-built vibe coding wave: Bengaluru and other tech hubs are hosting vibe coding hackathons, and startups like Rocket.new, TableSprint, Emergent, Composio, and DronaHQ are racing to build local versions tailored for domestic and global users. *[Financial Express]*

Complex rules a hurdle for MSMEs, says Gauba Panel; Gives 38-pt agenda: A high-level committee has proposed 38 reforms for India's MSME sector, environmental rules, FSSAI, and BIS. Key proposals include simplifying MSME definitions and compliance, exempting them from CSR, and easing GST returns. The aim is to create a trust-based regulatory framework. *[The Economic Times]*

Tamil Nadu is focused on building a globally competitive ecosystem, not on rankings or optics: Sivarajah Ramanathan, CEO, StartupTN: The Tamil Nadu government is working to increase start-up investor engagement through both short-term and long-term initiatives, says Sivarajah Ramanathan, Mission Director & CEO, StartupTN. *[The Economic Times]*



Employment and Industrial Relations

Dual valuation proposed for NPS, APY portfolios: India's pension regulatory body is unveiling a fresh approach to assess investments within the National Pension System and Atal Pension Yojana. This innovative dual valuation strategy aims to provide clearer insights into the growth of subscribers' pension wealth while reinforcing the long-term viability of these schemes. *[The Economic Times]*

Haryana's labour thrust: In the post-Independence era, a clutch of regulatory and labour welfare legislation such as the Industrial Disputes Act, 1947, Minimum Wages, 1948, Contract Labour (Regulation) Act, 1970 (CLRAA) were enacted to ensure industrial discipline, provide job security and decent conditions of employment. *[Business Line]*

Tech hiring boom-IT recruitment jumps 25%, but what's driving this surge?: India's IT hiring sees a strong rebound in H1 FY26 with a 25% jump in campus intake and rising demand for AI, cloud, and data skills. Adecco India reports a shift from 'hire-and-train' to 'train-then-hire'. *[Financial Express]*



Industrial Finance

Digital-footprint loans by PSBs may touch Rs 1 L cr in FY26: Enthused by the initial round of digital-footprint-based lending, the government is nudging public sector banks (PSBs) to increase the threshold for such loans to around Rs 1-2 crore from Rs 50 lakh. *[Financial Express]*

Hospitality, real estate, MSME solar financing to drive growth-TFCI MD: The Tourism Finance Corporation of India (TFCI) is seeing strong demand for hospitality and real estate funding and plans to expand into new areas, such as micro, small, and medium enterprise (MSME) solar financing for the tourism sector. *[Business Standard]*

PNB looks to achieve ₹4 trn corporate loan book in FY26: MD & CEO Chandra: Punjab National Bank (PNB) is witnessing strong momentum across retail, micro, small and medium enterprise (MSME), and corporate loan segments, driven by robust demand in the auto and housing sectors. *[Business Standard]*

Nirmala Sitharaman reviews KaGB, focuses on FPO and MSME lending: Finance Minister reviews Karnataka Grameena Bank's performance in Ballari, calling for greater focus on rural lending, MSME support, and FPO financing for inclusive growth. *[Business Standard]*

Small finance banks seek doubling of cap on loan size to ₹50 lakh: Small finance banks have approached the Reserve Bank of India with key requests. They want the regulator to ease a rule requiring half their loans to be under ₹25 lakh. They also seek permission to participate in co-lending arrangements. *[The Economic Times]*



Technology and Innovation

Indian firms lead the charge in next-gen cloud technology,' Faiz Sshakir, MD – southern Asia, Nutanix: The focus is on building scalable, secure, and enterprise-ready AI solutions that power the next generation of private and hybrid clouds for our customers globally," Faiz told FE. *[Financial Express]*

AI, Credit Democratization and change in deposit profiles to redefine banking sector in next decade: Indian banks face a transformative decade ahead. Technology, especially AI, will be key. Changes in deposits and credit access are expected. Banks must adapt to new risks like cyber threats and climate change. This period will be a fight for relevance. *[The Economic Times]*

Centre moves to regulate deepfakes, AI media; MeitY proposes amendments to IT rules: MeitY has proposed amendments to the IT rules to regulate AI-generated content, including deepfakes. Platforms must label synthetic media clearly and verify user declarations. *[The Economic Times]*

AI is a monster wave, investors are focusing on AI-first initiatives: Both of us were doing angel investments on the side and helping founders. In 2019-20, we realised that there was literally no operator-led help for early-stage startups. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Reliance to start solar power generation from Kutch project in H1 FY27: Reliance Industries will commence solar power generation in the first half of the next financial year from its mega renewable energy project in Kutch, Gujarat, a site spread over an area nearly three times the size of Singapore. *[Business Line]*

Deendayal Port Authority looks to build smaller ships: For nearly a year, Deendayal Port Authority (DPA), which operates Deendayal port (earlier Kandla port) in Gujarat, has been pursuing an ambitious plan to convert over 2,000 acres of coastal land into a world-class shipbuilding cluster. *[Business Line]*

NTPC begins commercial operations of 38 MW solar capacity in Gujarat: The new unit is part of the 300-MW Khavda Solar Energy Project of NTPC Renewable Energy Limited, a step-down subsidiary of NTPC through its subsidiary NTPC Green Energy Limited. *[Business Standard]*

Railways mulling annuity model to boost investment and infra development: The railway ministry is exploring a HAM-like model to boost private participation and speed up infrastructure expansion across the sector. *[Business Standard]*

Clean power purchase obligations, tech use for grid integration priority, says ministry: India's renewable energy sector is moving fast. The Ministry of New and Renewable Energy is focusing on key areas. These include ensuring states buy renewable power, improving power lines, and using technology for grid integration. These steps are crucial before new large renewable energy projects are announced. *[The Economic Times]*

Power Grid Corporation bags two transmission projects worth Rs 3,375 crore: Power Grid Corporation of India acquired two projects worth Rs 3,375 crore to decongest transmission corridors, strengthen inter-regional grids, and boost renewable energy integration across Uttar Pradesh, Madhya Pradesh, Karnataka, and Maharashtra. *[Financial Express]*



Sustainable Industrialisation

Desco Infratech, KPI Green Hydrogen and Ammonia join hands for hydrogen-natural gas blending: Under the partnership, the three companies will initiate hydrogen-natural gas blending projects in the city gas distribution sector, Desco Infratech said in a statement. *[Business Line]*

REI Expo 2025 to attract more than ₹1,800 crore investments in India's biogas sector-IBA: The Renewable Energy India Expo 2025 is likely to attract more than ₹1,800 crore in fresh investment commitments for India's bioenergy sector, the Indian Biogas Association said on Sunday. *[Business Line]*

GAIL signs concession agreement to set up CBG Plant in Bengaluru: GAIL India has signed a tripartite agreement with Greater Bengaluru Authority and Bengaluru Solid Waste Management to establish a Compressed Bio Gas plant in Bengaluru. The plant will process 300 tonnes of municipal solid waste daily, producing biogas and organic manure, promoting sustainable waste management and a circular economy. *[The Economic Times]*

India can lead the global shift to green shipping: A quiet revolution is gathering momentum across the world's oceans. The shipping industry once dismissed as a laggard in the energy transition, is now confronting a point of inflexion. *[Business Line]*



Sectoral News

Cheap imports, dumping hurt India's steel sector; need policy support-RBI article: India's steel sector faced challenges from cheap imports and dumping in 2023-24 and 2024-25. The Reserve Bank of India highlighted this issue, calling for policy support. Steel imports surged due to lower global prices, impacting domestic production and capacity utilization. *[The Economic Times]*

GST revisions to boost organised apparel revenue by 200 bps; keep growth at 13-14%: The recent goods and services tax (GST) rationalisation is set to lift revenue growth of organised apparel retailers by about 200 bps this fiscal, keeping the topline steady at 13-14 per cent for the second financial year in a row, a report said on Monday. *[Business Line]*

Automobile exports rise 26% in Q2 as passenger vehicles, two-wheeler shipments soar: India's automobile exports rose 26% year-on-year in the September quarter, marking record-high shipments across passenger vehicles, two-wheelers, and three-wheelers, according to data from the Society of Indian Automobile Manufacturers (SIAM). *[The Economic Times]*

India turns to Russia to break China's rare earth monopoly: India is actively seeking partnerships with Russian companies to secure vital rare earth magnets and critical minerals, aiming to reduce dependence on China. This strategic move follows Beijing's recent export curbs, impacting key industries. *[The Economic Times]*

Meity for inclusion of rare-earth magnet recycling in PLI scheme: The IT ministry has urged the heavy industries ministry to expand the proposed PLI scheme for rare earth permanent magnets to promote recycling, citing India's growing e-waste challenge. *[Business Standard]*

Indian auto sector saw deals worth \$4.6 bn in Q3-Grant Thornton Bharat: India's automotive sector saw a significant surge in deal activity during the September quarter. Thirty transactions totaling USD 4.6 billion marked the strongest performance in over a year. Tata Motors' USD 3.8 billion acquisition of Iveco S.P.A. was a major driver. *[The Economic Times]*

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