

September 02, 2025 – Tuesday

Economy

At 59.3, manufacturing PMI rises to nearly 18-year high in August

Driven by improvement in demand, India's manufacturing activity continued its strong run in August, despite concerns over steep US tariffs, showed a private survey released on Monday. The manufacturing purchasing managers index (PMI) touched a nearly 18-year high of 59.3 during the month. Earlier in July, the HSBC India Manufacturing PMI, compiled by S&P Global, had risen to a 16-month high of 59.1.
https://www.business-standard.com/economy/news/india-manufacturing-pmi-august-2025-18-year-high-demand-tariffs-125090100414_1.html

India's current account deficit narrowed to 0.2% of GDP in Q1 FY26

India's current account balance slipped into a deficit of $2.4 billion, or 0.2 per cent of gross domestic product (GDP), in the April–June quarter (Q1) of 2025–26 (FY26). In contrast, it had posted a surplus of $13.5 billion (1.3 per cent of GDP) in the January–March quarter (Q4) of 2024–25 (FY25), the Reserve Bank of India (RBI) said in a statement. The current account deficit (CAD) stood at $8.6 billion (0.9 per cent of GDP) in Q1FY25, the central bank observed.
https://www.business-standard.com/economy/news/indias-current-account-deficit-dips-to-2-4-billion-in-q1fy26-125090101317_1.html

GST 2.0 should pave way towards single nationwide tax rate: Report

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. "Creating a 40 per cent slab, even for a narrow set of sin or luxury goods, will set a precedent for creeping expansion. Over time, more items will be drawn into this category, undermining the very purpose of simplification," Think Change Forum, a think tank, said in a report on Monday.
https://www.business-standard.com/finance/news/gst-2-0-should-pave-way-towards-single-nationwide-tax-rate-report-125090100596_1.html

Finance

PSBs' share in household deposits falls to 63%, private banks gain ground

Public sector banks (PSBs) have seen a sharp drop in household deposits from 70.6 per cent to 63 per cent in contrast with private banks, which witnessed a surge from 27.1 per cent to 34.1 per cent, data sourced by Business Standard showed. Even the household deposit base for PSBs has been eroding. PSBs accounted for only 50.3 per cent of incremental household deposits in FY25 — a loss in market share of around 706 basis points (bps). This shows a trend of savers diversifying towards private banks and other alternative channels.
https://www.business-standard.com/industry/banking/psbs-share-in-household-deposits-falls-to-63-private-banks-gain-ground-125090101240_1.html

Allow gaming cos perform legitimate transactions: Meity to banks, fintechs

The government on Monday asked all the commercial banks and financial technology (fintech) service providers to allow gaming companies to perform legitimate transactions, such as processing refunds for users, making payments to vendors, and filing taxes, including the goods and services tax, a senior government official said. The direction from the Ministry of Electronics and Information Technology (MeitY) came after the industry raised concerns around customer refunds and some other issues against the backdrop of the ban on real-money games (RMG).
https://www.business-standard.com/industry/news/meity-asks-banks-fintechs-to-allow-legitimate-gaming-transactions-125090101264_1.html

Sebi to impose fresh intraday derivative position limits from October 1

Sebi has introduced a new framework to monitor intraday positions in index options, effective October 1. The rules cap net and gross intraday exposure, mandate random compliance checks, and impose expiry-day penalties to curb aggressive bets while balancing liquidity and institutional participation in the derivatives market.
https://economictimes.indiatimes.com/markets/stocks/news/sebi-to-tighten-intraday-rules-for-index-options-from-october-1/articleshow/123646246.cms

Rs 2000 notes worth Rs 5,956 crore still in circulation: RBI

Even after the Reserve Bank of India withdrew Rs 2000 notes, a notable amount remains in circulation. The value of these notes still circulating is Rs 5,956 crore. Since the withdrawal announcement on May 19, 2023, a significant portion of the notes has been returned. The RBI continues to offer exchange and deposit facilities at its 19 issue offices
https://economictimes.indiatimes.com/news/economy/finance/rs-2000-notes-worth-rs-5956-crore-still-in-circulation-rbi/articleshow/123637870.cms

Income growth, demographics and awareness push Indians to opt for finances over physical assets: Goldman Sachs

India is witnessing a growing trend of households shifting towards financial assets due to rising incomes and improved financial access, although it lags behind other nations. Goldman Sachs projects household financial savings to increase to 13% of GDP over the next decade, potentially reaching USD 9.5 trillion in inflows.
https://economictimes.indiatimes.com/news/economy/finance/income-growth-demographics-and-awareness-push-indians-to-opt-for-finances-over-physical-assets-goldman-sachs/articleshow/123630723.cms

India's net GST kitty increases 10.7% to ₹1.67 trillion in August

India's net revenues from the Goods and Services Tax (GST) rose at a three-month high pace of 10.7 per cent in August even as growth in gross collections slowed to 6.5 per cent from 7.5 per cent in the previous month, thanks to a nearly 20 per cent decline in refunds to taxpayers during the month. Gross GST collections in August, for transactions undertaken in July, stood at about ₹1.86 trillion, 4.8 per cent lower than the previous month. However, with refunds slipping into a contraction after two months of high growth (28.4 per cent in June and 66.8 per cent in July), the sequential dent on net collections was limited to 1 per cent as revenues dipped from over ₹1.68 trillion in July to almost ₹1.67 trillion in August.
https://www.business-standard.com/economy/news/india-s-net-gst-revenues-increase-10-7-in-august-refunds-dip-20-125090101497_1.html

UPI transactions up 3% in August to 20 bn as festive demand lifts usage

Unified Payments Interface (UPI) transactions soared past 20.01 billion-mark with a 3 per cent rise from 19.47 billion registered in July, reflecting increased economic activity some of which can be attributed to the onset of festival season. However, in terms of value, transactions were down marginally by 1 per cent to ₹24.85 trillion during the month versus ₹ 25.08 trillion in July, said the National Payments Corporation of India on Monday.
https://www.business-standard.com/finance/news/upi-august-2025-transactions-rise-festive-season-digital-payments-125090100560_1.html

Industry

PLI textile scheme application window open till September 30

The government has extended the application deadline for the Production Linked Incentive scheme for textiles. Companies now have until September 30, 2025, to apply. This decision follows a strong response from the industry. Twenty-two new applications were received recently. The extension provides another opportunity for investors to benefit from the scheme. So far, 74 companies have been selected as beneficiaries.
https://economictimes.indiatimes.com/industry/cons-products/garments-/-textiles/pli-textile-scheme-application-window-open-till-september-30/articleshow/123638380.cms

A tepid start: India's critical mineral block auctions see weak response

The Ministry of Mines last week annulled the auction process for five blocks under the ongoing tranche-5 of the critical mineral auction, citing poor investors' response. Under the Mineral (Auction) Rules, 2015, the auction was cancelled as there were no bids for three blocks — the Katesar-Guneri Glauconite Block in Gujarat, the Kelenda Glauconite Block in Chhattisgarh, and the Holalkere-Doddaghatta Nickel and PGE Block in Karnataka.
https://www.business-standard.com/economy/news/a-tepid-start-india-s-critical-mineral-block-auctions-see-weak-response-125090101540_1.html

Govt launches first Biofoundry Network with 21 facilities across India

Science and Technology Minister Jitendra Singh on Monday unveiled India's first Biofoundry Network, a pan-India initiative comprising 21 bio-enabler facilities aimed at accelerating biomanufacturing, reducing import dependence, fostering start-up growth and creating jobs. The initiative aligns with the country's ambition of building a $300 billion bioeconomy by 2030, up from $165 billion in 2024.
https://www.business-standard.com/economy/news/govt-unveils-first-biofoundry-network-with-21-facilities-across-india-125090101323_1.html

India emerging GCC hub for life sciences companies, says EY report

India has rapidly positioned itself as a global hub for life sciences Global Capability Centres (GCCs), with about 23 of the top 50 global life sciences companies setting up operations, significantly within the past five years, according to an EY report. The report, titled Reimagining Life Sciences Global Capability Centres (GCCs), said that life sciences GCCs in India now handle 70 per cent of finance, 75 per cent of HR, 62 per cent of supply chain, and 67 per cent of IT functions for their global life sciences firms. The study further underscores India's expanding role in pharmaceutical research, innovation, and end-to-end value creation.
https://www.business-standard.com/industry/news/india-emerges-life-sciences-gcc-hub-25-global-players-onboard-ey-report-125090100710_1.html

EPC firms may post mid-to-high single-digit revenue growth in FY26: Ind-Ra

Engineering, procurement and construction companies could see mid-to-high single-digit revenue growth and largely stable margins, with some upside, in the ongoing financial year, India Ratings and Research (Ind-Ra) said on Monday. This is despite the undemanding base effect of FY25 when revenue slumped 4-5 per cent year-on-year with the absolute sector EBITDA remaining largely flat, hit by the busy election season. The EPC sector across 22 listed entities delivered revenue growth of 5 per cent y-o-y in the first quarter of the current fiscal year, marking the fifth consecutive quarter of single-digit revenue growth.
https://www.business-standard.com/industry/news/epc-firms-may-post-mid-to-high-single-digit-revenue-growth-in-fy26-ind-ra-125090101408_1.html

PV sales decline 7% in August as buyers await GST rate cut decision

Domestic passenger-vehicle (PV) sales by companies to dealers dropped 7.3 per cent year-on-year (Y-o-Y) in August to approximately 330,000 units, primarily due to customers waiting for a decision by the Goods and Services Tax (GST) Council on September 4 on decreasing the tax on automobiles from 28 per cent to 18 per cent. Maruti Suzuki India Ltd (MSIL), India's largest carmaker, recorded a drop of 7.5 per cent Y-o-Y to 144,145 units.
https://www.business-standard.com/industry/auto/domestic-passenger-vehicle-sales-drop-7-percent-amid-gst-conundrum-125090101287_1.html

Tractor industry volumes likely to post 4-7% growth in FY26: Icra

Tractor industry volumes are expected to grow in the range of 4-7 per cent in the current fiscal, backed by a favourable monsoon, rating agency Icra said on Monday. Following a growth of 7 per cent in FY2025, tractor industry volumes are expected to report a growth of 4-7 per cent in FY26, supported by a favourable monsoon, it said in a statement. Pre-buying ahead of the TREM V emission norms, proposed to take effect from April 1, 2026, could further aid volume growth, it added.
https://www.business-standard.com/industry/auto/tractor-industry-volumes-likely-to-post-4-7-growth-in-fy26-icra-125090100585_1.html

GST overhaul may slash levies on shampoos, hybrid cars, TVs, electronics

India plans to cut consumption tax by at least 10 percentage points on nearly 175 products ranging from shampoos and hybrid cars to consumer electronics, two sources said, revealing new details of Prime Minister Narendra Modi's tax overhaul. The biggest reform of the goods and services tax system in nearly a decade comes amid strained trade ties with the US, with Modi making repeated calls for increased use of Indian products. Modi first flagged his reform plan last month on Independence Day when he said he would make daily products cheaper for people in the world's fifth largest economy.
https://www.business-standard.com/economy/news/modi-s-gst-revamp-may-cut-taxes-on-shampoos-hybrid-cars-and-electronics-125090100808_1.html

Cut GST on automotive tyres, don't treat them like luxury goods: ATMA

Automotive Tyre Manufacturers Association on Monday sought a reduction of GST rates on tyres for automobiles to 5 per cent from the current 28 per cent, while asking the government not to treat it on par with luxury goods, citing its cost impact on key sectors such as transportation, agriculture, mining, and construction. At present, all major categories of automotive tyres attract GST at 28 per cent, the highest tax slab, whereas tractor tyres and aircraft tyres are taxed at 18 per cent and 5 per cent respectively, Automotive Tyre Manufacturers Association (ATMA) said in a statement.
https://www.business-standard.com/industry/auto/cut-gst-on-automotive-tyres-don-t-treat-them-like-luxury-goods-atma-125090100536_1.html

Agriculture

Govt allows production of ethanol from sugarcane juice syrup, molasses

India has allowed production of ethanol from sugarcane juice, syrup and all types of molasses without any quantitative restriction in 2025/2026, the government said in a notification on Monday. India had restricted production in the current marketing year because of a drop in sugarcane supplies.
https://www.business-standard.com/industry/news/govt-allows-production-of-ethanol-from-sugarcane-juice-syrup-molasses-125090101377_1.html

Tea industry seeks minimum sustainable price amid imports, price fall

A persistent decline in tea prices, influx of imports and export market volatility pose an existential threat to the tea industry in Assam and West Bengal, the Indian Tea Association (ITA) said on Monday. Data provided by the producers' body showed that North India's three major tea auction centres—Kolkata, Guwahati and Siliguri—witnessed a decline in CTC prices from mid-July to mid-August (Sale 28 to 33/34), ranging from Rs 32 to Rs 74.
https://www.business-standard.com/industry/news/tea-industry-flags-price-decline-calls-for-minimum-sustainable-price-125090101145_1.html

Agriculture Ministry to create dedicated portal for farmers' complaints: Shivraj Singh Chouhan

Union Agriculture Minister Shivraj Singh Chouhan has announced the creation of a dedicated portal to address farmers' grievances and ensure their prompt resolution. He instructed officials to prioritize resolving complaints related to substandard inputs like fertilizers, seeds, and pesticides, emphasizing the need to protect farmers from exploitation.
https://economictimes.indiatimes.com/news/economy/agriculture/agriculture-ministry-to-create-dedicated-portal-for-farmers-complaints-shivraj-singh-chouhan/articleshow/123638373.cms

Centre sets rice procurement target at 46.34 mt for 2025-26 season

The Centre has fixed a target of procuring 46.34 million tonnes of rice in the 2025-26 procurement season, which will begin in October. This is 4.45 per cent lower than the 48.5 million tonnes target fixed for the 2024-25 season. Against that target, actual rice procurement till August this year has been about 51.5 million tonnes, 5.8 per cent higher than what was envisaged at the start of the season.
https://www.business-standard.com/industry/agriculture/centre-sets-46-34-mt-rice-procurement-target-for-2025-26-season-125090101343_1.html

Infrastructure

India's office market speeds up institutionalisation with more Reits ahead

India's office real estate is fast evolving into an institutionally owned asset class, powered by the rise of real estate investment trusts (Reits), the deepening presence of global private equity and pension funds, and a shift away from a fragmented, developer-driven market. Upcoming listings over the next two years, adding to the existing four listed office Reits—Embassy Office Parks, Mindspace Business Parks, Brookfield India and Knowledge Realty Trust (KRT)—are expected to significantly expand the institutional footprint amid unprecedented demand from multinational occupiers, according to market watchers.
https://www.business-standard.com/industry/news/india-office-market-fast-track-institutionalisation-reits-125090100900_1.html

DPIIT reviews issues affecting five infrastructure projects in three states

The DPIIT addressed hurdles impacting infrastructure projects in Karnataka, Kerala, and Telangana, involving a total cost of Rs 10,594 crore. Discussions focused on resolving forest and wildlife clearance delays in Telangana, particularly for Reliance Jio's 5G/4G network expansion. The initiative aims to improve connectivity in remote areas while strengthening existing 4G infrastructure across the nation.
https://economictimes.indiatimes.com/news/economy/infrastructure/dpiit-reviews-issues-affecting-five-infrastructure-projects-in-three-states/articleshow/123637852.cms

Indian Railway records 8.5% growth in freight loading during August 2025

Freight loading by the Indian Railways stood at 673.64 million tonnes (MT) in April-August 2025, up from 653.22 MT in the same months of last fiscal. Officials said the continued higher freight movement was amidst coal loading being rationalised due to extended rains and moderating growth in power demand.
https://economictimes.indiatimes.com/industry/transportation/railways/indian-railway-records-8-5-growth-in-freight-loading-during-august-2025/articleshow/123639173.cms

Energy

India's power consumption rises 4.4% to 150.47 bn units in August

Power consumption in the country grew 4.4 per cent year-on-year to 150.47 billion units (BU) in August. Power consumption was recorded at 144.11 BU in August 2024, according to official data. Experts said continuous rainfall in most parts of the country affected power consumption and demand in August. The highest supply in a day (peak power demand met) in August rose to 229.71 GW last month, from about 216.47 GW in August 2024.
https://www.business-standard.com/industry/news/india-s-power-consumption-rises-4-4-to-150-47-bn-units-in-august-125090100797_1.html

Diesel, ATF consumption declines for third consecutive month in August as rains impact mobility

India's consumption of diesel and jet fuel declined for the third straight month in August due to limited mobility as monsoon rains lashed India, particularly during the second fortnight, with States such as Punjab, Maharashtra, Rajasthan, Karnataka witnessing heavy downpour. Since March this year, India's consumption of diesel, petrol and jet fuel has been near record levels, with May hitting an all-time high record.
https://www.thehindubusinessline.com/economy/logistics/diesel-atf-consumption-declines-for-third-consecutive-month-in-august-as-rains-impact-mobility/article70000671.ece

Telecom

IMC to focus on connecting communities, 5G & 6G: Jyotiraditya Scindia

India Mobile Congress 2025 is set to highlight 5G and 6G advancements. The event will explore connecting farmers, MSMEs, and students. Telecom Minister Jyotiraditya Scindia launched the AI-powered IMC 2025 app. The event anticipates 1.5 lakh attendees from 115 nations. IMC 2025 aims to foster innovation and transformation. It aligns with the Prime Minister's vision of Aatmanirbharta by 2047.
https://economictimes.indiatimes.com/industry/telecom/telecom-policy/imc-to-focus-on-connecting-communities-5g-6g-jyotiraditya-scindia/articleshow/123636924.cms

States

Tamil Nadu bags investments worth ₹3,201 crore from German majors

Tamil Nadu is turning out to be a hotspot for European investors. Chief Minister M K Stalin, who is on a weeklong visit to Germany and the UK, has attracted investments to the tune of ₹3,201 crore in the first two days. These investments have the potential to create more than 6,250 direct jobs. The state team also had discussions with luxury automobile giant BMW group regarding expansion of its existing Chennai unit, especially in the electric vehicle (EV) segment. This is amid fears of Tamil Nadu losing around $3.93 billion of exports in 2025-26 due to higher US tariffs.
https://www.business-standard.com/industry/news/tamil-nadu-bags-rs-3201-crore-investments-from-german-firms-bmw-eyes-ev-125090101206_1.html

Odisha power discoms launch 1 kW rooftop solar scheme for households

The Tata Power-led Odisha discoms on Monday launched a 1-kW rooftop solar scheme, enabling households to generate around 100 units of electricity per month, officials said. The scheme was launched under the Utility-Led Aggregation (ULA) model, as part of the government's flagship PM Surya Ghar Muft Bijli Yojana. While setting up a 1-kW solar system typically requires an investment of Rs 65,000-Rs 75,000, under the ULA model, consumers are required to make a one-time payment of Rs 5,000, the company said in a statement.
https://www.business-standard.com/industry/news/odisha-power-discoms-launch-1-kw-rooftop-solar-scheme-for-households-125090101244_1.html

UP brings out draft policy to boost electronics, smartphone manufacturing

The Uttar Pradesh government is planning on boosting electronics and smartphone manufacturing in the Noida region, in line with its ambition of becoming a $1 trillion economy by 2030. It aims to provide various incentives to relevant domestic and global investors, such as subsidies on capital investment, stamp and electricity duty exemptions, and interest grants. The state's IT and electronics department has drafted the 'UP Electronics Component Manufacturing Policy 2025', a senior official said. It will be implemented after receiving approval from the cabinet.
https://www.business-standard.com/industry/news/up-brings-out-draft-policy-to-boost-electronics-smartphone-manufacturing-125090100834_1.html

Healthcare

Pharmaceutical industry seeks relief from rate inversion

The pharmaceutical industry in India anticipates potential relief from Goods and Services Tax inversion. Discussions between companies and the government suggest a favourable resolution within upcoming GST reforms. The current tax structure creates working capital issues, especially for MSMEs. Delayed refunds force MSMEs to take loans. Exporters face strain paying upfront taxes on APIs.
https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/pharmaceutical-industry-seeks-relief-from-rate-inversion/articleshow/123621683.cms

External

India must not concede on regulatory changes in trade deal with US

Though India has stood firm on tariff concessions in its trade stand-off with the US, civil society organisations have cautioned that the government must also resist pressure on laws and regulatory matters that could undermine policy autonomy in the long run. “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.
https://www.financialexpress.com/policy/economy-india-must-not-concedenbsponnbspregulatory-changesnbspinnbsptrade-dealnbspwithnbspus-3963430/

Indian tea industry concerned over higher US tariff, exports likely to hit

The tea industry in India on Monday expressed concern over the imposition of higher tariffs by US President Donald Trump, stating that the hike in levy is likely to have an impact on exports of the beverage to that country. Leading industry body Indian Tea Association (ITA) said the US is a significant market for Indian tea. In 2024, the US had imported 17 million kilograms of tea from India, while the shipment to America stands at 6.26 million kilograms till May this year, according to the industry body.
https://www.business-standard.com/industry/news/indian-tea-industry-concerned-over-higher-us-tariff-exports-likely-to-hit-125090100793_1.html

India FTA boosts business confidence in volatile world, UK Parliament told

The India-UK Free Trade Agreement, signed by Prime Ministers Modi and Starmer, aims to slash trade tariffs significantly, boosting business confidence. UK Business and Trade Secretary Jonathan Reynolds stated the deal will reduce Indian tariffs on UK products from 15% to 3%, potentially increasing bilateral trade by £25.5 billion.
https://economictimes.indiatimes.com/news/economy/foreign-trade/india-fta-boosts-business-confidence-in-volatile-world-uk-parliament-told/articleshow/123637639.cms

India, UAE discuss pharma, local currency settlement system

India and the UAE recently engaged in discussions. They focused on strengthening ties in renewable energy and digital infrastructure. Both nations want better trade data sharing. This will improve monitoring under their trade agreement. They also reviewed progress under the India-UAE CEPA. The aim is to reach $100 billion in non-oil trade by 2030.
https://economictimes.indiatimes.com/news/economy/foreign-trade/india-uae-discuss-pharma-local-currency-settlement-system/articleshow/123638839.cms

"India is key partner in the Indo-Pacific," says German FM

German Foreign Minister Johann Wadephul commenced a two-day official visit to India, emphasizing India's crucial role in the Indo-Pacific region and globally. He highlighted the strong political, economic, and cultural connections between Germany and India, noting the significant potential for expanding their strategic partnership across various sectors, including security, technology, and skilled labor.
https://economictimes.indiatimes.com/news/india/india-is-key-partner-in-the-indo-pacific-says-german-fm/articleshow/123646844.cms

S, C, O — PM Modi’s three-letter message at China summit that packs a punch

At the SCO Summit, Prime Minister Narendra Modi outlined India's regional strategy. It focuses on security, opportunity, and connectivity. Modi stressed the importance of combating terrorism and fostering trust in connectivity projects. He highlighted initiatives like Chabahar and INSTC. India aims to strengthen ties with Central Asia and Russia. Trade relations with China and Russia are also discussed.
https://economictimes.indiatimes.com/news/economy/foreign-trade/russia-india-china-troika-pm-modi-sco-summit-regional-strategy-putin-xi-jinping-pakistan-pahalgam-terrorism/articleshow/123630464.cms