

September 04, 2025 – Thursday

Key Developments

Govt delivers 'GST Diwali bonanza': Cheaper essentials, big relief on insurance premiums

India's Goods and Services Tax (GST) undergoes a major overhaul, eight years after its launch, with the GST Council approving significant rate cuts on numerous everyday items. Effective September 22nd, the new rates aim to boost consumption by shifting to a two-slab structure of 5% and 18%, abolishing the 12% and 28% rates. It is expected to make compliance simpler and improve ease of doing business, driving growth in a climate of global economic uncertainty. The boost to the economy from reforms is pegged at 20-30 basis points, offsetting the impact of 50% US tariffs.

https://economictimes.indiatimes.com/news/economy/policy/govt-delivers-gst-diwali-bonanza-essentials-cheaper-big-relief-on-insurance-premiums/articleshow/123687935.cms

FMCG sector set to gain as soaps, noodles, shampoo shift to 5% GST slab

The new goods and services tax (GST) regime, with 5 per cent and 18 per cent slabs, will provide relief to the fast-moving consumer goods (FMCG) sector. Everyday items such as soaps, toothbrushes, hair oil, namkeen, instant noodles, chocolates and instant coffee will now attract 5 per cent GST. Breads, paneer and ultra-high temperature processed milk will have nil GST. “This is going to have a positive impact on the economy,” said finance minister Nirmala Sitharaman.

https://www.business-standard.com/economy/news/fmcg-sector-benefits-from-gst-as-shampoo-noodles-move-to-5-percent-slab-125090301741_1.html

GST exemption on health cover: Premiums set to fall as insurers rework pricing

Health insurance premiums are expected to come down as general and standalone health insurers will now have to rework their pricing following the GST exemption on individual health cover premiums. The GST Council has decided on Thursday to reduce the GST on individual health insurance policies from 18 per cent to zero. The long-awaited policy move is a part of the overall GST reforms, which are likely to come into force from September 22, 2025.

https://www.thehindubusinessline.com/money-and-banking/gst-exemption-on-health-cover-premiums-set-to-fall-as-insurers-rework-pricing/article70010641.ece

GST relief on building materials set to ease construction costs, support housing

The GST Council's decision to lower tax rates on essential construction materials like cement, marble, and granite is poised to benefit the real estate sector. This move is expected to reduce project costs for developers and homebuyers, potentially leading to increased housing affordability and accelerated project launches.

https://economictimes.indiatimes.com/news/economy/policy/gst-relief-on-building-materials-set-to-ease-construction-costs-support-housing/articleshow/123681315.cms

Economy

Govt sets up committee to examine tax, export clearance issues of manufacturing sector

The government has set up a committee to examine the tax and export clearance issues being faced by manufacturing units and suggest measures to further streamline the system amid high tariffs imposed by the US, an official has said. The committee includes representatives from the finance ministry, Department for Promotion of Industry and Internal Trade (DPIIT), Department of Commerce, Directorate General of Foreign Trade (DGFT) and the RBI.
https://www.thehindubusinessline.com/economy/govt-sets-up-committee-to-examine-tax-export-clearance-issues-of-manufacturing-sector/article70007800.ece

New-age reality check: NSO set to reboot industrial activity codes

Nail salons, dating services (online and offline), slandering salons, temporary tattoo art, organising of bachelor and bachellorrette parties; raising of equines like ponies, donkeys and mules; growing opium, Ashwagandha, Isabgol and Christmas trees — these wide range of services and occupations are some of the new activities that India's official statistical machinery will capture under a proposed new National Industrial Classification (NIC) framework.
https://www.business-standard.com/industry/news/nic-code-revision-story-125090301427_1.html

Services sector growth hits 15-year high in August on robust demand

India's services growth accelerated to a 15-year high in August on robust demand, which also pushed prices higher at the fastest rate in over a decade, said a private survey on Wednesday. The HSBC India services purchasing managers' index (PMI), compiled by S&P Global, rose to 62.9 in August from 60.5 in July. It has been the third straight month the index has held above 60, underscoring resilient demand in the world's fastest-growing major economy. "This indicated the steepest rate of expansion since June 2010. Demand buoyancy, efficiency gains and greater inflows of new business were some of the reasons firms gave for the upturn," said the survey.
https://www.business-standard.com/economy/news/india-services-pmi-august-2025-hits-15-year-high-125090300465_1.html

Number of workers in unincorporated enterprises declines to 12.85 cr in April-June: Govt survey

The number of workers employed in unincorporated sector enterprises has come down to 12.85 crore in April-June from 13.13 crore in the preceding quarter, according to a government survey released on Wednesday. The National Statistics Office (NSO) released the first Quarterly Bulletin of Unincorporated Sector Enterprises (QBUSE), providing estimates for January-March 2025 and April-June 2025, an official statement said.
https://www.thehindubusinessline.com/economy/number-of-workers-in-unincorporated-enterprises-declines-to-1285-cr-in-april-june-govt-survey/article70009369.ece

Q1 FDI inflows up 15%, US top source of investment

India's Foreign Direct Investment saw a 15% surge, reaching $18.62 billion in the first quarter of FY26. The United States emerged as the leading investor, tripling its contribution. Singapore and Mauritius followed closely. The computer software and hardware sector attracted the most FDI. Karnataka secured the highest share of total FDI equity, followed by Maharashtra. Total FDI reached $25.
https://economictimes.indiatimes.com/news/economy/indicators/q2-fdi-inflows-up-15-us-top-source-of-investment/articleshow/123681692.cms

Finance

SEBI chief asks bank heads to strenghten insider trading compliance

Securities and Exchange Board of India chairman Tuhin Kanta Pandey stressed on the importance of listed banks putting in place mechanisms to prevent insider trading, saying that they had dual compliance requirements under the regulations as a listed entity and as a fiduciary. Addressing the heads of banks based in the western region, Pandey said, "As Managing Directors, you carry the highest responsibility for ensuring your organisations lead, not only in financial performance but also in ethical governance."
https://www.thehindubusinessline.com/markets/sebi-chief/article70008432.ece

Insurance product for rural India to be launched this year: Industry body

Bima Vistaar, an insurance product covering life, health and property for rural people, is likely to be launched by December 2025, an industry organisation said on Wednesday. Life Insurance Council's Insurance Awareness Committee (IAC-Life) chairperson Kamlesh Rao said the products meant for rural India will be sold by all insurance companies at a uniform price with Rs 5 lakh cover per individual. The council has all 26 life insurance companies, including Life Insurance Corporation (LIC), as its members.
https://www.business-standard.com/finance/insurance/insurance-product-for-rural-india-to-be-launched-this-year-industry-body-125090301037_1.html

Industry

Simplified GST Scheme: Government unveils quick registration for small and low-risk businesses

The Indian government has launched a Simplified GST Registration Scheme to streamline the process for small and low-risk businesses. Eligible applicants can now receive registration within three working days, with businesses identified as low-risk through data analysis. This initiative aims to reduce paperwork, accelerate registration, and promote entrepreneurship, benefiting a significant majority of new applicants.
https://economictimes.indiatimes.com/news/economy/policy/simplified-gst-scheme-government-unveils-quick-registration-for-small-and-low-risk-businesses/articleshow/123682241.cms

Tobacco prices set to rise 5–6% as GST council clears 40% slab

Tobacco products may become more expensive. The GST Council increased tax on items like cigarettes and pan masala. The new GST rate will likely be implemented by year-end or early next year. Companies will likely pass the increased tax to consumers. However, GST on bidis has been reduced. This could affect sales of small cigarettes.
https://economictimes.indiatimes.com/news/economy/policy/tobacco-prices-set-to-rise-56-as-gst-council-clears-40-slab/articleshow/123683527.cms

EVs to continue at 5% GST rate as Council opts for clean mobility push

The GST Council has decided to maintain the 5% concessional GST rate on all electric vehicles, providing a boost to India's clean mobility initiatives. This decision ensures that both mass-market and luxury EVs will avoid potential price increases under the new GST structure.
https://economictimes.indiatimes.com/news/economy/policy/evs-to-continue-at-5-gst-rate-as-council-opts-for-clean-mobility-push/articleshow/123681397.cms

GST Council revises tax slabs for automobiles: Small vehicles get relief while SUVs face higher levy

The GST Council has announced a restructuring of tax rates for the automobile sector, effective September 22, 2025. Mass mobility vehicles like smaller cars and motorcycles up to 350cc will see reduced GST rates, dropping from 28% to 18%. Conversely, larger cars, SUVs, motorcycles above 350cc, yachts, and personal aircraft will face a higher tax rate of 40%.
https://economictimes.indiatimes.com/industry/auto/auto-news/gst-council-revises-tax-slabs-for-automobiles-small-vehicles-get-relief-while-suvs-face-higher-levy/articleshow/123682279.cms

Govt to launch financing framework to reuse de-coaled mines

The government will launch a financing framework to reuse the mines from which coal has been extracted on Thursday, according to an official statement. The framework 'ARTHA' will be released during the 'Star Rating Awards Ceremony for Coal and Lignite Mines' in Mumbai. "The occasion will mark the release of ARTHA, a green financing framework for repurposing de-coaled mines," the coal ministry said in the statement on Wednesday.
https://www.thehindubusinessline.com/economy/govt-to-launch-financing-framework-to-reuse-de-coaled-mines/article70007802.ece

Ferro alloys demand likely to grow at 7-8% CAGR in India: Report

India's ferro alloys demand is expected to grow at a CAGR of 7-8 per cent over the next five years, driven by higher steel production, according to markets research firm BigMint. At present, the demand of ferro alloys -- used to add various properties to steel -- in India is over 4 million tonnes, BigMint CEO Dhruv Goel said on Wednesday. Ferro

alloys like silico manganese and ferro chrome, etc, act as deoxidisers and alloying agents, improving steel's properties like hardness, strength, corrosion resistance, and wear resistance, he said.
https://www.business-standard.com/industry/news/ferro-alloys-demand-likely-to-grow-at-7-8-cagr-in-india-report-125090300996_1.html

India's steel demand to triple by 2050 as China's share contracts: WoodMac

India is expected to emerge as a major growth centre for global steel demand over the coming decades, even as China's dominance wanes. China, which accounted for 49 per cent of world steel consumption in 2024, is projected to see demand fall by an average of five to seven million tonnes (Mt) annually over the next decade. China's share of global demand is forecast to fall sharply to 31 per cent by 2050. India, by contrast, is expected to nearly triple its demand over the same period, lifting its share from 8 per cent in 2024 to 21 per cent by mid-century, according to research firm Wood Mackenzie.
https://www.business-standard.com/industry/news/indias-steel-demand-to-surge-as-chinas-share-declines-woodmac-125090301092_1.html

Cabinet approves ₹1,500 crore incentive scheme to promote critical mineral recycling

The Cabinet on Wednesday approved a ₹1,500 crore incentive scheme to develop recycling capacity for the separation and production of critical minerals from secondary sources. This scheme is part of the National Critical Mineral Mission (NCMM). The critical mineral value chain comprising exploration, auction and mine operationalisation and acquisition of foreign assets has a gestation period before they could supply critical minerals to the industry.
https://www.thehindubusinessline.com/economy/cabinet-approves-1500-crore-incentive-scheme-to-promote-critical-mineral-recycling/article70008793.ece

India lacks skilled manpower in chip sector, industry forced to hire overseas

India's chip ambitions have a massive hurdle in the extreme shortage of trained manpower in the semiconductor sector. Industry leaders warn that without a deep pool of skilled workers, the country's semiconductor ecosystem will take years to become workable. "There is no skill factory yet in India for the semiconductor industry as the trainings were still going on, and since these trainings are very complicated, it would take another two years for the skill-set to come in this ecosystem," said senior officials at the Semicon India 2025 conference.
https://www.thehindubusinessline.com/info-tech/india-lacks-skilled-manpower-in-chip-sector-industry-forced-to-hire-overseas/article70008504.ece

Agriculture

Agri sector should grow at 5% to ensure 8% economic growth in India, says NITI Aayog's Ramesh Chand

For India to achieve its goal of becoming a 'Viksit Bharat' (developed nation) by 2047, the agriculture sector must grow at a rate of 5 per cent. "If this 5 per cent agricultural growth is not achieved, India will not be able to reach its national development goal. It (5 per cent growth in agri) is essential to support the overall 8 per cent economic growth required for 'Viksit Bharat'," said Ramesh Chand, Member of NITI Aayog.
https://www.thehindubusinessline.com/economy/agri-business/agri-sector-should-grow-at-5-to-ensure-8-economic-growth-in-india-says-niti-aayogs-ramesh-chand/article70008481.ece

Textiles minister reviews MSP readiness for cotton procurement season

Union Textiles Minister Giriraj Singh chaired a high-level meeting to assess the preparedness for Minimum Support Price (MSP) operations for cotton procurement during the Kharif Marketing Season 2025-26 starting October 1, 2025. Reiterating the government's commitment to the welfare of cotton farmers, Singh assured that all kapas arriving under MSP guidelines will be procured without disruption, with a focus on timely, transparent, and farmer-centric service delivery.
https://www.business-standard.com/industry/agriculture/textiles-minister-reviews-msp-readiness-for-cotton-procurement-season-125090300728_1.html

Infrastructure

India's top cities hold 106 mn sq ft TOD real estate potential: CBRE

There is an opportunity to develop more than 106 million square feet of real estate across the country's top eight cities, concentrated around major transit hubs such as metro stations, train stations, and inter-state bus terminals, according to CBRE South Asia. The recent report Billions in Transit: Assessing the Impact of Transit Oriented Development on Indian Cities by the real estate consultancy noted that the Delhi-NCR region offers the highest potential for transit-oriented real estate development, estimated at 32 million square feet. This is driven by its rapidly expanding metro network, inter-state bus terminals, and city railway stations.
https://www.business-standard.com/industry/news/cbre-report-tod-real-estate-potential-top-indian-cities-125090300650_1.html

In a sign of improving governance, infra project halts/terminations decline 45% in Q1 FY26

The first quarter of FY26 saw fewer infrastructure projects being put on hold or terminated, according to the latest Quarterly Project Implementation Status Report (QPISR) released by the MOSPI. This is a sign of improved governance and implementation capabilities, say experts. According to the report, infra projects worth ₹8,603.54 crore were put on hold or terminated in Q1 FY26, a decline of 44.6 per cent compared to ₹15,522.19 crore in Q1 FY25. The QPISR captures the implementation status of all central projects costing more than ₹150 crore.
https://www.thehindubusinessline.com/data-stories/data-focus/in-a-sign-of-improving-governance-infra-project-haltsterminations-decline-45-in-q1-fy26/article70008016.ece

Centre to introduce ₹2000 crore insurance support for shipbuilders

In a bid to allay apprehensions of shipbuilders on business sustainability, the government is likely to introduce a ₹2,000-crore corpus to protect them from major contingencies in vessel orders, according to multiple government officials in the know. The Ministry of Ports, Shipping and Waterways is in deliberations with the finance ministry and other stakeholders to set up a buyer's default insurance product through a public-sector agency backed by a government corpus. This will protect a shipbuilder from a vessel procurer backing out of an order midway or at the time of delivery, a senior official said.
https://www.business-standard.com/industry/news/centre-to-introduce-2000-crore-insurance-support-for-shipbuilders-125090301601_1.html

Energy

India to pilot battery storage at coal plants to balance grid as solar power surges

India will test the installation of battery storage systems at some coal power plants, as the country grapples with integrating massive solar capacity while maintaining reliable electricity supply, an advisor to the country's power ministry said. The concept addresses a critical challenge facing India's power grid, where thermal plants must ramp down during peak solar hours but maintain capacity for evening demand when solar generation drops. The Central Electricity Authority (CEA) has been working on guidelines for coal-based power plants and technical minimum load requirements as the country rapidly expands renewable energy capacity.
https://www.thehindubusinessline.com/economy/india-to-pilot-battery-storage-at-coal-plants-to-balance-grid-as-solar-power-surges/article70007260.ece

Rooftop solar can deliver significant electricity cost savings for 3.3 lakh Indian SMEs: Study

As India moves toward renewable energy, small and medium enterprises (SMEs) in the country, which often face capital constraints, can realise significant savings on electricity costs by embracing green energy, particularly through rooftop solar (RTS) solutions, according to a recent study by the World Resources Institute (WRI) India.
https://economictimes.indiatimes.com/small-biz/sustainability/rooftop-solar-can-deliver-significant-electricity-cost-savings-for-3-3-lakh-indian-smes-study/articleshow/123669686.cms

Telecom

DoT blocked over 2 cr phone connections used for fraudulent activities: Official

The Union Department of Telecommunication (DoT) has taken strong actions against fraudulent activities. It blocked over two crore phone connections. The DoT initiatives have reduced spoof calls significantly. Call spoofing is a method used by scammers to hide their identity. The department is also developing a digital intelligence platform. This platform will help financial institutions to identify and prevent fraud.
https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-blocked-over-2-cr-phone-connections-used-for-fraudulent-activities-official/articleshow/123674587.cms

DoT rejects Trai plan to charge 'paltry' Rs 500 urban satcom levy

The Telecom Department has turned down the Telecom Regulatory Authority of India's proposal. The proposal suggested charging satcom companies extra for urban subscribers. This was to boost rural connectivity. The department also rejected using Digital Bharat Nidhi to subsidize satellite terminals. The department will ask the regulator to review the proposal.
https://economictimes.indiatimes.com/industry/telecom/telecom-news/dot-rejects-trai-plan-to-charge-paltry-rs-500-urban-satcom-levy/articleshow/123663316.cms

States

Maharashtra leads in FPO ease of doing business; Madhya Pradesh loses crown

Maharashtra has topped the list of states with the most favourable ecosystem for the growth of Farmer Producer Organisations (FPOs), replacing Madhya Pradesh, which has slipped to second place, according to the latest Ease of Doing Business for FPOs (EoDBF) ranking. The rankings were released as part of the State of the Sector Report on FPOs (SoFPO), launched on Wednesday. SoFPO is an annual report brought out by the National Association for FPOs (NAFPO), Samunnati, and the Rabo Foundation.
https://www.business-standard.com/economy/news/maharashtra-replaces-mp-as-top-state-for-fpo-ecosystem-125090301410_1.html

Odisha signs MoUs worth ₹2,655 crore at SEMICON India 2025 Conclave

Chief Minister Mohan Charan Majhi on Wednesday said that Odisha has signed MoUs worth Rs 2,655 crore with major firms for setting up their semiconductor units in the state. The state government signed the MoUs with big names in the industry at the SEMICON India 2025 Conclave in New Delhi. "I had the privilege to inaugurate the Odisha Pavilion, where we signed MoUs worth 2,655 crore with TopTrack Hi-Tech PCB Pvt Ltd (Rs 1,005 crore) and @SancodeTech in technological partnership with Silicon Connect, Inari Amertron Berhad & APIRC Penang (Rs 1,650 crore), while engaging with global majors like Intel, Micron, Western Digital, Renesas, and Siemens," Majhi said in a post on X.
https://www.business-standard.com/industry/news/odisha-signs-mous-worth-2-655-crore-at-semicon-india-2025-conclave-125090301660_1.html

Madhya Pradesh gets ₹12,508 cr investment proposals in textile sector

At an interactive session held in New Delhi to attract investment in Madhya Pradesh’s textile sector, 15 companies proposed investments totalling Rs 12,508 crore. These are expected to generate over 18,000 jobs. The companies expressed interest in investing in the PM MITRA Park being developed in Dhar district. Among the interested companies, Trident proposed Rs 4,500 crore, A B Cotspin Industries Rs 1,300 crore, Arvind Mills Rs 1,024 crore, Sanathan Textiles Rs 1,000 crore, BSL members Rs 1,000 crore, Best Corporation Tirupur Rs 832 crore, Sharmanji Yarns Rs 800 crore, RSVPM (LNJ Bhilwara) Rs 700 crore and R R Jain Industries Rs 550 crore. Several other companies also showed interest.
https://www.business-standard.com/industry/news/over-rs-12000-crore-investment-proposals-for-madhya-pradesh-textile-sector-125090301590_1.html

Healthcare

Health Ministry to ease test licence, BA/BE study rules; pharma sector set to gain

In a major regulatory reform aimed at promoting ease of doing business in the pharma and clinical research sectors, the Union Health Ministry is planning top amend the New Drugs and Clinical Trials (NDCT) Rules, 2019. The most

significant change proposed is the replacement of the current licensing system for test licences, with a simplified intimation and notification mechanism. Under the new framework proposed, companies will no longer need to wait for approvals in most cases; instead, they can begin work after intimating the Central Licensing Authority.
https://www.thehindubusinessline.com/economy/health-ministry-to-ease-test-licence-babe-study-rules-pharma-sector-set-to-gain/article70009043.ece

External

India, EFTA trade pact to come into force from Oct 1: Switzerland

The free trade agreement between India and four-European nation bloc EFTA, which will come into force from October 1, will have legally binding provisions on trade and sustainable development, Switzerland said on Wednesday. "For the first time, India has laid down legally binding provisions on trade and sustainable development in a free trade agreement," it said in a statement. The European Free Trade Association (EFTA) members are Iceland, Liechtenstein, Norway and Switzerland.
https://www.thehindubusinessline.com/economy/india-efta-trade-pact-to-come-into-force-from-oct-1-switzerland/article70007659.ece

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. Speaking to media alongside German Foreign Minister Johann Wadephul in New Delhi, Jaishankar urged stronger cooperation across sectors, especially in defence and technology, and emphasised the need to double trade volumes between the two nations.
https://www.thehindubusinessline.com/economy/eu-india-ties-jaishankar-hopeful-fta-will-be-concluded-soon/article70008547.ece

Germany and India open to doubling of trade volume, German minister says

German Foreign Minister Johann Wadephul welcomed India's openness towards doubling the two countries' trade volume of 31 billion euros ($36.29 billion), speaking during a visit to New Delhi on Wednesday. "I am glad that you are as optimistic about the prospects as I am," Wadephul said, addressing his Indian counterpart Subrahmanyam Jaishankar. The German minister said a free trade agreement between India and the European Union could be concluded in the coming months, adding, "If others put up trade barriers, then we should respond by lowering them."
https://www.thehindubusinessline.com/economy/germany-and-india-open-to-doubling-of-trade-volume-german-minister-says/article70007545.ece

SEA team visits Russia to study sunflower complex

A 16-member delegation from the Solvent Extractors’ Association of India (SEA) is on a tour of Russia to study the sunflower complex, and to gain first-hand insights into production, processing, and exports. Organised in association with the Russian Export Center Group, the delegation aims to dive deep into Russia’s sunflower story - from fields to factories. Sanjeev Asthana, SEA President, said: “The tour is designed to study the sunflower complex, gain first-hand insights into production, processing, and exports, besides helping us build direct bonds with Russian farmers, producers, and exporters, paving the way for stronger trade ties and future opportunities between India and Russia.”
https://www.thehindubusinessline.com/economy/agri-business/sea-team-visits-russia-to-study-sunflower-complex/article70008008.ece

India, China have become net exporters of frozen processed potato products, says RaboResearch

India and China have turned net exporters of frozen processed potato products from net importers, with the global potato market undergoing a significant transformation, according to RaboResearch. An agriculture research arm of Rabobank, RaboResearch, pointing to the world potato map it published recently, said the global potato market is experiencing a significant transformation, with frozen potato products taking centre stage.
https://www.thehindubusinessline.com/economy/agri-business/india-china-have-become-net-exporters-of-frozen-processed-potato-products-says-raboresearch/article70008163.ece

Piyush Goyal assures help to exporters to deal with global trade uncertainties

Commerce Minister Piyush Goyal has assured exporters of government support in navigating steep US tariffs. He urged them to enhance product quality, diversify supply chains, and explore new markets. The government is committed to creating a supportive ecosystem through various initiatives and policy interventions. India's exports rebounded in July, with a significant increase in trade with the US.

https://economictimes.indiatimes.com/news/economy/foreign-trade/piyush-goyal-assures-help-to-exporters-to-deal-with-global-trade-uncertainties/articleshow/123681111.cms