

# Industry Developments

04<sup>th</sup> June 2025





## Overall

### Manufacturing PMI drops in May

The rate of expansion in output and new orders of India's manufacturing sector eased from the previous month, as per the HSBC India Manufacturing Purchasing Managers Index (PMI). The index fell to 57.6 in May from 58.2 in April. The seasonally adjusted index denotes an expansion when it is above 50, and a contraction when it is below 50.

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### SBI pegs FY26 GDP growth at 6.3-6.5%

SBI has projected real GDP growth for 2025-26 at 6.3 - 6.5 per cent, citing strong macroeconomic fundamentals, a healthy financial sector, and a continued long-term development. SBI also noted that higher household savings would support investment without fuelling inflation and said India remains well-positioned despite global risks.

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## Agri & Food processing

### Dairy companies likely to witness revenue growth of 11-13% in 2025-26

Dairy companies in India are likely to witness revenue growth of 11-13 per cent compared to the growth of nearly 10 per cent in 2024-25. This would be driven by strong demand, increasing share of value-added products (VAP) and higher retail milk prices.

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### Sugar industry demands for revision in ethanol prices

The sugar industry has demanded for a revision in the procurement prices of ethanol. It also demanded for extension of blending target beyond 20 per cent after the sector's contribution to the national ethanol programme declined from 73 per cent to just 28 per cent.

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### Duty cut on edible oils expected to impact farmers' earnings

The decline in the import duty on crude edible oil is expected to lead to a decline in prices, which will impact the earnings of farmers. The prices of fresh fruit bunches (FFBs) increased by up to 60 per cent in just one year and reached Rs.21,000 per tonne.

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### Surplus monsoon leads to early sowing of kharif crops in Karnataka

Surplus rains in Karnataka have led to early sowing of key kharif crops such as maize, pulses, oilseeds and commercial crops in the state. The state received rainfall of 286 mm, nearly 149 per cent more than the normal of 115 mm during the period from 1 March-31 May 2025.

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## Automobiles and Ancillaries

### Tesla unlikely to open manufacturing plant in India

US electric car manufacturer Tesla is not keen on manufacturing its cars in India in spite of the government offering policy incentives. The company appears to currently focus only on selling imported vehicles rather than committing to local production.

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### Ola Electric sees 51% decline in electric two wheeler sales in May 2025

Ola Electric saw a 51 per cent year-on-year decline in electric two wheeler sales to 18,499 units in May 2025. It dropped to third position behind rivals TVS Motor and Bajaj Auto. During the month, electric two wheeler sales stood at 100,266 units, according to the Vahan portal.

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### Two wheeler wholesales remain steady in May 2025

Two wheeler wholesales remained stable in May 2025 driven by seasonal wedding demand, sustained rural momentum and post harvest demand reflecting steady buyer sentiment across key markets. Among the top manufacturers, Honda Motorcycle & Scooter India (HMSI) reported y-o-y decline in dispatches, while others registered positive growth.

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## Aviation

### Air India remains on course to achieve its twin goals after its privatization

Three years after its privatisation, Air India remains on course to achieve its twin goals of becoming profitable and transforming into a world-class airline - even as external challenges persist.

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### India to develop 50 more airports in 5 years: Union minister

The Union minister K Rammohan Naidu said that the country aims to have 50 more airports in the next five years. At present, there are 162 airports in India. The number has more than doubled compared to 74 airports in 2014.

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### Air India to recalibrate plans on Turkish Technic's maintenance works for its wide-body planes

CEO Campbell Wilson said that the airline will look to send its wide-body planes, whose heavy maintenance is being done by Turkish Technic, to other MRO entities in the Middle East, Southeast Asia, and the United States (US).

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## Banking and Financial Services

### Private banks' loan book doubles over five years

Private banks have gained over 5 per cent in loan market share and have more than doubled their loan book in the past 5 years, according to the RBI. As of March 2025, private banks held a 40 per cent share of total loans, with an outstanding book of Rs.75.2 trillion.

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### Insured deposits rise by 7.1%

Insured deposits grew by 7.1 per cent year-on-year to Rs.96.7 trillion as of 30 September 2024 from Rs.90.3 trillion a year earlier, according to the Reserve Bank of India. Fully insured deposit accounts increased to 2.9 billion from 2.8 billion, though their share in total accounts dipped to 97.7 per cent from 97.9 per cent.

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### Bank credit to NBFCs increase by 5.7% in 2024-25

Bank credit to non-banking financial companies (NBFCs) rose 5.7 per cent to Rs.16.4 trillion in 2024-25. Outstanding loans to NBFCs fell by Rs.255.1 billion to Rs.16.1 trillion, indicating reduced lending appetite. Loans to large corporates also moderated, with their share in total bank credit falling to 15 per cent in April 2025 from 16 per cent in March 2024.

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## Consumer Market

### FMCG companies intensify focus on rural areas

A rise in rural consumption in the past few years has led fast-moving consumer goods (FMCG) companies to intensify their focus on rural areas. FMCG companies are expanding their distribution networks in rural areas, aggressively launching smaller pack sizes, and undertaking hyper-local promotions to capitalise on rising rural demand.

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### D2C brand Snitch raises USD 40 million in Series B funding

Snitch, a D2C menswear brand, has raised USD 40 million in its Series B round, according to media reports. The funding round was led by 360 ONE Asset and included existing investors like IvyCap Ventures and SWC Global. The company plans to enter the quick commerce space and expand into new lifestyle and apparel segments.

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### BigBasket launches 10-minute food delivery services in Bengaluru

BigBasket has launched 10-minute food delivery services in select regions of Bengaluru. The quick commerce platform is offering deliveries for items from Starbucks and Qmin. BigBasket also plans to launch quick deliveries of pharmaceuticals from Tata 1mg.

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## Chemical and Petrochemical

### Fertilisers production falls 4.2% in April 2025

The production of fertilisers including urea, Di-ammonium Phosphate (DAP), Muriate of Potash (MOP) and complex fertilisers fell by 4.2 per cent year-on-year to 3.6 million tonnes in April 2025 as compared to 3.8 million tonnes in April 2024.

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### Fertiliser imports remain flat in April 2025

The overall imports of fertilisers like urea, Di-ammonium Phosphate, Muriate of Potash and complex fertilisers were flat at 785 thousand tonnes during April 2025 when compared to year-ago levels. The imports of urea, which is regulated by the government, declined by 48 per cent to 156 thousand tonnes during April 2025.

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### IFFCO to launch granular Nano NPK fertiliser

Indian Farmers Fertiliser Cooperative (IFFCO) is planning to launch Nano nitrogen, phosphorus and potassium (NPK) fertiliser in granular form, according to U.S. Awasthi, managing director of the company. The fertiliser is enriched with magnesium, sulphur, zinc and copper, which would help increase crop productivity and minimise nutrient loss.

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## Energy & Natural Resources

### Alfanar Group prepares to foray into India's green hydrogen segment

Alfanar Group is planning to foray into India's green hydrogen segment after the country's policy and regulatory framework becomes clearer. The company is concentrating on hybrid projects that combine wind and solar energy, along with energy storage solutions.

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### Govt reduces price of natural gas used for producing CNG

The government has reduced the prices of natural gas used for producing CNG for vehicles and cooking gas for the first time since April 2023, following a decline in benchmark rates. The prices have fallen from USD 6.75 to USD 6.41 per million British thermal units (mmBtu), according to a notification from the Oil Ministry's Petroleum Planning and Analysis Cell.

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### IOCL, IBA partner to develop bioenergy, bio-hydrogen sector

IOCL has partnered with the Indian Biogas Association for the development of the bioenergy and bio-hydrogen sector. Under the partnership, the companies will interact with legislators, business executives and think tanks to establish a knowledge centre.

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## Education

### Tamil Nadu CM launches distribution of textbooks and uniforms to students

CM MK Stalin inaugurated the distribution of educational materials for government school students. About 43 million textbooks valued at Rs.3.1 billion, 13 million school uniforms worth Rs.4.5 billion, 96 million notebooks costing Rs.1.6 billion and stationery estimated at Rs.2.1 billion are set to be distributed among students this academic year.

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### Bihar lays foundation stone for state-of-the-art Tibbi College Hospital building

CM Nitish Kumar laid the foundation stone for a state-of-the-art Tibbi College Hospital building in Patna. The ambitious project is estimated to cost around Rs.2.6 billion. It will be developed over four hectares of land.

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### AP CM lays foundation for infrastructure development projects

Arunachal Pradesh CM Pema Khandu laid foundation stones for various infrastructure development projects in the education sector. The cost of these projects has been pegged at Rs.7.5 billion.

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## Healthcare

### Private hospitals across Kerala reactivate precautionary COVID-19 protocols

Private hospitals across Kerala have reactivated precautionary protocols, setting up dedicated wards and intensive care sections exclusively for coronavirus (COVID-19) patients. The aim is to prevent cross-infection.

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### Karnataka govt to expand 'Namma Clinic' initiative

The Karnataka government has decided to expand the 'Namma Clinic' initiative to seven more locations in Dakshina Kannada and Udupi districts. Currently, the clinics are operating in Hoige Bazaar, Bolur, Kodikal, Pacchanadi, Meenakaliya, Kunjathbail, Kerebail, Gantalkatte, Bannur, Duggaldka and Kodimbala.

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### NITI Aayog to launch national strategy on brain health

Niti Aayog will launch a national blueprint aimed at enhancing brain health and enabling early detection of cognitive decline and neurological disorders such as dementia, Alzheimer's, Parkinson's, epilepsy and stroke. NITI Aayog will collaborate with key institutions like the National Institute of Mental Health and Neuro Sciences (NIMHANS) and the Institute of Human Behaviour and Allied Sciences (IBHAS).

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## Infrastructure

### Himachal Pradesh govt to develop 77 eco-tourism sites across 14 districts

The state government has decided to develop 77 eco-tourism sites across 14 districts of the state. These include Shimla, Kullu, Mandi, Bilaspur, Rampur, Solan, Nahan, Hamirpur, Nalagarh, Dharamshala, Palampur, Chamba, Dalhousie, Nurpur and Reckong Peo.

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### DMRC floats tender for design & construction of underground tunnels

The Delhi Metro Rail Corporation (DMRC) has floated a tender to carry out the design & construction of underground tunnels, ramps and four underground metro stations for the upcoming phase-IV Green Line Extension from Inderlok to Indraprastha in Delhi.

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### PM inaugurates first phase of Indore metro project from Bhopal

PM Narendra Modi inaugurated the first phase of the Indore metro project through video link from Bhopal. According to officials, commercial operations started on Saturday, 31 May 2025, on the approximately six km 'Super Priority Corridor' between Gandhi Nagar Station and Station No 3 of the 'Super Corridor'.

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## Industrial Manufacturing

### US revised tariffs to have minor impact on domestic market, says steel minister

India is likely to witness a minor impact from the United States (US) proposed elevation of tariffs on steel and aluminium imports, as India exports limited volumes to the US, said Steel Minister HD Kumaraswamy. The US announced to double tariff on steel and aluminium imports from the existing 25 per cent to 50 per cent from 4 June 2025.

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### National manufacturing mission to be launched soon

The National Manufacturing Mission is expected to be unveiled within a month. It will include a dedicated body with the necessary authority to address emerging challenges in a timely manner. The mission aims to raise manufacturing's GDP share from 15-17 per cent to 25 per cent under the Make-in-India initiative.

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### Govt considers doubling steel import duty from 12% to 24%

The Indian government is considering doubling the import duty on steel from 12 per cent to 24 per cent with an aim to safeguard domestic steelmakers from possible dumping from China.

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## Information Technology

### LTIMindtree appoints Venu Lambu as CEO and MD

LTIMindtree has appointed Venu Lambu as the new CEO and MD of the company with effect from 31 May 2025. This came amid Debashis Chatterjee's announcement of retirement due to personal reasons, six months before his term ends on November 2025.

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### Quantum computing likely to become scalable solution by end of 2025-26

Quantum computing is likely to become a scalable solution by the end of the current financial year 2025-26,. Technologies like Agentic AI are already helping the company reduce 20-35 per cent of manual efforts, according to Sandhya Arun, CTO, Wipro.

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### Infosys, Google cloud partner to launch over 200 AI agents

Infosys has collaborated with Google Cloud's Vertex AI platform to launch more than 200 enterprise artificial intelligence (AI) agents as part of its Infosys Topaz AI offerings. The AI agents will manage complex workflows and support multi-agent operations at scale in sectors such as healthcare, finance, manufacturing, telecom, retail and agriculture.

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## Pharmaceuticals

### Zydus secures USFDA approval for Rifaximin tablets

Zydus Lifesciences secured tentative approval from the United States Food and Drug Administration (USFDA) to market Rifaximin tablets. The drug is used for treating irritable bowel syndrome with diarrhoea (IBS-D) in adults.

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### Sanofi acquires Blueprint Medicines in USD 9.5 billion deal

Sanofi has acquired Blueprint Medicines Corporation for USD 9.1 billion in cash, with the deal potentially reaching USD 9.5 billion including milestone-linked contingent value rights (CVR). Sanofi will pay USD 129 per share in cash. The deal grants Sanofi access to Ayvakit.

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### AstraZeneca's breast cancer drug Camizestrant delays disease progression

Camizestrant delays disease progression by over six months when compared to the current standard of care, according to trial data. Used in combination with other therapies, the drug extended progression-free survival to 16 months in patients with a specific subtype of breast cancer, versus 9.2 months on standard treatment.

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## Real Estate

### Stamp duty collection in Mumbai hits record high in May 2025

India's largest and most expensive property market Mumbai has registered its highest ever stamp duty collection for the month of May. The state exchequer fetched revenue worth over Rs.10.6 billion through stamp duty collection, compared with Rs.10.3 billion in the year-ago period.

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### Homes worth Rs.404.4 billion sold in March 2025 quarter in top 15 tier-II cities

Homes worth Rs.404.4 billion were sold in the March 2025 quarter across top 15 tier-II cities, an increase of six per cent over March 2024 quarter, as per real estate data analytics firm PropEquity. In terms of number of units sold, Lucknow reported 25 per cent increase at 1,301 units registered the highest growth amongst top 15 tier 2 cities.

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### Aparna Constructions to build luxury housing project in Hyderabad

Aparna Constructions will invest over Rs.22 billion to develop a new luxury housing project in Hyderabad. This project will have an estimated revenue potential of Rs.25.3 billion. The company will develop a total of 2,088 apartments in this project.

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## Textile

### Gokaldas Exports considers acquiring BRFL Textiles

Gokaldas Exports is evaluating a full acquisition of BRFL Textiles this financial year, according to Sivaramakrishnan Ganapathi, MD of the company. The move supports its strategy to control fabric sourcing, reduce lead times and boost growth. He, stated that in-house production of key fabrics improves supply chain efficiency.

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### Arvind plans Rs.4.8 billion capex to boost garment capacity

Arvind plans to spend Rs.4.8 billion in 2025-26 to expand its garment manufacturing capacity from 40 to 60 million units in next 18 months. The investment will focus on garments, fabrics and advanced materials, with a push toward innovation and maintenance.

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### Loyal Textiles shifts focus to technical garments amid losses

Loyal Textiles Mills is restructuring its operations to focus on high-value technical textile garments, as global demand slowdown has led to losses and low capacity use, according to Valli M Ramaswami, chairperson of the company.

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## Technology, Media and Telecom

### TDSAT revokes DoT order to levy additional SUC

The Telecom Disputes Settlement & Appellate Tribunal has revoked the DoT order to levy an additional spectrum usage charge (SUC) on telecom operators. DoT had demanded an additional 0.5 per cent SUC on the entire bandwidth of operators sharing airwaves.

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### SC's observation opens door for Govt to offer AGR relief

The Supreme Court's observation has opened doors for the government to offer adjusted gross revenue (AGR) relief to telcos if it wants to, the CEO of Vodafone Idea (Vi), Akshaya Moondra said. Moreover, Vi is focusing on securing bank funding to expand its 4G coverage to 90 per cent of the population.

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### Telcos enhance their international roaming services to take on eSIM providers

Telecom operators are bolstering their international roaming plans to counter competition from low-cost eSIM providers. The international roaming plans offered by the telcos cost around Rs.3,000-5,000 for 7-10 days of validity with limited data.

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## Transportation

### Odisha invites EOI from global investors for development of non-major ports

The Odisha government has invited Expressions of Interest (EOI) from global investors for the development of non-major ports, cruise terminals, multipurpose harbours, shipbuilding & repair facilities and container terminals at designated port locations.

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### NPG reviews 5 key infra projects under PM GatiShakti plan

Network Planning Group (NPG) under the PM GatiShakti National Master Plan reviewed five major infrastructure projects. Additionally, a 17.4 km metro corridor in Greater Noida was assessed. In the civil aviation sector, a greenfield airport project near Bundi, Rajasthan, was also evaluated to enhance regional connectivity and support economic growth.

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### CCEA nod for Rs.70 bln road, rail projects

The CCEA has approved rail and road projects worth over Rs.70 billion across Maharashtra, Madhya Pradesh, and Andhra Pradesh. Multi-tracking rail projects worth Rs.34 billion will be implemented in Madhya Pradesh and Maharashtra, including line quadrupling on the Ratlam-Nagda corridor and fourth-line construction on the Wardha-Balharshah corridor.

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