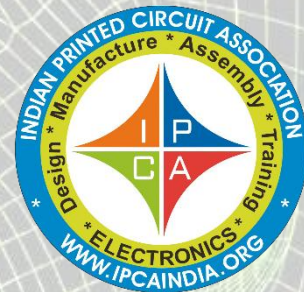


IPCA e-Newsletter



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INDIA - PCB INDUSTRY NEWS

The Indian printed circuit board (PCB) market reached USD 4.53 Billion in 2024. The market is expected to grow at a CAGR of 18.10% between 2025 and 2034, reaching almost USD 23.91 Billion by 2034.

India's PCB market is expanding due to increased domestic manufacturing and innovation.

A fast-growing trend in the Indian printed circuit board (PCB) market is the rapid increase in domestic manufacturing. With the thrust provided by government initiatives such as "Make in India," there is an increasing impetus toward freedom from dependence upon imported PCBs, which dominate the present market. As per Indian printed circuit board (PCB) market analysis, this shift would be facilitated by increased investments in local PCB production facilities and meaningful technological advancement in industries such as 5G and IoT. As a result, the market is not only seeing an increase in domestic manufacturing and innovation that increase India's role in the global electronic supply chain but also place it for a leading role even in the manufacturing of PCBs.

Indian printed circuit board (PCB) market is advancing with the rise of flexible and printed electronics.

Another recent trend in the Indian printed circuit board market is increasingly using advanced PCB technologies such as flexible or printed electronics. The demand for flexible PCBs is increasing because it may be used in wearables, consumer electronics, and automotive sectors where flexibility and lightweight is essential. Printed electronics have gained much fame in industries such as healthcare and smart packaging since electronic circuits can be integrated into substrates, bolstering the Indian printed circuit board (PCB) demand in the region. This is the reason for the recent fascination with technology and growing demand in terms of novelty, compactness, and efficiency of the electronic solutions. The research and development of their requirements involves huge investments by the company for developing better technologies catering to the evolving needs of the industry. With the pervasiveness of such advanced PCBs, they would drive significant growth and innovation in the market, making India a global leader in state-of-the-art PCBs.

Historical Market Analysis:

Historically, the Indian printed circuit board (PCB) market has seen a high sales and demand rate. Sales have increased considerably with the growing demand of sectors like consumer electronics, automotive, and telecommunication. The demand for PCB mainly surged in the consumer electronics segment, promoted by increasing smartphone, tablet, and smart device penetration. In the automotive industry also, due to higher demand for advanced driver-assistance systems and electrical vehicles, more PCBs were required.

According to the India Electronics and Semiconductor Association, despite an increase in local production, India still imported a significant share of high-end PCBs, propelling the Indian printed circuit board (PCB) market revenues forward. In the future, prominent vendors will continue enhancing domestic manufacturing capabilities, investing in emerging technologies such as flexible and printed electronics, and building on their competitive advantages in both domestic and international markets.

Opportunities in the Indian Printed Circuit Board (PCB) Market:

India's HDI PCB demand offers growth via advanced tech and supportive policies.

A huge opportunity for the Indian printed circuit board (PCB) market is the increase in demand for high-density interconnect, driven by technological innovations in consumer electronics, automotive, and telecommunications. Indeed, due to rapid digital transformation that is being adopted by India, the demand for more sophisticated and compact electronic components is spiralling upwards. Key participants can take advantage of the tide by investing in advanced manufacturing technologies and expanding their capacity to manufacture HDI PCBs that ensure better performance and miniaturisation than conventional PCBs, boosting the Indian printed circuit board (PCB) market opportunities.

Government initiatives also include the Production Linked Incentive Scheme for Electronics Manufacturing, creating a propitious atmosphere for industry growth. Thus, emerging needs and incentives may provide impetus to manufacturing companies of PCB to drive a competitive advantage for substantial growth in the Indian Market.

Market Dynamics:

High-Density Interconnect (HDI) boards are rising in India for compact, high-performance electronics.

One of the technologies that have been gaining much momentum in the Indian printed circuit board (PCB) market is High-Density Interconnect boards. HDI PCBs are characterised by fine lines and spaces, high layer counts, and advanced materials that are used to achieve greater circuit density and miniaturisation of electronic devices. These are useful in field applications, including smartphones and tablets, where space is at a premium while performance requirements are very high, and higher-end automotive systems, driving the Indian printed circuit board (PCB) market dynamics and trends. Owing to the ever-growing demand for compact, high-performance electronics, HDI PCBs have started to gain appreciation in India. From the development of local manufacturing capabilities down to advancements in the HDI technology itself, all factors together are driving this trend forward in the Indian market.

Growth Drivers:

The rise in consumer electronics and government incentives drive India's PCB market growth.

One of the major factors contributing to the growth of the Indian printed circuit board (PCB) market: the growth in the consumer electronics sector. As the population of the middle class is increasing in India, along with disposable incomes, there is greater demand for electronic devices like smartphones, tabs, smart home gadgets, among others. This is creating a ripple effect in demand within the PCB industry, as PCBs are integral parts of these devices, removing the various Indian printed circuit board (PCB) market challenges.

For instance, growing availability of low-cost smartphones increases the demand for PCB production in mobile phones. The growth in the adoption rate of smart home gadgets, which involve smart thermostats and security systems, is also drawing up the demand for high-tech PCBs. Besides, government policies such as the "Make in India" initiative and the PLI started to give fillip to the local manufacturing of PCBs, therefore improving the market demand. The increasing demand for consumer electronics, along with policies enacted in support of the same, is one of the major drives the Indian printed circuit board market is seeing.

Anti-dumping Duty Sparks PCB Manufacturing Surge in India, But Long-term Gains Hinge on Raw Material Independence:

The imposition of a 30% anti-dumping duty (ADD) on bare printed circuit boards (BPCBs) has significantly boosted domestic production in India, but the long-term sustainability of this momentum will depend on the country's ability to build a self-reliant raw materials supply chain, says a research note.

In the report, India Ratings & Research (Ind-Ra), a Fitch group company, says the duty, which came into effect in March 2024 for a five-year period, has given Indian PCB manufacturers a much-needed competitive edge by raising the landed cost of Chinese and Hong Kong imports. "As a result, domestic players have seen higher capacity utilisation and improved margins. Industries reliant on PCBs—particularly consumer electronics, industrial equipment, and lighting—have felt the pinch of a 10%-15% increase in input prices, but this is expected to ease as local supply chains evolve and mature."

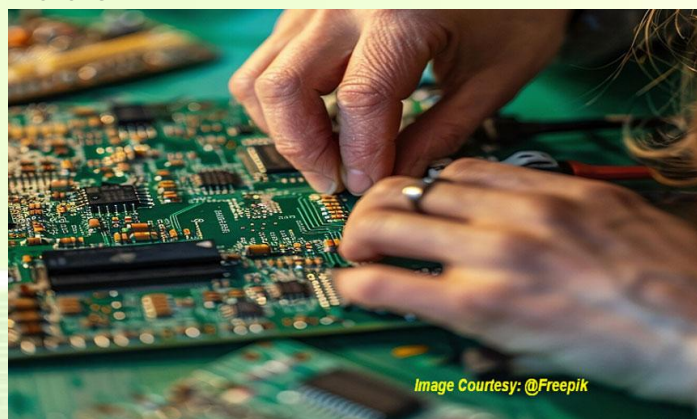
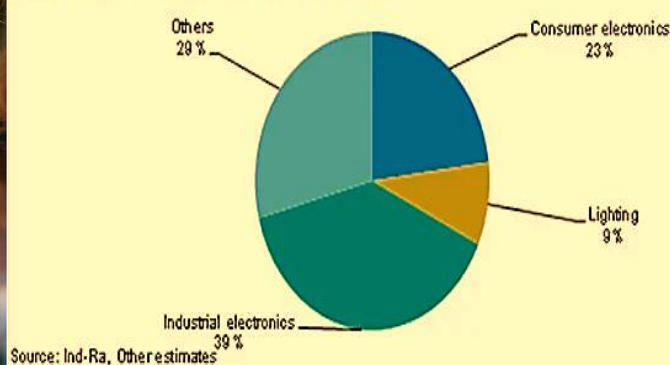


Image Courtesy: @Freepik

End-Use Distribution of BPCBs in India



Ind-Ra notes that, while the ADD has created favourable short- to medium-term conditions for Indian producers, structural challenges remain. "Chief among these is India's continued dependence on imported copper-clad laminates (CCLs)—a key raw material for PCB manufacturing—primarily sourced from China. Resin, the other major component, is readily available domestically, but without local CCL production, full value addition and margin expansion will remain limited."

The report points out that although India's PCB consumption grew by 15% year-on-year (y-o-y) to Rs135bn (billion) in FY24-25, domestic production has stagnated at around Rs18bn, highlighting the scope for growth. It says, "Imports still dominate the market, with China PR and Hong Kong accounting for the bulk of the inbound shipments. However, since the ADD came into force, their share has declined modestly, while imports from other nations like Vietnam, Taiwan, and Thailand have grown—an early sign of supply diversification."

Import quantity from China fell by 8% y-o-y in FY24-25, compared to a sharper 33% decline in FY23-24. According to Ind-Ra, this moderation suggests that a significant portion of the earlier fall was due to advanced stocking or trade rerouting through Hong Kong which recorded a surge in PCB exports to India last year. The latest figures indicate that this workaround is now levelling off, possibly due to closer scrutiny or natural market correction, it added.

In a major policy push, the government introduced the electronic component manufacturing scheme (ECMS) in April 2025. With an expanded incentive pool of Rs2,29,190mn and a six-year implementation timeline, ECMS aims to fill the gaps left by earlier schemes. It offers support through turnover-linked, capital expenditure (capex)-based and hybrid models. Though it is still in its early stages, 70 companies have already submitted applications, with more expected soon.

Indian Printed Circuit Board (PCB) Market Regional Insights:

Indian Printed Circuit Board (PCB) Market Opportunities in Maharashtra

The leading state in the Indian printed circuit board (PCB) market is Maharashtra, driven by thriving electronics and IT sectors, garnering a 21.9% CAGR through 2032. Consequently, Mumbai and Pune have emerged as major manufacturing hubs for PCBs with their large number of technology companies and industrial estates. This state boasts one of the best infrastructures in the country, a skilled labour force, and policies that help its government support the establishment of an ideal ecosystem for PCBs. All that adds to the dominance of Maharashtra is its heavy investments in technology and innovation, making it a very vital partner for both the domestic and international PCB markets. The strong focus on electronics and IT is adding strength to the state, which attracts several multinational and local manufacturers of PCBs, accelerating the growth of the Indian printed circuit board (PCB) industry in Maharashtra.

Tamil Nadu Printed Circuit Board (PCB) Market Dynamics

Tamil Nadu is one of the largest contributors to the Indian printed circuit board market, as the state is highly industrially based on automotive and consumer electronics. Because Chennai is the capital of the state, it is considered a major hub for PCB manufacturing since the capital has a vast network of electronics and automotive firms in the region. Its growth in technology and industries attracts regular demand for PCBs. Government initiatives within the state to encourage electronic manufacturing clusters and offer many incentives provide further impetus to the production of PCB and thereby strengthen Indian printed circuit board (PCB) in Tamil Nadu. The strategic location of the state and large industrial diversity contributes substantially to a major role in the market for PCB.

Karnataka Printed Circuit Board (PCB) Market Trends

Karnataka is one of the important states when it comes to the Indian PCB market, having housed Bengaluru as one of its major two tech and electronics hubs. Therefore, it contributes with several IT industries and gives a vibrant, growing environment for startups; demands for value-added PCBs are, therefore, very high. Innovation and technology-related initiatives in Bengaluru make it suitable for the consumer electronics, telecommunication, and IT infrastructure that grow with much more demand for higher-value PCB solutions, thus helping the growth of the Karnataka printed circuit board (PCB) market. The favourable business climate, skilled manpower, and investment in technology infrastructure make Karnataka more competitive in the PCB market. In addition, the policy framers of this state are committed to the growth of electronics manufacturing and technology development; hence, this market segment has given a boost.

Gujrat Printed Circuit Board (PCB) Market Insights

Gujarat is emerging as a vital player in the Indian market for PCBs, on the wheels of growth in its industrial and electronic sectors. With the friendly business climate of the state and infrastructural investments, Ahmedabad and Surat are emerging as the current hotspot towns. The capacity for producing PCBs is increasing with each passing day, with the state's initiatives to promote the manufacturing of electronics by establishing industrial parks and offering perks to technology firms. The relocation of industries for diversification, along with its strategic location, is increasing the Indian printed circuit board (PCB) market share in Gujarat. The commitment of the state to support such sectors as electronics and manufacturing basically positions it as a key contributor to the PCB market.

INDUSTRY NEWS – GENERAL

India to roll out its first indigenous semiconductor chip in 2025, says IT Minister Ashwini Vaishnaw

In a significant development for India's technology manufacturing ambitions, Union Minister for Electronics and IT, Ashwini Vaishnaw, announced on Thursday that the country's first homegrown semiconductor chip, ranging between 28 to 90 nanometres, will be launched this year, reported NDTV. Speaking at the Confederation of Indian Industry (CII) Annual Business Summit, the minister said the government had adopted a focused approach by targeting a specific market segment that constitutes 60 per cent of global semiconductor demand, stated the publication. Today, six fabrication units are under construction. The rollout of the first Made in India chip is expected this year. India initiated this journey in 2022, and the progress has been steady. As per the report, chips within the 28-90 nm range are commonly used in automotive systems, telecommunications, power equipment, and railway applications. In semiconductor terms, smaller nanometre values indicate more densely packed transistors, enhancing performance and efficiency.

Source: <https://www.livemint.com/>, May 29, 2025

IIT Kharagpur and Singapore's IME sign MoU for developing semiconductor tech

In a landmark step toward strengthening global cooperation in semiconductor technology, the Indian Institute of Technology (IIT) Kharagpur and Singapore's Institute of Microelectronics (IME) a core research entity under the Agency for Science, Technology and Research (A*STAR) have signed a Memorandum of Understanding (MoU). The collaboration was formally announced during SEMICON Southeast Asia 2025, a prominent event in the semiconductor industry. The MoU outlines a comprehensive framework for collaborative research and human capital development in emerging semiconductor technologies. It brings together expertise in areas such as post-Complementary Metal-Oxide-Semiconductor (CMOS) and advanced transistor technologies, heterogeneous integration, chip packaging, AI-driven hardware accelerators, quantum devices, photonic systems, thermal management, and reliability diagnostics. Professor Anandaroop Bhattacharya from IIT Kharagpur's Department of Mechanical Engineering described the partnership as a transformative step.

Source: By Sharadiya Mitra, <https://indianexpress.com/>, May 29, 2025

Karnataka Approves ₹171.83B In New Industry Investments

Karnataka has approved a fresh round of investments worth ₹171.83 billion, expected to create over 12,500 job opportunities across multiple districts. The decisions were taken on Wednesday by two high-level committees led by the Chief Minister Siddaramaiah and Industries Minister M.B. Patil. According to a report by The Economic Times, the clearances span a range of sectors, with the states continued push to boost industrial activity and employment. The committee, headed by the Chief Minister, approved major proposals in the renewable energy and automotive sectors. Emmvee Energy received the go-ahead for an investment of ₹54.95 billion and ₹13.3 billion for Bosch Automotive Electronics. Other approvals included two by Dalmia Cement, totalling ₹60.2 billion. Shree Cement also secured approval for a ₹24.06 billion project and ₹1.9 billion for Colortone Textiles. In addition to greenlighting these projects, the committee extended deadlines for 10 ongoing developments currently at various stages of execution.

Source: By Shubha Mitra, <https://www.electronicstheory.biz/>, May 29, 2025

India launches first 3nm chip design centres in Noida and Bengaluru

Union Minister for Electronics and Information Technology Ashwini Vaishnaw on Tuesday inaugurated Indias first 3-nanometre (3nm) chip design centres in Noida and Bengaluru, marking a key milestone in the country's push towards advanced semiconductor innovation. The centres have been set up by Renesas Electronics India Private Limited and are poised to place India among a select group of nations working at the cutting edge of chip technology. Vaishnaw said, designing at 3nm is truly next generation. We have done 7nm and 5nm earlier, but this marks a new frontier. He added that the launch reaffirms Indias growing presence in the global semiconductor space and reflects increasing industry confidence, witnessed at global platforms such as the World Economic Forum in Davos. The new centres are part of a broader strategy by the government to build a robust semiconductor ecosystem, spanning design, fabrication, ATMP (Assembly, Testing, Marking, and Packaging), and the supply of associated equipment, chemicals, and gases. The government has also been focusing on nurturing a skilled workforce to meet the growing demand in the semiconductor industry.

Source: <https://ddnews.gov.in/>, May 13, 2025

New trade data shows significant widening of India's exports basket

Indias merchandise exports in the fiscal year 2024-25 were significantly bolstered by agriculture, pharmaceuticals, electronics, and engineering goods, which collectively contributed over 50 percent of the total, govt data released on May 16 showed. The new data is being seen as a clear pointer to the success of the govt's ongoing efforts to widen the country's exports basket and boost manufacturing and increase value-added exports. The engineering goods sector emerged as the most significant contributor, accounting for 26.67 percent of Indias total exports, which amounted to USD 437.42 billion in 2024-25. Meanwhile, agriculture, pharmaceuticals, and electronics made up 11.85 percent, 6.96 percent, and 8.82 percent, respectively. Notably, the electronic goods sector achieved the highest growth rate in exports, soaring by 32.46 percent from USD 29.12 billion in 2023-24 to USD 38.58 billion in 2024-25. In the previous fiscal year, exports stood at USD 23.6 billion in 2022-23 and USD 15.7 billion in 2021-22. Within electronics, computer hardware and peripherals, which represent 3.8 percent of the sector, experienced a remarkable doubling in growth, increasing from USD 0.7 billion to USD 1.4 billion.

Source: <https://economictimes.indiatimes.com/>, May 17, 2025

Pegatron To Acquire HTC Factories in Taiwan, Boost India Operations

Pegatron Corporation, an assembler for Apples iPhone, has announced plans to acquire HTC's factories in Taoyuan, Taiwan, and to invest further in its manufacturing base in India. The company's board approved the moves on Wednesday. Pegatron will spend NT\$5.64 billion (around US\$187 million) to purchase the Taoyuan facilities. These factories will expand Pegatrons capacity to produce consumer electronics and communication and computing devices. In addition, the firm will invest NT\$578.57 million to grow its India operations, focusing on communications equipment with potential future ventures into automotive electronics. According to a Taipei Times report, the Taoyuan acquisition is expected to be completed by the third quarter of this year. The investment in India will also strengthen Pegatrons manufacturing presence in the region. This comes shortly after various reports surfaced, claiming that Tata has rebranded Pegatron India, and is expanding its smartphone assembly base. Regarding the impact of US tariffs, Pegatron anticipates minimal effect on its revenue, stating that customers will largely absorb any additional costs.

PEGATRON

Source: By Shubha Mitra, <https://www.electronicstoday.com/>, May 16, 2025

DPIIT Approves 187 Startups for Income Tax Exemption Under Revised Section 80-IAC



In a move aimed at strengthening Indias innovation-led startup ecosystem, the Department for Promotion of Industry and Internal Trade (DPIIT) has approved 187 startups for income tax exemption under the revamped provisions of Section 80-IAC of the Income Tax Act. The announcement follows the 80th meeting of the Inter-Ministerial Board (IMB), convened on 30 April 2025. This decision comes as a major policy step towards fostering entrepreneurship and job creation. As per the DPIIT, the approved startups will be eligible for a 100% tax deduction on profits for any three consecutive years within the first ten years from their incorporation. This tax relief is aimed at providing crucial support during the formative stages of business growth, encouraging innovation, and reducing financial burden on early-stage companies. The latest approvals include 75 startups that received clearance during the 79th IMB meeting and 112 approved in the 80th meeting. With this, the cumulative number of startups granted tax exemption under the scheme has surpassed 3,700 since its inception.

Source: <https://egov.eletsonline.com/>, May 16, 2025

CONSUMER ELECTRONICS

Alcatel re-enters India after 7 years, aims to become top 3 smartphone brand



French technology brand Alcatel, after a seven-year hiatus, has re-entered India's smartphone market and looks to become one of the top three smartphone brands in the country within the next three years, a senior company official said. Alcatel on Tuesday launched its V3 lineup of smartphones in India through Nxtcell India, which holds exclusive brand authorization for Alcatel in India and selects international markets. India is a big market with multiple consumer segments. Their long-term goal for India is to be among the top three players in terms of market share in the next three years. They will also be building an integrated consumer tech ecosystem in India -- we will have multiple product categories. NxtCell India has partnered with Padget Electronics, a subsidiary of Dixon Technologies, to begin local production of Alcatel-branded devices in India. NxtCell has committed an initial investment of USD 30 million (about Rs 260 crore) to re-establish the French tech brand in the competitive Indian mobile phone market. Alcatel's planned initial manufacturing capacity in India is about 2 million units per year. While production currently targets the domestic market, the company aims to expand to nearby regions such as Nepal, Sri Lanka, and the MENA region.

Source: <https://economictimes.indiatimes.com/>, May 27, 2025

Samsung Electronics to buy German cooling system maker FlaktGroup for \$1.7 billion

South Korea's Samsung Electronics on Wednesday said it has agreed to buy FlaktGroup, a German maker of air conditioning and heating systems, for 1.5 billion euros (\$1.68 billion) from private equity group Triton. Samsung, through its biggest acquisition in eight years, said it aims to tap demand for data centres for artificial intelligence projects, which require stable



cooling. The data centre segment has a high barrier to entry requiring global supply experience and the ability to present optimal designs and solutions, Samsung said in a statement. It expects the FlaktGroup deal to close within this year, it said. Samsung, led by Chairman Jay Y. Lee, at a shareholder meeting in March said it was looking for deals to drive growth after largely missing out on an AI chip boom. In contrast, compatriot SK Hynix supplies advanced high bandwidth memory (HBM) chips to AI leader Nvidia. Investors expecting bigger deals involving Samsung's cash cow chip business might feel underwhelmed by the FlaktGroup announcement, analysts said.

Source: <https://economictimes.indiatimes.com/>, May 14, 2025

India TWS Shipments Rise 4% YoY in Q1 2025; Consumers Prioritize Value Over Price

India's TWS market shipments increased 4% YoY in Q1 2025, according to the latest research from Counterpoints Consumer IoT service. Consumer sentiment toward the category remains resilient, with early signs of premiumization emerging as buyers show increased interest in higher-end features and elevated audio experiences. Brands are now prioritizing mid-tier expansion, strengthening offline channels, leveraging strategic partnerships, and capitalizing on Make-in-India initiatives to enhance competitiveness. Simultaneously, the market is going through an inventory correction phase, and brands are adjusting their channel strategies to align with evolving consumer demand. Indian TWS consumers are evolving, prioritizing value and features over a strictly price-driven mindset. Even in the budget segment, users expect a well-rounded experience encompassing sound quality, desired fit, ANC feature, low-latency performance, and reliable battery life. It reflects a broader shift from price-first to value-first thinking. The premium market (>INR 5,000) showcased more than 1.4x growth in Q1 2025, demonstrating shifting consumer preferences.

Source: <https://www.counterpointresearch.com/>, May 09, 2025

Dixon Technologies partners with NxtCell to manufacture Alcatel smartphones in India



Dixon Technologies (India) Limited

Dixon Technologies said Friday it has entered into an agreement with NxtCell India Private Ltd. to manufacture smartphones for French brand Alcatel. Dixon subsidiary Padget Electronics will start the manufacturing process in the next 12-18 months, the company said in an exchange filing. ET had reported that NxtCell is in talks with Dixon Technologies to manufacture Alcatel phones, in its April 1 edition. This strategic association with NxtCell India will further strengthen our manufacturing excellence and execution capabilities...This partnership is engineered to deliver high-performance devices, fortify local supply chains, catalyse employment, and stimulate ancillary industries within India's burgeoning electronics ecosystem. NxtCell India, a fully Indian-owned company headquartered in Gurgaon, holds exclusive brand authorization from TCL to represent and operate the Alcatel brand in India and select international markets. Alcatel will be the second smartphone to enter India in the last two years, after Taiwan-based Acer also announced plans to sell smartphones in the country with a partnership with India-based Indkal technologies.

Source: By Shubrojit Mallick, <https://economictimes.indiatimes.com/>, May 10, 2025

INFORMATION TECHNOLOGY

India likely to possess 46K graphics processing units in a fortnight

India is expected to have around 46,000 graphics processing units (GPUs) in place by June 10, upon conclusion of the third round of bidding under the IndiaAI Mission, government officials said. After the third round of the bidding, the Ministry of Electronics and Information Technology (MeitY) will shift to a continuous empanelment process. Under this system, any company willing to match the lowest bid or per-hour cost for GPUs discovered during the first round of bidding will be eligible to supply these high-performance computing machines to participants in the ₹10,372 crore IndiaAI Mission, the officials said. Results for the second round of GPU bidding were announced on Friday by Union Minister for Electronics and Information Technology Ashwini Vaishnaw. Developing a common computer is a very important part of the principle of democratising technology for all. When India started, it targeted 10,000 GPUs. India had then thought that this would be a very big and ambitious target. But the kind of response we have seen is phenomenal.

Source: By Aashish Aryan, <https://www.business-standard.com/>, May 30, 2025

Sonata Software inaugurates new Hyderabad facility; plans to add 5,000 jobs

Spread across 200,000 square feet at the Vamsiram Suvarna Durga Tech Park, the new centre is expected to generate over 5,000 technology jobs in the next three to five years, the company said. Samir Dhir, managing director and CEO of Sonata Software, called the facility a major step forward in the company's growth journey. Hyderabad's strong ecosystem and global reputation for innovation make it the perfect location for building AI-led digital solutions at scale. This centre will help us attract top-tier talent, deepen client collaboration, and deliver value-driven outcomes faster, he said. The facility will also serve as a hub for Sonata's subsidiary, Quant Systems Inc. It will be instrumental in delivering AI, machine learning, and cloud modernisation solutions to global clients, said Sridhar Veeravelli, CEO of Quant Systems. This not only enhances delivery capabilities but enables scalable GCC models and fosters a culture of continuous innovation." Headquartered in Bengaluru, Sonata Software has a global presence across North America, the UK, Europe, APAC, and Australia and New Zealand.



Source: <https://economictimes.indiatimes.com/>, May 12, 2025

India-made GPUs to be tech demo-ready by 2025, production by 2029

The first made-in-India graphics processing units, or GPUs, are expected to be ready for technology demonstrations by the end of this year, according to government officials familiar with the matter. These demonstrations will help the government assess the technical readiness and commercial viability of the home-grown GPUs, senior officials said. They are expected to be production-ready by 2029, an official said. The upcoming trials are meant to showcase the capabilities of India-made GPUs beyond routine rendering and loading of graphics. These include pushing the limits of the processors on high-performance tasks, such as complex mathematical operations, parallel processing of data using artificial intelligence, advanced machine learning, and scientific simulations. Depending on the specific requirements of the processors, the Ministry of Electronics and Information Technology may start reaching out to global chip makers and designers later this year, another official said.

Source: By Aashish Aryan, <https://www.business-standard.com/>, May 14, 2025

EV's & Auto Electronics

Will Urge People to Buy EVs': Delhi Govt to Offer Subsidies to Buyers Under New Electric Vehicle Policy

Delhi Chief Minister Rekha Gupta on Saturday announced that the government will soon introduce a new electric vehicle (EV) policy that includes subsidies to encourage EV adoption among citizens. Speaking at the valedictory session of the Aironomics 2025 convention, Gupta underlined the Delhi governments comprehensive initiatives to tackle air pollution. She said the governments long-term vision includes transforming all vehicles in the capital, including private ones, into electric vehicles. We will urge people to purchase electric vehicles, for which they will be provided subsidies, she said, as per news agency PTI. Highlighting air pollution as a persistent, year-round challenge, the Chief Minister said her government is hiring 1,000 water sprinklers that will be deployed to reduce dust pollution across the city. These sprinklers will operate in the early morning and late-night hours to avoid traffic congestion on the roads, she added. Gupta also informed that integrated machines are being deployed across all 70 Assembly constituencies in Delhi to carry out mechanical road sweeping, water sprinkling, and litter collection.

Source: <https://www.msn.com/>, May 31, 2025

Government keeps taxes on electric vehicles unchanged for FY 2025-26

The government has decided to maintain the existing tax and duty structure on the import of electric vehicles (EVs) for the upcoming fiscal year 2025-26, in a move aimed at promoting cleaner transport and increasing domestic electricity consumption. Presenting the federal budget in Parliament on Thursday, Finance Minister Bishnu Paudel said, to encourage the use of electric vehicles, reduce environmental pollution, and boost internal electricity consumption, all existing taxes and duties on such vehicles will remain unchanged. Electric vehicle imports in Nepal have surged over the past few years, supported by favourable tax policies, increased environmental awareness, and a growing charging infrastructure. The continuation of the current tax regime comes as part of a broader policy strategy to support green transportation in line with Nepal's climate commitments. In addition to keeping the tax structure unchanged for EVs, the government has announced a concessional tax policy for industries involved in building EV charging infrastructure. The import of necessary equipment for establishing electric vehicle charging stations and assembly industries will be subject to only 1 percent customs duty, with exemption from all other applicable taxes and fees.

Source: <https://kathmandupost.com/>, May 29, 2025

Delhi To Get Major EV Boost, 4,000 Electric Buses to Hit Roads

Delhi Transport and Health Minister Pankaj Kumar Singh on Friday promised to induct 4000-plus electric buses in the city by the year-end and promised to unveil a Yoga-based plan to manage diabetes in the coming months. Pollution is a focus area for our government, and all departments are jointly taking steps to tackle it. At the transport department, government is determined to replace the ageing CNG buses with electric vehicles. Singh said the introduction of EV buses is likely to offer a big relief to the public in terms of pollution and connectivity, even in congested areas. He highlighted the implementation of health schemes like Pradhan Mantri Vaya Vandana Yojana (PMVVY) for the elderly, Ayushman Mandir, Ayushman Card, and check on irregularities in drug supply as some of the achievements of the health department in the first 100 days of the government. The Ayushman scheme, whose benefits should have reached people long ago, was blocked by Arvind Kejriwal's government. We have supplied cards and enrolled beneficiaries through door-to-door drives.

Source: <https://www.ndtv.com/>, May 29, 2025

Indian EV Makers Push Back Against Hybrid Vehicle Inclusion in Government Fleets: Reuters

Leading Indian automobile manufacturers are actively opposing efforts by a pollution control authority to include hybrid vehicles alongside electric cars in government fleet recommendations for the Delhi region, according to internal documents accessed by Reuters. Major automakers including Mahindra & Mahindra and Tata Motors have submitted formal appeals to India's heavy industries ministry, urging officials to reverse a recent decision that would treat hybrid vehicles similarly to fully electric vehicles in government procurement policies, Reuters reported based on five company correspondence documents. The controversy stems from a May 2 recommendation issued by the Commission for Air Quality Management, the body responsible for addressing Delhi's severe air pollution challenges. This commission designated strong hybrid vehicles as "cleaner vehicles" and recommended their adoption in government vehicle fleets a classification that surprised the automotive industry. The air quality commission justified its position by citing the "ultra-high density" of vehicle traffic in New Delhi and surrounding areas, emphasizing the urgent need to transition away from vehicles that rely entirely on fossil fuels such as diesel and gasoline.

Source: <https://www.autocarpro.in/>, May 30, 2025

Hindalco forays into EV component manufacturing; delivers 10,000 aluminium battery enclosures to M&M

Hindalco Industries on Friday unveiled its Rs 500-crore EV component manufacturing facility at Chakan, in Pune, designed to cater to the growing demand for lightweight, crash-resistant battery solutions. The facility, built with a capital investment of Rs 500 crore and spread across 5 acres within an industrial park, represents Hindalco's foray into EV component manufacturing, a company statement said. The Chakan facility represents a strategic shift in India's EV ecosystem from import dependence to high-performance, localised aluminium solutions. The company also announced the delivery of 10,000 aluminium battery enclosures to M&M Ltd. Mahindra has partnered with Hindalco in the creation of the EV journey. Their expertise in developing materials and strong engineering capabilities to offer new solutions have played a key role in developing efficient and sustainable battery enclosure solutions. The battery enclosure co-developed with Mahindra offers up to 40 per cent weight reduction over traditional steel designs, enabling 8-10 per cent improvement in the vehicle's driving range, enhanced crash safety, and significantly improved thermal management for battery cooling, according to Hindalco.

Source: <https://economictimes.indiatimes.com/>, April 25, 2025

Electric cars to dominate sales by 2030 as new petrol and diesel vehicles disappear from roads

Electric car sales are on track to exceed 20 million globally in 2025, accounting for more than a quarter of all cars sold worldwide, according to new data. Despite economic uncertainties, the electric vehicle market is projected to continue its robust growth, with market share expected to surpass 40 per cent by 2030 as EVs become increasingly affordable in more markets. The report shows that global electric car sales exceeded 17 million in 2024, pushing the share of EVs in the global car market above 20 per cent for the first time. This strong momentum has continued into 2025, with sales up 35 per cent year-on-year during the first quarter, breaking records in many major and small markets. The 11 million electric cars sold in China last year equal the total sold worldwide in 2022, according to the International Energy Agency's Global EV Outlook report. Emerging markets in Asia and Latin America have become new growth centres, with electric car sales across these regions surging by more than 60 per cent in 2024.

Source: By Felix Reeves, <https://www.gbnews.com/>, May 17, 2025



Tata Motors installs 10 MegaCharger stations in key highways

Tata.ev, the electric vehicle subsidiary of Tata Motors, today inaugurated its first 10 TATA.ev MegaChargers with the help of ChargeZone and Statiq. This development is part of the company's commitment to boost the country's charging infrastructure to 40,000 charge points by 2027. Tata.ev is spearheading the next phase of electrification in India through its Open Collaboration framework. This strategic initiative has facilitated the establishment of robust partnerships with multiple Charge Point Operators (CPOs) and Oil Marketing Companies (OMCs), resulting in the significant expansion of charging infrastructure across critical locations, particularly along major highways. This expansion is aimed at enabling seamless long-distance electric mobility. A key undertaking within this framework is the development of the Tata.ev MegaCharger network, which is designed to deliver high-speed charging capabilities and exceptional reliability. The MegaChargers have been strategically placed along key national highways and urban hotspots. This rollout is part of TATA.ev's broader commitment to enhance India's EV infrastructure and install 500 MegaChargers nationwide.



Source: <https://www.financialexpress.com/>, May 16, 2025

Defence & Solar

Diu first district in India to meet entire power demand with solar energy

Diu has become the first district in India to meet its entire power demand with solar energy, achieving 11.88 MW capacity, an official statement said on Thursday. Minister for New and Renewable Energy (MNRE) Pralhad Joshi said Diu is a national example in renewable energy adoption, with its entire daytime electricity demand being met through solar energy. Joshi visited Diu on Thursday to review its remarkable progress in solar energy adoption and assess the implementation of the PM-Surya Ghar: Muft Bijli Yojana. Joshi visited Diu on Thursday to review its remarkable progress in solar energy adoption and assess the implementation of the PM-Surya Ghar: Muft Bijli Yojana. The minister chaired a high-level meeting at Diu, with senior officials of the UT administration to review the status of solar energy generation, its current supply framework, and future expansion prospects. The minister remarked that the capital investments made over the past decade in renewable energy infrastructure in Diu have already been recovered through the supply and sale of solar power.

Source: <https://economictimes.indiatimes.com/>, May 29, 2025

India Generates 22,142 MU From Solar and Wind, Contributing Over 92% To Renewable Energy in April 2025

In April 2025, India marked an important moment in its renewable energy journey as solar power contributed 66.31% of the total renewable energy generation, excluding large hydropower. The country generated 15,811.82 million units of solar electricity, reflecting its strong push for clean and sustainable energy. However, this number was slightly lower than in March due to early monsoon rains in many parts of the country, which affected sunlight availability and limited solar power generation. The rise in solar adoption has been driven by supportive government policies, various financial incentives, and continuous improvements in solar photovoltaic technology. By the end of April 2025, the total renewable energy generation, excluding large hydropower, stood at 23,846.08 million units. Out of this, solar energy accounted for a major share, showing how important this source has become for India's energy future. Solar project installations and improved system efficiencies have also contributed to this strong performance, along with support from both public and private investments.

Source: By Mohan Gupta, <https://solarquarter.com/>, May 29, 2025

Indian Solar Association to promote rooftop solar energy installations in houses

Efforts will be taken to install rooftop solar energy panels in two lakh houses in Tamil Nadu, said the Indian Solar Association Director C. Narasimhan. Mr. Narasimhan told The Hindu that there are just about 20,000 registrations from Tamil Nadu for the Prime Ministers Surya Ghar Yojana scheme. We have appealed to Chief Minister M.K. Stalin to provide net metering facility for these connections soon. The association will organise awareness campaigns and a conference inviting all the solar energy panel providers and banks. A modern house typically requires about 3 kW of rooftop solar panels, and the government subsidy for this will be ₹78,000. The remaining cost can be financed through a bank loan. If around two lakh houses adopt solar energy, there will be a significant reduction in energy consumption from the grid. Additionally, commercial establishments can also install rooftop solar systems, saving ₹4 to ₹4.5 per unit of power the association will also promote the Kusum scheme among farmers, encouraging the use of solar energy for water pumping.

Source: <https://www.thehindu.com/>, May 29, 2025

India's Renewable Energy Rose 47% in Utility Solar: Report



India's renewable energy sector made significant strides in the first quarter of 2025. Utility-scale solar dominated new installations between January and March, contributing about 5.93 GW of added capacity, a 12.2 per cent rise compared to the previous quarter. Wind power also saw a rebound, with 1.87 GW installed during the same period, reflecting a 134.3 per cent jump from Q4 2024. Rooftop solar kept pace, adding approximately 1.34 GW in capacity. According to a report by JMK Research, the momentum was not limited to the quarter. Over the full fiscal year 2025 (April 2024 to March 2025), India added around 16.9 GW of utility-scale solar capacity, marking a sharp 47 per cent increase from the previous year. Rooftop solar also saw growth, with 5.1 GW added across the country, a 72 per cent leap year-over-year. The wind sector added 4.2 GW in FY2025, up by 28 per cent from the 3.25 GW installed the previous fiscal. Looking ahead, JMK Research projects even stronger numbers for FY2026. An estimated 30.2 GW of new solar capacity is expected, with 21.1 GW coming from utility-scale projects, 7 GW from rooftop systems, and 2.05 GW from off-grid installations. Wind energy is anticipated to contribute another 6 GW to the country's capacity in the coming year.

Source: <https://www.entrepreneur.com/>, May 29, 2025

Adani Green Energy Operationalizes 50 MW Solar Power Project, Strengthening India's Renewable Energy Goals

Adani Green Energy Limited (AGEL), one of India's largest and fastest-growing renewable energy companies and part of the diversified Adani Group, today announced that its subsidiary Adani Renewable Energy Fifty-Six had successfully operationalized a 50 megawatt (MW) solar power project. The

plant is located in Khavda Gujarat further expanding AGEL's solar energy footprint and reinforcing its commitment to a sustainable and energy-secure future for India. The newly commissioned 50 MW solar plant is expected to generate approximately 120 million units of clean electricity annually, capable of powering over 95,000 homes and offsetting around 110,000 tonnes of CO₂ emissions per year. This project is a part of AGEL's strategy to deliver affordable, reliable, and green energy at scale, in alignment with India's target of achieving 500 GW of non-fossil fuel capacity by 2030. The project has been developed using cutting-edge photovoltaic technology and adheres to the highest environmental and quality standards.



Source: <https://themachinemaker.com/>, May 15, 2025

India Adds 10 GW Solar In 2025 Till April, Reaches 22.85% of Total Power Capacity

India is steadily progressing in the direction of renewable energy while keeping in mind both its national energy needs and international climate goals. As of April 2025, coal continues to be the largest source of electricity in the country. It accounts for 45.02% of the total installed power capacity. However, renewable energy sources, particularly solar and wind, are growing rapidly. This growth clearly reflects India's commitment to shifting towards cleaner and more sustainable energy solutions. By the end of April 2025, renewable energy made up 37.19% of India's total installed power capacity. Solar power played a major role in this growth. The country crossed 107.945 gigawatts (GW) in installed solar photovoltaic capacity. Excluding large hydroelectric power, India's total renewable energy capacity stood at 175.7 GW. Out of this, solar energy made up 61.44% of the renewable energy capacity and contributed 22.85% to the country's overall power mix. This shows a 21.381% increase in solar capacity compared to the previous year, highlighting the fast pace of solar installations.

Source: By Mohan Gupta, <https://solarquarter.com/>, May 15, 2025

Employment opportunity brightens in India's defence manufacturing sector



Display of India's capacity to strike and defend in country's war against terror, which unfortunately conceived by Pakistan's ruling establishment as war against that country, has brightened the scope of employment opportunities in and accelerated growth of defence manufacturing sector of India. Only about two months ago in February 2025, India had secured a US\$ 440.3 million deal to export BrahMos missiles to Indonesia. Demand of defence items manufactured in

India is most likely to accelerate, both domestically, and abroad, with rising concerns of national security. India's defence exports had crossed US\$ 2.43 billion in FY24, with a target of US\$ 5.8 billion by 2029. Defence exports grew by 334% in the last five years. India now exports to over 75 countries due to collaborative efforts.

Source: <https://www.dailyexcelsior.com/>, May 16, 2025

MSME

Govt Keen on Expanding Credit to MSMEs, Says Ministry Of MSME

The government wants to increase credit availability to micro, small and medium enterprises (MSMEs) and improve them by enhancing technology, an official said on Friday. Addressing CII's Annual General Meeting, Rajneesh, Additional Secretary and Development Commissioner, Ministry of MSME said India is the fourth largest economy today and would be the third largest soon. Rajneesh highlighted how MSMEs took a hit during COVID-19 but turned around very fast. He said that MSMEs provide employment to 27 crore people and that is why the ministry keeps them in mind while making policies. This year Budget provided for providing credit cards to micro enterprises," he said adding MSME NPAs (bad loans) were less than 5 per cent in last five years as per RBI data. He also highlighted the role of technology to improve MSMEs, suggesting that through use of technology issues between environment concerns and growth aspirations can be resolved. Sunil Mathur, Managing Director and CEO of Siemens Ltd said, today average productivity level is 75 per cent in India whereas it is over 90 per cent in Europe and use of technology can help bridge this gap (productivity).

Source: <https://news.abplive.com/>, May 30, 2025

Niti Aayog proposes much larger targeted support to MSMEs

To help medium enterprises emerge as the drivers of innovation, employment, and exports, Niti Aayog has recommended several targeted interventions. These include loans at concessional rates, a working capital financing scheme linked to turnover, and a Rs 5 crore credit card facility to bridge funding gaps. Designing a Policy for Medium Enterprises, it suggested that the government conceptualise a scheme that would focus on tailor-made financial tools, technology integration and industry 4.0, cluster-based testing facilities, R&D, skill development. A centralised digital portal for information has also been mooted. The report underscores key challenges faced by medium enterprises, including constrained access to tailored financial products, as medium enterprises receive fewer priority sector loans compared to micro enterprises. Medium enterprises face a credit demand gap of in excess of \$10 Billion (2024). Niti Aayog report recommended the introduction of a dedicated financing scheme under Ministry of MSME, allowing medium enterprises to avail loans at concessional rates.



Source: <https://www.financialexpress.com/>, May 26, 2025

Andhra Pradesh government launched One Family, One Entrepreneur, to foster a culture of entrepreneurship in every household, says MSME Minister

Minister for Micro, Small and Medium Enterprises (MSME) Kondapalli Srinivas launched Confederation of Indian Industry (CII) Andhra Pradesh Entrepreneurs Development Forum and CII Tirupati Entrepreneurs Development Forum in Tirupati on Saturday. He also unveiled the CII Project Abhivrudhi Padham lo Swarna Andhra Pradesh Nuthana Prayanam. The A.P. government has launched the flagship programme One Family, One Entrepreneur, with a mission to foster a culture of entrepreneurship in every household. In a landmark move under Phase 1, the Chief Minister has inaugurated MSME Parks and Flatted Factory Complexes in 11 Assembly constituencies and the foundation stones were laid in 39 other constituencies at Narempeta village in Atmakur mandal of SPSR Nellore district on 1st May 2025. To sustain the annual growth rate exceeding 15% and achieving \$2.4-trillion economy, as mandated under Swarna Andhra@2047, the Chief Minister has reiterated the need for establishment of at least one MSME Park in each constituency for extending infrastructural support by developing plug and play facilities, approach road and power, which would reduce the initial capital costs.

Source: <https://www.thehindu.com/>, May 24, 2025

Complete land allotments in all MSME parks in 30 days, Minister tells APIIC

Andhra Pradesh Minister for MSME, SERP, and NRI Empowerment and Relations Kondapalli Srinivas on Thursday reviewed the status of the proposed 175 MSME Parks across the State with focus on accelerating land allotment and infrastructure development. APIIC VC & MD Abhishikt Kishore and other senior officials participated in the meeting held at the APIIC headquarters in Mangalagiri. Mr. Srinivas directed the APIIC to complete land allotments in all the MSME parks within 30 days, urging immediate support to entrepreneurs. He emphasised fast-tracking the process in the 11 parks already inaugurated, and mandated biweekly progress review meetings. To ensure transparency and effective monitoring, the officials were instructed to submit updates every 15 days and maintain a detailed tracker outlining each parks status with specific timelines. In a move to make land affordable, the Minister encouraged the APIIC to seek financial support under the Ministry of MSMEs MSE-CDP scheme, which could significantly reduce land costs for entrepreneurs. He also urged officials to explore the Public-Private-People Partnership (P4) model to enhance private sector participation in park development.

Source: By Sambasiva Rao M., <https://www.thehindu.com/>, May 16, 2025

Rs 25 lakh crore MSME credit gap: TReDS has sparked hope for small businesses, but whats holding it back?

The Trade Receivables Discounting System (TReDS) platform has made notable progress in facilitating credit access to micro, small, and medium enterprises (MSMEs) in the country. However, industry experts and stakeholders believe that significant expansion is still required to further increase its reach and effectiveness. According to them, the TReDS platform must broaden its coverage, particularly after the recent reduction in the turnover threshold for mandatory buyer onboarding from Rs 500 crores to Rs 250 crore, which will include more buyers. Indias MSME sector, comprising over 64 million enterprises, faces a substantial credit gap of Rs 20-25 lakh crore, with only about 20% having access to formal financing, according to experts. The TReDS platform meets less than 5% of the credit demand from MSMEs. While the secondary market for discounted invoices is a useful avenue for improved liquidity, the challenge in the way of credit penetration lies elsewhere. For a meaningful increase in coverage, it may be necessary to offer incentives to the buyers and allay their concerns about data privacy.

Source: By Ashish Pandey, <https://economictimes.indiatimes.com/>, May 15, 2025

NBFCs Lead MSME Lending Surge, Beat Banks in Growth Rates: CareEdge Ratings

Non-Banking Financial Companies (NBFCs) have emerged as leaders in MSME lending, registering the highest growth among all financial institutions in recent years, according to CareEdge Ratings. Between 2020-21 and 2023-24, NBFCs achieved a compound annual growth rate (CAGR) of 32% in lending to Micro, Small and Medium Enterprises (MSMEs), significantly outpacing private banks at 20.9% and public sector banks at 10.4%. Although NBFCs operated from a smaller base, their share of MSME credit within their loan portfolio jumped from 5.9% in 2020-21 to 9.1% by the first half of 2024-25 a growth of more than 50%. The CareEdge report highlighted the shift in MSME credit distribution. While NBFCs increased their share, public and private sector banks maintained a relatively steady exposure. Public sector banks MSME loan share hovered between 16.2% and 16.9% throughout the period. Private banks followed a similar trend, without significant change in MSME loan portfolio proportion. Looking ahead, NBFCs are expected to continue their strong performance. CareEdge projected a 20% growth in NBFC MSME lending for 2024-25 and 2025-26, compared to 15% for private banks and 10% for public sector banks.



Source: By Asihwarya Samant, <https://www.newsx.com/>, May 15, 2025

Digital lending gains ground, but MSME credit gap remains a challenge: SIDBI Report



The Small Industries Development Bank of India (SIDBI) has released a new report titled Understanding the Indian MSME Sector: Progress and Challenges. The report highlights the evolving financial landscape for Micro, Small, and Medium Enterprises (MSMEs), with a sharp focus on digital lending and access to credit. According to the study, 18% of MSMEs now use digital lending platforms, reflecting a growing shift towards technology-enabled credit solutions. Additionally, with 90% of MSMEs accepting digital payments, the sector is embracing digital tools more broadly, laying the groundwork for improved credit access in the future. This trend is being driven by the expansion of platforms like UPI, which are increasingly seen as enablers of financial inclusion. However, despite these advances, the report estimates that Indias MSME sector still faces a substantial credit gap of ₹30 lakh crore, representing nearly 24% of the total addressable demand. The shortfall is especially acute in the services sector (27%) and among women-owned MSMEs (35%), signalling the need for more targeted and inclusive lending policies.

Source: <https://bankingfrontiers.com/>, May 17, 2025

POLICY MATTERS – MAY 2025

1. DGFT Notification No. 11/2025-26 dated 26th May 2025: RoDTEP Benefits Restored for AA Holders, EOUs & SEZ Units Effective 1st June 2025

Pursuant to sustained representations by ELCINA, the Government has reinstated RoDTEP (Remission of Duties and Taxes on Exported Products) benefits for **Advance Authorisation (AA) holders, Export Oriented Units (EOUs)**, and **Special Economic Zone (SEZ) units**, effective **1st June 2025**.

This has been notified through **DGFT Notification No. 11/2025-26 dated 26 May 2025**. The applicable rebate rates and per-unit value caps aligned with the updated HS codes under the Finance Act, 2025, are published in **Appendix 4RE** of the Foreign Trade Policy and can be accessed on the DGFT website under *Regulations > RoDTEP*.

A. Background and Timeline:

- The RoDTEP scheme was implemented in **August 2021**, with rates notified from **1 January 2022**, aimed at reimbursing embedded duties and taxes on exports.
- Initially, AA, EOU, and SEZ exports were excluded from the scheme.
- Upon industry feedback, **Notification No. 70/2023 (8 March 2024)** extended RoDTEP for these categories till **30 September 2024** and further extended up to **31 December 2024** (Notification No. 32/2024-25 dated 30 Sept 2024), and **5 February 2025** (Notification No. 66/2024-25 dated 20 March 2025).
- **However, there was a gap in RoDTEP coverage for exports made between 6 February 2025 and 31 May 2025, which remains non-notified and ineligible for RoDTEP benefit.**

B. Key Highlights:

- **RoDTEP benefit stands restored from 1 June 2025 onwards** for exports made by AA holders, EOUs, and SEZ units.
- **Exports under the MOOWR Scheme remain ineligible for RoDTEP benefit.**

For further details, members are advised to refer to the official DGFT Website DGFT Notification No. 11/2025-26 dated 26th May 2025.

2. Instruction No. 04/2025-GST dated 2nd May 2025: CBIC Establishes Grievance Redressal Mechanism for GST Registration Applications

The Central Board of Indirect Taxes and Customs (CBIC) has issued **Instruction No. 04/2025-GST**, dated **2nd May 2025**, to streamline grievance redressal related to **GST registration applications** assigned to **Central jurisdiction**.

Applicants who encounter issues such as improper queries or rejection of applications contrary to **Instruction No. 03/2025-GST** can now approach the **jurisdictional Principal Chief Commissioner/Chief Commissioner** for resolution.

Key highlights of the mechanism include:

- **Dedicated Email:** Each CGST Zone will publicize a dedicated email ID for applicants to submit grievances with their **ARN, jurisdiction details (Centre/State), and a brief of the issue.**
- **Forwarding to States:** Grievances related to State jurisdiction will be forwarded by the Central office concerned to the respective State authorities, with a copy to the **GST Council Secretariat.**
- **Timely Resolution:** Zonal officers are expected to ensure **prompt and effective resolution** and communicate outcomes to applicants. If queries are found to be valid, applicants will be suitably advised.
- **Monthly Reporting:** A monthly report on grievance redressal will be compiled by the **Director General of GST (DGGST)** and submitted to the Board.

The CBIC has also requested the **GST Council Secretariat** to encourage States and Union Territories to establish similar mechanisms and directed the **Director General of Taxpayer Services (DGTS)** to assist in publicizing this initiative.

For more details, members are advised to refer to the official CBIC website CBIC Instruction No. 04/2025-GST dated 2nd May 2025.

3. Instruction No. 05/2025-GST dated 2nd May 2025: CBIC Issues Directive for Timely Submission of Records to C&AG Audit Teams

The Central Board of Indirect Taxes and Customs (CBIC), via **Instruction No. 05/2025-GST dated 2nd May 2025**, has directed all field formations to ensure **timely and complete submission of records and information** to **Comptroller and Auditor General (C&AG)** audit teams.

This instruction follows concerns raised in the **C&AG Audit Report No. 7 of 2024**, highlighting delays and non-production of records during statutory audits related to GST.

Key directives include:

- a) **Strict Compliance:** Officers under the Central GST jurisdictions are to be sensitized and instructed to **promptly share all available and required records** with C&AG audit teams.
- b) **Support from Taxpayers:** Where requested documents are with taxpayers, officers must **issue formal requests to the concerned taxpayers** and conduct necessary **follow-ups** to ensure timely submission.
- c) **Constitutional Obligation:** Emphasis is placed on **Article 149 of the Constitution**, which mandates cooperation with the C&AG in discharging its audit functions.

This instruction has been issued by **CBIC** and aims to improve transparency and cooperation during audits of GST-related matters.

For more details, members are advised to refer to the official CBIC website CBIC instruction No. 04/2025-GST dated 2nd May 2025.

4. DGFT Public Notice No. 04/2025-26 dated 6 May 2025: SCOMET Policy Update: Revised Framework for Stock & Sale Authorization

The Directorate General of Foreign Trade (DGFT) has issued **Public Notice No. 04/2025-2026**, amending Paragraph 10.10 of the **Handbook of Procedures (HBP) 2023**, to revise the framework for **stock and sale authorization of SCOMET items** (Special Chemicals, Organisms, Materials, Equipment and Technologies).

Key Highlights:

- a) **Expanded Definition of Stockiest:** Now includes **subsidiaries, parent companies, Indian or foreign OEMs, EMS (Electronic Manufacturing Services), and Contract Manufacturers (CMs).**
- b) **Post-Export Obligations:** Clear guidelines have been issued for **reporting responsibilities** after export.
- c) **Structured Approval Mechanism:** A new system introduced for **bulk exports to stockists**, improving procedural clarity.
- d) **Additional Updates:**
 - a. Clarifications on **re-export applications**
 - b. Guidance for **repeat orders**
 - c. Updates relevant to **specific destination countries**

SCOMET items are sensitive due to their **dual-use nature**, with potential applications in defense and strategic sectors. The revised framework supports **greater ease of doing business**, while ensuring **compliance with international export control obligations**.

For more details, members are advised to refer to the official DGFT Website DGFT Public Notice No. 04/2025-26 dated 6th May 2025.

5. DGFT Notification No. 09/2025-26, dated 19th May 2025: DGFT Amends Schedule-II (Export Policy), ITC (HS) 2022 to Align with Finance Act, 2025

The **Directorate General of Foreign Trade (DGFT)** has issued **DGFT Notification No. 09/2025-26 dated 19th May 2025**, announcing amendments to **Schedule-II (Export Policy)** of the **ITC (HS) 2022** classification. These changes are made to ensure harmonization with the provisions introduced in the **Finance Act, 2025**, dated **29th March 2025**.

Key Highlights:

- a) The **list of ITC (HS) codes** that have been **introduced, deleted, amended, split, or merged** as per the Finance Act, 2025, is provided in **Annexure-I** of the notification.
- b) **Annexure-II** includes the updated **Section Notes, Chapter-wise Notes, Sub-heading Notes, and Supplementary Notes**.
- c) The revised ITC (HS) schedule is now available on the **DGFT website: <https://dgft.gov.in>**.

This update ensures alignment of India's export classification and policy framework with the latest legal and fiscal amendments introduced under the Finance Act, 2025.

6. DGFT Notification No. 10/2025-26 dated 26 May 2025: Alignment of RoDTEP Schedule with Customs Tariff Changes (Effective 1 May 2025)

The Directorate General of Foreign Trade (DGFT) has issued **Notification No. 10/2025-26** (dated 26 May 2025) to synchronize the RoDTEP (Remission of Duties and Taxes on Exported Products) schedule with amendments made in the First Schedule of the Customs Tariff Act via the Finance Act, 2025.

Key Points:

- a) **Effective Date:** Changes to Appendix 4R (RoDTEP rates and value caps) take effect from **1 May 2025**.
- b) **Reason for Amendment:** Several HS codes and duty structures were revised under the Customs Tariff Act. To maintain consistency, corresponding RoDTEP rebate rates and caps have been updated.
- c) **Details & Access:** The revised HS codes, along with their updated RoDTEP rates and per-unit caps, are published on the DGFT portal (www.dgft.gov.in) under **Regulations > RoDTEP**.

This alignment ensures that exporters continue to receive accurate RoDTEP refunds consistent with the latest tariff changes.

For further details, *members are advised to refer to the official DGFT Website DGFT Notification No. 10/2025-26 dated 26th May 2025.*

7. DPIIT notification S.O. 2232(E) dated 19th May, 2025: QCO Issued for Electrical Appliances Effective from March 2026

The **Ministry of Commerce & Industry (DPIIT)** has notified the **Safety of Household, Commercial and Similar Electrical Appliances (Quality Control) Order, 2025**, mandating **BIS certification** for a wide range of electrical appliances under **IS 302 (Part 1): 2024** (aligned with IEC 60335-1:2020).

- **Effective Date:**
 - General manufacturers *19th March 2026*
 - Small Enterprises *19th June 2026*
 - Micro Enterprises *19th September 2026*
- **Scope:** Covers **electrical appliances up to 250V (single-phase) and 480V (multi-phase/DC)** for household, commercial, or similar use, including **battery-operated products**.
- **Key Exemptions:**
 - Goods for export
 - Up to 200 imported units/year for R&D use (non-commercial)
 - Declared stock made before implementation date (6 months sale window with declaration to BIS)

The order supersedes the 2024 version and expands coverage to include **over 90 categories** of appliances, including dishwashers, food processors, beauty care devices, commercial ovens, battery-powered cleaners, and more.

For further details, *members are advised to refer to the official DPIIT Website DPIIT notification S.O. 2232(E) dated 19th May 2025.*

8. RBI Notification dated May 07, 2025: RBI Issues Framework for Formulation of Regulations $\frac{1}{2}$ A Move Towards Transparency & Stakeholder Engagement

The **Reserve Bank of India (RBI)** has issued a comprehensive **Framework for Formulation of Regulations** aimed at bringing **transparency, consistency, and stakeholder consultation** in its regulatory processes.

- **Objective:** To ensure regulations are drafted transparently with public consultation and impact analysis, wherever feasible.

- **Scope:** Covers all RBI-issued **regulations, directions, guidelines, policies, standards, and notifications** under powers granted by Acts listed in the annex (e.g., RBI Act, Banking Regulation Act, FEMA, PML Rules, etc.).
- **Key Features:**
 - **Public Consultation:**
 - Drafts of proposed regulations will be published on RBI's website.
 - Public comments are invited for at least **21 days**.
 - RBI will publish a general response to feedback and the final regulation.
 - Revised drafts may be issued if substantial changes are made to post consultation.
- **Impact Analysis:** RBI to conduct **regulatory impact analysis**, to the extent feasible, before finalizing any regulation.
- **Amendments & Reviews:**
 - Significant amendments will follow the same process as new regulations.
 - RBI will periodically **review existing regulations** for relevance, global best practices, court rulings, and redundancy.
- **Exceptions:** Framework not applicable to internal/admin matters, procedural changes with no substantive impact, or entity-specific directives.
- **Transitional Provision:** Existing regulations remain valid; future amendments will follow this new framework.

This policy is a significant step in institutionalizing **predictable and participative regulation-making**, enhancing trust among stakeholders.

For further details, *members are advised to refer to the official RBI Website* RBI notification dated 7th May 2025.

9. RBI Notification RBI/2025-26/36 DOR.STR.REC.19/21.07.001/2025 dated 26th May 8, 2025: RBI Issues Digital Lending Directions, 2025 Strengthening Trust in the Fintech Ecosystem

In a decisive move to enhance transparency, borrower protection, and systemic stability in the digital lending space, the **Reserve Bank of India (RBI)** has issued the **Digital Lending Directions, 2025**, consolidating previous guidelines and introducing new safeguards for regulated entities (REs) and their lending service providers (LSPs).

Digital lending in India has seen exponential growth but has also raised concerns over **data privacy breaches, predatory practices**, and **unregulated third-party involvement**. These Directions aim to build trust, promote innovation responsibly, and prevent misuse.

- ◊ **Effective Date:**
 - The Directions come into force **immediately**.
 - **Para 6** (on partnerships with multiple REs) is effective **November 1, 2025**.
 - **Para 17** (on digital lending app directories) is effective **June 15, 2025**.
- ◊ **Who is Covered:** All **Regulated Entities (REs)**, including:
 - Commercial Banks
 - Urban, State, and Central Co-operative Banks
 - NBFCs (including HFCs)
 - All-India Financial Institutions

◇ **Key Definitions Introduced:**

- **Digital Lending:** Fully remote, technology-driven lending processes.
- **Digital Lending Apps (DLAs):** Apps/web platforms used for customer-facing digital lending, operated by REs or LSPs.
- **Lending Service Provider (LSP):** Outsourced agents of REs providing digital lending functions like customer acquisition, underwriting support, recovery, etc.
- **Annual Percentage Rate (APR):** As per RBI's KFS circular of April 15, 2024.
- **Default Loss Guarantee (DLG):** Any contractual/implicit guarantee to cover loan defaults on behalf of REs.

These Directions provide a **unified framework** to ensure customer protection, fair lending practices, and compliance across India's rapidly evolving fintech lending ecosystem.

For further details, members are advised to refer to the official RBI Website RBI notification RBI Notification RBI/2025-26/36 DOR.STR.REC.19/21.07.001/2025 dated 26 May 8, 2025.

INDIA PLANS STRICTER RULES FOR COMPANIES WITH FOREIGN OWNERSHIP, SOURCES SAY



India intends to revise foreign investment regulations. The goal is to monitor foreign-owned entities more closely. New rules may affect e-commerce and pharmaceutical companies. The government plans a new category for foreign-owned and controlled entities. Share transfers and restructurings could face stricter FDI rules. These changes aim to prevent bypassing FDI policies.

New Delhi plans to create a new category of "foreign-owned and controlled entities" (FOCE), which will also include Indian firms with "indirect foreign investment", the first source said.

"What cannot be done directly should not be allowed indirectly either. That will now be clearly reflected in the rules," the source said.

"Even a domestic restructuring or internal transfer could trigger FDI obligations for foreign-owned firms if the rule change is implemented," the source said.

AN EXPO FOR THE GROWTH OF INDIAN ELECTRONICS INDUSTRY



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17th IPCA Electronics Expo India 2025: Empowering MSEs

*The 17th IPCA Electronics Expo India 2025, a premier domestic trade fair, will occur from **August 21 to 23, 2025, at Bharat Mandapam**. Organized by the **Indian Printed Circuit Association (IPCA)**, this event has secured administrative approval under component 5(1)(A) of the Procurement and Marketing Support (PMS) Scheme by the Office of the Development Commissioner (MSME), New Delhi, offering substantial benefits to Micro and Small Enterprises (MSEs).*

Boosting MSEs with the PMS Scheme

The PMS Scheme enhances the marketability of MSE products and services by providing financial assistance for participation in domestic trade fairs. This support lowers exhibition costs and increases visibility, enabling MSEs to reach a wider audience and strengthen their market presence.

India's Thriving Electronics Sector

With India's electronics industry projected to hit \$400 billion by 2025, the IPCA Electronics Expo offers MSEs a vital platform to showcase innovations, connect with industry leaders, and pursue new business opportunities. Participation positions MSEs to gain recognition and thrive in a competitive landscape.

Act Now: A Call to MSEs

MSEs are urged to apply immediately to secure their spot. The expo provides a unique opportunity to expand market reach, engage potential buyers, and capitalize on the PMS Scheme's financial advantages.

Leadership Perspective

*"We are excited to host the **17th IPCA Electronics Expo India 2025** and welcome MSEs nationwide," said **Mr. Rajneesh Garg, IPCA President**. "This event reflects our commitment to advancing India's electronics sector."*

Your Next Step

*The **17th IPCA Electronics Expo India 2025** is a pivotal moment for **MSEs** aiming to elevate their business.*

Apply today to join one of India's leading electronics trade fairs and drive your growth.

International Events

	JPCA SHOW 2025 4-6 June 2025 Tokyo Big Sight, East Exhibition Hall
	THPCA SHOW 2025 20-22 August 2025 BITEC EH 99-100, Bangkok Thailand
	KPCA SHOW 2025 3-5 September 2025 Songdo Convensia Convention Center, Incheon, South Korea
	October 22 (Wed.) - October 24 (Fri.), 2025 TaiNEX, TAIPEI No.1, Jingmao 2nd Rd., Nangang District, Taipei City 11568, Taiwan

Domestic Events

	Global EV Expo 2025 June 13–15, 2025 Gandhinagar Gujarat https://www.globalevexpo.in/
	Consumer Electronics 24th to 26th July 2025 Pragati Maidan, New Delhi https://cewexpo.com/
	IPCBA Electronics Expo India 2025 21 st -23 rd August 2025 Pragati Maidan New Delhi https://www.acem7.com www.ipcaindia.org
	PCIM India Conference on Power Electronics and Applications 2025 December 9th & 10th, 2025 Dr. Ambedkar International Centre, New Delhi www.pcim.in

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