

Monsoon Watch

CUMULATIVE RAINFALL (DEPARTURE: June 1-Aug 1)

India 5.5

North West 21.7

East & NE -22

Central 20.6

South -37

Share of 729 districts

June 1-Aug 1 (by rainfall category)

12 % Deficient

20 % Below Normal

37 % Normal

24 % Excess

7 % Large Excess

FORECAST

Extremely heavy rainfall over sub-Himalayan West Bengal, Sikkim, Meghalaya, Arunachal Pradesh & Bihar on August 2

Heavy to very heavy rainfall likely over Tamil Nadu, Kerala during next 6-7 days

Source: IMD

July Power Use Up 2.6%

New Delhi: Power consumption in the country grew marginally by 2.6 per cent year-on-year to 158.68 billion units (BU) in July, mainly due to reduced use of cooling appliances amid heavy downpour in several parts of the country.

Power consumption was recorded at 145.65 BU in July 2024, according to officials.

Experts believe heavy rains across the country affected the power consumption as well as demand in July. PTI

Auto Cos on Road to Meet PM's Goals a Year Earlier

Centre expects to exhaust scheme funds in fourth year itself

Twesh Mishra

New Delhi: The Central government expects beneficiaries of the production-linked incentive (PLI) Auto scheme to meet its goals a year earlier.

The government approved the scheme in September 2021 with a ₹25,000 crore budgetary outlay to create global champions in the automobile and auto component space. Incentives are disbursed for meeting goals including increased production, investment and domestic value addition from 2023-24 onwards. A senior official aware of the scheme's progress said the goal will likely be met a year ahead of expectations.

The Centre's goal has been to create global champions that it is on track, the official said, but

New Order! Factory Activity Touches 6-month High in July

PMI at 59.1; sales rise at fastest pace in nearly five years, propel production growth

Our Bureau

New Delhi: India's manufacturing activity rose to a 15-month high of 59.1 in July, driven by robust growth in new orders, output and stock of purchases. The HSBC Purchasing Managers' Index (PMI), compiled by S&P Global, was 59.1 in June 2025 and 58.1 in July 2024.

"The Indian manufacturing sector benefited from strong growth in new orders and output," said Prajwal Bhandari, India chief economist at HSBC.

The survey respondents attributed the increase in new orders to favourable demand conditions and effective marketing initiatives.

Sales rose at the fastest pace in around five years, propelling production growth to a 15-month high—well above the series average.

"Granular data showed that this acceleration was driven by production growth was confined to the intermediate goods segment as rates of increase slowed elsewhere," the survey said.

While international orders rose and contributed to the overall increase in total sales, the growth in new export orders was slightly weaker than in June.

Despite this, expansion was among the strongest recorded in over 14 years, according to the survey.

Yet, business sentiment showed signs of strain.

"Business confidence fell to its lowest level in three years due to concerns over competition and inflation," said Bhandari.

Manufacturers remained optimistic about output growth over the coming 12 months, but the intensity of the optimism was the lowest in three years.

"Amid softening business confidence, Indian manufacturers hired extra staff at the slowest rate since November 2024," said Bhandari.

While firms continued to recruit people at the start of the second quarter of this fiscal year, the rate of hiring was the slowest in eight months.

"The vast majority of panellists (65%) indicated that employment numbers were sufficient for current requirements," the survey said.

On pricing front, inflationary pressures edged up in July. Rising prices of raw materials such as aluminium, leather, rubber and steel pushed up costs.

"Input and output prices in India's manufacturing sector both remained elevated during July," noted Bhandari.

Output charges rose only slightly from June, however, the rate of change in inflation surpassed both input cost increases and its historical average.

Firms attributed this to resilient demand, which allowed them to pass on higher costs to customers, according to the survey.

Gaining Momentum

Rise in output and sales

Hiring eases as business confidence dips

Business sentiment shows signs of strain

59.1

57.2

55.4

52.8

50.1

Source: HSBC

July 23

Jan 24

Jan 25

Jul 25

Source: HSBC

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CIL Production Falls 6% During Apr-July Period

New Delhi: State-owned CIL on Friday reported a 6 per cent drop in production at 229.8 million tonnes (MT) in the April-July period of the current financial year even as the government is mulling efforts to increase the output to meet imports. The company had produced 244.3 MT of coal in the corresponding period of the previous fiscal, Coal India Ltd (CIL) said in a filing to BSE.

The coal behemoth did not give reasons for the decline in production. However, industry analysts attribute the production drop to operational disruptions, which can hinder mining operations and dispatch to power plants.

CIL accounts for over 60% of domestic coal output. Coal production in July also dropped to 46.4 MT from 55 MT in the corresponding month of previous fiscal.

Coal Minister G Kishan Reddy had earlier said that the country will not face any shortage of coal as the operating monsoon season, as the government is well prepared to meet the demand across various sectors, including the power sector. PTI

July 23

Jan 24

Jan 25

Jul 25

Source: HSBC

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Trump Talks Key to Trade Deal: Former Asst USTR

Deepshikha Sikarwar

New Delhi: India-U.S. talks on the bilateral trade deal negotiations may require a reset through a conversation at the highest level, Mark Linscott, senior adviser to US India Strategic Partnership Forum and former assistant U.S. Trade Representative, told PTI.

He said there is a strong desire on the US side to make progress and conclude a short-term agreement with a longer-term Bilateral Trade Agreement.

"At this point, I think a conversation between the President (Donald Trump) and Prime Minister (Narendra Modi) can clear the air and possibly even set the terms for a deal," Linscott, who led trade negotiations under the previous Trump regime, told PTI.

Linscott, however, said this may require a cooling off period once new tariffs are in place followed by a phone call between President Trump and Prime Minister Modi.

"I'm a strong believer in never saying never, particularly when it involves the US and India. We've seen over and over again how Trump can reverse course on a dime."

Linscott termed the latest development as a "hiccup" in US-India trade negotiations.

"...it requires a steady hand on the Indian side to signal that it is committed to continuing negotiations," he said.

"But Trump remains a deal maker and I believe there is a strong desire on the US side to make progress and concluding a short-term agreement and longer-term Bilateral Trade Agreement," he added.

plus a penalty for trade with Moscow. "I don't care what India does with Russia. They can take their dead economies down together, for all I care," he said, in a post on social media platform.

A US trade team is scheduled to visit New Delhi for talks on the proposed trade deal from August 25. The two sides are engaged in talks for a bilateral trade agreement (BTA), the first tranche of which is to be concluded by October with the aim to move towards the bilateral trade in goods and services to \$600 billion by 2035 from the current \$30 billion.

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Energy Storage to Hit Record High

"Battery storage capacities have been increasing not just in the number of projects being set up, but also in the size of projects," said Debanshi Sen, president, India Energy Storage Alliance (IESA). Recent bids from Rajasthan, Gujarat, and Maharashtra have shown 2 GWh and 4 GWh capacities being shared under the new VGF scheme, Sen added.

Almost a third of the 36 GWh capacity in the scheme has been tendered out.

The tariff discounts have been supporting the claim to set up higher capacity projects with 4-hour one-cycle, gaining traction.

India's energy storage capacity has been rising to Rs 3.59 lakhs/MWh/month from 4.41 lakhs/MWh/month in six months. Alongside, about 4.5 GWh of

projects were awarded in July in the first half of 2025, 56.4 GWh of energy storage projects have been tendered, according to an IESA report. With the government targeting 50 GWh of non-fossil capacity by 2030, battery storage is emerging as the critical bridge between intermittent renewables and reliable supply during evening peak.

Shipra Samant

New Delhi: India's energy storage push hit a record in July, with states tendering 56.4 GWh of capacity, the highest ever for a month.

Auctions discovered a record low tariff of ₹13.15 per solar-plus storage projects with four hours of storage capacity. The last discovered record tariff in the same category—with four hours of storage supply—was ₹32.32 per unit.

Energy storage projects are gaining pace as states opt for renewable purchase obligations, and manage evening peak demand with support from the new viability gap funding (VGF) scheme for battery energy storage system (BESS).

The power ministry recently launched the VGF scheme for BESS of up to 36 GWh capacity with support from the Power System Development Fund (PSDF). This is in addition to the 13 GWh already in place.

With new VGF scheme window open for a year, states are trying to make the most of it, according to industry experts.

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