ISID Institute for Studies in Industrial Development
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Policy Research to Foster India's Industrial Transformation

Industry Matters

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Economy, Industry and Policy

IndiGo's collapse has shown just how hard it is for India to shed its legacy of passive governance: The IndiGo fiasco has revealed a deeper national problem: regulators awash in data yet blind to risk. The episode shows how we have failed to replace reactive governance with a pre-emptive model enabled by real-time information. *[Mint]*

CII charts investment roadmap for India's next decade of growth: The forthcoming Union Budget 2026–27 has to serve the dual role of stabiliser and growth enabler, and promoting investments will be one of the most critical components in this regard," said the Director General, CII. *[Business Line]*

Centre proposes renaming MGNREGA to VB-G RaM G, to change funding pattern: The Centre has proposed a raft of big changes to the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) -- apart from renaming it -- as it seeks to increase the mandatory work days from 100 to 125, while altering the current funding structure which shifts a portion of the financial responsibility to the states. *[Business Standard]*

India's Electronics Manufacturing Clusters 2.0 scheme set to create 1.80 lakh jobs with Rs 1.46 lakh crore investment: India's electronics manufacturing sector is set for a major boost. The EMC 2.0 scheme is projected to create 1.80 lakh jobs. Over Rs 1.46 lakh crore investment is expected across ten states. *[The Economic Times]*

The paradox of robust growth and the plummeting rupee: India's headline GDP growth exceeding 8 per cent in recent periods should drive capital inflows and nominal appreciation pressures. Yet persistent depreciation reflects insufficient productivity dissemination. *[Business Line]*

IBC-The halting march towards efficacy: After a promising start, the IBC ecosystem is grappling with shortage of qualified and honest Insolvency Professionals and lack of an efficient investigative mechanism. *[Business Line]*

Reorient PLI scheme on labour-intensive sectors to create more jobs-NCAER: Reorienting the production-linked incentive (PLI) schemes by focusing on labour-intensive industries instead of the current focus on capital-intensive ones could help increase job creation, according to a report released by the National Council of Applied Economic Research (NCAER). *[Business Standard]*

India strengthens position in digital service exports: India, the Philippines, and several African economies are strengthening their business process and digital service exports, according to The Global Value Chain Development Report 2025. This shift highlights the growing importance of services in manufacturing and indicates that global value chains remain crucial, with GVC trade declining only marginally from its peak. *[The Economic Times]*

India needs a serious debate on monetary policy and the impossible trinity: The report concluded that although international policy consensus was shifting towards multiple-target, multiple-instrument frameworks, India should first focus on reducing the then high inflation. *[Business Standard]*

Parliament Winter Session-Govt tables bill for new rural employment policy set to replace MGNREGA: A new rural employment bill, VB-G RAM-G, was introduced in Lok Sabha by Union Minister Shivraj Singh Chauhan. This bill is set to replace the existing MGNREGA. The introduction led to an uproar from opposition parties, causing the Lok Sabha to be adjourned. *[The Economic Times]*

India's efforts to diversify trade across geographies and sectors is paying off-Commerce Secretary: India's Commerce Secretary Rajesh Agrawal said the country's exports have remained resilient despite global economic challenges, supported by diversification across markets and sectors. In the first eight months of FY26, total exports of goods and services rose by over 5% compared with FY25, and momentum is expected to strengthen further. *[The Economic Times]*

Transforming districts into export hubs: Sharing DGFT data with States, formalising micro units, and strengthening logistics, testing labs and packaging centres will help build the required ecosystem. *[Business Line]*

Rupee depreciation offers limited export benefit, hurts labour-intensive sectors: The report emphasized that sectors such as textiles, gems and jewellery, and leather are among the worst affected under these conditions. *[Business Line]*

A Goldilocks 2026-Can reforms sustain the growth-benign inflation mix?: India may see a goldilocks 2026 with strong growth and low inflation, but sustaining this balance will hinge on reforms, RBI policy support, fiscal consolidation and easing external pressures. *[Business Standard]*

Rate cut amid strong growth signals that monetary policy needs good data: The Reserve Bank of India's (RBI) policy rate cut on December 6 took many analysts by surprise. It came just after the government reported that the economy was growing at a staggering rate of 8.2 per cent. *[Business Standard]*

CII lays out investment roadmap for Budget 2026-27: India's economic future depends on strong investment. The Confederation of Indian Industry (CII) proposes the Union Budget 2026-27 boost public spending and private sector investment. CII suggests tax credits and easier compliance for businesses. They also recommend attracting foreign capital through an NRI Investment Promotion Fund. *[The Economic Times]*

Foreign Investment

India-Sweden economic corridor positioned for robust expansion: This optimistic outlook builds on the fact that Swedish companies invested a total of $2.5 bn in India over the last six years, highlighting the expanding economic corridor between the two nations. *[Business Standard]*

Can India really ignore the Chinese FDI?: China's exports have touched a milestone that must be unsettling, if not shocking, for policymakers everywhere: a trade surplus of roughly $1 trillion. *[Business Line]*

100% FDI in Insurance-Legacy distribution remains hurdle for foreign firms: The Union Cabinet's decision to raise the foreign direct investment (FDI) limit in the insurance sector to 100 per cent is unlikely to significantly boost foreign investment as distribution remains a critical factor, requiring overseas players to partner with Indian businesses, experts said. *[Business Standard]*

Japanese firms make a beeline for India eyeing long-term growth opportunities: India has become an attractive market for Japanese companies and institutions as mergers and acquisition targets, as it offers better long term value creation and growth prospects compared to Japan which is facing an ageing and shrinking population. *[Business Line]*

Trade Policy and Competitiveness

India-EU FTA to bring predictability to difficult global situation-Swedish Ambassador to India Jan Thesleff: The proposed India-EU free trade agreement (FTA) will be a game changer for both sides as it will bring in predictability in a very difficult global situation where there is so much uncertainty, Swedish Ambassador to India Jan Thesleff has said. *[Business Line]*

India-US trade talks-DPDP Act, Information Technology rules dominate: Deputy US Trade Representative (USTR) Rick Switzer-led American team, which was in New Delhi this week for trade talks, discussed with its Indian counterparts the executive rules under the Digital Personal Data Protection (DPDP) Act and the Information Technology Rules of 2021, sources told Business Standard. *[Business Standard]*

India proposes trade agreement with Mexico to mitigate high tariffs: While in an FTA two trading partners either significantly reduce or eliminate import duties on max number of goods traded between them, in a PTA, duties are cut or removed on some products. *[Business Standard]*

The year of tariffs-How Trump's policies affected India's exports in 2025: Despite multiple deadline extensions, India failed to reach a trade deal with the US in 2025, leaving exporters grappling with steep tariffs that reshaped competitiveness across key sectors. *[Business Standard]*

India's exports defy tariffs, strengthen hand in US trade talks: Indian exports saw a significant jump in November, exceeding expectations and defying U.S. tariffs. This strong performance provides India with greater leverage in ongoing trade discussions with Washington. The robust export figures ease pressure on New Delhi to agree to a quick deal. *[The Economic Times]*

Trade metrics-Tariff tantrums shape Indian exports in the 21st century: India has reached a critical juncture in its international trade journey, with US President Donald Trump's 50 per cent tariff on Indian goods exports prompting a rush for new markets in a world where every other country is scrambling, too. *[Business Standard]*

Corporate Governance

NLC India signs a JV with PTC for green energy project: The JV between PTC India and NLCIL was set up to establish, operate and maintain renewable energy projects including solar, wind, hydro, battery energy storage systems, green ammonia, and other emerging green technologies. *[Business Line]*

India Inc's big year-IPO boom, major splits, fundings and global AI push: From record fundraising and landmark listings to high-stakes corporate splits, global tech partnerships and boardroom disputes, here's how 2025 reshaped India's corporate landscape. *[Business Standard]*

Time right for banks to star in the M&A story as RBI opens doors: The Reserve Bank of India's (RBI's) draft guidelines on financing mergers and acquisitions (M&As) signal that these are no more episodic but have become a strategic lever for growth, enabling companies to acquire technology, enter new markets and strengthen themselves against competition. *[Business Standard]*

India's capex expansion-Will 2026 mark the next phase of industrial growth?: FY26 presents a unique opportunity for India's economic growth, driven by converging demand and policy tailwinds. A broadening consumption base, personal income tax relief, GST simplification, and a supportive interest-rate environment are poised to fuel private capex. *[The Economic Times]*

Antitrust delayed is antitrust denied The Meta verdict on monopoly power offers a sobering lesson. Rather than acting post facto, mega mergers in the big tech space must be prevented. *[Business Line]*

RE finance required for battery storage, transmission, green hydrogen-MNRE: Over the last five financial years, around ₹7.16 lakh crore has been deployed in the Renewable Energy (RE) sector by public sector banks, IREDA, PFC, REC, SIDBI, IIFCL and NaBFID. *[Business Line]*

MSMEs and Start-ups

The great AI cleanse-'Thin-wrapper' start-ups facing an existential crisis: India is witnessing an AI (artificial intelligence) start-up boom and doom simultaneously. In the first week of December alone, a $75-million Activate fund launched to back early-stage AI founders, while Google and Accel announced a joint initiative to invest in 10+ Indian AI start-ups. *[The Economic Times]*

Fintechs hold steady in changing terrain as unsecured credit business grows: Personal loans given by fintechs continue to grow. Data from the Fintech Association for Consumer Empowerment (FACE) shows an expansion both in scale and value in the first half of FY26 over the same period in FY25. *[Business Standard]*

Banks advised to link MSME loans to external benchmark by RBI-Govt: The Reserve Bank of India has directed banks to link MSME loans to an external benchmark with a three-month reset clause to improve monetary policy transmission. Existing borrowers can switch to this regime under mutually agreed terms. *[The Economic Times]*

Speciale Invest plans ₹1,400 cr Growth Fund II for India's deep-tech scale: The deep-tech-focused venture firm plans to raise ₹1,400 crore for its second growth fund to back companies from Series A, betting India's ecosystem is shifting from research to execution. *[Business Standard]*

Employment and Industrial Relations

Unemployment rate at 8-month low of 4.7% in November, shows PLFS: Buoyed by the robustness in rural job market on account of rabi sowing, India's monthly unemployment rate fell to an eight-month low of 4.7 per cent in November, latest periodic labour force survey (PLFS) monthly bulletin released by the National Statistics Office (NSO) on Monday showed. *[Business Standard]*

Labour Codes can significantly boost women's workforce participation in India: New labour codes, effective November 2025, are poised to significantly boost women's workforce participation by enhancing safety, security, and accessibility. These reforms consolidate existing laws, strengthen maternity benefits, expand social security to gig workers, and allow women to work in previously restricted sectors, fostering greater economic independence and career advancement. *[The Economic Times]*

Revised NPS rules-10 key changes you must know about NPS accumulation, growth and withdrawals: Updated NPS rules: The Pension Fund Regulatory and Development Authority (PFRDA) has introduced significant changes to the National Pension System (NPS). *[The Economic Times]*

Industrial Finance

Banks advised by RBI to link MSME loans to external benchmark-Govt: With a view to improve monetary policy transmission, banks have been advised by the Reserve Bank of India (RBI) to link loans to MSMEs to an external benchmark, the government has informed Parliament. *[Business Standard]*

Microfinance institutions remain in pain even as green shoots appear: Microfinance institutions (MFIs) are in a spot of bother: A continuous shrinking of their loan book and liquidity support from lenders. The fallout: The sixth consecutive quarterly decline in their portfolio to ₹1.31 trillion as of September 2025, from ₹1.6 trillion in March 2024 with about half a million customers getting pushed out of the ambit of these entities, according to data provided by Microfinance Institutions. *[Business Standard]*

Early signs of stress in micro LAP, housing loans, CV portfolio-CIBIL: There are early signs of stress in micro loans against property (LAP), certain segments of housing loans, and commercial vehicle (CV) portfolio, even as overall asset quality remains stable, TransUnion CIBIL said during an interaction with the media on Monday. *[Business Standard]*

Sagarmala Finance Corporation to start lending soon-MD: The total authorized capital of SMFCL is Rs 1,000 crore and its paid-up share capital is Rs.1,000 crore. Total equity investment as on March 31, 2024 stood at Rs.541.79 crore. The NBFC handed over a cheque of Rs 15.88 crore to the centre as the Final Dividend for fiscal 2024-25. *[The Economic Times]*

Technology and Innovation

India emerges as most optimistic consumer market for 2026-BCG: India's consumers are more optimistic than global peers with strong spending intent and an enthusiastic embrace of AI technologies. *[Business Line]*

Designing the future-Technology-led innovation for Viksit Bharat: Across sectors-transport, manufacturing, smart cities, water systems, renewable energy-the design technology-led innovation is reshaping how India creates. *[Business Standard]*

Zoom brings 'AI Companion' to web, opens access to free users-What's new: Zoom has launched AI Companion 3.0 with a web interface and agentic tools, while extending limited meeting summaries and AI notes to free Zoom Workplace Basic users. *[Business Standard]*

Amazon Pay rolls out biometric authentication for UPI payments in India: Amazon Pay now lets Android users approve eligible UPI transactions with fingerprint or facial recognition, reducing PIN friction for payments up to ₹5,000, the company said. *[Business Standard]*

Industrial Infrastructure, Clusters and SEZs

Waaree Energies boosts Samakhiali plant capacity to 3 GW: Waaree Energies Limited has added 1.5 GW of solar module manufacturing capacity at its Samakhiali facility in Kutch, Gujarat, bringing the plant's total annual capacity to 3 GW. The expansion was announced on December 12, 2025. *[Business Line]*

Maritime call for Atmanirbharta-Why India needs a local P&I Club: India, targeting for its major role in its imports and exports and focus on the internal logistics policy to optimise ease and speed, the need is also to look overseas on the major route for cargo being ocean-going ships. *[Business Standard]*

Tata Power to finalise ₹6,500 cr wafer-ingot project by Jan, says CEO: Tata Power is looking to set up a 10 gigawatt wafer and ingot plant as part of its backward integration, Sinha had said in an earnings call earlier without sharing further details. *[Business Standard]*

NTPC adds 359.58 MW solar capacity, group capacity crosses 85.5 GW: The additions include partial commissioning of the Khavda-I Solar PV project and the Khavda Hybrid Tranche V project in Gujarat, as well as the Nokh Sokar solar project in Rajasthan. *[Business Line]*

Suzlon, Yanara extend partnership with 306 MW wind turbine orders: Suzlon Group and Yanara have extended their partnership with the signing of two new wind turbine supply contracts totalling 306 MW for Yanara's firm and dispatchable renewable energy (FDRE) projects in Barmer district of Rajasthan. The two contracts are for 153 MW each. *[Business Line]*

ACME Solar secures ₹4,725 crore funding for renewable energy projects: It has also got its first greenfield project financing for Acme from National Bank for Financing Infrastructure Development (NaBFID) of ₹800 crore for the 150 MW ACME Platinum Solar + ESS project. *[Business Standard]*

Sustainable Industrialisation

Will localise EV components in next few years-Maruti Suzuki: Maruti Suzuki India plans to localise battery production and other critical components over the next few years as part of strengthening the overall EV ecosystem in the country. *[Business Line]*

Renewable energy adoption rises in Indian textile sector, but intensity-related challenges persist: Indian textile manufacturers are stepping up their game with a strong push towards renewable energy adoption. However, an unsettling trend is emerging: energy usage per revenue unit is on the rise. *[The Economic Times]*

Solar Energy Corporation of India and Global Energy Alliance for People and Planet sing SoI to fast-track India's energy transition: SECI and the Global Energy Alliance for People and Planet have partnered to accelerate India's energy transition, aiming to unlock investments and provide technical assistance. This collaboration will focus on grid stability, market innovation for renewable energy, and advancing clean technologies to meet India's climate targets and growing energy demand. *[The Economic Times]*

When the plug gets pulled-Policy, demand drag EVs: Electric vehicles face growing uncertainty as regulatory shifts and slowing demand test global strategies. Automakers are now stretching timelines and leaning towards hybrids, reflecting a more pragmatic and uneven path forward for electrification, driven by consumer economics and evolving political priorities. *[The Economic Times]*

Govt incentives must prioritise EVs, not hybrids, says Parliament panel: A Rajya Sabha panel has urged the Centre to focus subsidies and tax benefits on 'genuine' zero-emission vehicles, while warning that hybrids remain fossil-fuel dependent and E20 may hurt older cars. *[Business Standard]*

Sectoral News

Datanomics-Auto components, telecom parts drive India exports to Mexico: Mexico on Thursday slapped a tariff of up to 50 per cent on all imports from India starting January, a move that could further weaken India's exports already hit by the US' 50 per cent Customs duties. The measures are seen as an attempt to protect Mexico's domestic industry. *[Business Standard]*

Indian cement firms most exposed to CBAM risk-World Economic Forum: The study, which examines corporate readiness in Brazil, China, India and South Africa for CBAM, finds no evidence so far of broad competitiveness losses for exporters from these economies. *[Business Standard]*

Draft Insurance Amendment Bill-Stricter safeguards on cards for life funds: The Bill also places a cap on payments made from the surplus towards debentures. Payments, including interest, cannot exceed 50 per cent of the disclosed surplus. *[Business Standard]*

Govt notifies Rs 7,280-crore scheme to manufacture rare earth magnets in India: India is launching a major initiative to boost its manufacturing of rare earth permanent magnets. The government has approved a Rs 7,280 crore scheme to build domestic production facilities. This move aims to reduce reliance on China for crucial components. These magnets are vital for electric vehicles, electronics, and green energy sectors. *[The Economic Times]*

PM MITRA textile parks-₹5,567 crore DPRs finalised across three states: The textiles ministry, in consultation with the National Industrial Corridor Development Corporation (NICDC), engaged prospective master developers to explore partnership opportunities for these greenfield parks. *[Business Line]*

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