

Industry Matters

Weekly Updates

December 26, 2025



Economy, Industry and Policy

US tariffs, demand slowdown pose risks despite strong Q2 growth' Q&A with MPC member Nagesh Kumar: GDP growth in FY26 Q2 surprised on the upside at 8.2%, driven by strong rural consumption and investment, despite a challenging external environment," he told FE. *[Financial Express]*

GDP data revision-The statistics ministry has issued detailed notes for growth sceptics to delve into: India's GDP revision next year has been preceded by discussion papers published by the ministry of statistics. This should cue debates on what India can reasonably expect to measure—and acquaint casual datasceptics with our challenges. *[Mint]*

India Inc needs to push up capex instead of keeping cash on books'-EAC-PM chairman S Mahendra Dev: India's strong economic growth and low inflation are expected to continue. The government plans fiscal consolidation and debt reduction. New reforms aim to boost private sector investment in infrastructure and manufacturing. *[The Economic Times]*

Policies helped build economic resilience in 2025 amid external headwinds-RBI bulletin: The rupee depreciated against the US dollar in November, pressured by the strengthening of the US dollar, muted foreign portfolio flows, and uncertainty surrounding the India-US trade deal. *[Financial Express]*

Targeted manufacturing strategy needed, PSU stake sales to fund strategic investments-Rajiv Memani, CII: To strengthen India's manufacturing sector, lobby group CII's president has proposed a strategy focused on the 50 most imported products. Incentives and research support, funded through disinvestment, will create jobs and enhance competitiveness in areas such as electronics and semiconductors. *[Mint]*

China's growth shows why government support should be aimed at new starters: China's growth highlights the need for India to shift policy support towards new firms, boost manufacturing, R&D spending, and empower states and cities to drive entrepreneurship and competitiveness. *[Business Standard]*

Real-time tax data to sharpen state GDP estimates under new methodology-MoSPI: India is set to enhance economic growth estimation for states. Real-time Goods and Services Tax Network data will provide more accurate Gross State Domestic Product figures. Capacity-building workshops will aid states. A new Gross Domestic Product series releases February 27, 2026. *[The Economic Times]*

Why a recast of rural jobs scheme was needed: India's rural employment guarantee was conceived at a time when village economies were marked by chronic distress, limited non-farm opportunities and weak infrastructure. Two decades later, the macroeconomic context has shifted. *[Business Line]*

Tokenising trust-How land reform can meet India's digital ambition: As India pushes for "ease of justice", land tokenisation could reduce disputes, unlock stalled wealth and align legal reform with digital public infrastructure ambitions. *[Business Standard]*

Budget 2026 will drive growth through strong capex push and fiscal discipline amid global uncertainties- EY India: India's Union Budget 2026 is expected to play a critical role in strengthening the foundations for sustained medium-term growth by leveraging resilient domestic demand, sustaining public capital expenditure, and maintaining fiscal credibility, noted a report by EY India, titled "EY Economy Watch December 2025. *[The Economic Times]*

Budget 2026-Govt weighs easing GST compliance for small businesses: India's 73 million MSMEs contribute 30% to the GDP and 45% to the overall exports. The proposed reforms, which follow a cut in GST rates in September this year, come at a time when small businesses have been hit by the steep US tariffs of 50%. *[Mint]*

Sustained higher and inclusive growth key for Viksit Bharat goal-Ajay Seth: Achieving the vision of a 'Viksit Bharat' or developed India by 2047 requires analytical clarity and institutional discipline, Ajay Seth, former Union Finance Secretary and Chairman of the Insurance Regulatory and Development Authority (IRDA), has said. *[Business Line]*

Sweetened, general insurer privatisation gets a reboot after FDI cap hike: The government will restart the selection process for privatising a state-run general insurer in the next financial year, people with knowledge of the matter said days after Parliament passed a bill to raise the foreign direct investment (FDI) limit in the insurance sector to 100%. *[The Economic Times]*

Budget 2026-Customs duty waiver likely for SEZ-made drugs sold locally: India may soon waive customs duty on medicines produced in special economic zones for local sale. This move aims to reduce costs and increase the availability of essential drugs and vaccines within the country. The proposal could be part of the upcoming Union budget *[The Economic Times]*



Foreign Investment

MUFG pays a 16.5% premium for Shriram Finance stake — What MUFG saw that markets missed: MUFG's investment in Shriram Finance has added to the momentum of activity in the financial services space in the Indo-Japan corridor. The transaction combines SFL's established domestic franchise and extensive distribution network with MUFG Bank's global expertise and financial strength. *[Mint]*

India-New Zealand FTA to bring in \$20 bn investment, visa access boost: The India-New Zealand FTA promises \$20 billion investment over 15 years, zero-duty access for Indian exports and a new capped skilled visa pathway for Indian professionals. *[Business Standard]*

India's big bang financial reforms open doors to wave of foreign capital: In the latest step, lawmakers passed a bill this week allowing up to 100 per cent foreign ownership of insurance firms, bolstering an industry long viewed as under-penetrated and capital-starved. *[Business Standard]*

Gross FDI slips to \$6.5billion, net flows negative: Foreign direct investment into India saw a slight dip in October. Net FDI continued to show outflows, though less than the previous month. Singapore, Mauritius, and the United States were the top contributors to these inflow. *[The Economic Times]*

VinFast steers Vingroup's India expansion amid US EV headwinds: Vingroup plans significant investment in India, including \$500 million for VinFast's electric vehicle expansion. The move is part of a \$5 billion strategy to establish a strong foothold in the Indian market, as it faces challenges in the US. *[Mint]*



Trade Policy and Competitiveness

India's neighbours may be the answer to Trump's tariffs—but it will be a tough win: The South Asian Association for Regional Cooperation (SAARC)—a bloc of eight countries including India, Pakistan, Bangladesh, and Nepal—has not met since 2014. It may be the time to make efforts to revive the group and promote trade with them. *[Mint]*

India, New Zealand conclude FTA; 95% of Kiwi exports to get duty relief: Deal removes or reduces tariffs on 95% of New Zealand's exports to India; aims to boost trade and investment beyond the current \$1.3 billion level. *[Business Line]*

Rebound in India's exports to US reflects short-term coping strategy-GTRI: The rebound in India's exports to the US after September reflects adjustment to a tougher tariff regime, not relief, and remains fragile, driven by short-term coping strategies rather than a lasting improvement, per a report by research body GTRI. *[Business Line]*

Trade agreement between India and EAEU to exclude areas of services: The proposed trade agreement between India and Eurasian Economic Union (EAEU) will exclude chapters on services and investment, with the deal primarily focusing on tariff reduction in goods as well as some other areas, according to a person aware of the matter. *[Business Standard]*

Exim matters-US reform proposals challenge WTO's basic principles: US proposals to reform the WTO question core principles like MFN and special treatment for developing nations, deepening divisions and raising doubts over the future of rules-based trade. *[Business Standard]*



Corporate Governance

Securities Market Code may trigger early disclosures, clog SAT: The Bill draws clearer limits around SEBI's enforcement powers by imposing an eight-year statutory cap on inspections and investigations, except in cases having a systemic impact on the securities market. *[Business Line]*

M&As, PE bets and big exits-How India's corporate story unfolded in 2025: India's corporate industry in 2025 saw major mergers, acquisitions, private equity investments and big exits. Here's a look at key deals and moves. *[Business Standard]*

Open offers highest since 2008 as acquisition, takeover attempts surge: Most open offers are for a minimum of an additional stake of 26 per cent and allow public shareholders an exit after the acquisition. *[Business Standard]*

Ease of investing-Sebi's interventions will bring greater transparency: The Securities and Exchange Board of India (Sebi) at its board meeting last week set easier guidelines for mutual-fund investment and companies aiming for an initial public offering (IPO). *[Business Standard]*

Adani to invest ₹1 lakh cr in airports; eyes aggressive bids in next privatisation round: Adani Group plans to invest ₹1 lakh crore in its airports business over the next five years, betting on sustained growth in India's aviation sector. *[Mint]*

Private Equity investment in India relatively slows in 2025 amid global uncertainty-KPMG: Private equity (PE) investment activity in India slowed in 2025, reflecting broader global uncertainty linked to geopolitical developments and evolving trade policies, according to KPMG's Pulse of Private Equity Q3'25 report. *[Mint]*

M&As seen topping \$60 b in 2025 driven by financial services sector: According to data from EY and Grant Thornton, well over 950 deals have been transacted till November with a value of over \$50 billion and that will cross \$60 billion, with the additions of deals in December. *[Business Line]*



MSMEs and Start-ups

Interest equalisation scheme to be largely restricted to MSME exporters: Exporters' wait for detailed guidelines of the new edition of the popular interest equalisation scheme (IES) on pre- and post-shipment rupee export credit may finally be over soon, perhaps this week, sources said. *[Business Line]*

MSME body pitches unified regulator; seeks banking oversight shift: According to Fisme, the Indian banking system operates under conditions of monopolistic competition, with high switching costs giving banks significant market power over borrowers, particularly MSMEs. *[Business Standard]*

India's rural manufacturing boom and the rise of homegrown agritool brands: India's rural manufacturing is experiencing a significant revival. Agritools are now designed for farmers' needs, focusing on affordability and reliability. This shift is boosting the economy and creating jobs. The trend is set to continue, with a focus on scaling up production and consolidating gains in the coming years. *[The Economic Times]*

India's AI journey-From adoption to leadership, but impact still low: The report, titled 'India's Triple AI Imperative', estimates that AI adoption in India's 64 million MSMEs alone could unlock over \$500 billion in economic value by 2030. *[Business Standard]*

Deeptech funding ticks up as startups move beyond labs in 2025: Venture capitalists say deeptech funding in India will remain in the \$1-1.5 billion range over the next two years, before picking up in 2027-28, driven by policy support, the launch of the Research Development Incentive fund and a stronger pipeline of startups beginning to reach maturity. *[The Economic Times]*

AI tech helps semicon startups step up as they face chip goliaths: For a sector which has a very long product incubation period and is cost-intensive, innovations around AI and its wide-scale adoption have become a boon for frugal startups. Industry experts said AI can help early-stage startups like Maieutic Semiconductors cut overall design cycles by three-four months. *[The Economic Times]*



Employment and Industrial Relations

New labour codes a game changer'-Vandana Gurnani: Labour Secretary Vandana Gurnani calls the four new labor codes a "game-changer" for India. The reforms consolidate 29 laws, targeting 10 million logistics jobs by 2027. *[Financial Express]*

New labour codes suitable for nature of employment, GDP growth-Secretary: Gurnani mentioned about easing of various compliance norms, including the reduction in the number of registrations from 8 to one, 31 returns to one, and 87 registers to eight. *[Business Standard]*

Labour code clears ambiguity over contract work: India's Occupational Safety, Health and Working Conditions Code, 2020 (OSHWC Code) marks a pivotal shift in how businesses will need to structure and justify the use of contract labour. *[Business Line]*

New jobs law reverses hard-won gains on rural equality: Since there was no opportunity for a meaningful discussion on the Bill before its passage, it is necessary to seriously engage with the clarifications and response of Rural Development Minister Shivraj Singh Chauhan. *[Indian Express]*



Industrial Finance

JM Financial AMC expands AIF platform with ₹1,000 crore real estate fund: JM Financial Asset Management Company is expanding its Alternative Investment Fund (AIF) platform with the launch of Rs 1,000 crore early-stage real estate fund to address the sector's financing gap. *[Business Standard]*

Shriram Finance shares touch all-time high after MUFG capital infusion: Shriram Finance shares rose to a record high after brokerages said MUFG Bank's proposed investment would sharply lift net worth, capital adequacy and support faster growth. *[Business Standard]*

Banks, NBFCs see stress building in commercial vehicle space amid strong credit growth: India's vehicle financing market is seeing a divergence in asset quality, as commercial vehicle (CV) loans and two-wheeler segments face rising delinquencies. *[Financial Express]*

Lenders cannot levy pre-payment charges on floating rate loans granted to individuals, MSEs from Jan 1, 2026: The new directions aim to address customer grievances arising from inconsistent practices and restrictive clauses in loan agreements, particularly affecting MSEs. *[Business Line]*

Axis Bank launches digital loans for MSMEs: This fully digital product offers unsecured loans ranging from ₹2 lakh to ₹20 lakh, enabling merchants, particularly retail shops, to access quick credit and repay through everyday instalments aligned with their business cash flows. *[Business Line]*



Technology and Innovation

Data centre surge strains resources: Can AI learn to consume with care?: Big Tech is pumping more than \$60 billion into data centres in India to power a smart future. This will also put pressure on scarce power and water resources. Fortunately, there are solutions. *[Business Standard]*

India Inc believes AI enhances productivity, quality of work-EY: In India, where 800 employees and 50 employers were surveyed, a strong environment supports employee engagement and resilience in the changing AI landscape. *[Business Standard]*

US visa curbs, AI surge shape cautious outlook for Indian IT in 2026: The visa proposals triggered market volatility in late 2025, disrupting travel plans and denting IT stocks, before partial clarifications offered limited relief. *[Business Standard]*

Firms turning to AI tools to keep pace with taxman: Leading tax firms are launching tailor-made generative AI solutions for tax and regulatory functions, catering not just to large corporations but also to mid-sized and smaller enterprises which are fast, accurate and capable of proactively identifying risks, responding to tax notices and managing litigation before disputes escalate. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

Inox Clean Energy inks \$600 million deal for Macquarie's Vibrant Energy: The deal will add scale to Inox Clean's renewable portfolio and bring in largely operational assets at a time when consolidation in India's clean energy sector is picking up. *[Mint]*

The \$75 billion drain: How India lost the global shipping race and the bold mission to reclaim it: Once a maritime superpower, India now pays \$75 billion annually to foreign ships. Can the Maritime Amrit Kaal Mission close a staggering gap with South Korea and China? Discover how India plans to reclaim the oceans and catch the shipbuilding bus. *[Mint]*

India hits climate milestone five years early with 50% non-fossil power capacity: While major powers slowed their push on renewable energy, India — often portrayed as a champion of fossil fuels — did the unthinkable. *[Business Line]*

L&T bets on green hydrogen, battery storage, T&D to drive utilities growth: L&T is scaling up its utilities business by focusing on green hydrogen, large battery storage projects and a booming transmission and distribution segment in India and overseas. *[Business Standard]*

Cummins India sees strong opportunity from booming data centre market: A part of the US-based Cummins Inc, Cummins India Ltd is involved in the power generation, aftermarket, and export businesses with five manufacturing plants, assembly, and distribution facilities. *[Business Standard]*

RITES signs MoU with Botswana to modernise rail and transport infrastructure: Partnership to cover railways, highways, airports and capacity building initiatives. RITES on Friday (19 December 2025) signed a memorandum of understanding with the Government of Botswana to support the development and modernisation of the country's transport infrastructure. *[Business Standard]*

Renewable energy capacity addition on the fast track; grid bottlenecks: India has achieved a historic clean energy milestone, with non-fossil fuel capacity reaching 262.7 GW as of November 2025—accounting for more than 50% of the nation's total power grid. *[Financial Express]*

A new logistics era: How India's 2025 momentum sets up a breakthrough 2026: India's logistics sector is set for a major leap in 2026. Enhanced connectivity and digital tools will boost efficiency. PM GatiShakti and infrastructure projects are building a strong foundation. *[The Economic Times]*



Sustainable Industrialisation

India's green hydrogen market faces demand uncertainty despite strong investor interest: The Institute for Energy Economics and Financial Analysis (IEEFA) in a recent briefing note pointed out that India has currently 158 green hydrogen projects at various stages of development. *[Business Line]*

ArcelorMittal unveils three green energy projects in India with \$900 million investment: ArcelorMittal announced three new renewable energy projects in India, totaling 1 GW of solar and wind capacity, with an investment of \$900 million. These projects, located in Maharashtra, Rajasthan, and Gujarat, will double the company's renewable energy capacity in India to 2 GW upon completion. *[The Economic Times]*

Delhi to unveil revamped EV policy with subsidies, scrappage benefits and local charging network: Delhi is set to launch a revamped Electric Vehicle policy next fiscal year, emphasizing financial incentives, vehicle scrappage, and neighborhood charging. The initiative aims to make EVs affordable for middle-class families and establish Delhi as a leading EV hub by cutting emissions and improving air quality. *[The Economic Times]*

India's clean energy transition's biggest potential lies in agriculture: India's clean energy transition can gain scale through agriculture, using decentralised renewable energy to cut post-harvest losses, create green jobs and boost farmer incomes across rural India. *[Business Standard]*

India adds 50 GW renewable energy capacity with ₹2 trn investment in 2025: The world's fastest-growing economy now has a total installed generation capacity of about 510 gigawatts, comprising 247 GW of fossil-fuel sources and 262 GW of non-fossil fuel sources. *[Business Standard]*

India's EV era gets greener with game-changing battery recycling innovation: India's EV transition faces a growing threat from used battery waste, which can contaminate soil and water with hazardous materials. The nation is implementing new rules and initiatives to promote battery recycling, aiming to transform this pollution risk into a valuable resource opportunity and secure a cleaner future. *[The Economic Times]*

Biogas sector likely to see investments of over Rs 5,000 cr in 2026-27-IBA: The IBA anticipates significant commissioning of CBG facilities, effective and organized supply chains for feedstock, and unified and integrated policy frameworks to support the rapid adoption of biogas. *[Financial Express]*

Jumpstarting wind energy-Govt plans new blueprint to put the wind back in the sails of the sector: The Union government is working on a blueprint to revive the once-buoyant wind power sector by addressing key concerns, including land acquisition hurdles and lack of grid connectivity, said three people with knowledge of the development. *[Mint]*



Sectoral News

Eye on \$500 bn by 2047, pharma steps into 2026 with focus on innovation: Today, Indian pharma stands at a defining moment and the next 25 years will be shaped by innovation, quality, and access,' Indian Pharmaceutical Alliance Secretary General Sudarshan Jain said. *[Business Standard]*

India's defence shipbuilding sector stands at multi-decade transformation threshold: India's defence shipbuilding sector is entering a period of strong growth. Increased naval capital expenditure and government policy are driving this expansion. Projects worth over Rs 2.3 trillion are underway or approved. This includes destroyers, frigates, submarines, and aircraft carriers. India aims to become a top global shipbuilding nation by 2047. *[The Economic Times]*

No duty concessions by India on dairy sector for New Zealand under trade pact: India has not given any import duty concessions in its dairy sector for New Zealand under the bilateral free trade agreement, an official said on Monday. *[Business Line]*

India's automobile industry seen sustaining growth in 2026 amid policy support: After a record-breaking year, India's automobile industry is entering 2026 on a relatively strong footing, with sales growth expected in the 6-8 per cent range. *[Business Line]*

Government simplifies coal washery rejects disposal to boost ease of doing business: Under the new framework, prior permission from the Coal Controller Organisation is no longer required for productive uses such as energy extraction, construction material replacement, land reclamation, and brick making. *[Business Line]*

Coal, mining sector set for busy 2026 as reforms target energy security: As India races toward its ambitious Viksit Bharat goals, the Centre is rolling out sweeping reforms in the coal and mining sector to bolster national energy security. *[Business Standard]*

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