

# Industry Matters

Weekly Updates

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## Economy, Industry and Policy

Budget 2026 must aim to fix the weak link in India's R&D ecosystem: Innovative activity is widely recognised as a key driver of competitiveness and economic growth. Its importance has only increased in the context of the artificial intelligence (AI) revolution and the compulsions of net-zero. *[Business Standard]*

Growth-inflation data will determine MPC's future actions-Nagesh Kumar: The celebrations of this 'Goldilocks moment', however, were tempered by trends for October 2025 published only a few days later, suggesting that economic activity had peaked in Q2, says Nagesh Kumar. *[Business Standard]*

The government can't do the heavy lifting forever-The Union budget needs to get private capex moving again: Our growth looks strong but the economy is still too reliant on public expenditure. Private firms remain hesitant to invest—not for lack of money, but confidence. *[Mint]*

Tariff cut, reorientation of production to enhance global competitiveness-Niti Aayog: Niti Aayog recommends strategic steps for India to boost its global standing. Key measures include lowering tariffs and shifting production to popular segments like passenger vehicles. *[The Economic Times]*

Budget 2026-How India can mobilise capital for its next growth leap: Union Budget: Policy and regulatory support helped boost consumption in 2025, reflected in strong GST collections and higher retail credit, aided by income tax relief, GST rate rationalisation and a cumulative 125-basis-point repo rate cut by the RBI. *[The Economic Times]*

NSO releases first advance estimates-GDP may expand 7.4% in FY26: India's economy is estimated to grow by 7.4 per cent in FY26, up from 6.5 per cent in FY25, according to the first advance estimates of gross domestic product (GDP) released by the National Statistics Office on Wednesday. *[Business Standard]*

VB-G-RAM-G — A costly policy turn for States: The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), passed in Parliament in August, 2005, and implemented in February 2006, guarantees up to 100 days of wage employment per year to rural households whose adult members volunteer for unskilled manual labor. *[Business Line]*

RBI set for further easing — 50 bps cut possible in 2026: India's central bank may cut policy rates by another 50 basis points in 2026. This follows significant reductions in 2025. The gap between the repo rate and core inflation provides room for more easing. *[The Economic Times]*

The debate over economic data: The changes in method for estimating GDP, employment have evoked criticisms. But these aren't convincing. *[Business Line]*

Export Promotion Mission-Govt rolls out interest subvention, collateral guarantee for exporters: The government rolled out on Friday two critical components of the ₹25,060 crore six-year export promotion mission (EPM)—the long awaited interest subvention scheme with a corpus of ₹5,181 crore and ₹2,114 crore collateral support for export credit. *[Business Line]*

Budget 2026 could simplify income tax rules for global mergers involving Indian firms: India Budget 2026: India's integration with global markets faces tax challenges in overseas restructurings. Current tax laws create unintended taxability for shareholders of foreign companies holding Indian assets during mergers. *[The Economic Times]*

PLI push is paying off: The Production Linked Incentive (PLI) scheme was introduced in April 2020 with the intent of fast-tracking growth and helping the country become a \$5 trillion economy. *[Business Line]*

Strong start to year but deregulation holds key to competitiveness: From the finance ministry came a mix of revenue-raising and trade-defence actions. Taxes on tobacco products will increase from the beginning of next month. *[Business Standard]*

Resilience amid the storm-India's arrival as a global power in 2025: At the core of this momentum is the vision of 'Amrit Kaal' - a transformational two-decade road map towards 'Viksit Bharat', fuelled by aggressive development and youth empowerment. *[Business Standard]*

Centre weighs mega microfinance credit guarantee scheme for NBFCs in upcoming budget: The proposed guarantee cover is expected to be larger than the ₹7,500 crore package offered during the pandemic. To be managed by the National Credit Guarantee Trustee Company, it will underwrite lending risks for banks, covering defaults caused by factors outside the control of small borrowers. *[Mint]*

Indian economy to grow 6.9% in FY27 amid global headwinds-Ind-Ra: Ind-Ra said domestic reforms such as income tax cuts, GST rationalisation and new trade agreements would help cushion global risks, including US tariffs. *[Business Line]*

Indian economy trapped between Goldilocks and Gridlock, shrinking fiscal space: India's much-discussed "Goldilocks" economic narrative is increasingly showing signs of strain, with weak tax buoyancy and shrinking fiscal space creating a policy gridlock, according to a report by Systematic Research. *[Business Line]*



## Foreign Investment

India–New Zealand FTA a landmark deal for jobs and growth-PM Luxon: New Zealand Prime Minister Christopher Luxon stated that the free trade agreement (FTA) with India is a landmark deal that will create opportunities for jobs, exports and economic growth. *[Business Line]*

FDI in India's I&B sector jumps to ₹5,586 crore in Q2 FY26, led by films and advertising: Foreign investment surged in India's media sector. The information and broadcasting industry attracted ₹5,586 crore in the September quarter of FY26. Films and advertising led this growth. Overseas investors focused on content and production assets. *[The Economic Times]*

Insurance a long game with hurdles, foreign investors unlikely to rush in: India now permits full foreign ownership in insurance firms. However, industry experts believe this change will not immediately bring many new foreign companies. Setting up an insurer requires substantial investment and a long-term view in a competitive market. *[The Economic Times]*

Gains from decontrol-Removing constraints offers substantial gains: The path to prosperity for India lies in becoming an open market economy, one that is deeply engaged with the world. At present, there is a maze of restrictions at the border, which hampers this engagement. *[Business Standard]*



## Trade Policy and Competitiveness

Why India-US bilateral trade arrangement is taking so long to conclude: Why has India not yet concluded a bilateral trade deal with the United States (US), even as the two countries have quickly signed agreements with other partners? *[Business Standard]*

Customs rejig must resolve inverted duty, supply chain issues-Arvind Virmani: Economist Arvind Virmani advocates for a strategic overhaul of India's customs duty regime ahead of the Union Budget 2026-27. *[Financial Express]*

Piyush Goyal's Brussels visit to give final push to EU FTA negotiations: Goyal will visit Brussels on Jan 8-9 to hold high-level talks with EU officials, as India and the European Union seek to resolve key differences and fast-track their long-pending free trade agreement. *[Business Standard]*

Tech transfer for trade-India wants issue in focus at WTO Ministerial in Cameroon: India is hopeful that its recent submission at the WTO, on addressing challenges faced by developing countries and LDCs in acquisition, adaptation, and diffusion of technology to realise trade gains through transfer of advanced technology, will push developed members to act- especially on environmentally sound technologies (EST). *[Business Line]*

BRICS must cement its global role: India takes over BRICS leadership in 2026. The group faces global shifts and differing views. BRICS+ has expanded, increasing its economic influence. India's presidency aims to boost BRICS' economic plans and connect with G7 and G20. *[The Economic Times]*



## Corporate Governance

PRAGATI spurring fresh interest in infra investments-T V Somanathan: The PRAGATI platform has unlocked over ₹95 trillion worth of stalled public and private projects, boosting investor confidence and accelerating India's infrastructure push. *[Business Standard]*

CCI probe finds Tata Steel, JSW Steel, SAIL breached antitrust law, flags price-fixing: A confidential CCI order says market leaders colluded on steel prices; holds 28 companies and 56 executives liable for cartel-like conduct between 2015 and 2023. *[Business Line]*

Corporate boards need to play a more active role in shaping strategies-ISB study: Only 17 per cent of board directors of Indian companies actively shape strategy, according to findings of a study by the Indian School of Business (ISB). *[Business Line]*

Section 29A and the cost of treating business failure as misconduct: The first resolution plan under the Insolvency and Bankruptcy Code (IBC), 2016, approved in August 2017, triggered widespread disquiet. A related party regained control of the company while creditors took a 94 per cent haircut. *[Business Standard]*

NIIIF, KKR, Sembcorp vie to acquire Shell's Sprng Energy in one of India's biggest renewable M&A deals: As the renewable energy market heats up, Shell is placing Sprng Energy on the auction block, inviting competition from notable investors including India's National Investment and Infrastructure Fund, KKR, and Sembcorp. *[The Economic Times]*



## MSMEs and Start-ups

Govt scraps 3-year eligibility rule for deep-tech startups under DSIR: Speaking on the participation of women, Singh said that over 10,000 women beneficiaries are currently availing DSIR schemes, including more than 55 women-led self-help groups. *[Business Standard]*

Govt rolls out ₹7.3K cr schemes to boost MSME financing over six years: The government on Friday launched two measures — on interest subvention and collateral support — with an allocation of ₹7,295 crore for a six-year period (FY26-31) to give small exporters better access to trade finance. *[Business Standard]*

How India's new export mission targets MSME credit and market gaps: India has launched a ₹25,060-crore Export Promotion Mission to cut MSME export costs, ease credit stress and expand access to overseas buyers amid rising tariffs and global trade uncertainty. *[Mint]*

Why banking, and not company setup, is the real test for Indian SMEs entering the UAE: As Indian SMEs accelerate plans to expand into the UAE, banking and compliance have emerged as the real gatekeepers of market entry. *[The Economic Times]*

India's startups turn to AI applications in 2026 after missing infra boom: India largely missed the first phase of artificial intelligence's global boom — the lucrative infrastructure and model-building layer dominated by Silicon Valley giants. *[Business Standard]*

Indian fintech sector set for consolidation wave this year-Kotak Investment Banking: Speaking at the firm's annual press conference, top executives stated that fragmented markets and weak profitability are prompting venture-backed fintech players to consolidate rather than compete. *[Mint]*



## Employment and Industrial Relations

Centre proposes 90 days work rule for gig workers to get social security: Centre pre-publishes draft labour rules, says gig workers must work 90 days a year to qualify for social security benefits; stakeholders can give feedback. *[Business Standard]*

Mission-100 Million Jobs launched to power India's next decade of job creation: The initiative was announced by Harish Mehta, co-founder of software industry body Nasscom, A J Patel, founder of global entrepreneur network The Indus Entrepreneurs (TiE) and K Yatish Rajawat, founder of the Centre for Innovation in Public Policy (CIPP). *[Business Line]*

Double gratuity for govt employees-Centre clarifies rules and limit under NPS: According to the OM, Rule 4A of the CCS (Payment of Gratuity under NPS) Amendment Rules, 2025, stipulates that if a government employee has worked in both Central Government service and a PSU/Autonomous Body and receives separate gratuity from both, then a limit will apply to the total gratuity. *[Financial Express]*

NPS Vatsalya Scheme rules out-Govt reveals investment, withdrawal, exit, other key conditions: PFRDA has unveiled new guidelines for the NPS Vatsalya scheme, a plan for minors' contributions by parents and guardians. The circular details investment options, including equity up to 75%, and outlines partial withdrawal conditions for education or medical needs. *[The Economic Times]*



## Industrial Finance

Sundaram Alternates Credit Fund announces first close at ₹1,000 cr: Sundaram Alternates (SA), the alternative investment arm of the Sundaram Finance Group, has announced the first close of its SA Real Estate Credit Fund V, India's first ESG-aligned real estate credit fund, at ₹1,000 crore in capital commitments within three months of its launch in October 2025. *[Business Standard]*

HDFC AMC forays into private credit market with ₹2,500 crore fund: HDFC Asset Management Company has forayed into the fast-growing private credit market with its new Structured Credit Fund-I, targeting mid-market companies with alternative debt financing. *[Business Standard]*

Juniper Green Energy raises ₹2,039 crore: With this financing, Juniper further extends its relationship with a major infrastructure development financial institution, NaBFID, complementing its strong existing relationships with PFC and IREDA. *[Business Line]*

Inox Clean Energy ties up ₹3,100 crore in equity for capacity expansion: Inox Clean Energy Ltd today announced that the company, along with its subsidiary Inox Solar, has tied up ₹3,100 crore equity from foreign and domestic investors, including California Public Employees' Retirement System (CalPERS, the largest pension fund in the US), SUN Group Global, Authum Investments, and other investors. *[Business Standard]*



## Technology and Innovation

Indian deep-tech firm launches platform to fix missing loop in modern tech: An Indian deep-tech company has announced a technology platform that it says addresses a critical gap present across most modern systems, from industrial machines and infrastructure to robotics and human diagnostics. *[Business Standard]*

As India bets big on AI, can it deliver economic growth that is truly inclusive?: Plans are in place for artificial intelligence (AI) to accelerate India's economic expansion and bring 'developed country' status within reach. The harder test lies elsewhere: can AI boost productivity and efficiency without widening disparities and ensure that the gains are equitably shared? *[Mint]*

Infosys ties up with AWS to scale enterprise use of generative AI: The move focuses on combining Infosys Topaz, an AI-first set of services and platforms using GenAI technologies, and Amazon Q Developer, AWS's generative AI-powered assistant. *[Business Standard]*

Prep for AI, it's a tool, not cheat sheet: As artificial intelligence swiftly permeates the educational landscape, both K-12 schools and higher education institutions must establish clear guidelines for its application. Educational leaders should approach AI not as a crutch, but as a revolutionary ally in the pursuit of knowledge. *[The Economic Times]*



## Industrial Infrastructure, Clusters and SEZs

Scheme to boost manufacturing of shipping containers on the table: As part of the Centre's push to strengthen India's maritime capabilities, the government is working on a scheme to provide financial assistance for the manufacture of shipping containers. *[Business Standard]*

Evacuating clean energy efficiently needs resolution of transmission blocks: India's transmission expansion is being tested by curtailment in Rajasthan, raising questions over grid readiness, usable capacity, and whether clean power can reliably reach consumers. *[Business Standard]*

PRAGATI @50-Projects worth Rs 85 lakh crore get a push so far: Projects worth Rs 85 lakh crore, spanning roads, railways, power, airports, and urban infrastructure, were accelerated under the Centre's flagship PRAGATI platform, underscoring how technology-driven coordination has reshaped India's project implementation landscape. *[Financial Express]*

Resolving India's grid bottlenecks: Institutional coordination and transparency is key to ensure that India is able to get the renewable energy it generates to its power grid. *[Financial Express]*

India's data centre capacity to reach 1.7 GW this year: India's data centre market is set to add 220 MW in 2026, reaching approximately 1.7 GW. Driven by government initiatives and new cable landing stations, the sector anticipates significant growth, though a capacity shortfall is projected by 2033. *[The Economic Times]*

Tata Power to set up ₹6,675 crore 10 GW manufacturing facility in Andhra: The project will be the largest ingot and wafer manufacturing facility in the country, reinforcing Andhra Pradesh's position as a leading hub for advanced solar manufacturing. *[Business Standard]*



## Sustainable Industrialisation

Withdrawal of PM E-DRIVE scheme makes electric 3-wheelers costlier, but unlikely to impact sentiment: The conclusion of the PM E-DRIVE scheme could reduce the price gap between electric three-wheelers (e-3W) and internal-combustion vehicles. *[Business Line]*

Soaring raw materials costs leave solar power industry reeling: Solar power consumers may have to pay more for the installation of panels, wiring and other components such as inverters, as the prices of silver, copper and aluminium, the primary raw materials, have soared. *[Business Line]*

Reliance and Waaree to lead India's \$1.6 Green Hydrogen shift? Why costs are set to fall 50% by 2030: India's green hydrogen costs could fall nearly 50% by 2030, driven by cheaper renewable power, falling electrolyser prices and policy support under the National Green Hydrogen Mission, benefiting players like Reliance Industries and Waaree, says Nuvama. *[Financial Express]*

Govt initiates measures to make Telangana role model in EV adoption-Minister Prabhakar: Telangana is actively promoting electric vehicle (EV) adoption through various initiatives, including encouraging government vehicle purchases and enhancing charging infrastructure. The state aims to become a national EV policy role model, offering tax exemptions and urging companies to provide subsidies to government employees for EV purchases. *[The Economic Times]*

Assocham seeks incentives for hydrogen-based steelmaking in FY27 Budget: Assocham believes the upcoming Union Budget offers a vital opportunity to position India as a global manufacturing hub for steel and value-added products under the 'Make in India' initiative. *[Business Standard]*

Budget 2026-Supercharge this sector for global clout, domestic growth: Budget 2026 Renewables manufacturing is crucial for India's economic and geopolitical future, offering energy security and sustainable growth. The sector can create millions of jobs and position India as a global alternative to China in clean-energy supply chains. *[The Economic Times]*



## Sectoral News

Motherson secures PLI incentives for electronics components manufacturing: Auto components major Samvardhana Motherson International Ltd on Monday said its arm Motherson Electronic Components Pvt Ltd has secured incentives under the government's production linked incentive scheme. *[Business Standard]*

Indian auto sector ends 2025 on strong note with decisive YoY growth-ACMIIL: While sequential moderation was visible across most segments due to post-festive normalisation, the year-on-year trends remained exceptionally strong, signalling a healthy close to the last quarter of the calendar year. *[Business Line]*

Cut tariffs, shift toward passenger vehicles to gain global share-Niti Report: India's backward integration into global value chains has improved, rising from 32% in 2015 to 46% in 2024, driven by greater use of imported intermediates and EV-related inputs. *[Financial Express]*

Electronics industry targets 16 products to reduce import dependence: The electronics industry has informed the Prime Minister's Office (PMO) that it is working to develop 16 products — 11 intermediate and five finished — for domestic manufacturing by 2026. *[Business Standard]*

Rare earth sector may have low-to-medium indigenisation feasibility-CEA: Chief Economic Advisor (CEA) V Anantha Nageswaran has said that indigenisation in three sectors — rare earth permanent magnets (REPM), battery cells and cathode materials, and solar wafers and cells — is highly urgent but its feasibility currently falls in the "low-to-medium" range. *[Business Standard]*

Insurance year-ender- After an eventful 2025, insurance looks for stability in the year ahead: The past year has seen the rollout of insurance marketplace Bima Sugam, approval for 100% foreign direct investment in insurance, and GST exemption on retail term and health insurance premiums. *[Mint]*

From GST to tariffs, for insurance sector, it's been a year of reset, realignment and renewed focus: India's insurance sector transformed in 2025. GST changes made life and health insurance more affordable. Digital tools improved access and service. Stricter regulations built trust. Insurers and policyholders now share responsibilities. *[The Economic Times]*

Leather exports hit by US tariffs-Industry tells Parl panel: The Indian leather industry met with a Parliamentary Standing Committee on Commerce, highlighting that 50% US tariffs are significantly harming exports and impacting the sector's competitiveness. *[The Economic Times]*

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