

Industry Matters

Weekly Updates

January 23, 2026



Economy, Industry and Policy

Budget should back R&D, create long-term funding institution-MPC member: RBI Monetary Policy Committee member Nagesh Kumar on Monday said the government should provide policy incentives to promote R&D activities and create an institutional fund to ensure long-term capital for the industry in the forthcoming Budget. *[Business Standard]*

Financial sector seeks capital easing, credit push and policy stability in Union Budget 2026: Financial sector is looking for a Union Budget 2026 that goes beyond headline reforms and focuses on strengthening the foundations of the financial system, say experts. *[Business Line]*

Why creative destruction is essential to India's long-term economic rise: Nobel economics insights show how innovation, institutions and creative destruction drive long-run growth, offering key lessons for India's development goals by 2047. *[Business Standard]*

Ministry of Power seeks comments on draft National Electricity Policy 2026: The Ministry of Power on Wednesday sought stakeholder comments on the draft National Electricity Policy (NEP) 2026, which aims to address high losses and debt of discoms, non-cost-reflective tariffs, and high cross-subsidisation. *[Business Line]*

EU ready to deliver on powerful agenda with India'-EU Foreign Policy Chief Kaja Kallas: The European Union and India will hold the 16th summit in New Delhi, where a new EU-India comprehensive strategic agenda is expected to be adopted. *[Business Line]*

Budget 2026 may be another step towards manufacturing 'atmanirbharta' for a power shift: India Budget Expectations: As India prepares its Union Budget 2026, the nation stands as the fastest-growing major economy amidst global uncertainty. The upcoming budget is expected to prioritize manufacturing, addressing challenges like labor reforms and infrastructure to boost the sector's contribution to GVA. *[The Economic Times]*

India set to become 'Upper middle-income country' by 2030-SBI report India took 60 years to transition to lower-middle income in 2007 from low-income country. Its per capita GNI (Gross National Income) increased from \$90 in 1962 to \$910 in 2007, a CAGR of 5.3%. *[Business Line]*

India may play out as a growth story at World Economic Forum in Davos: A strong Indian delegation heads to Davos for WEF 2026, with India seen as a key global growth driver amid geopolitical tensions, AI disruption and economic uncertainty. *[Business Standard]*

India ranks sixth in Asia manufacturing index 2026, needs sharper push: India needs to up the ante after ranking sixth among 11 Asian countries in the newly released Asia Manufacturing Index (AMI) 2026, which measures the relative competitiveness of major manufacturing economies across eight key pillars and 43 sub-parameters. *[Business Standard]*

Aligning economic growth with employment: India's economic growth over the past few decades has been impressive, but the benefits have not reached everyone equally. While urban areas and formal sectors have prospered, many in rural and informal economies remain excluded. *[Business Line]*

Comm Min formulates specific guidelines for missions abroad to boost exports: The official said trade promotion guidelines for Indian commercial missions abroad include management of non-tariff barriers, market engagement activities, planning and resource management, trade intelligence and market research. *[Business Line]*

Why second-guessing tax treaties may undermine India's growth story: Recent developments regarding the India-Mauritius tax treaty have once again brought the foundational principles of cross-border taxation into sharp focus. A recent ruling, which emphasises that tax authorities can look beyond the tax-residency certificate (TRC) to deny treaty benefits, has generated fresh anxiety among global investors. *[Business Standard]*

Expect next wave of reforms in Budget FY27 to sustain world-leading growth-CII: The business confidence within the Indian industry remains elevated as expectations remain high on the possibility of new reforms announcements in the Union Budget 2026–27 said Confederation of Indian Industry (CII). *[Business Line]*

GTRI calls for overhaul of tariff structure, customs to boost India's trade: India needs a sweeping overhaul of its import tariff structure and customs administration to cut trade costs, strengthen manufacturing competitiveness and revive export growth, suggests trade-focused think-tank Global Trade Research Initiative (GTRI). *[Business Line]*



Foreign Investment

Swiss companies looking to tap into India opportunity, ramp up investments: The most visible impact of TEPA has been the policy clarity and predictability it has brought to Swiss companies engaging with India: Satish Rao, President, Swiss-India Chamber of Commerce. *[Business Line]*

India delivers 7.3% average return on FDI, ahead of emerging markets-CareEdge: In the last five years, between the Financial Year 2020 to 2025, India's annual gross FDI inflows have hovered between USD 70 and 85 billion, recording a flat Compound annual growth rate (CAGR) of around 2%. As per the data shared by CareEdge Ratings, the Net FDI flows have fallen from USD 44 billion in FY20 to USD 1 billion in FY25. *[Business Line]*

India to ease rules to boost foreign investment in domestic defence firms, sources say: India is set to make it easier for foreign firms to invest in its defence sector. The government plans to raise the foreign direct investment cap to 74% under the automatic route. *[The Economic Times]*

Why growth isn't saving the rupee despite low inflation, modest CAD: Last year was not a good one for the Indian rupee. It weakened steadily, even against a soft US dollar, ending 2025 as Asia's worst-performing currency. Some argue that the rupee's slide will be a blessing in disguise, giving long-struggling exporters a much-needed boost. *[Business Standard]*

Govt. is proud of Indian firms investing abroad, is encouraging it-Commerce Minister Piyush Goyal: The government is proud of the high and growing amounts of investment Indian companies are making outside the country, and is actively encouraging these companies to make acquisitions and investment abroad, Commerce Minister Piyush Goyal said. *[The Hindu]*

Government should consider simplifying, rationalising tax laws in Budget to boost FDI-Experts: They also suggested that efforts should be made to reduce the cost of capital. The budget needs to signal a credible medium-term path of fiscal consolidation and debt reduction, they added. *[The Economic Times]*

As rupee hits fresh low, new data shows Nov saw net FDI outflow for 3rd straight month: Foreign money continued to leave Indian shores in November, with Foreign Direct Investments (FDI) seeing outflows on a net basis for the third consecutive month as per data released on Wednesday – the same day the Indian rupee hit a new all-time low of 91.75 against the US dollar. *[Indian Express]*



Trade Policy and Competitiveness

India-EU trade deal to double exports in three years, industry says: Textiles, pharmaceuticals, chemicals, engineering goods, gems and jewellery exports will receive a boost from the free trade agreement between India and the 27-nation European Union, according to exporters. *[Business Line]*

Trump's Greenland tariff blow to Europe a wake-up call for India: US President Donald Trump's move to slap tariffs on European allies over the Greenland dispute serves as a 'red alert' for India, with trade experts warning New Delhi to guard its strategic autonomy and core interests in ongoing trade negotiations with Washington. *[Business Line]*

US-EU bitter trade row may boost India exports, sweeten Europe FTA: A potential US-EU trade dispute could boost Indian exports as the EU seeks stronger ties with nations like India. With the US imposing tariffs on several European goods, the EU may expedite its free trade agreement talks with India. *[The Economic Times]*

China needs to rebalance trade: Early in January, preliminary estimates of China's trade surplus (from the General Administration of Customs of China) placed it at \$1.7 trillion in 2025, as compared with \$993 million in 2024. *[Business Line]*

India needs sweeping import and customs reforms to cut trade costs and boost exports-GTRI: GTRI calls for zero duty on industrial inputs, rationalised tariffs and streamlined customs to cut trade costs and strengthen India's manufacturing and export competitiveness. *[Financial Express]*

China seeks WTO panel against India over PLI, EV incentive schemes: China has requested the WTO's dispute settlement body to set up a panel in a case it has filed against India over New Delhi's incentive schemes for auto, battery and electric vehicles after bilateral consultations failed to resolve the dispute. *[Business Line]*



Corporate Governance

Davos goes far beyond just signing MoUs: Last year, a quiet conversation in the Swiss Alps set off a chain of events that would culminate in what is now India's largest-ever foreign direct investment: the \$15-billion Google AI-hub at Vizag. No ribbon-cutting. *[Business Line]*

Tiger Global — corporate governance as farce: The decade following the Global Financial Crisis was marked by an abundance of capital unlike anything modern markets had seen. Persistently low interest rates, quantitative easing, and global liquidity created a world in which money was not merely cheap, but impatient, flowing into narratives that promised exponential growth. *[Business Line]*

Why a one-size-fits-all approach to regulating NBFCs?: As the RBI moves to expand the upper-layer NBFC list to include large, bank-backed entities, a basic regulatory dilemma comes into focus: should NBFCs with identical balance-sheet sizes but vastly different business models face the same supervisory intensity? *[Business Line]*

Budget 2026-Startups, investors push regulatory changes to unlock capital: India's venture-capital industry and startup ecosystem are asking the government for regulatory relief in the Budget, arguing that policy changes could unlock billions of dollars in domestic capital for startups and position the country as a leader in emerging technologies. *[Business Standard]*

Regulatory dilemma-Scams vs suffocation in India's capital markets: Every regulator faces an inherent tension: Act too softly and risk scams; act too harshly and suffocate legitimate business. In navigating this tension, a securities regulator must achieve three distinct goals. *[Business Standard]*

CPSEs' dividend, stake sale, InvIT boosted non-tax revenue to over ₹77,000 crore: Despite sluggish tax collections, the Finance Ministry may find relief in robust returns from Central Public Sector Enterprises' (CPSEs) dividends and asset monetisation. The government has already secured over ₹77,000 crore toward its ₹1.16 lakh crore target, driven primarily by state-run dividends. *[Business Line]*

Adani Group unveils \$66 billion Maharashtra investment plan at WEF 2026: The Adani Group on Wednesday outlined a \$66 billion investment blueprint for Maharashtra, spanning aviation, clean energy, urban infrastructure, digital platforms and advanced manufacturing, as it positioned itself as a long-term partner in the state's infrastructure-led growth agenda. *[Business Standard]*



MSMEs and Start-ups

NITI Aayog suggests setting up of national agency to implement green transition for MSMEs: MSMEs rely heavily on fossil fuels to meet their energy and process requirements, resulting in approximately 135 million tonnes of carbon emissions (MtCO_{2e}) in 2022 alone. *[Business Line]*

India's goal is to lead globally in startup trends, tech in coming decade-PM: India has the third largest startup eco-system in the world, and the goal is for the country to lead globally in startup trends and technology in the coming decade, Prime Minister Narendra Modi said at an event to mark a decade of Startup India initiative on Friday. *[Business Line]*

Startup India marks 10 years with 2 lakh start-ups, 50 daily recognitions and 21 lakh jobs: India's startup landscape has reached a historic milestone as the nation celebrates ten years of the Startup India initiative, with official data revealing that over 50 new start-ups are now being recognised across the country every single day. *[Business Line]*

India's top 20 startups dominated valuations, fundraising in 2025: While the average valuation of the top 20 startups was \$1.78 billion, the remaining 80 had an average valuation of just \$0.42 billion, nearly one-fourth of the top cohort. *[Business Standard]*

Budget 2026 expectations-MSME sector wants policy support from Centre to reinforce GST reform measures: MSMEs are looking forward to Centre bringing measures in Union Budget 2026, that can reinforce measures from GST reforms in order to ensure operational ease and continuity for the sector, an industry study showed. *[Mint]*

Delhi govt unveils Rs 325 crore startup policy to support 5,000 ventures: Delhi's youth entrepreneurship drive, the Campus to Market: Delhi Startup Yuva Festival 2026, successfully convened students, founders, and investors. Over 470 startups are currently incubated, with plans for significant future investment and support. *[The Economic Times]*

Government likely to extend BIS fee concessions for MSMEs by three years: The Bureau of Indian Standards has proposed continuing fee reductions of up to 80 per cent for micro units, 50 per cent for small firms and 20 per cent for medium enterprises. *[Business Line]*



Employment and Industrial Relations

Training to hire the best minds in AI as entry-level jobs get disrupted: As global labour markets enter 2026, two reports have issued a dual warning: Rapid artificial intelligence (AI) adoption is not just threatening routine roles, but it is complicating the entry-level path for the world's highly educated youth. *[Business Standard]*

Budget 2026-Stipend jump to Rs 11,800? PM Internship Scheme set for massive Budget overhaul: The ministry of corporate affairs (MCA) is working on a proposal to overhaul the PM Internship Scheme (PMIS) to widen the participation of job seekers in the scheme and make a higher number of companies offer training to them. *[Financial Express]*

EPFO 3.0 Explained New UPI withdrawal service, implementation and launch date, and what changes for your pension money: EPFO 3.0 roll out: India's EPFO is undergoing a major tech overhaul with EPFO 3.0, aiming for a core banking-style system to serve crores of members. *[The Economic Times]*

Fair wages (schedules or tips) for gig workers in India's economy?: As gig workers protest pay and conditions, platforms, consumers, policymakers must rethink convenience, tipping culture and humane work practices to ensure growth does not come at the cost of dignity. *[Business Standard]*



Industrial Finance

Rate cuts drive stronger loan growth, boosting profits for India's banks: Banks will see loan growth pick up in the October-December quarter after the RBI's rate cuts last year and the 100 basis points cut to the cash reserve ratio in June. *[Business Standard]*

Centre plans collateral-free microloans for gig and domestic workers: The Centre is set to launch a microcredit programme offering collateral-free loans of up to ₹10,000 per year to gig workers, domestic helpers, and other vulnerable groups. The Ministry of Housing and Urban Affairs is designing the scheme on the lines of the PM Street Vendors Atma Nirbhar Nidhi (PM-SVANidhi), which supports street vendors with small working capital loans. *[Business Standard]*

MSME loans of over Rs 52,300 cr sanctioned by PSBs under digital credit model: Public sector banks have approved more than 3.96 lakh MSME loan applications. These loans total over Rs 52,300 crore. The approvals occurred between April 1 and December 31, 2025. *[The Economic Times]*

Cabinet clears ₹5,000 cr equity infusion into Sidbi to boost MSME credit: The Union Cabinet on Wednesday announced an equity infusion of ₹5,000 crore into the Small Industries Development Bank of India (Sidbi), aimed at expanding credit to micro, small and medium enterprises (MSMEs). *[Business Standard]*

Lenders seek structural fixes to deposit stress, MSME credit gaps from Union Budget: As Finance Minister Nirmala Sitharaman prepares to present the Union Budget 2026-27, India's banking and NBFC sectors are calling for structural reforms. *[Financial Express]*

Credit flow to commercial sector jumps 15% to Rs 298 lakh crore-RBI data: Financial resources for businesses saw a significant 15% increase, reaching Rs 298 lakh crore by December. This growth was fueled by both banks and non-bank lenders. Non-bank credit now forms a substantial 47% of these total flows. NBFCs are expanding lending faster than banks. Corporate bond issuance also contributed to this positive trend. *[The Economic Times]*



Technology and Innovation

LTIMindtree wins ₹3,000 crore CBDT deal for AI-led tax analytics platform: The seven-year contract will modernise India's national tax analytics platform using AI, digital architecture and data analytics to deliver real-time insights for policymakers, the company said. *[Business Standard]*

RBI floats linking BRICS' digital currencies to ease cross-border payments: The Reserve Bank of India (RBI) has proposed that BRICS countries link their official digital currencies to make cross-border trade and tourism payments easier, two sources said, which could reduce reliance on the US dollar as geopolitical tensions rise. *[Business Line]*

Why open source is becoming a strategic imperative for Indian startups: As AI and software stacks grow complex, Indian startups are moving from using open source to actively contributing, seeing collaboration as a strategic business advantage. *[Business Standard]*

Tech Mahindra on WEF list of organisations making AI work in real world: As investment accelerates and expectations rise, the findings highlight a growing divide between companies that have built the capabilities to scale AI and those still struggling to deploy. *[Business Standard]*

Intelligent choice architectures-Turning AI's potential into performance: Genai can transform enterprise decision-making, but most pilots fail. Intelligent choice architectures offer a way for humans and ai to collaborate and deliver real business value. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

Commerce dept pushing for major tweaks in SEZ norms to counter US tariffs: The commerce department is pushing for major changes to the Special Economic Zones (SEZ) norms to cushion the impact of the steep 50 per cent tariff imposed by the United States (US) on several Indian imports, according to three people aware of the matter. *[Business Standard]*

Budget 2026-27 may unveil SEZ reforms to boost exports and domestic sales: The government is considering announcing a SEZ reforms package as part of Budget 2026-27 to boost manufacturing competitiveness and help exporters better leverage the domestic market as they grapple with global uncertainties and US tariffs, sources said. *[Business Line]*

ACME Solar adds 12 MW wind capacity in Gujarat, takes project to 68 MW: Electricity generated from the facility will be sold under a 25-year power purchase agreement with Gujarat Urja Vikas Nigam Limited, ensuring long-term revenue stability for the project. *[Business Line]*

LNK Energy launches integrated clean energy platform; to invest ₹10,000 crore: The company also announced its first project, an around 6 gigawatt (GW) solar cell, module with integrated ingot and wafer manufacturing facility spread over 60 acres at Chhatrapati Sambhaji Nagar. *[Business Line]*

India's power sector has half a trillion dollar investment potential in next 7 years-Power secy: India has the investment potential of half a trillion dollar (₹45 lakh crore) in the power sector, including generation, transmission, and storage, in the next seven years, a senior official said on Thursday. *[Business Line]*

Fujiyama commissions Rs 300 cr solar cell project in UP to support in-house capabilities: Fujiyama Power Systems has commissioned a 1 gigawatt solar cell plant in Dadri, Uttar Pradesh. This new facility, built with an investment of Rs 300 crore, strengthens the company's manufacturing capabilities. *[The Economic Times]*



Sustainable Industrialisation

Bioenergy to play pivotal role in decarbonising MSMEs-MoS Shripad Naik: Highlighting the role of bioenergy in India's clean energy transition, Minister of State for New and Renewable Energy and Power Shripad Yesso Naik said on Friday that bioenergy extends beyond electricity generation contributing to national priorities such as energy security, rural livelihoods, waste management, pollution reduction and climate action. *[Business Line]*

Clean energy platform LNK Energy launched with ₹10,000 cr investment: Three Indian entrepreneurs on Monday came together here to launch a next-generation integrated clean energy platform, LNK Energy, with an initial investment of Rs 10,000 crore over the next five years. *[Business Standard]*

Budget 2026-Experts seek stronger push for decentralised renewables and discom support: Union Budget 2026-27 expectation: Targeted incentives for battery storage, domestic manufacturing of solar components, and digital energy platforms could further strengthen this ecosystem, according to industry stakeholders and experts. *[The Economic Times]*

Electric carmakers pull out all stops to make you own one: Indian electric carmakers are addressing buyer anxieties beyond product launches by offering assured buybacks, battery subscriptions, and exchange schemes. Companies are bundling services to make EV ownership predictable and risk-free, with a focus on building customer confidence and a complete ecosystem for accelerated adoption. *[The Economic Times]*

India to be green hydrogen hub, targets 5 mt annually by 2030: Pralhad Joshi at Davos: Joshi said India is emerging as a global hub for green hydrogen and ammonia, with some of the world's lowest prices, as its clean energy push draws global investment. *[Business Line]*



Sectoral News

Textiles sector driving growth, jobs: India's textile sector has risen from a legacy industry to a powerful job creating, people-centric engine of growth, embodying the true spirit of Atmanirbhar Bharat. *[Business Line]*

Centre announces India's first tailings policy for critical minerals: Tailings refer to the leftover waste material after valuable minerals are extracted from crushed ore, forming a slurry of rock particles, water and processing chemicals. *[Business Standard]*

Budget 2026 could be the gear shift India's auto industry is waiting for: Budget 2026 automotive Industry: India's auto industry seeks budget support to sustain recent recovery. Experts urge targeted measures for affordability, especially for entry-level cars and two-wheelers, and to boost EV adoption. *[The Economic Times]*

India's insurance reforms mark a fundamental structural advance: The 2025 insurance law amendments removing the FDI cap signal a decisive shift towards capital depth, competition and technology, strengthening India's push for Insurance for All. *[Business Standard]*

Electronics manufacturing leads PLI scheme as production jumps 146%: Electronics manufacturing, especially of mobile phones, has emerged as a standout performer, in the Performance Linked Incentive (PLI) scheme, with production rising 146 per cent from ₹2.13 lakh crore in the Financial Year 2021 to ₹5.45 lakh crore in Financial Year 2025, as per the data shared by the CareEdge Ratings. *[Business Line]*

Asset Class-Aircraft acquisition being considered for infrastructure status in Budget FY27: To support growth in the country's aviation sector, the Union Budget for the financial year 2026-27 may consider granting infrastructure status to aircraft under the asset category. *[Business Line]*



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