

Industry Matters

Weekly Updates

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Economy, Industry and Policy

Manufacturing sector key to India's transformation into a developed country-DFS Secy: For India to realise its developmental ambitions, the banking system must be capable of financing long-term investment at scale and with confidence, Nagaraju said. *[Business Line]*

Monetary policy in 2026 is all about liquidity: The easing cycle has now given way to possibly an extended pause, even as the central bank works aggressively behind the scenes to keep the system flush. *[Mint]*

Union Budget pushes National Fibre Scheme to enhance textile self-reliance: Textile industry is the second largest employment provider, next to agriculture and providing jobs to over 105 Million people, especially for the rural masses and women. *[Business Line]*

Budget may reset industrial policy to lift India's manufacturing game: Instead of focusing mainly on subsidies or tariff support, the budget is likely to emphasise simpler rules, faster approvals and a more predictable regulatory environment, aimed at helping manufacturers move up the value chain and sell higher-value products in global markets. *[Mint]*

Sixteenth Finance Commission rewards contribution to GDP, states' tax share retained at 41%: The Sixteenth Finance Commission (16th FC) has sought to balance continuity with reform in India's fiscal federal architecture by retaining states' share at 41% of the divisible pool of central taxes, ensuring predictability in intergovernmental transfers over its five-year award period from FY27 to FY31. *[Financial Express]*

RBI likely to keep policy rates unchanged as trade deal reduces urgency: India's central bank is expected to keep policy rates unchanged on Friday, while focusing on improving the pass-through of the previous year's rate cuts, with a US-India trade deal alleviating the need for more immediate support to the economy. *[Business Standard]*

Labour intensive exports facing global headwinds get fiscal relief: Union Budget FY27 has proposed targeted fiscal relief to boost exports, specifically from labour-intensive sectors such as marine, leather and textiles, that are burdened by US tariffs and global trade volatility. *[Business Line]*

Private sector investment not picking up is 'overstating the situation,' says CEA Nageswaran: Gross fixed capital formation as ratio of GDP at around 30-31 per cent shows private sector investment is growing, says Chief Economic Advisor. *[Business Line]*

Budget 2026-27-Manufacturing gets a boost; check sector-wise allocations: The Union Budget 2026-27 placed manufacturing at the core of its expenditure priorities, with targeted allocations across strategic and industrial manufacturing segments. *[Business Standard]*

The long arc of India's tech growth: Budget 2026 sets the context for the next phase of India's technology journey, grounded in execution, inclusive in intent and aligned with long-term economic outcomes. *[Business Line]*

Rural economy gets spending boost in Budget with allocations to jobs scheme: The Union Budget 2026-27 gave a massive spending boost to the rural economy, thanks to a sharp increase in the allocations for the government's flagship jobs scheme—Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). *[Mint]*

No tax risk for foreign companies setting up data centres in India-FinMin: Explaining the proposal, Finance Ministry sources said that to avail the tax holiday, a foreign company has to satisfy four essential conditions. *[Business Standard]*

Economically weak nations not taken seriously on world stage-Ex NITI Aayog member: NITI Aayog ex-vice-chair Rajiv Kumar emphasizes that a strong economy is the bedrock of India's foreign policy. He states that India must accelerate its economic growth and boost its share in global trade to command respect internationally. Kumar highlights China's economic rise as a model for global influence. *[The Economic Times]*

Budget 2026-The annual money manual may focus on debt-to-GDP over fiscal deficit: India's Union Budget will prioritise reducing the debt-to-GDP ratio. This shift from fixed fiscal deficit numbers aligns with the revised FRBM Act. The government aims to bring the central government debt to GDP to around 50±1 per cent by March 2031. *[The Economic Times]*

Budget 2026-A make-or-break moment awaits India's farm policy: Budget 2026 could mark a turning point for India's agriculture policy as the sector sits at the centre of unresolved India-US trade tensions. *[The Economic Times]*

Budget's manufacturing thrust: Focus on reviving the manufacturing sector has once assumed centre stage in the NDA government's growth strategy, with Finance Minister Nirmala Sitharaman proposing three specific interventions pertaining to this sector in her 9th Union Budget for 2026-27. *[Business Line]*

Economic Survey flags strong growth ahead for India's aviation, ports and shipping sectors by FY31: India's civil aviation and ports sectors are poised for substantial growth by FY31, fueled by increasing demand and infrastructure investments. *[The Economic Times]*



Foreign Investment

Govt mulling proposal to raise FDI ceiling in public sector banks to 49%-DFS secretary Nagaraju: Department of financial services secretary M Nagaraju said the finance ministry was considering raising the FDI limit in PSBs to 49% and that inter-ministerial consultations were being held on the issue. *[Mint]*

India-US trade deal-CEA Nageswaran says biggest block for FDI inflows removed, 'China+1 strategy back in game': CEA V Anantha Nageswaran feels that the lower 18% tariffs have removed one of the biggest blocks for foreign capital inflows into the country. He added that India now has an edge in pitching itself as a frontrunner for the 'China + 1 strategy'. *[Mint]*

100% FDI in insurance sector grants more power to regulators-LIC MD: LIC MD Dinesh Pant highlights the government's strong focus on the insurance sector, evidenced by 100% FDI, GST reduction on individual policies, and the insurance amendment bill. *[The Economic Times]*

Headwinds may be turning into tailwinds for foreign inflows-FM Sitharaman: The headwinds may finally be turning into tailwinds for foreign investment flows into India with the announcement of a trade deal between New Delhi and Washington, Union Finance and Corporate Affairs Minister Nirmala Sitharaman said. *[Business Standard]*



Trade Policy and Competitiveness

Trade deals, diversification to strengthen exports momentum: India's export scene is on the rise! With promising trade negotiations underway with the United States and fresh partnerships forming around the globe, the outlook is remarkably optimistic. Even in the face of rising global protectionism, India's trade figures have outperformed projections. *[The Economic Times]*

How the budget's reforms will help India gain an export edge and make the most of its trade deals: At a time of fractured geopolitics and rising protectionism, India's budget bets on competitiveness over caution. It creates a framework that could help India maximize the value of new trade deals—turning global uncertainty into an opportunity for exports, investment and long-term growth. *[Mint]*

Amid carbon pricing jitters, India secures five key assurances from EU: India has secured crucial advantages from the European Union regarding the Carbon Border Adjustment Mechanism. These include MFN-like status, a technical dialogue for clarity, and potential for Indian verifiers. Assurances on carbon pricing policy recognition and a flexible agreement framework are also in place. *[The Economic Times]*

India-US deal puts textile, apparel exporters back in the lead: The India-US deal, combined with the expected gains from FTAs with the European Union and the UK, gives Indian apparel exporters an advantage over their peers in Vietnam and Bangladesh. *[Mint]*

India-US FTA-Trade Tides Turn in favour of India Inc: Crucially, the lowering of reciprocal tariffs by 7 percentage points, say India Inc captains, will improve competitiveness of Indian exports and bring much-needed relief to export units across sectors. *[Financial Express]*

Exim Matters-Trade deals help but competitiveness delivers export growth: As India courts global trade deals like the EU pact, the Economic Survey flags competitiveness-not protection-as the real key to sustainable export growth. *[Business Standard]*

India's trade deals are a win, but fiscal vulnerabilities are also growing: India weathered the Trump tariff shock better than expected, but high public debt and slower fiscal consolidation pose risks even as trade deals lift growth and investor sentiment. *[Business Standard]*



Corporate Governance

Govt open to demand for Customs amnesty scheme: The budget projected gross tax buoyancy of 0.8 for FY27, lowest since Covid pandemic. The budget projected total tax collection for FY27 at Rs 44.04 lakh crore at a growth of 8% over the revised estimates for FY26. *[Financial Express]*

Sops for corporate bond market expansion: Union Budget 2026-27: To encourage issuance of municipal bonds of higher value by large cities, it has been proposed to provide an incentive of Rs 100 crore for a single bond issuance of more than Rs 1,000 crore. *[Financial Express]*

Trade deals remove uncertainties, boost capital formation-Sebi chairman: Replying to a question on whether the trade deal with the US will push foreign investors to get more money into the country, Pandey said such moves can "spur" investment decisions. *[Business Standard]*

BHEL bags over Rs 1,000 cr project from Hindalco Industries: State-owned BHEL has secured a significant order worth Rs 1,200-1,500 crore from Hindalco Industries for a 2 x 150 MW BTG package. The project, to be executed at Lapanga, Odisha, involves comprehensive design, engineering, manufacturing, and commissioning of the power equipment over approximately three years. *[The Economic Times]*

Sun Pharma to invest ₹500 crore in Assam to set up manufacturing unit: The project is expected to generate direct employment for more than 500 people in a phased manner after commencement of operations. *[Business Standard]*

SEBI mulls over overhaul of 'fit and proper person' framework governing market intermediaries: SEBI has proposed to clearly codify the right to a hearing, refine the scope of disqualifying events, and reduce regulatory uncertainty for applicants and intermediaries. *[The Hindu]*



MSMEs and Start-ups

Centre proposes TreDS to be settlement platform for MSME purchases by CPSEs: The finance minister introduced a credit guarantee support mechanism through CGTMSE for invoice discounting on TreDS platforms. *[Business Line]*

Budget 2026 lays three-part roadmap to help MSMEs scale: Compared with last year's Budget, the Union Budget 2026-27 builds on the credit framework while moving decisively towards equity funding, market-linked liquidity, and structured compliance support. *[Business Standard]*

Microfinance companies fail to get budget-day wish, hope to bask in others' sunlight: Budget 2026- The microfinance sector did not receive budget credit guarantee support. However, it anticipates that proposals aimed at increasing rural incomes will enhance the repayment capacity of its customers. *[The Economic Times]*

Capex, credit and clusters-Industry hails Budget's roadmap for manufacturing and MSMEs: India Inc and export bodies have broadly welcomed the Union Budget 2026-27, calling it a growth-oriented and reform-driven blueprint that strengthens manufacturing, improves trade facilitation and deepens support for micro, small and medium enterprises (MSMEs). *[The Economic Times]*



Employment and Industrial Relations

Labour Codes to align wage growth with profits-CEA Nageswaran: India's new labour codes are set to boost worker pay and benefits, matching corporate profit increases. This reform aims to share economic gains more equitably. *[The Economic Times]*

Fitment factor 1.60 under 8th Pay Commission: How much could Level-1 basic pay rise for govt employees: With DA set to rise to 60% from January 2026, the minimum fitment factor for the 8th Pay Commission is pegged at 1.60. However, Covid-era DA freezes and future hikes before implementation could push the final fitment factor closer to 2, raising hopes of a major salary reset. *[Financial Express]*

NPS Swasthya Pension Scheme launched: Who can join, charges and medical claim rules: The Pension Fund Regulatory and Development Authority (PFRDA) has launched the NPS Swasthya Pension Scheme on a pilot basis to help citizens build a dedicated corpus for medical expenses. *[Financial Express]*

Has government provided NPS tax benefit on self-contribution in new tax regime?: NPS subscribers hoping for more tax benefits from Budget 2026 were disappointed. Finance Minister Nirmala Sitharaman's speech on February 1, 2026, offered no new tax advantages. The new tax regime only allows tax benefits on employer contributions to NPS. *[The Economic Times]*



Industrial Finance

Three Adani group companies plan to raise \$2 billion from Japanese markets: A key reason for approaching Japanese debt markets is the longer tenure funding sources available, lower costs as well as to de-risk its exposure. *[Business Line]*

SBI launches CHAKRA, to invest ₹100 trn in sunrise sectors over 5 years: The country's largest lender has set up a Centre of Excellence to support financing of sectors such as renewable energy, semiconductors, electric mobility and data centres, with large capital needs. *[Business Standard]*

Bank credit growth moderates to 13%; deposit growth eases to 10.6%: Bank credit growth in the first fortnight of calendar year 2026 (January 15) slowed down to 13.1 per cent year-on-year (Y-o-Y) and deposit growth during the same period also slowed down to 10.6 per cent (Y-o-Y), latest data from the Reserve Bank of India (RBI) showed. *[Business Standard]*

PSB meet for road map to create global lenders likely this month: The government plans a conclave for state-run banks this month. The aim is to create globally competitive lenders for Viksit Bharat 2047. This initiative follows the Finance Minister's announcement of a High Level Committee on Banking. *[The Economic Times]*

Aditya Birla Housing Finance raises Rs. 2,750 crore from Advent International: Aditya Birla Housing Finance is set to receive Rs 2750 crores from Advent International. This investment values the company at Rs 19,250 crores. The capital infusion will boost ABHFL's growth and market presence. *[The Economic Times]*



Technology and Innovation

A budget for the deep tech ecosystem & the mitras building it: AI and foreign data centers got their tax holiday gift this year - a truly special welcome to establish Indian data centers as global nodes for the entire world. *[Business Line]*

UPI transactions marginally up to 21.7 billion, value at ₹28.3 trillion: Unified Payments Interface (UPI) transactions posted a marginal rise of 0.32 per cent in January to 21.70 billion, against 21.63 billion in December. *[Business Standard]*

Infosys to help US bank Citizens set up AI innovation hub in India: Infosys will work with US-based Citizens to launch an AI-first innovation hub in Bengaluru to drive AI-led transformation across banking operations and services. *[Business Standard]*

Unicorn India Ventures closes third fund at Rs 1,200 crore, to invest in semicon, spacetech and AI infra: Unicorn India Ventures has closed its third fund at Rs 1,200 crore, surpassing its initial target of Rs 1,000 crore. The fund focuses on investments in semiconductors, spacetech and AI infrastructure. *[The Economic Times]*

Samridh scheme boosts 373 Indian startups as government disburses over Rs 93 crore in funding: The Ministry of Electronics and Information Technology (MeitY) has announced its mission to scale India's digital economy, revealing that 373 startups have now received critical support through the Startup Accelerator of MeitY for Product Innovation, Development, and Growth (SAMRIDH) programme. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

CIAL highlights Kochi's strategic importance in trade and air cargo ecosystem: Dhaval Raut of KPMG noted that Kochi accounts for nearly 60% of Kerala's air cargo movement, with perishables forming a major share, underscoring the need for robust cold-chain and time-sensitive logistics infrastructure. *[Business Line]*

SEZ units get one-time domestic sales window in Budget amid 50% US tariffs: The Union Budget proposes a one-time measure allowing eligible SEZ manufacturing units to sell a portion of their output in the domestic market at concessional duty to offset US tariff shocks. *[Business Standard]*

Maritime stakeholders join hands to form new national container carrier: State-owned maritime entities have signed an MoU to form Bharat Container Shipping Line, aimed at strengthening India's export-import logistics and reducing freight volatility. *[Business Standard]*

Budget 2026-Infra boost may create \$175 billion investment opportunity over 7 years: India's budget prioritizes infrastructure, signaling stability for long-term investors. Public capital expenditure is rising, creating a predictable environment. This focus is attracting global capital to sectors beyond roads and renewables. *[The Economic Times]*

After ships and fleets, Centre targets desi container manufacturing with ₹10,000-crore push; reduce China dependence: Finance Minister announced a scheme for container manufacturing to create a globally competitive container manufacturing ecosystem, with a budgetary allocation of ₹10,000 crore over a 5-year period. *[Business Line]*

Cochin Shipyard gets orders for two 60-tonne green tugs from Mumbai-based Polestar: Cochin Shipyard Ltd (CSL) on Saturday said Mumbai-based Polestar Maritime Ltd has placed an order for two 60-tonne bollard pull battery-electric green tugs. *[Business Line]*

Driving mobility through infrastructure and green growth: The Budget not only reinforces India's growth momentum but also lays a strong foundation for the country's next phase of industrial and mobility-led development. *[Business Line]*



Sustainable Industrialisation

India losing 2.3 TWh solar power indicates system's requirements for a high-renewables future: A report by Ember also reveals that flexibility improvement must keep pace with solar power capacity growth considering that the total recorded curtailment is equivalent to roughly 18% of the average monthly solar generation of about 13 TWh. *[Business Line]*

Tata Power Renewable Energy commissions 198 MW wind project in TN: Tata Power Renewable Energy has commissioned a 198 MW group captive wind project for Tata Steel in Tamil Nadu, boosting clean power supply and decarbonisation efforts. *[Business Standard]*

Government sharply cuts EV charger benchmark prices to boost green mobility: The government has significantly cut benchmark prices for electric vehicle chargers. This move aims to reduce subsidy expenses and speed up the installation of public charging stations nationwide. The price reductions reflect falling equipment costs and increased competition. *[The Economic Times]*

Union Budget aims to accelerate grid scale energy storage; enables seamless green energy integration-Pralhad Joshi: The Union Budget is set to boost India's energy sector. It will accelerate grid-scale energy storage

and integrate renewable energy sources. Customs duty exemptions on key manufacturing components will strengthen domestic production. *[The Economic Times]*

Green steel can shape India's climate goals trajectory: India stands at a defining moment. Last year, while addressing COP30 delegates in Belém, Brazil, Union Environment Minister Bhupender Yadav committed the country to submit a revised, more ambitious Nationally Determined Contribution (NDC). *[The Hindu]*



Sectoral News

Textile sector capex hits highest in over 14 yrs, trade deals boost outlook: The total value of new project announcements for the year ending December 2025 was Rs 44,019 crore, the highest on a rolling 4-quarter basis since at least 2011. *[Business Standard]*

India's telecom exports to gain competitive advantage from US trade deal: Reciprocal tariffs cut to 18% under the India-US trade deal are expected to improve margins and competitiveness for Indian telecom equipment and optic fibre makers. *[Business Standard]*

Biopharma Shakti-India targets China dependence, patent cliff: India is launching a major initiative to boost its biopharmaceutical manufacturing. This plan aims to reduce reliance on China for crucial drug components. It also seeks to capitalize on upcoming patent expirations of major global drugs. India will focus on becoming a hub for biosimilars and emerging biologics. *[The Economic Times]*

Focus on biopharma comes at the right time-Industry: The focus on biopharma involving biologicals and biosimilars in the Union Budget for 2026-27 has come at the right time for the Indian pharmaceutical industry and is expected to boost research and development (R&D), according to industry experts. *[Business Line]*

Maritime domain central to India's economic growth-DG Shipping: The Blue Economy has emerged as a critical driver of infrastructure development, global competitiveness and sustainable growth under the vision of Viksit Bharat 2047. *[Business Line]*

India-US trade ties to boost input security for steel sector-Naveen Jindal: India and the US are deepening their collaboration. This partnership will enhance input security for India's steel sector. It will also boost competitiveness and exports. *[The Economic Times]*

Budget 2026 gives biologics & biosimilars a major policy boost: India is set to become a global biopharmaceutical manufacturing hub. Finance Minister Nirmala Sitharaman announced a dedicated ₹10,000 crore program over five years. This initiative focuses on biosimilars and biologics, crucial for treating non-communicable diseases. *[The Economic Times]*

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