

Industry Matters

Weekly Updates

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Economy, Industry and Policy

Policy pivot-Will the latest oil shock finally jolt India into looking outward for economic success?: This year's oil disruption has been called the worst energy shock the world has ever seen. The shocks of 1973 and 1979-80 made Japan and South Korea shift course—and it supercharged their export models. It may be India's turn now. *[Mint]*

Fiscal opacity distorts the financial picture that India's Finance Commissions need to do their role justice: Fiscal transparency is a must at every level of budget making in India for Finance Commissions to devolve the central pool of tax revenues appropriately among states. Unfortunately, Indian data does not always offer the requisite clarity. Here's what must change. *[Mint]*

NSO moots a new Index of Service Production with 2024-25 as base year: The National Statistics Office (NSO) on Monday proposed using aggregated goods and services tax (GST) data to monitor the progress of the services sector through an Index of Service Production (ISP) with 2024-25 as the base year. *[Business Standard]*

Ten years of inflation targeting-RBI's monetary policy framework has worked could still be improved: India's flexible inflation targeting (FIT) regime, adopted in 2016, has served the country well. The Reserve Bank of India (RBI) has a better handle on inflation and enjoys greater credibility. A good framework, however, could be made better. Here's what can be done. *[Mint]*

Digital Public Infra initiatives may contribute 4% of GDP by 2030-NITI report: India's digital public infrastructure (DPI) initiatives may contribute 4 per cent of the GDP by 2030, up from around 1 per cent currently, according to a NITI Aayog report released on Monday. *[Business Line]*

Expected credit loss rules-New provisioning framework to come into force in April 2027: The new ECL guidelines would introduce a "staging framework" for asset classification under the ECL approach, replacing the existing incurred-loss-based provisioning framework. However, the central bank said in a note that it would retain the current 90-day overdue rule for classifying NPA. *[The Economic Times]*

Financial inclusion 2.0 road map set for review this week: This week, the Finance Ministry is set to evaluate the advancements in financial inclusion, laying the groundwork for Financial Inclusion 2.0. Officials will scrutinize existing initiatives such as the Atal Pension Yojana. *[The Economic Times]*

Free float theory falters as capital flows drive rupee volatility: India's current account deficit (CAD) is modest, but portfolio flows and oil price volatility mean the rupee is driven more by sentiment and positioning than by exports and imports. *[Business Standard]*

Financial inclusion will depend on stronger rural credit access: Access to rural credit is closely linked to the flow of capital into smaller, regionally focused NBFC-MFIs, the main institutions that serve this segment. *[Business Line]*

Govt taps existing surveys to build city-level labour and informal sector database: Ministry of Statistics and Programme Implementation plans annual reports on labour and informal sector data for 47 million-plus cities using PLFS and ASUSE surveys. *[Financial Express]*

Govt may tweak Design Linked Incentive scheme for semiconductor chips: The idea, a senior government official said, is to ensure that only those projects that find some market appreciation get the right funding and guidance from the government. *[Business Standard]*

Don't celebrate the IMF's outlook just yet-How resilient is India's growth story in a fractured world?: The IMF's latest outlook may appear reassuring, but India's economic challenge could shift from chasing high growth to sustaining it as oil shocks, volatile capital flows and other constraints test the economy. *[Mint]*

Energy-driven economic shocks must be offset by productivity gains-CEA: West Asia's instability and the economic shock from higher energy prices have to be offset through gains in productivity and competitiveness elsewhere in the economy, said Chief Economic Adviser V Anantha Nageswaran on Monday. *[Business Standard]*



Foreign Investment

India likely to close FY26 with gross FDI of more than \$90 billion, says CEA Nageswaran Chief Economic Advisor V Anantha Nageswaran estimates gross Foreign Direct Investment (FDI) in Fiscal Year 2025-26 to exceed \$90 billion."FDI in April-February period exceeded \$88 billion and there is one more month in the year. *[Business Line]*

India seals FTA with New Zealand, gets \$20 bn investment pledge, duty-free access: The agreement comes at a time of evolving global and regional dynamics, with New Zealand viewing India as a key partner in promoting regional stability, economic resilience and shared prosperity. *[Mint]*

Eye FDI, just macro tweaks won't do: India must go beyond macro tweaks to boost FDI, addressing governance, infrastructure, and global shifts. Despite steady inflows, profit outflows and structural gaps highlight need for deeper reforms. *[The Economic Times]*

Net FDI jumps to 45-month high in February 2026, breaking six-month negative streak: Net foreign direct investment (FDI) into India turned positive in February 2026 after six months of it being negative, according to the latest data released by the Reserve Bank of India (RBI). In February, inflows exceeded outflows of direct investment by \$4.6 billion, the highest in nearly four years. *[The Hindu]*



Trade Policy and Competitiveness

India diversifying strategy to boost exports to China, reduce imports: India's exports to China rose about 37 per cent to \$19.47 billion in 2025-26 from \$14.25 billion in 2024-25. The exports stood at \$0.71 billion in 1997-98. *[Business Standard]*

Complementarity sans capability-Limits of India's trade strategy: India's trade pacts with developed economies highlight a gap: without stronger domestic capabilities, complementarity alone cannot deliver balanced gains. *[Business Standard]*

India-Korea-A services-led trade reset: The decision to resume negotiations on upgrading the India-South Korea Comprehensive Economic Partnership Agreement reflects a timely recognition: the existing trade model has reached its limits. *[Business Line]*

China supplies over 30% of India's industrial goods; overdependence on single nation critical-GTRI: The GTRI analysis said that about 66 per cent of India's imports from China, valued at \$82.6 billion, are clustered in electronics, machinery, computers and organic chemicals. *[Business Line]*

Leverage FTAs to widen market access-Piyush Goyal: Commerce Minister Piyush Goyal met with exporters and industry groups. They discussed ways to boost India's exports and utilize free trade agreements. Exporters requested extensions for export obligations and wider trade relief measures. *[The Economic Times]*

India's engineering exports to New Zealand set to double after FTA: India's engineering exports to New Zealand are poised to double over the next five years from USD 140.5 million to USD 280-300 million, following the signing of a free trade agreement (FTA) that grants zero-duty market access to all Indian goods, officials said. *[Business Line]*



Corporate Governance

Eyeing global heft, Indian cos open their purse strings for buyouts: Indian companies are stepping up global dealmaking, using large acquisitions to secure technology, scale and new markets. Recent overseas deals by Sun Pharma, Coforge, Tata Motors and Bajaj Auto signal a clear shift towards capability-led growth, alongside high-conviction bets within India. *[Mint]*

Sun Pharma's \$11.75 bn Organon bet: Global pharma leap or balance risk?: Sun Pharma's \$11.75 billion Organon deal could boost its global scale and biosimilars reach, but investors are closely watching debt levels, execution risks and long-term returns. *[Business Standard]*

IBC overhaul-Hope for stalled dreams, debts as focus shifts to homebuyers: The Insolvency and Bankruptcy Code (Amendment) Act, 2026, passed by the Lok Sabha on March 31 and given Presidential assent earlier this month, is the best thing that could have happened to the resolution process. *[Business Standard]*

Sebi offers a way over FPI tax rule hurdle In a bid to streamline tax compliance, India's markets regulator Sebi is actively negotiating with the CBDT, the country's tax authority. The proposal on the table suggests that foreign portfolio investors (FPIs) should have the autonomy to designate authorized signatories. *[The Economic Times]*

India Inc's legal bill nears ₹72,000 crore in FY26, global risks to weigh this year: India Inc's legal spending rose to ₹69,000-72,000 crore in FY26 and is set to grow faster, driven by tighter regulations, ESG and data laws, and geopolitical risks. Firms are boosting compliance, in-house teams and advisory as costs of non-compliance rise. *[Mint]*



MSMEs and Start-ups

Exporters highlight compliance costs, testing requirements, MSME issues in meeting with Goyal: The minister has assured continued support, including facilitation and targeted interventions to reduce entry barriers and enhance ease of doing business. *[Business Line]*

Drip Capital crosses \$9 billion in MSME cross-border trade finance: Drip Capital, a financial technology company focused on trade finance and B2B commerce, has crossed \$9 billion in cumulative MSME trade finance transactions since its founding in 2016. The milestone reflects the company's role in supporting small businesses as they navigate global trade complexities. *[The Economic Times]*

MSME and agriculture focus key to Digital Public Infrastructure 2.0 rollout-NITI Aayog: According to the report, India's DPI initiatives are already contributing nearly 1% of GDP and have the potential to reach 4% by 2030, making it critical to accelerate implementation. *[Business Line]*

India aims for \$2 tn total exports by FY31 with an MSME, agri push: India has drawn up a plan to more than double its total exports to \$2 trillion by FY31. Towards this goal, commerce and industry minister Piyush Goyal has directed officials to sharpen focus on micro, small and medium enterprises (MSMEs), farm products, certification and on promotion of 'Brand India'. *[Mint]*

Govt issues norms for ₹10,000 crore startup fund's second tranche: The scheme will be implemented through commitments to Sebi-registered Category I and II Alternative Investment Funds (AIFs), which will invest in DPIIT-recognised startups. *[Business Standard]*



Employment and Industrial Relations

EPFO, ESI overhaul required to unlock India's formal jobs potential: The EPFO and ESI have resisted radical reinvention since 1991, illustrating how self-interested bureaucracies preserve their own interests by creating improbable scenarios of chaos. *[Business Standard]*

India's MEI sector sees steady expansion with 70% firms planning hiring: Net employment growth is projected to rise to 6.6% in the first half of FY2026-27, driven by strong policy support, semiconductor investments and initiatives like PLI schemes. *[Business Line]*



Industrial Finance

Private credit fragility-India can reduce default risks by closing data gaps in India's broader credit market: Private credit in India has grown in market size and risk amid uneven access to credit information in the broader loan market. To ensure steady lending and avoid nasty surprises, institutional lenders need better balanced access to relevant data. *[Mint]*

VC firm Capital-A secures ₹160 crore in first close of its Fund II: Capital-A said the fund is also in advanced discussions with select domestic institutional and quasi-sovereign investors aligned with its sector focus. *[Business Standard]*

Indian fintech funding holds steady at \$513 million in Q1 2026; deal volume halves: Total funding saw a marginal 2% increase from \$503 million in Q1 2025, though it declined 9% sequentially from \$562 million in Q4 2025. *[Business Line]*

Fund finance market reaches \$1 trillion driven by private credit, Moody's says: Private credit funds have also become key players both as borrower and lender in net asset value (NAV) loans, which are backed by a fund's underlying investments, Moody's noted. *[Business Line]*

Microfinance sector returns to growth after 11 quarters of contraction, loan portfolio rises 5.3%: The microfinance sector has turned a corner, showing growth in the January-March period. This follows a period of contraction and write-offs. The market size has expanded, and loan portfolios are growing. *[The Economic Times]*

Neo Alternative announces first close of ₹5,000 crore second infra income fund, targets ₹1 trillion platform: Neo Alternative Asset Managers is targeting a ₹5,000 crore corpus for the fund to back operating road and renewable assets, aiming for an 18–20% internal rate of return. *[Mint]*



Technology and Innovation

India's pivot to the global race for AI diffusion could grant the country leadership of an important effort: The adoption of a well-aimed framework for AI diffusion across every layer of the Indian economy could catapult the country ahead. The cost of inaction would be strategic dependence: intelligence designed, controlled and priced elsewhere, leading to value leakage and compromised autonomy. *[Mint]*

Buyers and brands keep an AI eye on each other in fast-changing dynamics: Consumers adopt tools to monitor the very brands that track them. It's a double-edged opportunity for brands as consumers expect greater transparency. *[Business Standard]*

Global fintech sector set to triple to \$2 trillion by 2030 amid AI push-McKinsey: The report observes that new horizontal players, technology firms providing infrastructure and software to financial institutions, are gaining traction, contributing about 13 per cent of total fintech revenues. *[Business Line]*

Boost R&D or lag in 6G race, MoS Chandra Sekhar Pemmasani tells telcos as revenues surge: Minister Chandra Sekhar Pemmasani urged Indian telecom operators to boost R&D spending to shape next-generation mobile networks, noting their low investment compared to global giants. The government is preparing for 6G with initiatives like the Bharat 6G Vision and regulatory sandboxes to foster innovation. *[The Economic Times]*

Deep tech to drive India's next Unicorn wave-Kris Gopalakrishnan: Drawing on his own experience building India's IT sector, he also urged startup founders to form a dedicated industry association to actively shape government policies. *[Business Standard]*



Industrial Infrastructure, Clusters and SEZs

UP pushes pvt industrial park policy; firms eye plug-and-play projects: The Uttar Pradesh government is pushing two major policies to attract private investment in industrial parks, with several large firms already exploring opportunities under the proposed framework. *[Business Standard]*

Infra projects see cost overrun of Rs 5.61 lakh crore in March: As of March 2026, the landscape of central sector infrastructure is marked by significant challenges, with projects exceeding Rs 150 crore collectively suffering a cost overrun of Rs 5.61 lakh crore. The total revised budget for 1,941 ongoing projects has ballooned to Rs 41.50 lakh crore, against an expenditure of Rs 19.93 lakh crore so far. *[The Economic Times]*

Need to ramp up energy storage: India's power demand is seeing a massive surge, driven by extreme weather, industrial expansion, and rapid electrification. As part of its energy transition story, India has set a target of achieving 500 GW of installed electricity generation capacity from non-fossil fuel-based sources by 2030. *[Business Line]*

Manufacturing hub to emerge along Ganga Expressway; ₹46,660 crore investment plans in 12 UP districts: This strategic planning is set to transform the entire expressway into an economic growth belt, it said, adding that the IMLC initiative has received strong response from investors, with 987 expressions of interest already submitted. *[The Economic Times]*

NMMT plans induction of 200 CNG, electric buses under green fleet push: The civic body has earmarked ₹652 crore for fleet expansion, infrastructure upgrades and charging stations, while also seeking central support under the PM e-bus scheme. *[The Economic Times]*

India steadily positioning itself as competitive maritime nation-Shipping secretary: India is strengthening its position as a maritime power. Policy changes, infrastructure growth, and private sector engagement are driving this progress. Port performance is improving, and global trade integration is increasing. *[The Economic Times]*

Centre shifts highway strategy to elevated corridors, ring roads, bypasses around 50 large cities: The government is pivoting its highway strategy towards elevated corridors, ring roads and bypasses around major cities to ease congestion and cut logistics costs, marking a shift from inter-city expansion to urban decongestion. *[Mint]*



Sustainable Industrialisation

Govt deliberates on financing mechanism to push adoption of e-bus, e-truck in private sector: The Ministry of Heavy Industries convened a high-level meeting to explore financing mechanisms for accelerating private sector adoption of electric buses and trucks. *[The Economic Times]*

Adani Green Energy to add up to 15,000 GWh of battery energy storage capacity annually: Adani Green Energy plans massive battery storage expansion. The company will add thousands of gigawatt hours of capacity each year. It aims to provide reliable clean power. The expansion will involve significant investment. *[The Economic Times]*

India's renewable energy deal value jumps five-fold to \$2 billion in 2025: The year 2025 turned out to be a period of historic growth in investment in India's renewable energy sector. While the number of renewable energy deals in the country came down from 21 in 2024 to 18 in 2025, deal values grew more than five-fold in the same period, from \$378 million in 2024 to \$2 billion in 2025. *[Business Standard]*

JK Cement invests ₹2.81 crore in renewable energy SPV for Rajasthan solar project: JK Cement on Wednesday said it has invested ₹2.81 crore in Truere Current, acquiring a 26 per cent equity stake as part of its long-term renewable energy strategy. *[The Economic Times]*



Sectoral News

India-NZ FTA seen boosting textile exports, aiding \$350 billion sector target-CITI: Confederation of Indian Textile Industry states that the FTA will help textile and apparel exporters reduce reliance on specific markets and advance in the value chain. *[Business Line]*

Transmission sector set for FY27 turnaround after five sluggish years, report says ₹7.6 trillion opportunity ahead: India's power transmission sector is poised for a recovery in FY27 after five subdued fiscals, with regulatory shifts and new investment models expected to reshape capital flows and asset utilisation, according to a research report by SBI Caps. *[Business Line]*

India's \$85 billion gems & jewellery sector gets policy fillip, closes in on Dubai, Hong Kong: The government recently widened the ambit of the SEZ Rules, 2006, to include jewellery in Free Trade Warehousing Zones (FTWZ), according to a release by the industry body, the Gem and Jewellery Export Promotion Council (GJEPC). *[The Economic Times]*

Asia-Oceania emerging auto industry's centre of gravity-Shailesh Chandra: Asia-Oceania leads global vehicle growth and demand, consolidating its role as both manufacturing hub and consumption market, amid uneven recovery across Europe and the Americas. *[Business Standard]*

Technical textiles critical to footwear sector: Bringing the footwear sector more explicitly within the technical textiles ecosystem can drive innovation, expand exports and create high quality employment. *[Business Line]*

India plans 62 vessels in FY27 with Rs 51,383 crore investment: Union minister Sarbananda Sonowal: India is accelerating its shipping capabilities to achieve self-reliance, with plans to add 62 vessels by FY 2026-27, backed by a significant investment. *[The Economic Times]*

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