

# Industry Matters

Weekly Updates

May 08, 2026



## Economy, Industry and Policy

**Prioritise energy security for keeping growth momentum going-RBI MPC member:** The ongoing West Asia conflict has highlighted India's structural vulnerability to energy shocks, reinforcing the need to reduce dependence on imported crude and accelerate efforts to strengthen energy security, according to an external member of the RBI's rate-setting panel. *[The Hindu]*

**Industrial policy now has broad World Bank approval but the case for universal adoption remains unclear:** The World Bank has endorsed the idea of industrial policy with some conditions, reversing its stance of the early 1990s. What its new paper doesn't address, though, is what happens if every country goes for it. *[Mint]*

**Resilient, not shock-free-India charts path through war jitters:** India's economy faces challenges from the West Asia conflict. Rising oil prices and trade disruptions are impacting India. However, strong domestic demand and stable financial conditions provide resilience. The government and Reserve Bank of India are taking steps to manage risks. India is better prepared than in past crises. *[The Economic Times]*

**Credit growth signals economic strength-Finance Ministry:** Non-food credit growth in FY26 stood at 15.9% against 10.9% in the corresponding period last year. The aggregate credit outstanding in March 2026 reached ₹212.9 lakh crore, ₹29.2 lakh crore higher than the previous year. *[The Economic Times]*

**Weekly economy wrap-GST hits record, FDI rules ease, credit slows:** Economy wrap April 27-May 3: India's economy showed mixed signals this week as GST collections hit a record, credit growth slowed and policy moves spanned FDI, trade, energy and statistical reforms. *[Business Standard]*

**Centre releases ₹17,744 crore as first wage instalment for MGNREGA in FY27:** The Union government has released ₹17,744.19 crore as the first instalment towards the wage component under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) for 2026-27 to provide work on demand and ensure timely wage payment for the scheme that is set to be replaced with the new Viksit Bharat-Guarantee for Rozgar and Aajeevika Mission (GRAMIN) or VB-GRAMIN, sources said. *[Business Standard]*

**Govt cuts export duty on diesel, ATF; retail petrol prices unchanged:** The government has slashed export duty on diesel and aviation turbine fuel (ATF) to Rs 23 per litre and Rs 33 per litre, respectively, effective from May 1. The rate of duty on exports of petrol continues to remain nil, said an official notification. *[Business Standard]*

**Next digital leap-DPI 2.0 can drive innovation and economic growth:** India's local innovation capacity remains uneven, particularly outside major urban centres. Data systems are fragmented, raising challenges for interoperability and trust. *[Business Standard]*

**MSP methodology should reflect changing reality:** India's Minimum Support Price (MSP) framework rests on a cost estimation system. At its core lies the Comprehensive Scheme for Studying Cost of Cultivation, implemented by the Directorate of Economics and Statistics. *[Business Line]*

**Services sector drives exports growth, offsets 64% of trade deficit in FY26-Finmin Review:** India's services exports have emerged as a key pillar of external sector resilience, according to the Finance Ministry's April Monthly Economic Review, with robust growth helping cushion widening merchandise trade pressures. *[Business Line]*



## Foreign Investment

**China-FDI caution and import reliance shape India's policy dilemma:** India on March 10 relaxed the rules governing foreign direct investment (FDI) from countries with which it shares land borders. The regime — known as Press Note 3 — was introduced in April 2020, ostensibly to prevent opportunistic takeovers during the pandemic but in practice it was aimed squarely at China. *[Business Standard]*

**Govt notifies 100% FDI in insurance sector under automatic route rules:** The Ministry of Finance on Saturday notified 100 per cent foreign direct investment (FDI) in the insurance sector under the automatic route, which allows complete foreign ownership. Foreign investment in Life Insurance Corporation of India (LIC) is capped at 20 per cent, and for insurance intermediaries it stands at 100 per cent. *[Business Standard]*

**Financial services spearhead surge in outbound FDI, manufacturing slips:** India's outward FDI surged in March, with economists attributing the spike to uncertainty and structural shifts, even as long-term trends remain stable. *[Business Standard]*

**Govt sets 60-day FDI clearance for China-linked sectors, 40 sub-sectors:** The move follows a decision by the government in March to process and decide FDI proposals from these countries in specified manufacturing sectors or activities within 60 days. *[Business Standard]*



## Trade Policy and Competitiveness

**India, UAE trade pact helps boost bilateral trade to cross \$100 billion-Goyal:** The India-UAE free trade agreement, which came into force in May 2022, has helped the bilateral trade to cross \$100 billion, Commerce and Industry Minister Piyush Goyal said on Friday. *[Business Line]*

**Indo-Pacific trade pact losing relevance under Trump's aggressive strategy-GTRI:** The Indo-Pacific Economic Framework for Prosperity, widely known as IPEF, faces significant hurdles. Recent analyses indicate that the foundation of the framework may be weakening, largely attributed to the trade policies introduced during Donald Trump's presidency. *[The Economic Times]*

**India's exports rise 4.6% to hit all-time high of \$863 bn in FY26 despite global headwinds:** India's export landscape witnessed an extraordinary transformation in 2025-26, as figures climbed to an astounding USD 863.11 billion. Amidst a backdrop of challenging global economic conditions, the country demonstrated resilience with a slight gain in merchandise exports. *[The Economic Times]*

**India, Vietnam set \$25 billion bilateral trade target by 2030:** India and Vietnam set a \$25 billion annual trade target by 2030, up from \$16 billion last fiscal, and elevated ties to an enhanced comprehensive strategic partnership in a meeting between Prime Minister Narendra Modi and Vietnamese President To Lam on Wednesday. *[Business Line]*

**India plans to bolster key export scheme as Iran war sours trade outlook:** India is planning to raise spending on its key scheme designed to refund local taxes paid on export goods and extend the programme's tenure by five years, two government officials said, as the Middle East war clouds the country's trade outlook. *[Business Line]*

**India should adopt dual-track trade strategy at WTO, say experts:** Experts suggest India adopt a dual-track trade strategy. This involves defending World Trade Organisation rules while selectively joining plurilateral talks. Such initiatives shape global trade. India has concerns about plurilateral agreements weakening the multilateral system. *[The Economic Times]*



## Corporate Governance

**Tata Trusts set to review representation at Tata Sons board this week:** Tata Trusts, which owns around 66 per cent in Tata Sons, the holding company of the salt-to-software conglomerate, is likely to take up issues with far-reaching implications in its forthcoming board meeting on May 8, according to sources in the know. *[Business Standard]*

**Vedanta is changing its policy that assured at least 30% profit gets distributed as dividend:** Vedanta is replacing its mandatory 30% profit-distribution rule with a discretionary, board-driven dividend policy as it prepares to split into five entities, eliminating the predictable yield that attracted income-focused investors. *[Mint]*

**Adani Enterprises to invest ₹17,000 crore in airports, leads ₹40,000 crore FY27 capex:** Adani Enterprises Ltd (AEL) will channel over 42 per cent of its planned ₹40,000 crore capital expenditure for FY27 into its airports business, including the construction of a new terminal in Ahmedabad ahead of the Commonwealth Games 2030, as it scales up aviation infrastructure. *[Business Line]*

**SEBI's proposed broker rules will boost resilience:** The Indian brokerage industry is currently navigating its most significant regulatory transformation in a decade. On April 24, 2026, SEBI released a landmark consultation paper proposing a comprehensive overhaul of the Variable Net Worth (VNW) requirements for stockbrokers. *[Business Line]*

**SIS Ltd eyes Rs 20,000 crore revenue in FY27; targets 5 lakh workforce by 2030:** SIS Ltd targets Rs 20,000 crore revenue by FY27. The security and facility management firm anticipates strong growth fueled by network expansion and new labour codes. The company is also embracing AI for enhanced customer service and operational efficiency. SIS plans to increase its workforce significantly by 2030. *[The Economic Times]*

**India's Securities market code revision should lay down penalty provisions in black and white:** A review of proposed changes to India's Securities Market Code offers an opportunity to close the space for interpretive differences in the imposition of penalties for violations. Market participants value certainty and the statute must provide it. *[Mint]*



## MSMEs and Start-ups

**EV startups seek govt intervention-CII writes to PMO, flags PLI flaws:** A taskforce of six electric vehicle startups under the CII Unicorn Forum has written to the Prime Minister's Office (PMO) and the Ministry of Heavy Industries (MHI), seeking a fresh application window and easier eligibility norms to allow startups to qualify under the production-linked incentive (PLI) scheme for the automobile sector. *[Business Standard]*

**India's digitalisation reforms improved productivity in MSMEs-IMF paper:** MSMEs contribute around 35 per cent of manufacturing output in India, employ around 110 million workers and contribute about 45 per cent of the overall exports from India. *[Business Standard]*

**Electronics MSMEs to get lift from PLI push, high demand-SME Tracker:** The growth of electronics consumption in India is projected to moderate to 8-10 per cent on-year in fiscal 2027, from 10 per cent in fiscal 2026, on account of supply-chain disruptions and elevated component costs amid the conflict in West Asia. *[Business Standard]*

**ETtech Deals Digest-Startups raised \$660 million in April, up 3.2% on-year:** Indian startups secured \$660 million in April 2026, a slight uptick from last year, with late-stage deals dominating. Despite a dip from March's figures, key players like KreditBee, Snabbit, and Palmonas saw significant funding, signaling continued investor confidence in the burgeoning startup ecosystem. *[The Economic Times]*

**ECLGS 5.0 could potentially benefit about 1.1 crore MSMEs-SBI report:** Indian Bank's Managing Director Binod Kumar sees an additional credit flow potential of between ₹12,000 crore and ₹15,000 crore under the ECLGS scheme. *[Business Line]*



## Employment and Industrial Relations

**Labour laws-Exiting outdated ILO conventions won't make India anti-worker:** India is a founding member of the ILO and has been a permanent member of its Governing Body since 1922. Over time, we have ratified 47 ILO conventions and one protocol, 39 of which are still in force. *[Business Standard]*

**PM Employment Generation Programme generates 36.33 lakh jobs, helps set up over 4 lakh micro-enterprises in five years:** The release stated that with an approved budget of ₹13,554.42 crore, PMEGP fully utilized funds and established 4,03,706 micro-enterprises, surpassing the target of 4,02,000. *[Business Line]*

**Rural job scheme demand dips by over a third in April—here's why:** The decline in rural work demand in April may be a continuation of similar declines seen over the past few months, though it could also reflect implementation challenges with the VB G-RAM-G. *[Mint]*

**Manufacturing penalises experienced workers:** Worker protests across India's industrial belts have again become a recurring feature of the economic landscape. The demands are rarely unexpected — a living wage, basic job security and some assurance that spending years on the factory floor will amount to something. *[Business Line]*

**How India's growth story has left its workers behind:** Noida's unrest highlights India's structural crisis: skipping manufacturing for services has left a low-skilled workforce with stagnant real wages, poor living and working conditions, and diminishing bargaining power. *[Mint]*



## Industrial Finance

**Pvt banks expect pickup in retail credit in FY27; corp, MSME lending strong:** Large private banks, who were leaning heavily on corporate and micro and small and medium enterprise (MSME) lending to sustain credit growth, expect retail growth to pick up in 2026-27 (FY27). *[Business Standard]*

**RuPay tailwind drives fintech push for co-branded credit cards on UPI:** Financial technology (fintech) firms are stepping up efforts to launch co-branded credit cards on RuPay — the homegrown card network — as they look to weave credit more tightly into user journeys. *[Business Standard]*

**PMEGP sees sharp credit slowdown as loan sanctions plunge 50% in FY26:** A sharp contraction in lending and applications under the PMPGP in FY26 signals weakening momentum in credit support for small enterprises, with potential implications for job creation. *[Mint]*

**Fintech funding holds at \$513 million in Q1 2026, even as deal count collapses 54%:** India's fintech sector saw \$513 million in funding in the first quarter of 2026. Capital is now going to fewer companies, with larger investments. Mumbai leads funding, driven by lending and housing finance. Late-stage investments are up, indicating a focus on mature businesses with proven success. *[The Economic Times]*

**Govt clears ₹50,000-crore package to boost credit flow and support businesses:** The government-backed loan support scheme will facilitate an additional credit flow of up to ₹2.55 trillion to the economy, including ₹5,000 crore specifically for the aviation sector, a government statement said. *[Mint]*



## Technology and Innovation

**Time to say goodbye to subsidy for UPI? A case for tiered MDR regime:** A time-bound, tiered MDR on large commercial UPI merchants, with small merchants and individuals permanently exempted, is in order, and so is revenue allocated to strengthen infra & rural expansion. *[Business Standard]*

**An AI-driven efficient economy could also end up eliminating all demand:** In many ways, a gig economy worker in a third-world country lives better than any 19th century monarch. The average 21st century individual lives decades longer, while enjoying better health and access to far superior medicare. *[Business Standard]*

**Samsung bets on AI ecosystems to deepen India enterprise push:** The company announced on Thursday that it is moving beyond its traditional device-led offerings to deliver end-to-end integrated solutions combining hardware, software, platforms and security. *[Business Line]*



## Industrial Infrastructure, Clusters and SEZs

**CBIC clarification fixes one SEZ anomaly, ignores another concern:** CBIC's SEZ clarification eases drawback claims on re-exports, but gaps persist for DTA-to-SEZ supplies, calling for a broader, consistent tax interpretation. *[Business Standard]*

**Financial frameworks must evolve quickly to support India's proliferation of data centres:** India's data-centre expansion is being shaped by a major domestic policy push and robust investments by Big Tech players. Financial frameworks and project assessment criteria should evolve appropriately to fund this emerging category. *[Mint]*

**India should build strategic buffers for energy shock-CEA Nageswaran:** Nageswaran said the West Asia conflict is more of a price shock than supply shock for India as the government is managing the supply side deftly. *[Business Standard]*

**NHAI rolls out India's first stop-free toll system on NH-48 in Gujarat:** The new system removes physical toll barriers and enables seamless vehicle movement. "The MLFF framework introduces barrier-less tolling with minimal human intervention, enabling vehicles to pass through toll locations without stopping and ensuring seamless traffic flow," the release said. *[The Economic Times]*

**RECPDCL launches transmission tenders for Gujarat renewable projects:** RECPDCL has invited bids for two interstate transmission projects to evacuate power from 21.5 GW renewable energy capacity planned across Gujarat. *[Business Standard]*

**Shivraj Singh Chouhan launches PMGSY-IV in Odisha with ₹1,700 crore outlay:** PMGSY-IV rollout in Odisha to boost rural connectivity with 827 projects across eight districts, alongside funding support for housing, irrigation and employment schemes. *[Business Standard]*



## Sustainable Industrialisation

**State incentives power India's EV market growth:** As environmental consciousness rises, Indian consumers are increasingly opting for electric vehicles. Favorable state policies are making EV ownership more accessible, leading to a transformation in purchasing patterns. States like Maharashtra, Uttar Pradesh, and Karnataka are witnessing remarkable spikes in EV sales. *[The Economic Times]*

**Why India is pushing local components in e-trucks under PM E-Drive scheme:** On 29 April, the Centre issued guidelines requiring electric truck makers to localize components such as battery management systems and vehicle control units to qualify for incentives under the PM E-Drive scheme. E-truck makers must use domestically produced components from September 2026. *[Mint]*

**Andhra Pradesh govt notifies five model e-mobility cities under EV policy 4.0:** Andhra Pradesh has launched its Sustainable Electric Mobility Policy 4.0. Five cities, Visakhapatnam, Rajahmundry, Vijayawada, Nellore, and Tirupati, are now model e-mobility hubs. The state aims to boost electric vehicle adoption with new charging infrastructure and green corridors. *[The Economic Times]*

**What should India's near-term strategy for energy resilience look like? Here's a climate-friendly outline:** The Gulf war's oil and gas squeeze is far from over but immediate steps to ease India's energy stress need not clash with climate goals. In fact, an astute policy response can align a relief plan with our green transition. Here's what can be done. *[Mint]*

**India's grid bottleneck forces ReNew Energy to waste solar power, threatening profits:** India's power grid struggles to handle excess solar energy. ReNew Energy Global Plc faces power curtailment, affecting earnings. The company is investing in battery storage to balance supply and demand. Rising costs from global events add to challenges. Future projects will focus more on solar power. *[The Economic Times]*

**EV industry at crossroads-Financial gains meet cost headwinds:** Rising input costs from imported components, rupee depreciation and global disruptions weigh on margins even as firms bet on innovation and scale. *[Business Line]*

**India's green energy sector may be hit by power regulator's stricter performance standards:** A regulatory effort to keep the national power grid stable and make green power more reliable may wreck the revenues of producers and potentially lead to tariff hikes, industry executives warned. *[Mint]*

**From grease to gigabytes-Why EV makers are racing to rewrite the service playbook:** As electric vehicle sales surge, a new crisis could emerge at the workshop. With legacy mechanics sidelined by complex software and 'war rooms' replacing grease pits, Indian automakers have to rethink the service playbook—crucial for brand trust. *[Mint]*



## Sectoral News

**Pharma exports surpass \$31 billion in FY26 despite global headwinds:** Indian pharmaceutical exports reached over \$31 billion in FY26. March saw a significant 23% drop, primarily due to a slowdown in the United States and China. However, other markets like Africa and Oceania showed strong growth. Vaccines emerged as the fastest-growing export category. The industry is navigating challenges in key markets while exploring new growth avenues. *[The Economic Times]*

**India is the new growth engine for global auto parts suppliers:** Global auto parts makers are turning to India for growth, as domestic carmakers ramp up electric vehicles and safety features, even as demand softens in the US and Europe. *[Mint]*

**Semiconductor projects worth ₹4,000 crore get Cabinet go-ahead:** The two new projects will be implemented by Crystal Matrix Limited and Suchi Semicon Limited, with project costs of ₹3,068 crore and ₹868 crore, respectively. *[Business Standard]*

**ISID** **Institute for Studies in Industrial Development**  
An institution of Indian Council of Social Science Research (Ministry of Education)  
4 Vasant Kunj Institutional Area, New Delhi - 110070, India

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**Team Members:** Satyaki Roy, Swati Verma, Sangeeta Ghosh, B Dhanunjai Kumar, Amitava Dey & Rakesh Gupta.  
Compiled & Edited by: Amitava Dey & Rakesh Gupta.

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