

Industry Matters

Weekly Updates

May 29, 2026



Economy, Industry and Policy

Manufacturing push-why India's Production-Linked Incentive scheme needs a rethink: The government should review its PLI scheme. This industrial policy's record has been patchy at best. Broadly, India must let the market shape outcomes—except in sectors where this would go against the country's strategic interests. *[Mint]*

VB-G RAM G draft rules-Normative funding to be also based on FC's formula: The draft rules under the newly enacted Viksit Bharat-Guarantee for Rozgar and Ajeevika Mission (Gramin) Act 2025 or (VB-G RAM G), which were released for public comments on Saturday, stated that the Centre will use the Sixteenth Finance Commission's horizontal devolution formula as one of objective criteria for "normative" fund allocation to states in a financial year. *[Business Standard]*

RBI's MPC likely to maintain status quo in June-Business standard poll: The six-member Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) is expected to keep the policy repo rate unchanged at 5.25 per cent at its meeting scheduled for June 3-5, according to a Business Standard poll. Most of the respondents expect the status quo on the repo rate even as supply distortions due to the West Asia conflict likely are to stoke inflation. *[Business Standard]*

A big push in economics-Special times call for special initiatives: There is anxiety regarding the Indian economy. The present macroeconomic data operates with a lag, leaving analysis in a zone of subjective perception. However, a sequence of shocks has shaped the current environment. The economy was in poor shape in 2018 and 2019. *[Business Standard]*

Telangana Cabinet clears new life sciences policy 2026-30: Telangana Cabinet on Saturday approved a new Life Sciences Policy 2026-30 with an aim to make the State one of the top five life sciences hubs in the world. The policy will offer a slew of incentives including industry states to research and development (R&D) units. *[Business Line]*

India in better position to manage retail inflation, RBI must hold rates-ASSOCHAM: India is better placed to manage retail inflation among the top 10 economies, according to an analysis by industry lobby ASSOCHAM unveiled on Friday, amidst the ongoing disruptions caused by the West Asia conflict. *[Business Line]*

Excise duty cut on fuel to impact FY27 revenue by Rs 1 trillion-FM Sitharaman: FM Sitharaman said the government may face a Rs 1 trillion revenue hit in FY27 due to fuel excise duty cuts. She also highlighted pressure on fuel, fertiliser and foreign exchange. *[Financial Express]*

India's economy resilient amid external shocks-Sitharaman: India's economy shows resilience and strong domestic demand. Finance Minister Nirmala Sitharaman highlighted that external factors are causing challenges. The government is taking calibrated policy actions to support businesses and maintain growth momentum. *[The Economic Times]*

India to revamp IIP with new base year, wider coverage from June 1: India will launch an updated Index of Industrial Production on June 1. The new IIP will feature a 2022-23 base year and include sectors like minor minerals and waste management. It will offer more detailed tracking of industrial activity. This revamp aims to provide a clearer picture of India's industrial growth. *[The Economic Times]*

Government forwent Rs 1 lakh crore via excise duty cuts to shield consumers from fuel inflation-FM: India's Finance Minister Nirmala Sitharaman explains recent fuel price increases are market-driven by oil companies. She noted the government previously absorbed over Rs 1 lakh crore in revenue through excise duty cuts to protect consumers from inflation. *[The Economic Times]*

India's carbon market gathers pace as export markets raise cost of business: India's carbon market framework is moving towards implementation under the CCTS, but experts warn that verification gaps, weak penalties and limited sectoral coverage remain major concerns. *[Business Standard]*

Arvind Panagariya on what RBI transfer of ₹2.87 lakh cr surplus to govt means for Indian economy: The Reserve Bank of India's record ₹2.87 lakh crore dividend transfer offers crucial fiscal support amid global economic turbulence. This substantial sum will bolster government spending on infrastructure, subsidies, and welfare programs. *[The Economic Times]*



Foreign Investment

India's exports rise 13.8% in April; FDI hits record \$95 billion-Goyal: The country's exports have recorded healthy growth during the first three weeks of May, Commerce and Industry Minister Piyush Goyal said on Saturday. He also said that while the world is going through a turmoil, India is relentlessly rising on global stage as it is recording health growth in exports and foreign direct investment (FDI). *[Business Standard]*

Net FDI into India rises sharply to \$7.65 billion in FY26-RBI data: Net foreign direct investment (FDI) into India rose sharply to \$7.65 billion in the 2025-26 financial year, according to Reserve Bank of India (RBI) data, with March marking the second consecutive month of positive net inflows at \$1.57 billion. Net FDI stood at \$959 million in 2024-25. *[Business Standard]*

Quad vows to invest \$20 billion towards critical minerals supply chains: India, Australia, Japan, and the US are pooling up to \$20 billion to bolster critical minerals supply chains. This initiative aims to reduce import reliance and boost local industries by supporting mining, processing, and recycling. The Quad partners will identify and back projects crucial for advanced technologies and regional economic security, fostering diversified and fair mineral markets. *[The Economic Times]*

US overtakes Mauritius to become India's 2nd largest FDI source as inflows cross \$11 billion mark: The investment landscape is changing. The United States has now claimed the title of India's second-largest foreign investor, overtaking Mauritius. Equity infusions from America more than doubled to exceed \$11 billion during the 2025-26 period. While Singapore holds the crown, sectors such as food processing, computer hardware, and shipping are experiencing exciting development. *[The Economic Times]*



Trade Policy and Competitiveness

US trade negotiators to visit India from June 1-4 for interim trade deal talks: US Trade Representative (USTR) Jamieson Greer Wednesday said he expects to meet commerce and industry minister Piyush Goyal soon to finalise the India-US framework deal. *[The Economic Times]*

India should focus on FTA implementation, utilisation by exporters: India's next priority on the free trade agreement (FTA) front should be practical implementation and helping exporters use these pacts, as the gap between the negotiated and used market access remains the country's weakest link, experts say. *[Business Standard]*

India, US seal critical minerals and rare earths pact amid global supply chain race: India and the US on Tuesday signed a critical minerals and rare earths agreement aimed at strengthening supply chains for key industrial resources used in clean energy, electronics and defence sectors. The pact comes amid intensifying global efforts to diversify sourcing and reduce dependence on China's dominance in rare earth processing and supplies. *[The Economic Times]*

India-Canada aim to conclude CEPA by year-end; triple trade by 2030-Goyal: Goyal said that he has arrived in Ottawa with the largest Indian business delegation in the country's history, showcasing India's commitment to the relationship. *[Business Standard]*

India and the new economics of constraint: India is attempting to rise in a world shaped increasingly by AI, fractured supply chains, geopolitical rivalry, slowing globalisation, and mounting debt burdens. *[The Economic Times]*

Anti-dumping duties can save India \$3 billion per year in forex: A report by C-DEP and Centre for WTO Studies says implementing pending DGTR recommendations could reduce forex outflow and support domestic industry with limited inflationary impact. *[Business Standard]*



Corporate Governance

Five challenges that confront India Inc converge to raise one big question that resets the bar: Indian businesses face five principal challenges, as revealed by an analysis of corporate statements over the past quarter or so. All of them are captured by a single question-how to grow sustainably in a world of constant flux. *[Mint]*

InGovern renews listing call for Tata Sons on governance concern: Corporate governance advisory firm InGovern has renewed the call for Tata Sons to pursue a public listing, arguing that the holding company's scale and influence over listed group firms warrant greater transparency and disclosure standards. *[Business Standard]*

Indian small businesses record strongest growth since COVID in 2025-CPA Australia survey: Indian small businesses saw their best growth in 2025 since the pandemic. Four out of five firms expanded, with strong expectations for 2026. Technology adoption and customer experience boosted growth. *[The Economic Times]*

Higher NPS returns for pensioners: PFRDA panel explores new asset classes: The pension regulator is preparing for a likely overhaul of how retirement money under the National Pension System (NPS) is invested, seeking steadier delivery and potentially higher long-term returns to subscribers while reducing sharp market swings. *[Business Standard]*

CPCL reworks ₹45,000-crore Cauvery Basin project in Nagapattinam; IOC to hold 75% in joint venture: Chennai Petroleum Corporation has changed the focus of its ₹45,000-crore Cauvery Basin Refinery and Petrochemicals Ltd (CBRL) project in Nagapattinam; it is now envisaged as a petrochemical complex, rather than its earlier plans for a conventional refinery. *[Business Line]*

Government operationalises amended insolvency law, sets 14-day admission deadline for NCLT: On May 26, significant updates to the insolvency law took effect, geared towards hastening the resolution of companies facing bankruptcy. The new regulations not only bring forth novel ideas but also refine existing processes. *[The Economic Times]*



MSMEs and Start-ups

Moderation in revenue growth, margin looms for textile MSMEs-SME Tracker: Export-oriented RMG clusters such as Tirupur and Bengaluru are likely to see better revenue growth than domestic-focused clusters such as Kolkata and Kanchipuram. *[Business Standard]*

FM Nirmala Sitharaman pitches customised credit models for MSMEs: FM Nirmala Sitharaman urged SIDBI and banks to adopt customised, cash-flow-based lending instead of standardised credit products for MSMEs. *[Business Standard]*

ECLGS 5.0 finds traction as MSMEs look for buffer amid uncertainty: Bankers are seeing early traction under the Ministry of Micro, Small and Medium Enterprises (MSME) credit support scheme Emergency Credit Line Guarantee Scheme (ECLGS) 5.0, with a steady rise in enquiries and applications from small businesses, although lenders cautioned that it was too early to gauge the eventual outcome. *[Business Standard]*

How AI is becoming the operating backbone of India's fintech industry: AI is becoming part of the core infrastructure of India's fintech ecosystem as firms look to automate workflows, tackle fraud, and improve scalability. *[Business Standard]*

MSMEs will drive Andhra's economic shift-CM Naidu: The state aims to create 100 unicorns and support women entrepreneurs, with initiatives including startup promotion and strengthening industrial infrastructure. *[The Economic Times]*



Employment and Industrial Relations

Labour ministry consults industry on migrant worker welfare framework plans: The labour ministry has started consultations with industry bodies on migrant worker welfare, focusing on housing, portability of benefits and registration reforms. *[Business Standard]*

Binding national floor wage may redefine states' minimum wage structures: India's new Labour Codes introduce a binding national floor wage, but experts warn the absence of a clear wage-setting formula could create uncertainty and uneven implementation. *[Business Standard]*



Industrial Finance

Priority sector lending boosts inclusion, not always guarantee growth-EAC-PM: The Economic Advisory Council to the Prime Minister (EAC-PM) has said that India's priority sector lending (PSL) framework has played a key role in addressing credit market failures and promoting financial inclusion. *[Business Line]*

SIDBI partners with RRBs to expand MSME loans in rural India-CMD Manoj Mittal: Mittal said the initiative combines SIDBI's MSME financing expertise and digital capabilities with the grassroots reach of RRBs to strengthen last-mile credit delivery in rural and semi-urban areas. *[Business Line]*

IRFC to raise ECB loan worth \$2 billion to finance large infra projects: The external commercial borrowing (ECB) is part of the ₹70,000 crore resource mobilisation plan approved by the board of Indian Railway Finance Corporation (IRFC) for the ongoing financial year. *[Business Line]*

Credit guarantee scheme: Loan limit for large MFIs increased to ₹1K crore: The National Credit Guarantee Trustee Company Ltd (NCGTC) has revised the loan limit for large microfinance institutions (MFIs) — those with assets under management (AUM) of ₹2,000 crore and above — under its credit guarantee scheme to ₹1,000 crore from the ₹300 crore notified in March. *[Business Standard]*

Drip Capital partners with YES BANK to boost trade finance access for MSMEs: This collaboration combines Drip Capital's digital platform with YES BANK's banking infrastructure to address the credit gap, offering faster approvals and simplified documentation for businesses engaged in cross-border trade. *[The Economic Times]*



Technology and Innovation

ATM interchange fee may be indexed to WPI; NPCI likely to take up matter: The stage is set for linking the ATM interchange fee to the wholesale price index (WPI), even as a fresh hike to ₹21-22 from the current ₹19 is being considered. A relook at the customer charge levied after the free transaction limit is exhausted may also be in the works. *[Business Standard]*

Creating semicon dependency?: India is pouring concrete in Odisha, but the rules for what goes inside those factories are redrafted in Washington. While the recent inauguration of domestic packaging facilities is a legitimate win for job creation, celebration is justified but complacency is not. *[Business Line]*

Competition heats up in India's smartphone manufacturing sector as PLI winds down: India's Android smartphone manufacturing is heating up. As a key government scheme concludes, companies are competing fiercely on price. Brands are now spreading their orders across more manufacturers. *[The Economic Times]*

AI to turbocharge patent creation at India tech hubs, say executives: Tech hubs have long outgrown their low-cost back-office origins to become innovation centres, but AI tools that can increasingly handle tasks have cast doubt on what role these centres will play next. *[Business Standard]*

India's GCC model shifts from cost to capability as AI, talent strains bite: India is now the world's largest GCC hub, with more than 2,100 centres employing 2.36 million people and generating nearly \$100 billion in revenue. *[Business Standard]*

India's AI boom could turn data centres into the next big infrastructure race-KPMG: India's data centre sector is set for massive growth, reaching nearly \$46 billion by 2033. AI workloads and cloud adoption are key drivers. The market is shifting towards AI-optimised infrastructure. Data localisation laws and ESG priorities are also boosting demand for local data centres. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

Centre launches Bhavya scheme to set up 100 industrial parks across country: Union Commerce Minister Piyush Goyal on Saturday announced the launch of guidelines for the 'BHAVYA (Bharat Audyogik Vikas Yojna) Scheme', under which the Centre plans to develop 100 industrial parks across the country. *[Business Standard]*

India eyes next leap in power transmission with 1,150 kV UHV integration: India is planning to integrate a 1,150 kV ultra high voltage transmission system into its power grid to support large-scale renewable energy expansion and long-distance power transfer. *[Business Standard]*

Transport snags at Mundra, Nhava Sheva expose weak links in logistics chain: The recent cargo movement disruptions at Nhava Sheva and Mundra should not be treated as something routine. It is a warning that India's export-import logistics can be unsettled by weaknesses away from the ports. As the saying goes, a supply chain is only as strong as its weakest link. *[Business Standard]*

PVV Infra eyes 13 wayside amenities projects on national highways: PVV Infra a leading wayside amenities player, has placed bids for three sites and will be submitting bids for two additional sites soon. The company has placed bids for developing wayside amenities on the National Highway between Gwalior-Jhansi and two sites near Ujjain, the temple city. *[Business Line]*

Big infra projects clock Rs 5.6 lakh crore cost overrun: Major infrastructure projects in India have seen significant cost overruns. Projects valued at ₹150 crore or more have collectively exceeded their original budgets by ₹5.6 lakh crore. The total revised cost for 1,981 projects now stands at ₹42.8 lakh crore. *[The Economic Times]*



Sustainable Industrialisation

More RWAs may find their place in the Sun as govt looks to scale rooftop solar installations: As part of a nationwide strategy to enhance rooftop solar energy deployment, resident welfare associations are emerging as crucial allies for the government. The PM Surya Ghar Muft Bijli Yojana is specifically designed to cater to apartment complexes and cooperative housing societies, unlocking renewable energy avenues in urban locales where individual roof spaces are limited. *[The Economic Times]*

Discoms told to commission rooftop solar units by May 31: Electricity distribution companies must finish rooftop solar project inspections by May 31. This ensures projects already installed remain exempt from a new domestic solar cell rule starting June 1. Delays in certification could make projects non-compliant. This move supports domestic solar module manufacturing. *[The Economic Times]*

Suzlon bags 195 MW wind energy order from Sunsure Energy: Suzlon has secured a 195 MW wind energy order from Sunsure Energy, further strengthening their partnership, which now totals nearly 300 MW. The project, located in Karnataka's Bijapur district, will feature Suzlon's advanced 3 MW wind turbine platform, whose cumulative sales have approached 9 GW. *[The Economic Times]*

India's solar export boom collapses as US tariffs bite: All but one of India's top listed solar module companies reported nil exports during the quarter ended 31 March. Market leader Waaree Energies Ltd, which had so far managed to protect its exports to the US, also reported fewer outbound shipments during the fourth quarter of FY26. *[Mint]*

India's power transmission infra set for Rs 9 trillion upgrade as renewable push accelerates: India is set for a massive power transmission investment of nearly Rs 9 trillion by 2032, according to a Kotak Neo report. This will support the country's clean energy goals by building essential grid infrastructure. Renewable energy capacity is growing rapidly, requiring extensive transmission lines and substations. *[The Economic Times]*



Sectoral News

Coal India plans syngas production units as gas supply concerns rise: Coal India Ltd (CIL), which accounts for over 80 per cent of domestic coal output, has already initiated steps to develop such coal-to-syngas facilities. *[Business Standard]*

Exim cargo at India's ports fell by 2% in April amid West Asia conflict: With the West Asia war choking the vital Strait of Hormuz, India's ports — both state-owned and private — reported a near 2 per cent year-on-year (Y-o-Y) drop in international maritime cargo during April, led by decreased volumes in crude oil, fertilisers, and coal. *[Business Standard]*

Govt in advanced stage of consultation on cotton import duty removal: Ministries, including finance, textiles, and agriculture, are deliberating on the duty, with the textile industry seeking its removal to mitigate cost pressures on domestic companies due to high price. *[Business Standard]*

CAFE III, ADAS norms set to drive next growth cycle for auto-component makers: CAFE III fuel-efficiency norms will shift India's auto investment cycle from vehicle volumes to electronics, software, and emission controls as automakers prepare for stricter regulations beginning April 2027. *[Business Line]*

Automakers remodel supply chain strategy: Indian carmakers are shifting from a 'just-in-time' to a 'just-in-case' inventory strategy, stocking critical auto components for three to six months instead of the previous 30-45 days. This change is a direct response to persistent supply-chain disruptions driven by geopolitical factors, signaling a new permanent operating reality for the industry. *[The Economic Times]*

Ship-building scheme gets 12 applications seeking incentives: The scheme, launched last September, aims to make domestic shipyards more competitive by bridging the cost arbitrage with foreign rivals in vessel supply bids. Towards this, Indian bidders will get financial support of 15-25% per vessel. *[The Economic Times]*

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