ISID Institute for Studies in Industrial Development
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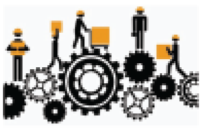
Industry Matters

Weekly Updates June 26, 2026



Economy, Industry and Policy

RBI MPC member Nagesh Kumar flags import dependence, Gulf remittances, El Nino risks in minutes: India faces significant economic risks from the West Asia conflict, including potential disruptions to oil and fertilizer imports via the Strait of Hormuz and reduced remittances from the Gulf. El Niño-induced monsoon failures also pose a threat to agriculture. Despite these vulnerabilities, the nation's strong foreign exchange reserves and fiscal space offer some resilience. *[The Economic Times]*

Growth rate to be 7%+ if peace lasts-MPC member: India's economic growth rate could get back to the 7%-plus range in FY27 if the West Asia peace endures and crude oil prices maintain the downward trajectory, Nagesh Kumar, external member of the RBI's Monetary Policy Committee, has said, citing an improved macroeconomic outlook since the panel's meeting on June 3-5. *[Financial Express]*

Explainer-Will reforming BITs revive FDI inflows?: As India revises its 2015 Model BIT to become more investor-friendly, analyst Reji K. Joseph examines the history of costly international litigations that led to stricter local-remedy rules and whether a overhauled framework can truly revive net FDI inflows. *[Financial Express]*

Inflation risks, slowing growth-MPC members prefer 'wait and watch' approach over immediate policy action: All six members of the rate-setting Monetary Policy Committee (MPC) preferred a cautious "wait and watch" approach over immediate policy action amid rising inflation risks, slowing growth and powerful external shock emanating from the West Asia conflict, going by the minutes of their meeting released by the RBI on Friday. *[Business Line]*

RBI says no to special exposure relaxations for state NBFCs: The Reserve Bank of India has firmly rejected requests for special exemptions from concentration norms for government-owned NBFCs, emphasizing a principles-based regulatory approach. The central bank also denied calls to raise single counterparty limits for public sector enterprises. *[The Economic Times]*

The need to secure industrial policy space: The debate on industrial policy and WTO reform has intensified amid geo-economic competition, technological shifts, and renewed state intervention in strategic sectors. *[Business Line]*

Sanjay Malhotra calms rate hike fears as RBI watches oil, monsoon: RBI Governor Sanjay Malhotra stated that discussions on interest rate hikes are premature, emphasizing that the central bank will monitor incoming economic data amidst global uncertainties. He highlighted the 'neutral' policy stance reflects this caution. *[The Economic Times]*

RBI clarifies FCNR(B) loan, SBLC eligibility under swap scheme: Indian banks can now offer loans to non-residents and issue standby letters of credit against FCNR(B) deposits under a new RBI swap facility. *[The Economic Times]*

Normative shift in fiscal federalism: The Constitutional framework of India visualised the Finance Commission as an institution responsible for addressing fiscal imbalances and regional disparities among States. *[Business Line]*

India needs 7-8% growth for Viksit Bharat, private investment and export push crucial-EAC-PM Chairman: India needs sustained 7-8% economic growth to become 'Viksit Bharat' by 2047, driven by private investment and exports. Structural reforms are in place, with 'Atmanirbhar Bharat' focusing on enhancing domestic capability and product quality for global competitiveness, not import substitution. *[The Economic Times]*

Strengthening external sector defences: Recent developments in West Asia, while showing early signs of stabilisation, have already stress-tested India's macroeconomic resilience. The episode exposed the economy's continued sensitivity to external shocks, particularly through energy prices, capital flows, and currency pressures. *[Business Line]*

Tax reforms to play key role in attracting global capital to India-Expert: As India continues its journey towards becoming one of the world's largest economies, tax reforms that improve predictability and reduce complexity will play a vital role in attracting global capital and fostering entrepreneurship, a senior financial industry expert said here on Tuesday. *[Business Standard]*

Power below Rs 1/unit fuels industrial shift to exchanges as procurement volumes jump 50%: Indian manufacturing and energy-intensive sectors are transforming their power sourcing strategies as daytime exchange prices drop near zero. *[Financial Express]*

World Bank approves $1.5 billion to boost private sector jobs in India: The initiative is projected to generate employment opportunities for about 11 million young Indians over the next two decades under the private sector development financing programme. *[Business Line]*

Statistical overhaul-policymakers should be relieved by this year's revamp of the economy's key trackers: Recent months have seen the government set the ball rolling on a thorough modernization of the country's statistical architecture. While better data should spell better policy formulation, perhaps controversies over Indian numbers will also die down. *[Mint]*

Foreign Investment

April Net FDI jumps to $6.6 billion, highest in nearly five years: Net foreign direct investment (FDI) rose to $6.6 billion in April 2026, its highest level in nearly five years, driven by a 65% surge in gross inflows, an analysis of official data shows. *[The Hindu]*

India can attract FDI. The harder task is retaining it: India attracted gross FDI of $94.53 billion in 2025-26. That appears encouraging for an economy aspiring to become a global manufacturing hub. Yet the headline conceals a less comforting reality. Net FDI — after accounting for outflows — stood at only $7.65 billion, barely 8 per cent of gross inflows. *[The Indian Express]*

Chinese tech, investments welcome, but trade opening needs caution-CII President: Chinese investments and technology are welcome in India, but a cautious approach is needed for trade, according to CII President R Mukundan. He emphasized reducing import dependence on China and boosting domestic manufacturing. *[The Economic Times]*

FTAs need investment teeth if India wants global capital to come in: A combined approach of an FTA with an investment protection agreement will help India re-establish its position as an attractive destination for FDI. *[Business Standard]*

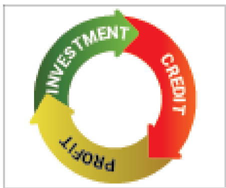
Trade Policy and Competitiveness

India-US trade pact enters crucial week-July tariff deadline and Section 301 in focus: India and the US will hold ministerial talks to finalize the first phase of a bilateral trade agreement amid ongoing tariff challenges and Section 301 investigations impacting trade dynamics between the two nations. *[Financial Express]*

India preferred hub for manufacturing, GCCs-Experts at Houston roundtable: The roundtable facilitated discussions on strengthening India-US partnerships in trade, technology and innovation while showcasing opportunities for global companies looking to expand. *[Business Line]*

India imposes anti-dumping duty on chemical imported from China, EU, US: India has imposed an anti-dumping duty for five years on a chemical, used in the rubber and tyre industries, imported from China, the European Union and the US. *[Business Line]*

India's trade strategy-Moving beyond FTAs: For decades, trade policy was mostly about lowering tariffs and signing free trade agreements (FTAs). Today, however, the global economy is being reshaped not only by tariffs but also by supply chains, critical minerals, technology partnerships, and geopolitical considerations. *[The Economic Times]*



Corporate Governance

Bajaj Auto's Rs 5,600-cr buyback to HUL dividend record date-Top corporate action this week: A lot of corporate action is set to unfold this week as major Indian firms are going to make their final dividend payouts for FY26. Stocks of large caps like Hindustan Unilever and Asian Paints would garner investor attention as they turn ex-dividend this week. *[Financial Express]*

India Inc gives thumbs up to GST; seeks faster refunds-Deloitte Survey: Deloitte India's GST@9 survey called for the next phase of reform to move beyond digitalisation to an AI-driven compliance and data-led dispute reduction. *[Business Standard]*

CPSEs to support 'PM Dhaanya Krishi Yojana' through CSR activities: Central public sector enterprises (CPSEs) will adopt at least one district, selected under 'PM Dhan Dhaanya Krishi Yojana' for corporate social responsibility (CSR) activities during the current fiscal and next fiscal, as stated by an office memorandum of Department of Public Enterprises (DPE). *[Business Line]*

Reliance Jio IPO may reshape telecom sector, tariffs and satcom play: Jio Platforms' proposed listing could sharpen investor scrutiny of India's telecom sector, with focus shifting to tariff hikes, satellite broadband and AI-native services. *[Business Standard]*

Finance ministry, NFRA officials brief Par panel on corporate laws amendment bill: Parliament's joint committee received briefings on the Corporate Laws (Amendment) Bill, 2026, from Finance Ministry officials and the National Financial Reporting Authority. *[The Economic Times]*

MSMEs and Start-ups

India seeks BRICS nations' cooperation to strengthen MSME sector, boost growth: India on Friday said that the cooperation among BRICS nations can help strengthen micro, small and medium enterprises, support weaker sections and contribute to the economic growth of member countries. *[Business Line]*

Bengaluru's start-up ecosystem-Aiming for global top five by 2030: BV Naidu, Chairman of the Karnataka Digital Economy Mission (KDEM), talks about why a copy-paste blueprint from Silicon Valley will not work for India. *[Business Line]*

Crisil SME tracker-Road MSMEs under EPC may retain their margins in FY27: Micro, small and medium enterprises (MSMEs) constructing roads through the engineering, procurement and construction (EPC) route will continue to witness sizeable opportunity in 2026-27 (FY27) on the back of government's infrastructure push. *[Business Standard]*

Deeptech startup QOSMIC raises $3.3 million in seed funding round: Bengaluru-based QOSMIC has raised $3.33 million in seed funding to develop laser-based communication systems for high-speed satellite data transmission. *[Business Standard]*

Stainless steel sector MSMEs flag import surge, urges govt to reintroduce quality control order: Indian stainless steel MSMEs are urging the government to reinstate a quality control order after its suspension led to a surge in cheap Chinese imports. Industry bodies report a 65% year-on-year jump in imports, threatening domestic jobs and investments. *[The Economic Times]*

RBI governor asks banks to treat MSMEs as long-term partners: Reserve Bank of India (RBI) governor Sanjay Malhotra on Monday called on banks and financial institutions to deepen their engagement with the micro, small and medium enterprises (MSME) sector, saying small businesses should be treated as long-term business partners rather than merely a regulatory obligation. *[Mint]*

Employment and Industrial Relations

Over 7 million employed under Viksit Bharat Rozgar Yojana-PM Modi: Prime Minister Narendra Modi said the employment-linked incentive scheme has generated nearly 7 million jobs and expanded social security coverage for first-time workers. *[Business Standard]*

Persistence of gender wage gaps: One of the widely remarked features of the world economy — and most countries within it — has been the decline of labour income shares in national income since the 1980s. This has often been seen as a consequence of globalization, a process which effectively increased the supply of the "global" labour force, even as technological change led to reductions in the labour intensity of much work. *[Business Line]*

Graduates 43.8% less likely to get informal jobs-EAC-PM study: Based on unit-level data from the 2025 Periodic Labour Force Survey (PLFS) and the Annual Survey of Unincorporated Sector Enterprises (ASUSE), the study finds that vocational training also improves labour market outcomes, reducing the likelihood of informal employment by 4.8 percentage points. *[The Economic Times]*

Nearly 70% fresh e-Shram registrations are women, shows govt data: The report said regardless of regions and the formal or informal nature of employment, women are over-represented in domestic work and own-use production, public administration, education and health. *[Business Standard]*

Industrial Finance

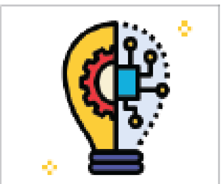
After a period of consolidation, microfinance sector shows signs of revival: India's microfinance sector is seeing early revival signs as lenders prioritise asset quality and portfolio consolidation over aggressive loan growth after two years of slowdown. *[Business Standard]*

Credit registry for microfinance institutions: Credit risk management platform Recordent rolls out an MFI Credit Registry in collaboration with Sa-Dhan to enhance underwriting and limit borrower over-indebtedness. *[Financial Express]*

Bank credit outpaced non-bank funding to commercial sector-RBI data: Bank-sourced funding to the commercial sector continued to grow faster than non-bank sources as of May 31, 2026, according to data published in the Reserve Bank of India's (RBI's) June Bulletin. *[Business Standard]*

Banks must tap digital rails to deepen MSME credit access-RBI Governor: Sanjay Malhotra says financial institutions should leverage ULI, Account Aggregator and other digital platforms to build a more inclusive MSME credit ecosystem. *[Business Standard]*

Banks boost renewable energy credit by 7% in April amid energy security concerns: Banks are boosting credit to renewable energy projects, with a 7% jump in April, as global conflicts highlight India's reliance on oil. This surge in funding for green energy underscores the nation's commitment to energy transition. *[The Economic Times]*



Technology and Innovation

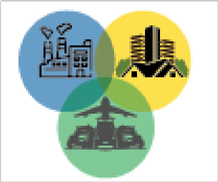
India's data centre capacity pipeline hits 8.33 GW amid AI and cloud boom: Mumbai leads India's data centre expansion with the largest pipeline, followed by Hyderabad and Chennai, while NCR, Pune and Bengaluru continue adding capacity, reflecting broad-based growth across key digital infrastructure hubs. *[Business Line]*

UPI, Aadhaar banking drive 61% of MSME transactions; AI adoption rises: A significant majority of retailers now feel more confident using digital platforms for daily operations, leading to increased digital payment usage. AI is also gaining attention, with many retailers already employing it to enhance their businesses, signaling a strong move towards regular digital adoption. *[The Economic Times]*

Govt's AI strategy problem-Why sovereign models may not be the answer: India should focus on AI talent, innovation and global integration rather than spending public funds on building a sovereign large language model, argue the authors. *[Business Standard]*

India plans semiconductor buildout with ₹7,100 crore incentives in FY27: The Centre aims to support one chip fab, nine manufacturing facilities and 30 design firms as it expands efforts to build a domestic semiconductor ecosystem. *[Mint]*

Why India's digital ecosystem may define next phase of agentic AI and invisible computing: India's unique relationship with technology, where smartphones serve as the sole device for millions, positions it as a crucial testing ground for AI's next phase. Moving beyond simple question-and-answer models, agentic AI will integrate seamlessly into daily life here, acting on habits and context. *[The Economic Times]*



Industrial Infrastructure, Clusters and SEZs

Government panel weighs key reforms in push for SEZ 2.0: Stakeholder consultations next week to discuss proposals such as allowing SEZ sales in domestic market at concessional duties, rupee-denominated service payments and job work for DTA firms. *[Business Line]*

MEPZ SEZ approves investments worth ₹710 crore in June: The Unit Approval Committee (UAC) of MEPZ Special Economic Zone, chaired by Alex Paul Menon, Zonal Development Commissioner, has approved seven new SEZ Units and four Export Oriented Units (EOUs) during June. *[Business Line]*

FTA impact, import substitution, rupee payments at SEZ reforms panel meet June 30: A government committee reviewing India's Special Economic Zone (SEZ) policy will hold a stakeholder meeting on June 30 to examine how free trade agreements are affecting export hubs and to explore reforms aimed at boosting import substitution. *[The Economic Times]*

PM Modi reviews four major projects worth Rs 30,000 crore, calls for timely completion under PM Gati Shakti framework: Prime Minister Narendra Modi chaired the 52nd PRAGATI meeting, reviewing infrastructure projects exceeding ₹30,000 crore to boost economic growth and connectivity. He stressed the PM Gati Shakti Master Plan for timely completion and discussed TB Mukt Bharat Abhiyan, leveraging digital tech. *[The Economic Times]*

Industry must adopt emerging tech to boost productivity, remain competitive-Steel Minister: Union Steel Minister HD Kumaraswamy has urged the Indian steel industry to embrace emerging technologies like AI and IoT to boost global competitiveness and productivity. *[The Economic Times]*

India plans to operationalise up to 60 mines in FY27: India is set to launch 50 to 60 new mines this fiscal year, building on the 36 operationalized in the previous year. The government is also fast-tracking bids for lithium and nickel processing units within three months. *[The Economic Times]*

Odisha to invest over Rs 50,000 crore in deep-sea port at Ganjam, Paradip shipbuilding cluster to strengthen India's maritime economy: Odisha will invest more than Rs 50,000 crore in two major maritime projects—a deep-sea port at Ganjam and a shipbuilding cluster in Paradip—Chief Minister Mohan Charan Majhi announced on the sidelines of the 14th Multi-Agency Maritime Security Group (Policy) Meeting in Bhubaneswar. *[Financial Express]*

Sustainable Industrialisation

As Delhi EV Policy 2.0 nears, auto industry for phasing out older 2Ws: With the current Delhi Electric Vehicle (EV) policy scheduled to expire on June 30, and the proposed draft EV 2.0 policy expected soon, the auto industry has suggested a gradual promotion and continuity in demand incentive disbursement for sustained growth in EV two-wheelers (2Ws). *[Business Line]*

Right of way' issue is killing us-Wind industry: By the looks of it, 2025-26 was a dream year for the Indian wind industry. It installed a record 6.05 GW of fresh wind power, comfortably surpassing the previous high of 5.2 GW in 2015-16. *[Business Line]*

India's rooftop solar additions soar 125% to record 2.7 GW in March quarter: India added a record 2.7 GW of rooftop solar capacity in the January-March quarter, marking the sector's strongest-ever quarterly performance as installations surged 125 per cent year-on-year (Y-o-Y), according to a report by Mercom India Research. *[Business Standard]*

India's clean energy transition needs cleaner industrial supply chains: India's clean energy ambitions depend not just on renewable capacity but also on decarbonising industries. Cleaner supply chains, green manufacturing and low-carbon technologies are key to achieving net-zero goals. *[The Economic Times]*

NLC India, Indian Oil Corporation partner up for large-scale green energy projects: State-run NLC India Limited (NLCIL) has partnered with Indian Oil Corporation Limited (IOC) to form a joint venture focused on developing large-scale green energy projects in Tamil Nadu. *[The Economic Times]*

Sectoral News

Textile exporters see tripling of UK market share to 15% post India-UK trade pact: India exported nearly $1.8 billion worth of apparel and home textiles to the UK in FY26, accounting for around 5% of the market. *[Financial Express]*

India-UK CETA to provide marginal relief for steel exporters: The higher quota for India through the free trade agreement provides marginal relief and help steel companies to widen their market presence as they will become more competitive than other countries. *[Business Line]*

Auto components maker Interface in talks to sell majority stake at $300 m valuation: The deal could attract private equity and strategic investors as interest in profitable manufacturing grows amidst changing market demands. *[Mint]*

Indian passenger vehicle makers eye opportunity in UK's EV market via FTA: Domestic automakers Maruti Suzuki, Mahindra & Mahindra and Tata Motors Passenger Vehicles are looking to tap opportunities in the electric car segment in the UK, as India's free trade pact with the country will allow duty-free exports for specified price segments under a quota system. *[Business Standard]*

NITI Aayog proposes pharma chapter for future FTAs, urges India to move up value chain: Niti Aayog proposes a blueprint for free trade agreements to boost regulatory predictability in India's pharmaceutical sector. The think tank urges a shift towards high-value segments, emphasizing enhanced industry-academia collaboration for patent commercialization and startup incubation. *[The Economic Times]*

India's telecom market may be nearing saturation-What drives growth next?: With tele-density nearing saturation levels, telecom operators may have to rely less on adding users and more on monetising data, broadband and digital services. *[Business Standard]*

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