ISID Institute for Studies in Industrial Development
An institution of Indian Council of Social Science Research (Ministry of Education)
Policy Research to Foster India's Industrial Transformation

ISID@40 1986-2026

Industry Matters

Weekly Updates **July 03, 2026**

Economy, Industry and Policy

Govt fast-tracks disinvestment, garners 31% of FY27 Budget target in Q1FY27: The government has achieved 31% of its FY27 disinvestment and asset monetisation target in Q1, aided by a rapid series of PSU stake sales and InvIT receipts. *[Business Standard]*

RBI backs crypto containment and keeps ban on table, officials tell house panel: The Reserve Bank of India has strongly advised a prohibition strategy for crypto assets, recommending that banks and financial institutions be completely shielded from them. Officials argued that allowing exposure could legitimize speculative products with no economic benefit and pose financial stability risks. *[The Economic Times]*

Global economic fragmentation could slash $6.9 trillion from world GDP-WEF: As 2025-26 marks a turning point from globalisation to geo-economic fragmentation, a full East-West economic decoupling could cost the global economy up to $6.9 trillion in GDP, according to a report by the World Economic Forum (WEF). *[Business Line]*

In Graphics-How GST cuts triggered a rally for Indian businesses: Government analysis reveals that last September's Goods and Services Tax rate adjustments led to a significant expansion of the tax base. Higher taxable supplies more than compensated for reduced tax rates, boosting average monthly taxable supply by 22.5% in the latter half of FY26. *[The Economic Times]*

An emerging economy's exchange rate policy is not always about economics. Here's why: With a currency's external value often seen as a measure of national strength rather than a price that modulates commercial relations with others, politics often informs exchange-rate management. In some cases, it's a negotiation between numbers and narratives. *[Mint]*

CBAM explained-Why Europe's carbon tax matters for India's exporters: As carbon border taxes gain traction globally, India's MSME exporters face higher compliance costs and competitiveness risks in key markets such as the European Union. *[Business Standard]*

Informal economy leaping ahead: India's macroeconomic management and stability, and steering of buoyant fiscal resources towards empowerment through welfare spending have driven its expansion. *[Financial Express]*

Easing oil prices, supply chains to soften external pressures on India-Finance ministry: India's economy remains resilient despite global uncertainties, with easing oil prices and improving supply chains offering some relief. However, monsoon vagaries and West Asian geopolitical shifts pose risks to growth and inflation. Foreign investors are returning to sovereign debt, signaling confidence. *[The Economic Times]*

India's debt market not equipped to finance next phase of growth, needs structural reforms-Deloitte: The report stated that India's economy needs significantly more long-term capital, but the current debt market cannot meet those financing needs efficiently. *[Business Line]*

Govt approves proposal to amend Khadi and Village Industries Commission Act: The government has approved amendments to the KVIC Act, 1956, to modernize the Khadi and Village Industries sector. These changes aim to boost rural enterprises, enhance competitiveness through branding and innovation, and broaden the definition of rural areas. *[The Economic Times]*

Skewed investment and distorted competition: Rising concentration in key sectors is weakening India's growth engine. Capital is deployed to protect margins rather than expand output. *[Business Line]*

Plan afoot to create index for unincorporated enterprises: The index, proposed by the ministry of statistics and programme implementation (MoSPI), will provide insights into the health of the large yet often difficult-to-measure informal sector. *[The Economic Times]*

Foreign Investment

Zydus, Sunshine Healthcare form JV for pharma manufacturing in Sri Lanka: The company has entered into a share subscription and shareholders' agreement (SSSHA) with Sunshine Healthcare Lanka Ltd (Sunshine) and Zydus Sunshine Lifesciences (Pvt) Ltd (Zydus Sunshine). *[Business Standard]*

KKR in talks with JSW to drive in MG Motors JV with $400 mn investment: A combination of primary infusion and secondary share sale is planned as valuation doubles to $3 billion in 3 years. Sajjan Jindal led group is set to emerge as the single largest shareholder in the country's 3rd largest EV passenger car maker. *[The Economic Times]*

ACME-IHI JV secures $5 billion Japanese support for Odisha green ammonia project: A significant boost for India's green energy ambitions! ACME Group's joint venture with Japan's IHI Corporation has secured a massive $5 billion in Japanese government price support. This funding is earmarked for two key clean energy initiatives, including one of India's largest green ammonia projects in Odisha. *[The Economic Times]*

Two general insurance licences approved since 100% FDI move by govt-Irdai chairman Ajay Seth: India's insurance regulator has greenlit two proposals for 100% foreign ownership in general insurance firms, following the government's FDI liberalization. The much-anticipated BIMA Sugam platform, aiming for zero-commission policies, is slated for launch by September's end. *[The Economic Times]*

Adani Enterprises, Odisha govt sign pact for Rs 1.08 lakh crore aluminium plant with IHC: Adani Enterprises is set to invest a massive Rs 1.08 lakh crore in Odisha for a new greenfield aluminium project, in partnership with Abu Dhabi's IHC. This significant venture aims to boost India's aluminium production by nearly 50%, featuring a large-scale refinery, smelter, and downstream park. *[The Economic times]*

Trade Policy and Competitiveness

India-Greece discuss stronger trade, investment and supply chain cooperation-Piyush Goyal: Union Commerce Minister Piyush Goyal held a productive meeting with Greece's Minister of Development Takis Theodorikakos to discuss strengthening economic ties, as per a statement by the Minister. *[The Economic Times]*

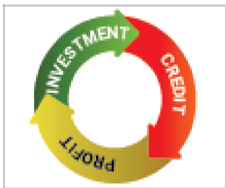
Automobiles biggest driver of India's export growth to Japan: India's automotive exports to Japan have surged, becoming the primary growth engine and now representing 13% of shipments by FY26, up from 1% in FY21. This highlights deeper integration into Japan's auto supply chains. Meanwhile, Japanese firms continue to view India as a top investment hub, with most planning expansions. *[The Economic Times]*

India should revisit stance on WTO ecom moratorium-Icrier study: ICRIER says India's growing digital exports now outweigh tariff revenue concerns and calls for a more proactive role in shaping global digital trade rules. *[Business Standard]*

Free trade agreements to give major boost to toy exports-Industry: India's FTAs with the UK and EU are expected to boost toy exports by providing zero-duty market access and opening new opportunities for domestic manufacturers. *[Business Standard]*

DGFT extends enhanced export insurance cover for West Asia shipments till September 30: Indian exporters shipping to West Asia will benefit from extended enhanced insurance cover against payment defaults until September 30, 2026. This move, part of the RELIEF scheme, aims to bolster trade amidst the ongoing West Asia crisis and mitigate logistics challenges. *[The Economic Times]*

India-UK trade pact sparks rush of export orders ahead of July 15 rollout: Indian exporters are experiencing a significant surge in UK orders ahead of the July 15th India-UK CETA implementation. Anticipating tariff cuts, businesses in textiles, garments, leather goods, and chemicals are reporting substantial increases in bookings. *[The Economic Times]*



Corporate Governance

BPCL to acquire 40% stake in Tiki Tar and Shell India for ₹85 crore: The acquisition, which has received approval from the Department of Investment and Public Asset Management (DIPAM), is expected to be completed within 90 days. *[Business Standard]*

Top 10 Indian firms' value jumps 3.5x in a decade; financials dominate: Reliance Industries has emerged as India's most valuable company over the past five years, while financial services firms continue to dominate the country's corporate rankings. *[Business Standard]*

Corporate debt-servicing capacity improves, but share of vulnerable firms rises in Q4 FY26-RBI: Indian companies are showing improved debt-servicing capabilities, with the interest coverage ratio reaching a two-year high of 6.5 in March 2026. This indicates a stronger ability to meet interest payments from operating profits. *[The Economic Times]*

DPIIT issues guidelines to operationalise transition facilitation order for quality certification: New guidelines from DPIIT now offer companies an alternative pathway for product quality certification under ten selected Quality Control Orders. This new mechanism, detailed in the Transition Facilitation (Quality Control) Order, 2026, allows businesses to seek exemptions by providing comprehensive details on their goods, manufacturing facilities, and plans for developing supply chain capabilities in India. *[The Economic Times]*

MSMEs and Start-ups

MSMEs must break out of the small comfort zone and grow: Micro, small and medium enterprises (MSMEs) should not aspire to remain small forever. Once they achieve stable profitability, they must shift their focus from merely making money to building larger, purpose-driven enterprises, said Jairam Varadaraj, Managing Director of Elgi Equipments. *[Business Line]*

Restrictive digital rules can slow startup formation, VC funding: An Oxford Economics report says a restrictive digital regulatory regime could reduce startup formation by 20 per cent and venture capital investment by 25 per cent. *[Business Standard]*

Small businesses, big impact: Observed every year on June 27, World MSME Day recognises the vital contribution of micro, small, and medium enterprises in driving economic growth, innovation, and employment. In India, 8.77 crore registered MSMEs contribute 31.1 per cent of GDP, account for 35.4 per cent of manufacturing output, and 48.58 per cent of exports, while providing employment to 38.9 crore people. *[Business Line]*

Govt eyes export finance mechanism for MSMEs to bridge working capital gap: The proposed mechanism, to be explored with the Department of Financial Services and industry, aims to ease working capital pressures arising from long export payment cycles. *[Business Standard]*

How MSMEs can evolve into institutions powering Viksit Bharat: India's economic transformation is increasingly being shaped by its smallest businesses. Micro, Small and Medium Enterprises (MSMEs) are no longer peripheral participants in the country's growth story; they are among its most important drivers. *[Financial Express]*

Powering India's MSMEs-Why reliable energy must become part of manufacturing strategy: India's MSMEs may power the country's manufacturing ambitions, but their competitiveness ultimately depends on something far more basic—reliable electricity. *[The Economic Times]*

What's holding back small enterprises? And what can be done about India's low-growth MSME sector: Despite the large share of Indians engaged in small enterprises, their contribution to the economy is below par. Millions are merely fallback livelihood options that lack the means to scale operations and productivity up. Here's what policy could do. *[Mint]*

Employment and Industrial Relations

India's unemployment rate hit 8-year low in 2025, shows NSO data: India's unemployment rate fell to its lowest level in eight years at 3.1 per cent in 2025, years into the Sustainable Development Goals (SDG) framework that requires the country to deliver "full and productive employment and decent work for all" by 2030. *[Business Standard]*

VB-G RAM G-India should aim to universalize its job guarantee scheme instead of limiting it: What began as MGNREGA has morphed into the Viksit Bharat–Guarantee for Rozgar and Ajeevika Mission. The new scheme seems to dilute the core promise of this fallback option for job seekers. But its value as a safety net endures and it's time to consider urban coverage. *[Mint]*

New rural job scheme VB-G RAM-G pays 10% more than MGNREGA: The government has boosted rural employment wages by over 10% with the new Viksit Bharat-Guarantee for Rozgar and Ajeevika Mission-Gramin, replacing MGNREGA from July 1. Daily wages now start at ₹300, with an average of ₹327.4, and the annual employment guarantee is extended to 125 days. *[The Economic Times]*

EPF Scheme 2026-Your provident fund is getting simpler, smarter and more digital: India's provident fund system has undergone a significant overhaul with the introduction of the Employees' Provident Fund Scheme, 2026, replacing the 1952 version. This modernization prioritizes digital compliance and simplified processes, aligning with new labor codes. *[The Economic Times]*

Industrial Finance

Eleven invests ₹216 crore in financial services biz, total investment rises to ₹470 crore: Eleven launches Eleven Tech, a technology-led financial services platform that will provide integrated solutions to banks, NBFCs and other financial institutions across disbursement, collections, legal and recovery operations. *[Business Line]*

Only 14% of India's MSMEs have access to formal credit despite digital finance boom-Deloitte: Only 14 per cent of India's micro, small and medium enterprises (MSMEs) have access to formal credit despite the country's rapid advances in digital finance, leaving millions of businesses dependent on informal lenders, according to Deloitte's State of Financial Services in India report. *[Business Line]*

Beyond mfin and deposits-The next chapter for small finance banks: Small finance banks must diversify beyond microfinance and embrace digital innovation to remain relevant as customers' financial needs become more sophisticated. *[Business Standard]*

How RBI's 2026 TReDS directions advance the MSME financing reform: With the Budget setting the policy direction and the RBI directions providing the regulatory foundation, TReDS is well positioned to move from a platform that has demonstrated value to one that can deliver MSME liquidity at scale. *[The Economic Times]*

Bank credit to industry grows at robust 17.5% in May-RBI: Indian banks witnessed a significant surge in credit to industries, with a robust 17.5% annual growth in May. This expansion was driven by accelerated lending to large corporations and sustained healthy growth in the Micro and Small Enterprises (MSE) sector. *[The Economic Times]*

Govt commits another Rs 30,000 crore capital infusion in NIIF: The Cabinet has approved an additional Rs 30,000 crore for NIIF, doubling the government's commitment to Rs 60,000 crore to support infrastructure, energy, digital, and urban development projects. *[Financial Express]*

Technology and Innovation

India's AI race-Why building infrastructure matters more than chatbots: Industry experts say the next stage of AI development in India will depend on investments in compute infrastructure, data centres, energy, and connectivity. *[Business Standard]*

AI could become the next competitive advantage for renewable energy companies: Artificial intelligence is poised to become a major competitive edge for renewable energy firms, according to a BCG report. The focus is shifting from expanding capacity to enhancing efficiency and value from existing assets. AI can boost worker productivity by up to 25% and improve energy yield, with a strategic approach. *[The Economic Times]*

NPCI ties up with HSBC India, JP Morgan to boost overseas UPI payments: NPCI has partnered with HSBC India and JP Morgan Payments to enable real-time foreign exchange conversion and settlement for international UPI transactions, making overseas payments more transparent. *[Business Standard]*

An AI bubble burst could reset the dynamics of rivalry and give India a chance to catch up: Global over-investment may have turned the build-up of AI infrastructure fragile. However, an asset market shake-up that shifts investor attention might just favour the Indian ecosystem for artificial intelligence. Here's why. *[Mint]*

Datanomics-India second hardest hit as AI-driven tech layoffs accelerate: Oracle joins a growing list of tech firms cutting jobs as AI adoption accelerates, with 2026 layoffs already surpassing the total recorded in 2025. *[Business Standard]*

Industrial Infrastructure, Clusters and SEZs

For SEZ 2.0 policy, shift focus from concessions to better governance: As the Centre reviews export promotion schemes, experts call for SEZ 2.0 reforms and shifting SEZ policy oversight to DGFT to better align with India's trade framework. *[Business Standard]*

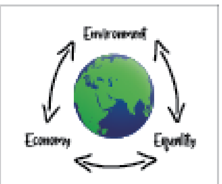
Setting up many domestic shipyards is urgent; India needs to attract potential Asian investors: India aims to boost its maritime sector through indigenous naval shipbuilding, expanding commercial fleets, and enhancing port infrastructure to drive economic growth and reduce reliance on foreign imports. *[Financial Express]*

Adani Ports secures 'Leadership' ESG rating with score of 84.3 from CareEdge ESG Ratings: Adani Ports and Special Economic Zone Limited has strengthened its environmental, social and governance credentials, securing an ESG score of 84.3 from CareEdge ESG Ratings in the agency's annual surveillance review. *[Business Line]*

MSC arm to pick up 49% in Adani's Vizhinjam port for $1.4 billion: The transaction values Adani Vizhinjam Port at $2.85 billion and marks the largest foreign private investment in India's port infrastructure, according to APSEZ. *[Business Standard]*

Serentica Renewables to invest ₹1 trillion in Rajasthan renewable projects: KKR-backed Serentica Renewables plans to invest Rs 1 trillion in Rajasthan as it expands its solar and battery storage portfolio to support industrial decarbonisation. *[Business Standard]*

Union minister Pralhad Joshi inaugurates 950 MW solar projects in MP: The Union minister also laid the foundation stone for industrial and development projects worth Rs 1,593 crore, while highlighting competitive solar tariffs. *[Business Standard]*



Sustainable Industrialisation

Renewables up 24%, emissions up just 0.9%-India charts a different energy path: India's renewable electricity generation grew nearly 24% in 2025 while coal, oil and gas-based power generation declined, according to the Energy Institute's Statistical Review of World Energy. *[Financial Express]*

Delhi’s EV push puts mass-market electric vehicles in the fast lane: Road tax waiver for EVs under ₹30 lakh and purchase subsidies for electric two-wheelers expected to benefit leading automakers and accelerate adoption for the masses. *[Financial Express]*

India set to become world’s No. 2 solar market; total capacity crosses 150 GW: Despite the US imposing 200% tariffs on solar component imports from India, the country is seeking to diversify its footprint amid overcapacity in manufacturing. *[Financial Express]*

Govt targets solar, hydrogen components to cut import dependence: India is boosting domestic manufacturing across solar, green hydrogen, and wind energy sectors to curb import reliance. Key focus areas include solar inverters, electrodes, catalysts, bipolar plates, and polysilicon. *[The Economic Times]*

Solar module recycling policy in the works to curb harmful impact of waste, help recover reusable materials: With a projected 4.5 million tonnes of solar PV waste by 2050, stakeholder consultations are ongoing to establish norms for safe disposal and recycling by 2029-30. *[Mint]*

India emerging as reliable green fuel supplier: Renewable Energy Secretary Santosh Kumar Sarangi: India is emerging as a key global supplier of clean fuels, with significant long-term agreements for green ammonia and methanol to Japan. These deals, involving ACME Group and Japanese corporations, underscore India's growing role in international green hydrogen value chains. *[The Economic Times]*

Sectoral News

NITI Aayog plans policy to recover critical minerals from mine waste: A technical committee is examining royalty, incentives and commercial viability for extracting critical minerals from mining waste before submitting policy recommendations to the government. *[Business Standard]*

Auto sector to see sustained demand; 2W, PV to post healthy growth in June 2026: The report noted improved footfalls across regions, with South India reporting healthy double-digit growth, while West and North India recorded high single-digit to early double-digit growth. *[Business Line]*

India insurance market turns buyer-friendly amid reforms, increased competition: India's commercial insurance market has become increasingly buyer-friendly, driven by regulatory reforms, higher foreign investment potential, abundant reinsurance capacity and heightened competition among insurers, according to Aon's Global Insurance Market Insights Q1 2026 report. *[Business Line]*

Govt plans Rs 5,000 crore scheme in 3 months to promote green technologies in steel sector: The Indian government is set to launch a Rs 5,000 crore scheme within three months to boost clean technologies in steelmaking, aiming to slash carbon emissions. Titled the National Strategy for Sustainable Secondary Steel, the initiative will benefit all steel producers, with a significant portion allocated to smaller players. *[The Economic Times]*

Govt extends deadline for bids under Rs 7,280-crore rare earth magnet scheme Industry demands have prompted the Ministry of Heavy Industries to extend the bidding deadline for its rare earth permanent magnet incentive scheme by a month to July 29. This crucial initiative, with a ₹7,280 crore outlay, aims to build 6,000 Metric Tons Per Annum of integrated manufacturing capacity for these vital magnets. *[The Economic Times]*

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