ISID Institute for Studies in Industrial Development
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Industry Matters

Weekly Updates **August 21, 2026**

Economy, Industry and Policy

RBI MPC members hint at rate hike as inflation may rise in coming months: The members of the Reserve Bank of India's (RBI's) rate setting panel indicated interest rate hikes sooner than later as headline inflation is likely to rise from its benign levels in the coming months, according to the minutes of the August review of the monetary policy committee (MPC). *[Business Standard]*

Policy rates may need recalibration-RBI Governor: Reserve Bank of India (RBI) Governor Sanjay Malhotra said policy tightening may be warranted if higher food, fuel and other input prices lead to a broad-based rise in inflation and de-anchor inflation expectations. *[Financial Express]*

The rise in women at work in India is not a statistical illusion but a cause for optimism over income growth: India's rising female labour force participation has left some observers who took a closer look unimpressed. What the data reveals, however, is an opportunity for India to accelerate a valuable source of income growth. *[Mint]*

India records $8.1 billion deficit in April-June balance of payments, June turns surplus: India's balance of payments account recorded an $8.1 billion deficit in the first quarter. This shift occurred as overseas investors withdrew funds amid geopolitical concerns. The country's current account deficit widened slightly to $3.1 billion during this period. A significant capital account deficit of $5 billion was also reported by the central bank. Higher fuel import costs contributed to the overall unfavorable financial situation. *[The Economic Times]*

Forex reserves up by $14.1 billion to $707 billion: India's foreign exchange reserves saw a jump of over fourteen billion dollars. Foreign currency assets and gold reserves contributed substantially to this overall increase. The Indian Rupee also appreciated slightly against the US dollar on Friday. Forex traders noted pressure on the rupee due to fund outflows and oil prices. Overall reserves have risen considerably since March and over the past year. *[The Economic Times]*

India's wholesale inflation eases to 9.78% in July from 9.87% in June: India's wholesale inflation eased to 9.78% in July from June's 9.87%. Fuel and power basket inflation decreased significantly to 20.05% in July. Primary articles saw inflation rise to 8.52% and manufactured products to 8.29%. The WPI food index recorded inflation of 6.65% in July. This data follows retail inflation's rise to 4.45% in July. *[The Economic Times]*

Centre clears ₹9,450 crore for 410-km rail projects across four states: The Centre on Wednesday approved four major railway multitracking projects involving an investment of around ₹9,450 crore for adding nearly 410 km to the Indian Railways network and easing congestion on some of the country's key passenger and freight corridors. *[Business Standard]*

India's economic growth to slow to 6.8% in FY27 amid West Asia crisis, El Nino impact-Ind-Ra: India Ratings and Research has raised its FY27 GDP growth forecast to 6.8% from 6.7%, but expects growth to slow from 7.6% in FY26 amid inflation, rupee weakness and El Nino risks. *[The Economic Times]*

ICRA estimates India's GDP growth at four-quarter low of 7 per cent in April-June: India's GDP growth forecast stands at seven percent for the April-June quarter, marking a four-quarter low and a slowdown from prior growth rates. The industrial sector is projected to expand by seven point seven percent, with agriculture and services also seeing improvements. Overall growth is expected to moderate, yet nominal GDP growth is set to reach a remarkable four-year high. *[The Economic Times]*

Foreign Investment

FPIs pour ₹16,621 crore into Indian equities in first half of August: Foreign investors continued their buying spree in Indian equities, investing Rs 16,621 crore in the first fortnight of August, as improving relative valuations, resilient corporate earnings and expectations of softer US interest rates boosted sentiment. *[Business Standard]*

'Work in progress'-DEA joint secy on efforts to attract foreign capital: India needs to attract more foreign capital and deepen its corporate bond market to support its growth ambitions and strengthen its position as a key financial centre, Alok Tiwari, joint secretary, Department of Economic Affairs (DEA), said on Wednesday. *[Business Standard]*

India's outward FDI jumps 17% to $5.7 billion in July-RBI: India's outward FDI rose 17% year-on-year to $5.70 billion in July from $4.88 billion a year earlier, according to provisional RBI data. It was also higher than the $3.14 billion recorded in June. *[The Economic Times]*

I-T unearths Rs 1.29 lakh cr foreign remittances: The tax probe has found that a substantial portion of the money moved to a handful of overseas destinations. Singapore, the UAE, Hong Kong, Mauritius and China together accounted for 72.3% of the total remittances. Singapore emerged as the largest destination, receiving Rs 41,885 crore while Rs 18,331 crore was remitted to the UAE and Rs 18,064 crore to Hong Kong. *[The Economic Times]*

FPIs pile into financials, extend IT buying in first half of August: Foreign portfolio investors (FPIs) stepped up their buying in Indian equities in the first half of August, with financial services emerging as the biggest beneficiary of the inflows. The sector attracted a net ₹6,535 crore between August 1 and 15, reversing the ₹2,669 crore outflow in the second half of July. *[Business Standard]*

Trade Policy and Competitiveness

India's FTA exports surge, shipments to Singapore and Sri Lanka more than double: Exports to Singapore and Sri Lanka more than doubled in the first quarter. Shipments to the ASEAN region also saw significant growth during this period. Malaysia and Australia experienced substantial increases in their export figures. The India-UK trade agreement operationalized, boosting shipments to the UK. Overall, India's exports demonstrated robust growth across multiple FTA partners. *[The Economic Times]*

India-Japan stakeholder meet held to strengthen skilling, workforce mobility pathways: India and Japan are enhancing skill development cooperation for workforce mobility. Discussions focused on preparing Indian youth for employment opportunities in Japan. This includes industry-relevant training and Japanese language preparation. The partnership aims to build structured pathways with strong industry participation. Both nations seek to translate intent into clear action for youth. *[The Economic Times]*

India's engineering services exports surge nearly eightfold to USD 13.8 billion in a decade-NITI Aayog: India's engineering services exports have experienced impressive growth, climbing to USD 13.77 billion in 2024-25, showcasing a dramatic increase since 2014-15. Meanwhile, imports of engineering services have remained fairly consistent. A report by NITI Aayog emphasizes the vital role this sector plays in employment and suggests the creation of a centralized statutory framework for engineers to enhance industry standards. *[The Economic Times]*

India’s July exports hit record $44.2 billion despite West Asia crisis: India's goods exports grew significantly in July, driven by engineering and electronics sectors. Imports also increased, leading to a wider trade deficit compared to last year. Gold and silver imports saw varied performance after a customs duty hike was implemented. Exports to West Asia showed recovery, and border trade resumed through Nathu La. Overall goods exports for April-July also registered a substantial year-on-year increase. *[The Economic Times]*

India's exports to US remain unchanged after a year of Trump's tariffs: India’s share of exports to the US remained largely unchanged despite a year of President Donald Trump’s punitive tariffs and New Delhi’s efforts to diversify its trade with a raft of new deals with other countries. *[Business Standard]*

India's crude import bill rises 41% to $13.7 bn in July on oil prices: India’s crude oil import bill rose 41 per cent to $13.7 billion in July, primarily driven by higher crude oil prices amid the ongoing West Asia crisis, according to the Petroleum Planning & Analysis Cell. In volume terms, oil imports rose 13 per cent to 21.4 million tonnes (mt) during the month, compared with 18.9 mt a year earlier. *[Business Standard]*

Commerce minister Piyush Goyal invites Japanese companies to deepen investments in India: India's commerce minister invited Japanese businesses to deepen investments and partnerships. He will visit Japan to strengthen trade and investment ties between both nations. Key sectors for collaboration include manufacturing, technology, and infrastructure development. Japan has set a significant investment target in India over the next decade. Bilateral trade between India and Japan holds substantial untapped potential for growth. *[The Economic Times]*

Corporate Governance

ONGC gets US licence to resume Venezuela operations, eyes operatorship: State-owned Oil and Natural Gas Corp (ONGC) has secured a licence from the US Treasury's Office of Foreign Assets Control (OFAC), allowing it to resume full operations in Venezuela after years of limiting activity because of sanctions-related risks. *[Business Standard]*

5 of top-10 most valued firms lose ₹1 lakh cr; TCS drops most: The combined market valuation of five of the top-10 most valued firms eroded by ₹1 lakh crore last week, with IT bellwether TCS taking the biggest hit, amid a bearish trend in domestic equities. *[Business Line]*

Amway, Emami, 4 other firms withdraw '100%' claims on labels, ads-FSSAI: Food regulator FSSAI on Wednesday said that Amway India, Emami, Bonn Biscuits and three other companies have withdrawn misleading '100 per cent' claims from their product labelling and advertisements, following its enforcement actions against these firms. *[Business Standard]*

Vedanta's net-zero investments cross $1 billion; renewable use up 52%: Mining major Vedanta has invested more than $1 billion in net-zero transition initiatives over the last five years, with renewable energy, lower-carbon fuels, energy efficiency and technology-led interventions driving its decarbonisation efforts, the company said on Wednesday. *[Business Standard]*

Wipro Consumer Care to buy Dermatouch for enterprise value of ₹387.5 crore: Wipro Consumer Care and Lighting announced on Tuesday that it will acquire premium skincare brand DERMATOUCH for an enterprise value of ₹387.5 crore. *[Business Standard]*

Hindustan Copper plans capital investment of ₹7,000 cr in next 5-6 yrs: State-owned Hindustan Copper Ltd (HCL) on Tuesday said it is planning capital investment of over ₹7,000 crore over the next five to six years, as part of an expansion drive that includes exploration, mine revivals and strategic partnerships. *[Business Standard]*

Inox completes ₹6,000 cr acquisition of BlackRock-owned GIP's Vena Energy: Inox Clean Energy on Tuesday said it has completed the acquisition of BlackRock-owned GIP's Vena Energy India Holdings Pte Ltd, Vena Group's India renewable energy platform, for a total transaction value of about ₹6,000 crore. *[Business Standard]*

MSMEs and Start-ups

PM Modi highlights startup growth and Rs 1 lakh crore Innovation Fund: Prime Minister Narendra Modi on Saturday exhorted India’s youth to dream big, assuring them of resources and support, as he highlighted the growth of India’s startup ecosystem and the government’s Rs 1 lakh crore Innovation Fund to support ideas and capabilities. *[Business Line]*

India hosts 440 space startups, private investment up six-fold to $618 mn: IN-SPACe has granted 113 authorisations to 52 Non-Government Entities (NGEs) to carry out various space activities, out of which 18 are start-ups, Minister of State for Atomic Energy and Space Dr Jitendra Singh told the Rajya Sabha in a written reply earlier this week. *[Business Standard]*

India’s FTAs give MSMEs a shot at bigger global markets-Exporters: Prime Minister Modi encouraged MSMEs to utilize India's numerous free trade agreements. These pacts offer significant opportunities for small businesses to expand globally. Exporters believe converting agreements into actual export orders is now the key. India has finalized trade pacts with approximately forty countries since 2014. This expansion aims to increase the global reach of Indian products. *[The Economic Times]*

Employment and Industrial Relations

India's unemployment rate eases to four-month low of 5.1% in July: India’s unemployment rate fell to a four-month low of 5.1 per cent in July from 5.5 per cent in June, as the labour force participation rate (LFPR) rose, suggesting a firming labour market, according to the latest monthly bulletin of the Periodic Labour Force Survey (PLFS), released by the National Statistics Office (NSO) on Monday. *[Business Standard]*

Top 10 private banks cut over 10,000 jobs in FY26 as AI reshapes hiring: India's top private banks are reducing their employee numbers significantly. This workforce contraction occurred after substantial hiring in the previous fiscal year. Technology-led efficiencies are enabling banks to expand operations without increasing staff. Some midsize lenders, however, have increased their headcount during this period. Banks are accelerating AI and automation deployment across their operations. *[The Economic Times]*

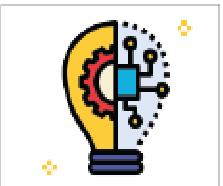
No UPS pension for retirees of this state government; employee body writes to Nirmala Sitharaman, seeks intervention: Retired employees and teachers from the Delhi government are anxiously waiting for their pensions under the Unified Pension Scheme. The All India NPS Employees Federation has appealed to the Finance Minister for a swift resolution of these matters. With many retirees having applied well before the September 2025 cutoff, the ongoing delays are causing significant financial strain. *[The Economic Times]*

Industrial Finance

New Development Bank plans $7.5 billion funding to deepen rupee lending: The New Development Bank is set to invest $7.5 billion in India, focusing on local currency financing aimed at strengthening emerging economies. By launching a rupee bond program, the bank aims to enhance India's domestic capital markets. This initiative reflects the bank's commitment to diversifying international financial structures, capitalizing on the substantial growth prospects that India's development presents. *[The Economic Times]*

CV loans see stress, used-car finance races ahead-CRIF: Commercial vehicle loans recorded the highest early-stage delinquency among vehicle finance products, with portfolio at risk (PAR) 31-90 at 4.1 per cent in June 2026. Auto loans remained the best-performing asset class across both PAR 31-90 and PAR 91-180, according to a CRIF High Mark report. *[Business Standard]*

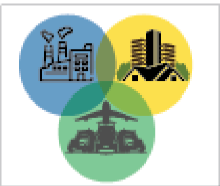
RBI's swap window-Indian lenders' bond rush nets over $3 bn in 10 days: Indian banks have made a beeline for the overseas bond market over the past 10 days, raising more than $3 billion through US dollar-denominated bonds, with debut issuers such as Kotak Mahindra Bank and IDFC First Bank also tapping the market to capitalise on the Reserve Bank of India's (RBI's) concessional swap window. *[Business Standard]*



Technology and Innovation

Within 6 months, ChatGPT could watch your screen, record calls-Sam Altman: OpenAI CEO Sam Altman has predicted a significant shift in how humans could interact with artificial intelligence (AI) assistants, saying a future version of ChatGPT could watch a user's computer screen, meetings, and record calls all the time. *[Business Standard]*

Isro set to end seven-month launch freeze with GISAT-1A in September: The Indian Space Research Organisation (Isro) is set to return to the launch pad in September, ending a nearly seven-month operational pause with the GISAT-1A Earth-observation satellite. *[Business Standard]*

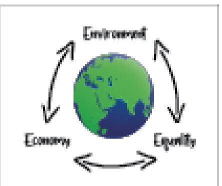


Industrial Infrastructure, Clusters and SEZs

Cabinet clears ₹13,041 crore rail, highway projects across five states: The Cabinet Committee on Economic Affairs on Wednesday approved five railway and highway projects worth ₹13,041 crore. These projects aim to increase infrastructure capacity in West Bengal, Odisha, Andhra Pradesh, Tamil Nadu, and Bihar. *[Business Standard]*

UP-Japan investment meet to focus on green hydrogen, semiconductor push: A high-level CEO Roundtable under the UP-Japan Investment Meet 2026 will be held in New Delhi on Wednesday, with discussions focused on investment opportunities and industrial partnership between Uttar Pradesh and Japan. *[Business Standard]*

PM GatiShakti-396 infra projects worth Rs 18.66 lakh crore recommended for approval: As many as 396 infrastructure projects of different ministries, including roads and railways, worth Rs 18.66 lakh crore have been recommended for approval under the PM GatiShakti initiative, according to government data. *[The Economic Times]*



Sustainable Industrialisation

India's solar module capacity surges, but upstream manufacturing lags-NITI Aayog: India's solar cell and module manufacturing capacity has grown significantly. However, the nation still imports essential upstream components like polysilicon. China dominates global photovoltaic manufacturing, supplying most of India's imports. *[The Economic Times]*

Exicom makes India's first liquid-cooled EV charger modules: Exicom Tele-Systems on Wednesday announced the start of manufacturing liquid-cooled AC and DC power modules for EV chargers at its Hyderabad facility, making it the first company in India to manufacture this category of power electronics for global markets. *[The Economic Times]*

Delhi's master plan proposes solar, hydro power generation from canals, drains: To enhance the renewable energy capacity of the national capital in the future, the Master Plan of Delhi for 2047 (MPD-2047) proposes utilising existing canals and drains to generate renewable energy. *[The Economic Times]*

Sectoral News

Govt mulls single-window clearance for space sector: The government is considering introducing a single-window clearance system for the space sector to improve ease of doing business and reduce timelines in getting approvals from different ministries. *[The Economic Times]*

India's 5G adoption to reach 62% by 2030, ahead of APAC average-GSMA: Commercial vehicle loans recorded the highest early-stage delinquency among vehicle finance products, with portfolio at risk (PAR) 31-90 at 4.1 per cent in June 2026. Auto loans remained the best-performing asset class across both PAR 31-90 and PAR 91-180, according to a CRIF High Mark report. *[Business Standard]*

India's chemicals sector targets up to $81 billion exports by 2030-NITI Aayog: India's chemicals industry could target exports of up to USD 81 billion by 2030 as the country seeks to expand domestic production, reduce import dependence and become a net-zero importer, according to a NITI Aayog report. *[The Economic Times]*

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