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 August 28, 2026

Economy, Industry and Policy

Rupee slide, valuation rules put foreign asset disclosure scheme out of reach for many: The rupee's depreciation and strict valuation rules hinder foreign income disclosure. A one-time voluntary disclosure window allows regularization of overseas assets up to one crore. However, many exceed this limit due to currency conversion dates and asset values. Taxpayers explore updated returns and disclosure schemes, risking misrepresentation claims. *[The Economic Times]*

Fiscal deficit to stay near 4.3% despite West Asia crisis; Lower subsidy, tighter spending to offset revenue loss: On the expenditure side, the government is reappraising centrally sponsored and central sector schemes to contain spending where possible, while protecting capital expenditure. *[Financial Express]*

Post-pandemic trend-Strong divergence in corporate profit vs investment math captures policy attention: Post-Covid, corporate profits have beaten the pace of investment recovery in a major way. Companies are reaping greater returns from their current assets, while new investments are challenged by global uncertainties and rapid technological changes. *[The Economic Times]*

India's semiconductor investment push gains pace as Tata, L&T chip in: Starting January 2025, Tata Electronics, Murugappa Group's CG Power, and HCL Group have announced semiconductor projects worth ₹1.29 trillion under the India Semiconductor Mission. Since then, these firms have invested ₹3,345 crore in semiconductor manufacturing and assembly plants. *[Mint]*

India's core sector scorecard-Core sectors propelling Indian economy vs those pulling it down: India's core industries are growing faster in 2026 but the latest data reveals a split between strong infrastructure-linked sectors and weakening energy output. *[Financial Express]*

Digital divide keeps women out of India's gig economy: Women remain under-represented in India's platform economy despite near parity in bank-account ownership, as digital capability and credit-access gaps persist. *[Business Standard]*

RBI absorbs ₹1.41 trn surplus liquidity via VRRR, announces fresh auction: The central bank absorbed ₹1.41 trillion through seven-day and overnight VRRR auctions at 5.24 per cent, and announced a ₹1.75 trillion two-day auction for Tuesday. *[Business Standard]*

India's informal sector suffered sharpest contraction in Q1 FY27: Establishments and employment remained above year-ago levels but contracted sequentially, with rural India accounting for much of the decline in the June quarter. *[Business Standard]*

India to amend rules within two months to ease semiconductor, auto component manufacturing-Piyush Goyal: India will amend regulations and introduce new rules within two months for manufacturers. The minister assured companies that their concerns were resolved during recent discussions. The government has simplified the Bureau of Indian Standards framework and approval processes. India aims to seed $50 billion in semiconductor and associated industries soon. *[The Economic Times]*

India targets $55 trillion economy by2047 through AI, manufacturing, FDI and sunrise sectors: India aims for a $55 trillion economy by 2047. This ambitious goal relies on leveraging its young demographic in artificial intelligence. Strategic capital deployment and sustained growth will unlock value across core sectors. Attracting foreign investment and expanding manufacturing are vital for this economic expansion. *[The Economic Times]*

Central banks are scouting for a new paradigm of public engagement as part of their policy toolkit: Extreme uncertainty amid global flux has put central banks in a dilemma over their use of words as a strategic tool. Recent mix-ups over RBI signals—think of its forex swap window and MPC record—suggest India needs a debate of its own. *[Mint]*

Foreign Investment

Eased FDI norms unlock Rs 4,896 cr in inflows to key sectors: India's decision to ease foreign direct investment (FDI) norms for overseas firms with minor Chinese shareholding has unlocked 29 investment proposals worth Rs 4,895.65 crore since coming into effect, a government official said. *[Financial Express]*

India weighs facilitating European, UK investments via green channel: India is creating a dedicated channel to ease European and British company investments. This mechanism will offer dedicated support and help investors navigate government approvals. The initiative aims to facilitate capital flow beyond just trade agreements. Senior officials will directly monitor this new investor facilitation process. *[The Economic Times]*

India-UAE growth corridor-$25 billion in 10 yrs, room for more investments: The India-UAE growth corridor presents substantial trade and investment opportunities for both nations. UAE executives highlighted India's need for improved dispute resolution and infrastructure. India received over $25 billion in UAE investments during the past decade. Experts noted talent and technology exchange is increasing between the two countries. *[The Economic Times]*

Singtel seeks FDI approval to enter India's satellite communications market: Singtel plans to enter India's emerging satellite communications (satcom) market, targeting public and private enterprises through its Indian subsidiary Singapore Telecom India. *[The Economic Times]*

Incubit Group plans Rs 5,000 crore India investment, eyes energy infrastructure expansion: Incubit Group plans to invest Rs 5,000 crore in India over four to five years. The emerging-markets energy operator will expand its existing investments and build a broader energy business. India is central to Incubit's long-term strategy, focusing on energy infrastructure opportunities. *[The Economic Times]*

Trade Policy and Competitiveness

Trade policy amendments to aid rupee internationalisation: New DGFT amendments align the Foreign Trade Policy with FEMA, extending export benefits to rupee-settled trades while setting the stage for broader local currency internationalisation. *[Financial Express]*

Exports key for mobile brands to maximize Mobile Phone Manufacturing Scheme incentives-Kotak: New mobile phone manufacturing incentives will prioritize export growth for brands. Domestic market growth alone may not meet scheme targets. Exports are seen as the key lever for maximizing incentive payouts. The scheme aims to boost India's global manufacturing competitiveness. *[The Economic Times]*

AI, semicon, global value chains-How globalization isn't dying—it's evolving: Trade is shifting from goods to services, supply chains are reconfiguring, and capital is pivoting toward strategic technology. Globalization, as we have known it, may seem to be retreating, but it's actually undergoing a transformation. *[Mint]*

From FTAs to $30 trillion economy-What Goyal is pitching in Japan – 'create 1,580 more Suzukis in India': Union Minister Piyush Goyal asked Japanese businesses to build larger operations in India, using Suzuki as a model for what he called "1,580 Suzukis". During his Japan visit, Goyal also said India is negotiating FTAs with 8-9 more groups or countries. *[Financial Express]*

Cheap Chinese imports vs Make in India-The trade battle India may face next: India wants to build a bigger manufacturing base but China is facing the opposite problem of too much production and too few buyers. The resulting clash could reshape India's trade story. *[Financial Express]*

How India's import dependence is spilling beyond oil, in charts: Beyond crude oil, India's non-petroleum trade deficit has surged—with electronics components and industrial inputs exposing the country's reliance on assembly over deep manufacturing. *[Mint]*

India negotiating FTAs with 8-9 blocs, aims to cover 75% of trade-Goyal: He added that the country's free trade agreements would eventually cover about 75 per cent of global trade and help position India as a trusted partner in global value chains. *[Business Standard]*

India's macro strength cushions global shocks as war, tariffs cloud outlook-RBI: RBI's August bulletin said economic momentum is intact, with high-frequency indicators pointing to sustained activity in manufacturing and services. *[Mint]*

Exim Matters-FTP-Customs regulatory mismatch disrupts DFIA-Rodtep claims: Customs' demand for repayment of RoDTEP credits from DFIA exporters creates a regulatory mismatch that needs retrospective clarification to protect exporters. *[Business Standard]*

Indian Industry pushes for regulatory harmonisation, mutual recognition of standards with Japan: On the investment front, Goenka said India-Japan ties are entering a new phase, with an earlier five-billion-dollar investment target set for 2022-26 already achieved two years ahead of schedule. *[Business Line]*

Corporate Governance

Sebi seeks inclusion of fractional shares in Companies Amendment Bill: Sebi has asked the Ministry of Corporate Affairs to recognise the issuance and holding of fractional shares, which could widen investment options for retail investors. *[Business Standard]*

LIC stake sale in IDBI Bank-Officers' body seeks IRDAI intervention: The All-India Bank Officers' Association has demanded regulatory intervention to protect policyholders and retain IDBI Bank in the public sector. *[Business Line]*

M&A deals more than double as India Inc steps up growth bets-Crisil: Indian companies are increasingly using mergers and acquisitions to accelerate growth. Deal volumes have more than doubled since fiscal 2017, reflecting this trend. Many companies are acquiring technology and talent through strategic acquisitions. *[The Economic Times]*

India Inc turns to M&As as stronger balance sheets fuel growth push: Deal volumes have more than doubled since FY17; three-fourths of acquirers saw ratings reaffirmed or upgraded after acquisitions. *[Business Line]*

MSMEs and Start-ups

Chasing dues could get easier for small businesses under new rules, MSME Secy Bharat Khera explains: The number of enterprises in the formal ecosystem has increased from around 16.5 million three to four years ago to 92 million currently, said MSME Secretary. *[The Economic Times]*

Banks warm up to startup lending as new economy matures: Traditional banks are moving into startup lending as more growth-stage companies become profitable and bankable, putting pricing pressure on venture-debt funds and NBFCs that previously dominated the segment. *[Mint]*

MSMEs are embracing AI without understanding the privacy risks-PrivaSapien CEO: With key provisions of India's Digital Personal Data Protection Rules set to take effect in May 2027, PrivaSapien CEO Abilash Soundararajan says MSMEs need to move beyond compliance checklists and build basic privacy and AI safeguards now. *[The Economic Times]*

SIDBI, RRBs plan to expand co-lending arrangement to boost MSME credit in rural areas: The model could help RRBs diversify their loan portfolios by increasing their focus on MSME lending, while rule engine-based underwriting is expected to support asset quality. *[Business Line]*

Boundless VC closes ₹300 crore fund to back early-stage AI, frontier-tech firms: This comes at a time when India has fallen behind the US and China in building globally competitive foundational AI models. While the industry sees greater opportunities for Indian startups at the application layer, a lack of early-stage local risk capital may pose challenges. *[Mint]*

Employment and Industrial Relations

Informal sector employment rises 6.6% in April-June-MoSPI: India's informal non-agricultural sector reached 137 million workers in Q1 FY27, backed by a 21% jump in services sector jobs and expanding digital adoption among enterprises. *[Financial Express]*

Only 3% women in formal jobs, skilling gains not translating into employment- NITI Aayog report: Women's skilling gains are not translating into jobs and only 3 per cent are in formal employment, said a NITI Aayog report published recently. *[Business Line]*

EPFO urges establishments to enrol eligible workers under EEC 2026: Establishments can now enrol previously uncovered employees under EPF. This Employees' Enrolment Campaign 2026 offers a one-time opportunity for compliance. Eligible workers will gain access to provident fund and pension benefits. Employers must complete enrolment and remittance through the online portal. *[The Economic Times]*

Industrial Finance

Serentica-Resonia plan Rs 1.2-lakh-cr capex: Serentica Renewables and Resonia plan to invest Rs 1.2 lakh crore in capex over the next four years, with the group targeting 4 GW of annual renewable capacity additions, 6,000 MWh of battery storage and Rs 20,000-40,000 crore of new transmission orders. *[Financial Express]*

Nexedge Capital raises $20 million to expand wealth management platform: The firm will use the capital to strengthen technology, grow its senior banker network, expand into Tier-II and Tier-III cities, and build NRI and NBFC offerings. *[Business Standard]*

No listed bank has even 1% net NPA-A milestone for asset quality: What do the State Bank of India, HDFC Bank Ltd, Bank of Maharashtra and DCB Bank Ltd have in common? Well, all four, and, for that matter, all listed Indian banks – both private and government-owned – have less than 1 per cent net non-performing assets (NPAs) in the June quarter of FY27. *[Business Standard]*

State-run banks propose priority sector lending norms for EVs, clean energy: The proposals include specific lending limits of up to ₹2 lakh for electric two-wheelers and ₹20 lakh for electric four-wheelers for personal use. They also propose limits of ₹25 crore for charging and battery-swapping infrastructure, and ₹50 crore for commercial electric-vehicle fleet operators. *[Mint]*

ACME Solar raises Rs 1,571 cr project funding from IIFCL: ACME Solar has secured Rs 1,571 crore project funding from IIFCL for a Rajasthan solar project. This financing marks IIFCL's first sole greenfield finance to ACME, with a 19-year repayment tenor. The project will integrate solar generation and battery storage for assured peak power supply. This funding milestone brings ACME Solar's total financing this fiscal to Rs 10,976 crore. *[The Economic Times]*

Technology and Innovation

ChatGPT can now create custom stickers for iMessage, WhatsApp-Check how to: ChatGPT users can now turn photos, ideas and inside jokes into custom sticker packs, with up to nine stickers and 18 styles available for sharing on iMessage and WhatsApp. *[Business Standard]*

Major turning point in India's digital payment journey-PM on 10 yrs of UPI: The UPI was launched on August 25, 2016 by the National Payments Corporation of India (NPCI) under the regulatory oversight of the RBI. *[Business Standard]*

Time to evaluate AI's risks to institutions amid growing strategic concerns: Frontier AI is emerging as a systemic operational and geopolitical risk, underscoring the need for India to build stronger AI evaluation, oversight and resilience frameworks. *[Business Standard]*

India eyes 14-fold jump in electronic component production by FY31: India aims for USD 500 billion in electronics production by FY31. Electronic component production is projected to reach USD 150 billion, a significant increase. Mobile phone manufacturing will also grow substantially, reaching USD 159 billion by FY31. Other categories like consumer electronics and IT hardware will see considerable expansion. *[The Economic Times]*

Caste census or not, AI systems have already learnt enough to slot Indians by this identity marker: While India debates its first caste count since independence, machine learners have already inferred enough from training material to perpetuate prejudices. India's official caste headcount, thus, is about catching up with AI. *[Mint]*

What India's spending patterns say about inclusive growth—and inequality in the country: It has long been assumed that inequality was baked into the Indian economy's expansion, but household consumption data tells a different story. Growth and equity appear to be travelling together, not trading off. That success rewrites India's to-do list. *[Mint]*

Industrial Infrastructure, Clusters and SEZs

PM Modi reviews projects with investment of Rs 30,000 crore under PRAGATI meeting: Prime Minister Narendra Modi chaired the 53rd PRAGATI meeting reviewing six key infrastructure projects. These projects span nine states with a cumulative cost exceeding thirty thousand crore rupees. He emphasized timely completion and integrated project monitoring for better public services. *[The Economic Times]*

L&T secures over Rs 15,000 crore EPC contract for Middle East sour gas project: Larsen & Toubro has secured a major ultra-mega EPC contract for gas compression plants in the Middle East, enhancing sour gas processing capacity and expanding utility infrastructure. *[Financial Express]*

Uttar Pradesh eyes ₹10,000 crore investment in energy value chain: UP targets ₹10,000 crore investment as power demand rises; UPPCL, MP Power Management Company sign MoU for 2,000 MW peak power procurement and power banking. *[Business Standard]*

Specialised sectors get a boost with land payment plan inclusion: RIICO has expanded its 10-year flexible land payment model to specialised sectors, aiming to attract investment, boost industrial activity and create jobs. *[Business Standard]*

Govt weighs supply-profile tweaks to rescue stalled RE bids: The government is exploring changes to the supply profile of stalled renewable energy projects, including adding battery storage, to help nearly 42 GW of auctioned capacity find buyers. The move comes as rising solar curtailment and growing demand for round-the-clock renewable power push India's clean energy market towards storage-backed and dispatchable projects. *[Financial Express]*

Bihar's own Marine Drive-126 Km stretch planned along River Ganga with Rs 70,000 crore push: Bihar has announced plans for a 126-km Marine Drive along the Ganga, with an estimated investment of Rs 70,000 crore. The project is expected to involve Rs 20,000 crore from the state government and Rs 50,000 crore from private entities. *[Financial Express]*

Chhattisgarh steps up geospatial, logistics planning with two PM GatiShakti pacts: Chhattisgarh signed pacts with BISAG-N and NLDSL to enhance geospatial technology use. These agreements aim to foster sustainable economic growth and attract new investments. The state has onboarded over 35 departments onto the PM GatiShakti platform. GIS-based identification of road black spots improves road safety interventions. *[The Economic Times]*

India plans 100 new ships to cut $75 billion foreign freight bill: The proposed fleet expansion comes against a backdrop of a significant cost disadvantage for Indian-flagged vessels. Operating under the Indian flag is currently 16-20% more expensive than operating under foreign flags. *[Mint]*

Sustainable Industrialisation

Suzlon secures 250 MW wind energy order from Torrent Green Energy: This sixth order from Torrent takes the cumulative partnership between the two companies to over 1.3 GW across three key states - Gujarat, Karnataka, and Madhya Pradesh. *[Business Standard]*

Rooftop solar, KUSUM account for 40% of India's solar capacity additions in FY27 till July-Bernstein: Rooftop solar and KUSUM scheme are driving India's solar capacity growth. These initiatives accounted for forty percent of additions in the current fiscal year. Utility-scale projects face transmission challenges, impacting their expansion. India added significant renewable capacity in the previous fiscal year. *[The Economic Times]*

Hyundai taps Reliance-backed Jio-bp to take EV charging network to 37,000+ points: Hyundai Motor India and Jio-bp are integrating their electric vehicle charging networks. This partnership expands charging points to over 37,000 across India. Users can now access Jio-bp's 7,000 charging points through the myHyundai app. Hyundai plans to significantly increase its own fast-charging stations by 2030. *[The Economic Times]*

Govt seeks sales estimates from e-truck, e-bus makers for new financing scheme: This will be the first major government scheme for private sector intercity e-buses. Previous e-bus schemes covered state-run intracity buses. *[Mint]*

Hindalco commissions India's first Superfine PPT ATH plant in Karnataka: Hindalco Industries has commissioned India's first Superfine PPT ATH manufacturing plant. This new facility at Belagavi will meet domestic demand for the specialty alumina product. The plant utilizes in-house technology and operates entirely on renewable energy sources. *[The Economic Times]*

Sectoral News

Dairy firms move up the value chain for better returns: India's dairy industry is beginning to look beyond its traditional volume engine—liquid milk—as companies seek better margins from cheese, paneer, yoghurt, ghee, ice cream and protein-led products. Rising health awareness, urbanisation and the convenience economy are accelerating the shift, while fierce price competition keeps basic milk a relatively low-return business. *[Financial Express]*

MATTER raises $25 million to expand manufacturing, launch four motorcycles: The deep-tech electric motorcycle maker will use the capital to scale capacity and distribution and broaden its product line with four launches over the next 12-24 months. *[Business Standard]*

PMFME scheme likely to get extension after hitting 200,000 unit target: The Ministry of Food Processing Industries (MoFPI) has submitted a proposal to continue the central scheme for five more years (2026-31), aligning with the 16th Finance Commission period. *[Business Standard]*

New mines law seeks to bring tax uniformity: A new Mines and Minerals Act, 2026, aims to standardize mining taxation across India. This legislation seeks to bring uniformity and predictability to financial viability for mining activities. It addresses pending retrospective levies, providing greater certainty and confidence to the industry. The move follows a Supreme Court verdict allowing states to levy additional taxes. *[The Economic Times]*

India's chemicals sector targets $1 trillion by 2040: The government is seeking closer industry engagement and greater investment to strengthen manufacturing, innovation and long-term competitiveness across the chemicals sector, says Nadda. *[Business Line]*

Medical devices sector needs more local value addition, component manufacturing-Pharma Secretary: The government is considering further support for manufacturers as it seeks to deepen India's medical devices supply chain beyond assembly operations. *[Business Line]*

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

Follow us at

Disclaimer: ***Industry Matters*** is a weekly news update on Indian economy, industry, and policy compiled at ISID from various newspapers and e-resources. ISID does not guarantee the truthfulness, accuracy, or validity of the news items linked in the above message. It is shared for informational and educational purposes to facilitate and support research and information on Indian industry. It is not a commercial product and all copyrights remain with those of the respective copyright holders. Images are sourced from the web.

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

To unsubscribe please click here