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Industry Matters

Weekly Updates

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Economy, Industry and Policy

RBI Governor flags widening inflation risks: RBI Governor Sanjay Malhotra highlights broadening inflationary pressures and signals calibrated tightening, keeping rate hikes or pauses under review amid economic uncertainties and supply shocks, per MPC minutes. *[Financial Express]*

October MPC minutes-Rate cuts off table as members flag rising inflation: With headline inflation projected to touch the upper tolerance limit of 6 per cent in the third quarter of the current financial year, the Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) has signalled that rate cuts are off the table in the near term. *[Business Standard]*

CBDT notifies new form for tax exemption claims on govt securities: The new Form 173A requires eligible foreign investors and BIS to disclose security holdings, interest income and capital gains to claim exemptions under the Income-tax Act, 2025. *[Business Standard]*

Inflation remains top of mind, MPC minutes show: RBI's monetary policy committee has increased the benchmark repo rate by 25 basis points due to inflation concerns. Core inflation has shown an upward trajectory, indicating a normalization from earlier benign levels. Various members expressed views on external supply shocks impacting inflation expectations and the need for timely policy adjustments. *[The Economic Times]*

India's interest rate gap with G7 in focus as RBI weighs inflation risks: India's monetary policy is now shaped by the interest rate gap with major developed economies and rising inflation. The Reserve Bank of India is concerned about inflation risks and input cost increases. Recent GDP growth figures indicate resilience supported by strong private consumption and exports. *[The Economic Times]*

The changing template of global growth—and what it means for India: The world economy may have remained resilient in 2026, but volatility and unpredictability are far from over, and their impact could weigh on India's growth trajectory as well. *[Mint]*

India GDP to grow 7.1-7.3% in FY27 on private investment revival-Deloitte: The Indian economy is expected to grow by 7.1-7.3 per cent in the current fiscal, with a sustained revival in private investment providing an additional source of demand, Deloitte India said on Friday. *[Business Standard]*

CPI inflation for agri, rural labourers outpaces general price increases: CPI inflation for Agricultural and Rural Labourers rose sharply in September, surpassing headline rates and food inflation, highlighting increased price pressures on rural lower-income groups amid economic challenges. *[Financial Express]*

Government to review 2019 mineral policy amid new sector priorities: The Centre is initiating a review of the National Mineral Policy, 2019, to address current sector demands. A nine-member committee will review the policy to reflect recent developments, especially in critical minerals. The committee is expected to submit recommendations within two months after its formation. *[The Economic Times]*

India-Mauritius tax treaty amended to curb treaty abuse; PPT test introduced: The change places greater emphasis on the purpose and commercial substance of transactions when authorities assess claims for treaty relief. *[Business Line]*

Economists slash BoP surplus estimates for FY27: India's external position is expected to deteriorate in the second half of the current financial year, despite a big balance of payments (BoP) surplus in the first half. This is because the ongoing war in West Asia might keep energy prices high and foreign portfolio investor (FPI) flows could remain under severe pressure. *[Financial Express]*

Finance Ministry to run financial inclusion campaign: The finance ministry is launching a campaign to saturate financial schemes across various local bodies. This initiative will reach 2.70 lakh gram panchayats and urban local bodies throughout India. Banks are expected to organize camps for enrolments and Aadhaar seeding for key schemes. The campaign will also involve updating nominations in savings accounts and providing other financial facilities. *[The Economic Times]*

GoI's RDI Fund selects C-CAMP as a focused research organisation, commits ₹500 cr: RDIF was approved by the Union Cabinet on July 1, 2025 and has already supported 22 start-ups through direct project funding of which 2 are C-CAMP portfolio start-ups. *[Business Line]*

India's growth story needs jobs to match the numbers, says ex-RBI Governor D Subbarao: Former RBI Governor D Subbarao has said India must make economic growth more employment-intensive, warning that rapid output expansion alone cannot deliver a demographic dividend. He called for greater private investment, labour-intensive manufacturing and improved skills, while urging transparent technical scrutiny of GDP estimates and differences with other economic indicators. *[The Economic Times]*

Govt plans ₹25,000-crore skilling push to sharpen textile export edge: The Samarth 2.0, announced in the budget for 2026–27, aims to modernise the existing skilling framework through closer collaboration between industry and academic institutions, with a focus on preparing workers for the changing technology and industry requirements. *[Mint]*



Foreign Investment

India needs policy credibility and continuity to sustain FDI as strong growth alone is not enough-KIEP expert: India needs to maintain policy credibility and continuity to sustain foreign investment inflows, as strong economic growth alone may not be enough to reassure global investors about the country's long-term business environment, highlighted Kyunghoon Kim, Head of the India and South Asia Team at the Korea Institute for International Economic Policy (KIEP). *[The Economic Times]*

India presents a compelling investment proposition for German firms-FICCI: India offers German companies a compelling investment proposition, driven by its large and growing domestic market, strong economic fundamentals, and supportive policy environment, industry chamber FICCI said on Wednesday. *[Business Line]*

India's $100 billion European Free Trade Association cheque is slow to clear as Vietnam joins the club: Vietnam recently signed a free trade agreement with the European Free Trade Association, expanding its trade network. This agreement comes as India's interaction with EFTA continues to evolve, with potential impacts on competition. Both countries aim to enhance exports to these markets despite different timelines of agreement enactment. *[The Economic Times]*

RBI tightens scrutiny of $1 billion-plus overseas investments amid rupee pressure: The Reserve Bank of India is implementing stricter scrutiny on large overseas direct investments by Indian companies. Banks must now collect and present detailed information regarding these investments to the RBI. This initiative aims to prevent potential losses for both the companies and the Indian economy. *[The Economic Times]*



Trade Policy and Competitiveness

Commerce Department steps up FTA outreach amid low utilisation: The State-level workshops are expected to help businesses identify opportunities and understand how to use the FTA provisions. *[Business Line]*

Engineering exports may hit record $150 billion in FY27-EEPC chairman: The Engineering Export Promotion Council (EEPC) Chairman said shipments are recording healthy growth in markets such as the US. *[Business Standard]*

India launches state-level outreach to help MSMEs, farmers tap FTA export opportunities: The government is organising dedicated outreach initiatives with state governments to help farmers, workers, women, youth, micro, small and medium enterprises (MSMEs) and small businesses take advantage of India's expanding network of free trade agreements (FTAs) and explore new export markets. *[Business Line]*

CII urges exporters, MSMEs to tap opportunities under India-New Zealand FTA: Domestic exporters, including MSMEs, should engage with New Zealand buyers, check product-specific rules of origin and leverage schemes such as the Export Promotion Mission to maximise the benefits from the recently implemented bilateral free trade agreement, CII's Sanjay Budhia said on Thursday. *[Business Line]*

India has huge scope to expand processed food exports to UK after trade pact-TPCI: Under CETA, UK tariffs of up to 70% on processed foods, 4.2-8.5% on shrimp, and duties on instant coffee have also been eliminated, providing immediate competitive parity for Indian producers. *[Business Line]*

Commerce, Finance Ministries hold talks over future of key export support schemes; The Commerce Department is holding consultations with the Finance Ministry to secure a longer-term extension of two key export support schemes — the Remission of Duties and Taxes on Exported Products (RoDTEP) and the Rebate of State and Central Taxes and Levies (RoSCTL). *[Business Line]*

A trade deal mired in uncertainty: The US mid-term polls, the Section 301 probe and the US Presidential authority to impose tariffs are factors that India must weigh. *[Business Line]*

Gem, jewellery exporters heave a sigh of relief as the US puts off punitive tax: The gem and jewellery exporters expect fresh orders from the US to revive, with fears of a punitive 100 per cent import duty on India now on the back burner. *[Business Line]*



Corporate Governance

Tata Trusts replies on SDTT complaint; Charity Commissioner to decide soon: Sir Dorabji Tata Trust has submitted its response to governance complaints filed by two trustees, with the Maharashtra Charity Commissioner expected to decide the next course of action. *[Business Standard]*

Gaps in insolvency law could put crypto investors in a fix: India's insolvency laws lack clear rules for protecting crypto investors when exchanges fail, prompting calls for legal reforms to separate customer assets and recognize virtual digital assets as property. *[Financial Express]*

Iveco's minority shareholders emerge as key hurdle to Tata's takeover bid: Tata Motors Ltd will need to win over most of Iveco's silent shareholders—roughly three in four investors who stayed away from Friday's special shareholder meeting—to complete its €3.9 billion acquisition and delist the Italian truck maker, according to Mint's review of the voting outcome. *[Mint]*

Tata Sons breaks from the past and drops Article 118 reference in Chandrasekaran's third-term resolution: Tata Trusts chair Noel Tata had pointed out that the same board had earlier followed Article 118 to reappoint Chandrasekaran, but did not do so on 17 September. *[Mint]*



MSMEs and Start-ups

MSME recovery status check-Micro segment trails small, medium peers: MSMEs are central to India's growth story. Spanning artisans, rural entrepreneurs, and manufacturers, they account for one-third of the country's economy and nearly half of its exports, making them the second-largest employer after agriculture. *[Business Standard]*

India's VC funding for startups stays flat at $10.9 billion in 2026 so far: Venture capital funding for Indian startups reached $10.9 billion across 1,253 rounds in 2026 so far, with investors concentrating funds in fewer companies and deeptech ventures. *[Business Standard]*

Nagpur's industrial push gains momentum, but MSMEs face rising power costs and land hurdles: With major industrial investments taking shape across Vidarbha, industry stakeholders believe Nagpur has an opportunity to emerge as a diversified manufacturing and technology centre. *[The Economic Times]*

Building India's deep-tech enterprise pipeline: from IP to IPO: Capital is only one component of enterprise creation. Entrepreneurs need mentors versed in science and markets, industry partners to test technology, specialised labs, help with regulatory approvals and standards, and tech-transfer offices that protect intellectual property (IP). *[Mint]*

Data on value chain emissions will help: India is set to implement a requirement for exporters to report emissions data across their entire value chains. This initiative presents challenges, especially for micro, small and medium enterprises (MSMEs), which struggle to track emissions. Large companies are expected to take the lead in this process, developing systems for reporting. *[The Economic Times]*



Employment and Industrial Relations

More women working in India, but not in paid jobs, says Oxfam study: Rural women's labour force participation nearly doubled between 2017-18 and 2023-24, but the rise was driven largely by unpaid family work and agricultural employment, the study finds. *[Business Standard]*

Fixed-term employment needs a guardrail: Indian constitutional law recognises equal pay for equal work as a principle of equality in public employment. In State of Punjab v. Jagjit Singh (2017), the Supreme Court held that the principle applies to temporary, daily-wage, ad hoc and contractual employees where they perform duties and bear responsibilities equivalent to those of regular employees. *[Business Line]*



Industrial Finance

India's private investment pipeline hits ₹99.7 lakh crore as IT services and power lead growth: Union Bank of India Research sees significant lending opportunities but cautions that investment concentration and execution challenges could constrain the expansion. *[Business Line]*

Premji Invest, Norwest back Vegafin with Rs 1,000 crore: Premji Invest, Norwest, and Lok Capital invest up to Rs 1,000 crore in Vegafin, a tech-driven lending platform for MSMEs, enhancing credit access through AI, digital workflows, and on-ground distribution. *[Financial Express]*

Global slump-Why corporate capex in India is unlikely to rise just yet: Capital expenditure by corporate firms has been weak in much of the world. But India's total investment-to-GDP ratio has been better than pre-covid and is second only to China. That said, global policy flux and unfavourable government capex weigh against strong pick-up. *[Mint]*

Private capex cycle in India seen gaining traction as corporate, SME lending surges-Jefferies: The brokerage says bank credit growth is robust, rising 18.1% y-o-y in mid-September, with corporate lending, loans to micro, small and medium industrial enterprises recording particularly strong growth. *[Business Line]*

$650 bn in debt, $1.4 tn in future revenue-Inside AI financing loop flagged by IMF: The IMF has identified financial risks in 14 disclosed AI-related transactions involving $300 billion in equity investments, $650 billion in debt and $1.4 trillion in future revenue commitments. *[Financial Express]*

AI is rewriting the rules of investment for India's big-ticket players: Private equity investors in India are integrating artificial intelligence into their investment analysis and strategies. AI is being utilized to assess how it will impact revenues and competitive positions of companies. Investors are now focusing on AI capabilities and their potential to create value in various sectors. *[The Economic Times]*

Indian banks open cheque books for ₹10,000 crore-plus in M&A funding after RBI rule change: Indian banks have recently engaged in significant M&A deals after the central bank eased financing rules. State Bank of India and other lenders are now financing up to 75% of deal values. The acquisition-financing market is estimated at nearly ₹2 lakh crore due to increased demand. *[The Economic Times]*



Technology and Innovation

R&D must move beyond in-house investments to external partners-Kris Gopalakrishnan: Indian companies must also evaluate how much of R&D spend is being done outside in the partner organisations and not just measure the percentage of revenue that goes into R&D, Kris Gopalakrishnan – Chairman, CII Centre of Excellence for Innovation, Entrepreneurship & Startups and Co-founder of Infosys, said here on Wednesday. *[Business Line]*

Critical tech list under review to push self-reliance: India's Niti Aayog is preparing a list of critical technologies for enhancing self-reliance and investment. This initiative aims to protect against disruptions due to limited access to essential technologies. Potential technologies include 6G, defence equipment, and electric vehicle powertrains. *[The Economic Times]*

Safety net cue-India may need to recraft public welfare for the age of artificial intelligence: The idea of a UBI may need a long-horizon relook in the context of how AI could plausibly reshape India's economy. As for similar ideas of public welfare, are America's Big AI companies like Anthropic and SpaceX onto something?. *[Mint]*

Over 100 Japanese companies expand GCCs in India, shift focus to AI and engineering: Japanese firms are increasingly using their Indian centres to develop technology, strengthen global operations and build specialised capabilities beyond traditional outsourcing. *[Business Line]*

OpenAI partners with Google Cloud to offer AI models, codex workflows: OpenAI's frontier models and Codex workflows will be accessible through Google Cloud's Model Garden and Marketplace, enabling enterprises to evaluate, purchase, and deploy AI-powered pipelines within existing GCP ecosystems. *[Business Line]*

AI platforms emerge as new battleground for brands: Generative AI platforms like ChatGPT are transforming consumer discovery, influencing brand visibility, advertising strategies, and the future of e-commerce with personalized, conversational shopping experiences. *[Financial Express]*



Industrial Infrastructure, Clusters and SEZs

Govt should act as 'landlord' in port JVs-DP World CEO Yuvraj Narayan: While expressing confidence in the Indian economy, Narayan pointed out that the country's energy import bill, which puts pressure on the rupee, affects dollar returns for investors. *[Business Standard]*

Govt reworked conditions for return of goods in SEZ units from domestic tariff area: SEZ units may now return unsold DTA goods within 30 days of clearance, with strict identity, non-benefit proof, and inventory requirements, while new resale and repair rules clarify duty implications. *[Business Line]*

India's renewable energy paradox-More capacity, but not enough grid to deliver power: S&P estimates that 1–1.5% of renewable power is curtailed nationally, but individual projects can face much higher losses, especially in their early stages, affecting developers' earnings. *[Financial Express]*

India's digital public infrastructure among world's 10 most effective reforms: India's Digital Public Infrastructure has been recognized as one of the top ten effective reforms globally. This infrastructure, particularly Aadhaar and the Unified Payments Interface, supports financial inclusion and reduces transaction costs. *[The Economic Times]*

ONGC weighs standalone, joint venture models for new greenfield refinery: The state-run oil major is evaluating standalone, subsidiary and foreign partnership models for its proposed refinery, with capacity, investment and location yet to be finalized. *[Business Standard]*

Essar Ports bags Rs. 2,276 crore Kandla Terminal Project, to boost India's cargo capacity: Essar Ports Limited has secured a Rs. 2,276.06 crore project to develop a multipurpose cargo terminal at Tuna Tekra, Kandla, enhancing India's port infrastructure and cargo handling capacity. *[Financial Express]*

India's infrastructure output jumps 7.9% in September on strong coal, steel growth: The latest numbers from the Indian government show that the country's infrastructure output has jumped by 7.9% compared to last year, as of September. This index measures the activity across nine different sectors, which gives us a good idea of how the economy is doing. It's a positive sign for growth. *[The Economic Times]*



Sustainable Industrialisation

ACME Solar signs 300 MW power supply pact with Seci at ₹6 per unit: The assured peak supply under Seci's FDRE-IX tranche was at a tariff of ₹6 per unit, with an effective date of October 6, 2026, a company statement said. *[Business Standard]*

States drive RE build-out; Gujarat, Karnataka, Rajasthan lead utility-scale solar additions: India's renewable capacity growth is being propelled by key states like Gujarat, Rajasthan, and Karnataka, alongside strong residential rooftop momentum under PM Surya Ghar. *[Financial Express]*

India's solar supply chain reality check-Modules are ready, cells are not: India's solar module capacity is surging, but cell shortages and China reliance threaten 2030 clean-energy goals—read how bottlenecks may ease. *[Financial Express]*

Govt to launch AgriPV support scheme, 5 GW capacity possible-MNRE secy: The proposed central scheme aims to bridge the 25-30% higher cost of AgriPV projects, with capacity addition depending on states notifying feed-in tariffs, says MNRE Secretary. *[Business Standard]*

Agri-photovoltaics-Centre explores incentives to expand solar capacity on farmland: The Centre is considering incentives for agri-photovoltaics to unlock India's estimated 2,000 GW potential, expand solar capacity and reduce pressure on land and transmission infrastructure. *[Financial Express]*



Sectoral News

Stellantis India aims to halve vehicle development time, boost localisation: Stellantis India has a long-standing partnership with Tata Motors Passenger Vehicle for manufacturing through a joint venture. *[Business Standard]*

Uttar Pradesh Textile and Garmenting Policy, 2022-Incentives, eligibility and implementation: The policy covers a broad textile value chain, from sericulture, spinning, weaving and knitting to processing, garment manufacturing, technical textiles and common infrastructure. *[Business Standard]*

New steel policy to promote circular economy, boost value addition-Industry: The policy, which builds a roadmap up to 2027 for the sector, also focuses on decarbonisation of the Indian steel industry. *[Business Line]*

6G race hinges on 5G monetisation-GSMA: India's leadership in the 6G race hinges on monetising 5G networks, developing viable applications, ensuring predictable spectrum pricing, and fostering an innovation ecosystem for timely 6G deployment. *[Financial Express]*

Semiconductor ecosystem-Made in India and designed for India: India's competitive advantage will not come from manufacturing at China's scale or cost. It lies in building customised devices for specific users and applications. *[The Economic Times]*

India notifies new telecom rules that allow time-bound exemptions to test emerging technologies: The Indian government has introduced new rules to facilitate the testing of telecommunication technologies in controlled environments. These rules provide exemptions from certain regulatory requirements under existing laws aimed at fostering innovation. *[The Economic Times]*

Tyre makers ready for BS-VII abrasion norms, seek clarity on testing rules: Proposed tyre abrasion norms from April 2031 are expected to drive R&D investments as manufacturers seek clarity on testing protocols while grappling with rising raw material costs. *[Business Standard]*

Tariff risks reshape Indian pharma's global playbook: Indian pharmaceutical companies face tariff uncertainties as the US plans to impose tariffs on generic drugs from 2028. Firms are diversifying markets and focusing on higher-value products to sustain growth. *[Financial Express]*

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