AMID WEST ASIA CRISIS

'Don't Panic, Just Be More Productive'

Our Bureau

New Delhi: India shouldn't be worried about productive imports such as capital goods, commerce and industry minister Piyush Goyal said Tuesday, even as he urged industry to reduce unnecessary travel and not look at Prime Minister Narendra Modi's ideas with suspicion and trepidation.

He insisted that there is no need to panic due to the ongoing crisis in West Asia but only "pull up our socks and become more productive". "India and Prime Minister (Narendra) Modi have never let a crisis go by and the situation in the world is an opportunity, a moment of uncertainty that we should engage more deeply with," he said at Assocham's India Business Reform Summit 2026.

He added that lessons learnt during the Covid period had demonstrated the effectiveness of digital engagement and remote working models. "In such a situation, we do not need to panic," Goyal said.

His statement comes after Modi urged citizens to take certain measures to preserve precious foreign exchange and contain the country's rising import bill amid the ongoing conflict in West Asia.

"I call these challenges 'situations'. Last year was a situation with 50% US tariffs and then west Asia crisis came at (financial) year end," he said.

Goyal urged industry to adopt greater efficiency and reduce waste by learning from global best practices, including Japanese manufacturing systems.

Free trade agreements (FTA), finalised by India are opening doors for greater engagement which needs to be leveraged for attracting investments and increasing exports rather than allowing imports alone to rise. "Unless businesses encash the opportunity for inviting investments and promoting exports, you can jolly well land up with a situation where more imports come in and we don't take the benefit of the open markets," he said. Goyal said India had emerged as a competitive manufacturing and services hub, adding that productive imports such as data centres and precision capital goods were essential growth enablers. He emphasised the need to increase exports of value-added products across sectors including automobiles, electronics, consumer goods and agro-based industries. "We have seen more problems in past. There was no bigger problem that Covid but they all pass. We need to be awake to opportunities and recognise that problem could go on for long. What is decided in morning may change in evening...we don't need to panic," he said.

Referring to suggestions received during discussions with industry representatives, he said the government is examining the possibility of establishing a single body at industrial parks to function as a one-stop shop for all central and state approvals.

India is now eyeing exports worth $1 trillion and exporters should proactively leverage upcoming FTAs by exploring new markets, conducting sampling and trial orders and increasing global engagement even before the agreements formally come into effect, the minister said.

As per Goyal, exporters are getting higher number of orders because of the upcoming FTAs.

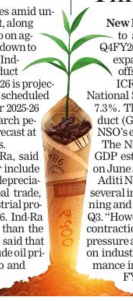
EU FTA

The India-EU FTA will help attract greater investments into India, boost automobile manufacturing in the country and export to third countries, additional secretary in the commerce department Darpan Jain said.

Ind-Ra Says West Asia Tensions, El Niño to Drag FY27 Growth to 6.7....

New Delhi: Higher crude oil and food prices amid uncertainty arising from the West Asia conflict, along with the likely impact of an evolving El Niño on agriculture, will drag India's economic growth down to 6.7% in 2026-27, India Ratings and Research (Ind-Ra) said on Tuesday. Gross domestic product (GDP) growth for the fourth quarter of 2025-26 is projected at 6.7%. The National Statistics Office is scheduled to release the provisional GDP estimates for 2025-26 and quarterly estimates for the January-March period on June 5. GDP growth for 2025-26 is forecast at 7.6% year-on-year, based on official estimates.

Megha Arora, director-economics at Ind-Ra, said key headwinds in the current financial year include geopolitical tensions, high inflation, rupee depreciation, lower capital expenditure, weak global trade, strong 2025-26 growth (base effect), low industrial production and a likely El Niño from mid-2026. Ind-Ra projects inflation at 4.4% in 2026-27, lower than the central bank's forecast of 4.6%. The agency said that easing of West Asia tensions, a decline in crude oil prices to below $95 a barrel, a weaker El Niño and stronger capital flows could boost the growth estimate. —**Our Bureau**



...ICRA Sees Q4 Growth Slowing to Three-Qtr Low of 7%

New Delhi: India's economic growth likely slowed to a three-quarter low of 7% year-on-year in Q4FY26 from 7.8% in the previous quarter, as slower expansion in the industrial and services sectors offset a slight improvement in agriculture, said ICRA on Tuesday. ICRA's forecast is below the National Statistics Office's (NSO) implicit estimate of 7.3%. The agency expects FY26 gross domestic product (GDP) growth at 7.5%, slightly lower than the NSO's estimate of 7.6%.

The NSO is scheduled to release provisional FY26 GDP estimates and quarterly estimates for Q4FY26 on June 5.

Aditi Nayar, chief economist at ICRA, said growth in several indicators pertaining to the services sector, mining and electricity improved in Q4FY26 compared to Q3. "However, a slower rise in manufacturing volumes, contraction in exports, and nascent signs of margin pressure amid the West Asia fallout, may have weighed on industrial gross value added (GVA) growth performance in the quarter," she said. ICRA has also cut its FY27 growth forecast to 6.2% from the 6.5% expected earlier. —**Our Bureau**

Banks Seek RBI Relief on InvIT Lending Rules

Lenders warn 3-year track record rule may slow infra monetisation and fresh funding

Dheeraj Tiwari

New Delhi: Banks have urged the Reserve Bank of India (RBI) to ease the proposed lending norms for infrastructure investment trusts (InvITs), arguing that a mandatory three-year operational track record could slow infrastructure monetisation and choke fresh project financing, said people familiar with the discussions.

Lenders have asked the banking regulator to link eligibility for financing to the quality of underlying assets rather than the age of the InvIT, contending that the proposed requirement creates an unnecessary entry barrier for newly formed trusts holding operational assets.

"We have brought this to the attention of the RBI and said that this entry barrier can also lead to delay in new infra projects being shifted to InvITs and thus impact fresh sanctions," a bank executive said on condition of anonymity, adding that the concerns were flagged to the regulator in April.

In March, the RBI notified the Reserve Bank of India (Commercial Banks — Credit Facilities) Amendment Directions, 2026 (Revised), according to which banks can lend to both real estate investment trusts (REITs) and InvITs which are listed, have completed three years of operations and have not faced any adverse regulatory action in the past three years. The directions are to be implemented from July 1.

An industry executive said that if InvITs are not able to access cheaper credit, their asset acquisition would also be impacted. "The RBI has set the same standards for both REITs and InvITs, when both are different," he added. As per the latest government data, asset monetisation through InvITs and REITs has unlocked more than ₹1.5 lakh crore, recycling funds into new projects and attracting global investors.

According to a recent report by ratings agency Crisil, assets under management of road sector InvITs are likely to increase 30% to ₹3.9 lakh crore by the end of this financial year.

"The growth will be fuelled by monetisation of toll road assets by the National Highways Authority of India (NHAI) and continued traction in hybrid annuity model (HAM) asset sales by road developers," it said.

Earlier this month, the Securities and Exchange Board of India issued a circular stating that InvITs can use fresh borrowings exceeding 49% of their asset value for capital expenditure aimed at enhancing asset performance or augmenting capacity.

EPFO Cuts Litigation by 46% in Two Years

Our Bureau

New Delhi: The Employees' Provident Fund Organisation (EPFO) has brought down consumer court cases by 46% in two years to 2,646 cases from 4,936 cases as of April 1, 2026, through a mission-mode drive aimed at reducing litigation and ensuring faster resolution of pending cases, labour and employment minister Mansukh Mandaviya said.

Overall litigation pendency has also come down, with total cases reducing from 31,036 as of April 1, 2025, to 27,639 as of April 1, 2026 — a decline of 3,397 cases, marking the lowest-ever level of pendency in EPFO, he said on Tuesday.

According to Mandaviya, the labour ministry has brought down cases pending for more than 10 years by 45% to 4,665 from 8,539, a reduction of 3,874 cases.

EPFO conducted a nationwide special campaign during February–March 2026 for cases pending before central government industrial tribunals (CGITs), resulting in the disposal of 353 appeals while efforts are continuing for expeditious disposal of another 650 related cases, the ministry said. The Employees' Provident Fund Organisation (EPFO) will soon start using the WhatsApp platform to enhance outreach and streamline member services, with communication in local and vernacular languages for greater convenience to EPFO subscribers.

According to the ministry, members facing issues such as non-completion of Aadhaar authentication or non-enablement of DBT for their Aadhaar-linked bank account will receive targeted support for resolution on WhatsApp itself.

The ministry recently launched the revamped Shram Suvidha 2.0 (SSP 2.0) and Samadhan 2.0 portals on May 9, 2026, aimed at strengthening labour law compliance and the grievance redressal mechanism while promoting ease of doing business.

The upgraded portals, developed in alignment with the four Labour Codes, enable digital processing, online registration, electronic filings and system-driven operations, reducing manual intervention and facilitating efficient service delivery.

MERCURY RISING

Peak Power Demand Hits Record 260.5 GW

Shilpa Samant

New Delhi: India's peak power demand smashed all records to touch 260.5 GW at 15:40 hours on Tuesday as heat wave and persistently high temperatures continue across large parts of the country, driving a sharp rise in electricity consumption, people in the know told ET.

The latest peak surpassed Monday's all-time high of 257.37 GW recorded during solar hours. On Monday, India also recorded its highest ever non-solar hour peak demand at 247.21 GW at 10:29 pm.

The latest demand levels have already crossed last summer's record peak of 243 GW, underlining the rapid increase in electricity consumption this year. The rise comes even before the peak summer months of June, when demand is typically expected to intensify further.

The peak demand recorded is still lower than the projected 271 GW for the season.

"The government has prepared for a peak demand situation of up to 280 GW," a government official told **ET**.

A power ministry statement based on Monday's peak demand of 257.37 GW said that the electricity availability in the country is sufficient and robust mechanisms are in place to meet the summer demand.

The growing evening demand is also bringing renewed focus on the need for storage systems and flexible generation capacity to manage non-solar hour consumption.

Industry experts have pointed out that the sharp rise in post sunset demand highlights the importance of battery energy storage, pumped hydro storage, wind, hydro and thermal capacities in maintaining grid stability as renewable energy penetration rises.

Delhi-NCR to Get Highway Projects Worth ₹34k cr: Gadkari

New Delhi: Road transport and highways minister Nitin Gadkari Tuesday said over ₹34,000 crore of highway projects are in pipeline for Delhi-NCR, including expressways, ring roads, tunnels and elevated corridors as the government aims to make Delhi's transport network modern and future-ready. This will help improve connectivity, cut fuel consumption, reduce pollution and increase economic growth in the region, Gadkari said, after inspecting the six-lane access controlled highway from DND Maharani Bagh to Junction with Jaitpur Pusta Road Section of NH-148 NA in NCT of Delhi. —**Our Bureau**