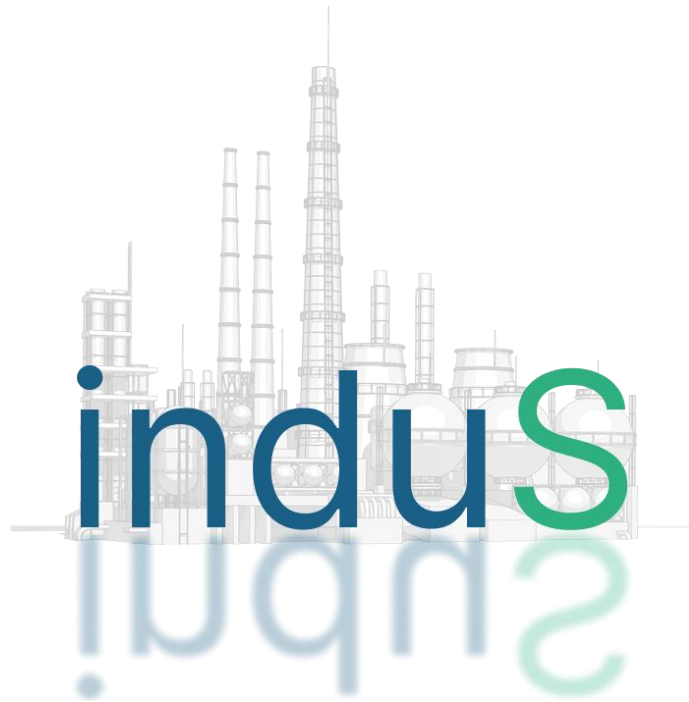


induS

Indicc Initiative on Sustainable Industrialisation

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About This Newsletter

induS — *the Indicc Initiative on Sustainable Industrialisation*, is a monthly read tracking the policy, market, financial, regulatory and climate realities shaping the sustainability transition for Indian industries, with a particular focus on MSMEs.

Each issue brings together Indicc's own research insights, convening outcomes and opinion pieces alongside curated signals from policy, finance, technology and climate landscape, distilling what matters for enterprise owners, industry bodies, policymakers and practitioners working at the intersection of industrial growth and sustainability.

induS is for those who believe that staying informed is the first act of staying competitive at a time when capital, regulations, policies and climate, each in their own way, demanding that industry must take sustainability seriously.

Do write to us at info@indicc.in with your thoughts, suggestions and recommendations.

Embedding Sustainable Industrialisation for MSMEs in Rajasthan: Rajasthan Chamber of Commerce and Industry (RCCI) and Indicc Associates Convened a Focused Roundtable

On 17 April, 2026, Indicc Associates, in collaboration with Rajasthan Chamber of Commerce and Industry (RCCI), convened a focused roundtable at the Rajasthan International Centre, Jaipur, on the sustainability challenges and opportunities facing Rajasthan's MSME sector. Chaired by Dr. K.L. Jain, President of RCCI, the session brought together MSME owners, women entrepreneurs, industrialists and RCCI members. Indicc Associates' ongoing work on sustainable industrialisation formed the core basis of this session, with its research and recommendations shared directly with RCCI and its executive committee.

The discussion that emerged carried a clear and consistent message. Rajasthan cannot address its fiscal, environmental and social stress through conventional means alone. The MSME sector, uniquely positioned at the intersection of growth, supply chain resilience, labour absorption and investment, is central to the state's industrial trajectory.

Four structural challenges emerged during the discussion:

- A deep awareness gap around sustainability reporting frameworks, reporting standards and government schemes. This gap is especially acute among micro and women-led enterprises, where knowledge of available support is, in many cases, non-existent.
- Many MSMEs are already undertaking sustainability measures in energy, water and waste but they lack the vocabulary or frameworks to recognise or report them as such.
- Climate vulnerability is a present operation reality and not a future risk. Participants noted the mounting costs of water scarcity, energy instability, and extreme heat, with the declining groundwater table and surface water resources cited as an immediate threat to industrial continuity in water-intensive sectors such as textiles and gems and jewellery.
- Thin operating margins, difficulty in accessing credit, slow and uncertain loan approvals, and the under-utilised potential of District Industries Centre (DIC) system were identified as systemic constraints.

Key recommendations from participants included a cluster-based approach to sustainability; a state-level monitoring body for industrial policies; urgent coordinated intervention on water resource management; improved MUDRA loan disbursement; and revisiting labour codes for micro and small enterprises.

The roundtable was a first step in a longer process of engagement. Participants left with a shared understanding of the challenges and a clearer sense of where institutional and policy support is most urgently needed. For Rajasthan's MSMEs to contribute to the state's growth ambitions, sustainability must be approached not as a compliance burden, but as a pathway to competitiveness and resilience.

[Access the full report at Indicc Publications](#)

Where Enterprises Meets Sustainability

RCCI and Indicc Associates bring together key voices in Rajasthan's enterprises to shape a more resilient, responsible and future-ready MSME ecosystem



INDICC BLOG**Transforming MSMEs as the Vanguard of India's Sustainable Industrialization**

India's MSMEs are central to the country's industrial future yet remain structurally ill-equipped for the sustainability transition demanded by global markets. Tightening EU carbon regulations, supply chain disclosure requirements and rising input costs are making sustainability increasingly a condition of market access. Most MSMEs, however, cannot make this transition alone.

Indicc's new blog argues that for India, the sustainable industrialisation path forward must be built around its MSME base through targeted green financing, concessional credit, technical support, simplified sustainability reporting frameworks and investment in worker skills and productivity. Public procurement, which accounts for 15 to 20% of India's GDP, is identified as an underused instrument for driving quality and sustainability standards at scale.

[Read the full blog at Indicc Blogs](#)

INDICC PUBLICATIONS**Embedding Sustainability in Rajasthan's Industrial Growth: Policy, Planning, Regulatory and Financial Recommendations for Addressing the Gaps**

As global trade rules tighten around carbon performance, traceability, environmental standards, and as Rajasthan faces compounding climate risks, the study argues that building shared green infrastructure at the cluster level and building climate-resilient infrastructure is not an additional cost but a condition of long-term industrial competitiveness. The study identifies the policy, regulatory, financial and planning gaps that currently prevent this, develops cost comparison models for energy and e-freight to quantify the economic case for sustainability, maps green infrastructure needs to each industrial area and proposes financing mechanisms and policy amendments to close the gaps.

[Read the full report at Indicc Publications](#)

Landscape, Opportunities, and Innovations in Climate Finance: A View from Ten Indian States

Sustainable Industrialisation is driven by a combination of many factors such as direction and preference of capital; policies and incentives provided by governments; and action by the private sector. A review of industrial policies of 10 states reveals a consistent shift toward embedding sustainability as a core pillar of industrial growth even when state-specific targets are not explicitly defined. Yet, sustainable industrialisation represents a complex universe due to difficulty in reporting; mandated and voluntary reporting standards; fundamental misalignment with global investor expectations for credible climate transition planning; mis-alignment of state incentives with reporting requirements and cumbersome tracking of outcomes against tax expenditures.

[Read more in the sustainable industrialisation section at Indicc Publications](#)

POLICY WATCH**'Permitted Unless Prohibited': NITI Aayog's Next-gen Reforms Guidebook**

For years, small businesses in India have had to navigate a maze of licences, permits and inspections just to setup and operate. A burden that has quietly drained their time, money and energy. NITI Aayog's latest reform agenda, proposes that businesses should be free to operate unless specifically restricted by law, is a meaningful step toward changing this. The plan to replace frequent renewals with long-term licences, move from routine inspections to need-based ones and allow businesses to register themselves without government approval at every step, addresses complaints that small enterprises have raised consistently. For MSMEs, a simpler regulatory environment lowers the cost of entry and operation, making it more viable to invest in energy efficiency and cleaner production. Easing regulation and advancing sustainability, also boosts investment confidence during a period of global uncertainty.

[Read more at the Business Standard](#)

**POLICY WATCH****Stronger Push for MSME Payment Accountability in Revised CPSE Norms**

One of the most repeated complaints from MSMEs across India has been delayed payments from large public sector buyers. A cash flow problem that quietly undermines their ability to invest, operate and grow. The Centre's decision to tighten annual performance norms for Central Public Sector Enterprises (CPSEs) addresses this directly. Under the revised framework, any CPSE that delays payments to MSMEs will face full deduction of marks in its annual performance evaluation. CPSEs are also now required to disclose pending and paid bills in their annual reports, adding a layer of public accountability that did not exist before.

For MSMEs, which frequently cite delayed receivables as a constraint on working capital, this is a meaningful policy signal. Combined with the government's broader push on MSME procurement mandates and CSR obligations, the message to public sector enterprises is clear: timely payment to small businesses is no longer optional rather it is a performance requirement.

[Read more at Economic Times](#)



TECH AND MARKET SIGNAL**The World's Largest Sovereign Wealth Fund Has a Clear Message for Companies: Deliver on Sustainability**

The world's largest sovereign wealth fund, Norway's Norges Bank Investment Management (NBIM), with stakes in over 7,200 companies globally and close to 1.5% of all listed global equity, has made its position clear on sustainability. Through detailed published expectations on climate, nature, human rights and governance NBIM is signalling that companies unable to demonstrate credible environmental and social performance will face direct investor consequences, not just regulatory ones.

This is a meaningful shift. Sustainability pressure is no longer arriving only through government regulation or buyer compliance requirements. It is now coming directly from the capital that funds businesses. Large global investors are increasingly treating poor ESG performance as a financial risk, and acting on it. As large Indian corporations respond to this investor scrutiny, the expectation of sustainability accountability will move through their supply chains.

[Read more at OneStop ESG](#)

TECH AND MARKET SIGNAL**GEI Targets and Evolution of India's Carbon Market**

India's rollout of Greenhouse Gas Emission Intensity (GEI) targets for nearly 490 industrial units across sectors including cement, textiles, aluminium and petroleum refining marks a significant shift in climate policy. The targets, set against an FY24 baseline and applicable for FY26 and FY27, are deliberately calibrated by sector, reflecting differences in production processes, technology and abatement potential. For Rajasthan's industry, particularly its textiles and gems and jewellery sectors, this signals a regulatory direction that will increasingly shape compliance requirements and supply chain expectations.

The more consequential challenge, however, lies in implementation. Abatement costs vary significantly across facilities, and without robust measurement and verification systems, accessible financing and sector-specific transition pathways, the burden of compliance will fall unevenly. The question, as the article notes, is not whether India can set these targets (it already has) but whether the supporting architecture to meet them fairly and efficiently is being built at the same pace.

[Read more at Business Standard](#)

FINANCE SIGNAL**Finance Minister Pitches Customised Credit for MSMEs: Urges SIDBI to Move Beyond Standard Lending**

Speaking at SIDBI's Foundation Day, Finance Minister Nirmala Sitharaman made a pointed case for rethinking how credit reaches small businesses. Arguing that “standard products cannot serve non-standard businesses”, the minister urged SIDBI to lead the process of designing credit around each enterprise's business cycle. That is, linking repayments to harvest cycles for Agri-processing industries, export cycles for textile industries and seasonal earnings for tourism businesses.

Finance minister added that SIDBI must move beyond being merely a lender to becoming a “market-maker” and “risk-sharing partner” for MSMEs and startups.

[Read more at Business Standard](#)

CLIMATE SIGNAL**India Likely Won't Export Sugar for Years as El Nino, Ethanol Squeeze Supply**

India's decision to ban sugar exports until September 2026 points to a pattern that goes beyond trade policy. Production has lagged domestic consumption for the second consecutive year, with El Niño conditions threatening cane planting across key growing regions, particularly Maharashtra and Uttar Pradesh. Industry executives warn that India, which exported an average of 6.8 million metric tonnes annually through 2022-23 which is roughly 10% of global shipments, could remain largely absent from export markets for at least three more seasons.

The ripple effects extend to importers across Asia, Africa and the Middle East who have relied on India as a balancing supplier now face tighter supplies and higher prices. Global sugar futures reacted sharply to the announcement, with raw sugar prices in New York rising over 2% and white sugar futures in London climbing 3%. Brazil and Thailand, the other major exporters, are themselves not insulated. Both face El Niño-related crop risks and rising domestic ethanol demand that is diverting cane away from sugar production.

The wider signal is that climate disruption does not arrive as an environmental event alone. It arrives as a trade restriction, a supply shortage, or a price spike felt far from where the rain failed. What is happening to sugar today is a preview of what increasingly threatens cotton, oilseeds, spices and other agriculturally-derived inputs on which large parts of industry depend.

[Read more at Reuters](#)