

January 01, 2026 – Thursday

Economy

2026 to bring data, policy, tax changes; labour codes, CBAM to take effect

The year 2026 will bring in various new reforms, deadlines, policy and taxation changes ranging from the revision of base year for calculating GDP, IIP to European Union's (EU) Carbon Border Adjustment Mechanism (CBAM) coming into force and the new labour codes, tax reforms getting fully operational. The new gross domestic product (GDP) series with base year 2022–23, replacing the 2011–12 base, will be released on February 27, 2026, while the new CPI series with base year 2024, replacing the 2012 series, is scheduled for release on February 12, 2026.
https://www.business-standard.com/economy/news/2026-rings-in-policy-tax-reforms-new-labour-codes-cbam-to-take-effect-125123100748_1.html

Centre notifies revised draft rules for labour codes, seeks responses

The Ministry of Labour and Employment on Wednesday notified the revised draft rules for the four new labour codes, providing clarity on certain provisions such as gratuity payments and retrenchment of workers. The four new codes were implemented on November 21, followed by consultations with stakeholders before pre-publishing the draft rules on December 31. The government has called upon stakeholders concerned for any objections and suggestions for a period of 30 to 45 days, which will be considered while finalising the rules, according to the notifications published on the labour ministry's website.
https://www.business-standard.com/economy/news/labour-ministry-notifies-labour-codes-draft-rules-seeks-responses-125123100834_1.html

SPREE 2025 extended till January 31 on employers, states' request

The deadline for the Scheme for Promotion of Registration of Employers and Employees (SPREE 2025) under the Ministry of Labour and Employment has been extended to January 31, 2026 from the earlier deadline of December 31, 2025. The SPREE 2025 scheme was launched by the Employees' State Insurance Corporation (ESIC) in July, 2025 to expand social security coverage and encourage voluntary registration of employers and employees under the Employees' State Insurance Act, 1948 (ESI Act).
https://www.business-standard.com/industry/news/spree-scheme-extended-jan-31-esic-labour-ministry-125123100951_1.html

Finance

Banks' exposure to capital market and real estate sector on a 6-year high

Scheduled commercial banks (SCBs) have recorded a steep rise in their exposure to the capital markets and real estate sector with public and private sector banks more than doubling advances to both segments in the last five years. The outstanding advances by banks to both sectors also touched a 6-year high as of March 2025, RBI data showed.
https://www.thehindubusinessline.com/data-stories/banks-exposure-to-capital-market-and-real-estate-sector-on-a-6-year-high/article70456673.ece

Credit growth nears 12% as deposit growth slows to 9.35% till Dec 15

Credit growth in the period ended December 15 expanded to nearly 12 per cent year-on-year (Y-o-Y), while deposit growth slowed further to 9.35 per cent, according to revised data released by the Reserve Bank of India (RBI) on Wednesday. This resulted in a credit–deposit growth gap of 263 basis points (bps), underscoring persistent deposit tightness in the banking system.

https://www.business-standard.com/finance/news/credit-growth-expands-nearly-12-deposit-growth-slows-dec-15-125123100610_1.html

India's household debt rises to 41.3% of GDP, above five-year average: RBI

India's household debt climbed to 41.3 per cent of gross domestic product (GDP) at the end of March 2025, marking a sustained rise from its five-year average of 38.3 per cent, with consumption-related loans accounting for bulk of the borrowings, the Reserve Bank of India (RBI) said in its Financial Stability Report. However, the RBI noted that relative to most peer emerging market economies, India's household debt remains lower.

https://www.business-standard.com/economy/news/indias-household-debt-rises-to-41-3-per-cent-of-gdp-rbi-fsr-125123101081_1.html

Small savings interest rate for Jan-March quarter remains unchanged

Small savings schemes such as the Public Provident Fund (PPF), Sukanya Samridhi Scheme and National Saving Certificate (NSC) will see no change in interest rate for the quarter beginning January 1, the Finance Ministry said on Wednesday. This will be the 8th successive quarter of rates remaining unchanged. "The rates of interest on various Small Savings Schemes for the fourth quarter of FY26, starting from January 1, 2026, and ending on March 31, 2026 shall remain unchanged from those notified for the third quarter (October 1, 2025 to December 31, 2025) of FY26," the Ministry said in an office memorandum. Interest rates are reviewed before the beginning of every quarter and any change is applicable only on the new or accretion during the quarter under review.

https://www.thehindubusinessline.com/economy/small-saving-interest-rate-for-jan-march-quarter-remains-unchanged/article70457681.ece

PE-VC investment in India steady at $33 bn in 2025 as mega deals slip

Private equity and venture-capital firms invested about $33 billion in Indian companies in 2025, spread across 1,164 deals, roughly matching investment levels a year earlier, according to preliminary data from Venture Intelligence. Deal volume dipped slightly from 1,263 transactions in 2024. The figures exclude private-equity investments in real estate. Mega deals in India, funding rounds of $100 million or more, fell 9.2 per cent in 2025, with 69 deals totalling $21.3 billion, down from 76 deals worth $21.6 billion in 2024.

https://www.business-standard.com/industry/news/pe-vc-investment-india-holds-steady-33-billion-2025-125123100787_1.html

Finance ministry notifies rules to enable 100% FDI in insurance sector

Following the notification allowing 100 per cent foreign direct investment (FDI) in the insurance sector, the Finance Ministry has revised norms to remove the requirement that a majority of directors and key management personnel in an insurance company with foreign investment be Indian residents. However, the revised rules stipulate that at least one of the top leadership positions — chairperson, chief executive officer (CEO) or managing director — must be held by an Indian resident.

https://www.business-standard.com/finance/news/finance-ministry-revises-fdi-norms-insurance-sector-board-composition-125123100560_1.html

Mutual Fund assets grows 19% to ₹81 lakh crore

The assets under management of the domestic mutual fund industry increased 19 per cent year-on-year (y-o-y) to ₹81 lakh crore as of November-end. Out of the total AUM, ₹36 lakh crore were in equity schemes and ₹45 lakh crore in non-equity schemes. Robust inflows through systematic investment plans continued recording a net contribution of ₹1 lakh crore, up 63 per cent (y-o-y) and the number of outstanding SIP accounts, which sharply fell in April, is also growing, said the RBI report.

https://www.thehindubusinessline.com/markets/mf-asset-grows-19-to-81-lakh-crore/article70457596.ece

Addl excise duty on tobacco, health cess on pan masala effective from Feb 1

The government on Wednesday notified February 1 as the date from which additional excise duty will be levied on tobacco products, and a new cess on pan masala. The new levies on tobacco and pan masala will be over and above the GST rate, and will replace the compensation cess which is currently being levied on such sin goods. From February 1, pan masala, cigarettes, tobacco and similar products will attract a GST rate of 40 per cent, while biris will attract 18 per cent Goods and Services Tax (GST), according to a government notification.
https://www.business-standard.com/economy/news/addl-excise-duty-on-tobacco-health-cess-on-pan-masala-effective-from-feb-1-126010100013_1.html

Centre's fiscal deficit widens to 62.3% of FY26BE in April-November

The Centre's fiscal deficit widened to 62.3% of the annual target during April-November period, compared to 52.5% of the respective target a year ago, due to a surge in capital expenditure growth while the net tax revenues continued to contract. The fiscal deficit in April-November of FY26 stood at Rs 9.76 lakh crore compared with Rs 8.46 lakh crore in the year-ago period.
https://www.financialexpress.com/policy/economy/centres-fiscal-deficit-widens-to-62-3-of-fy26be-in-april-november/4093800/

Industry

Govt ends electric three-wheeler subsidies under PM e-Drive

Subsidies for electric three-wheelers are ending as the Centre met its PM e-Drive scheme target, with penetration now at 32%. Support for electric two-wheelers, however, will likely continue into the next fiscal year due to lower adoption rates. States are increasingly expected to lead incentives for EV growth.
https://economictimes.indiatimes.com/industry/renewables/govt-ends-electric-three-wheeler-subsidies-under-pm-e-drive/articleshow/126269729.cms

CBAM may force steel, aluminium exporters to cut prices by 15-22%: GTRI

Indian steel and aluminium exporters may be forced to cut prices by 15-22 per cent to retain access to the European Union (EU) market from January 1, 2026, when the EU's Carbon Border Adjustment Mechanism (CBAM) enters its payment phase, according to a report by the Global Trade Research Initiative (GTRI). Under CBAM, every shipment of steel and aluminium entering the EU will carry a carbon cost linked to the emissions generated during production. While the tax will be formally paid by EU-based importers through the purchase of CBAM certificates, the financial burden is expected to be passed back to Indian exporters through lower prices and tighter contract terms, the report said.
https://www.business-standard.com/industry/news/cbam-may-force-steel-aluminium-firms-cut-prices-gtri-125123101012_1.html

Rs 35,657 crore invested under PLI Auto; Centre to invoke bank guarantees of defaulters

The Centre on Tuesday said investments worth ₹35,657 crore have already been made under the Production Linked Incentive (PLI) scheme for the automobile sector, against the projected ₹42,500 crore, even as disbursements under the scheme remained relatively low at ₹2,321 crore till December 2025. A senior government official said the government plans to invoke the ₹1 crore bank guarantees submitted by applicants that have failed to make any investment under the scheme so far. "There are 10 such players. Their bank guarantees will be invoked," the official said.
https://www.financialexpress.com/business/news/rs-35657-crore-invested-under-pli-auto-centre-to-invoke-bank-guarantees-of-defaulters/4094020/

Cooling appliances to get costlier as BEE star ratings norm changes

Prices of cooling appliances such as room air conditioners and refrigerators may go up 5-10 per cent from January 1, 2026, as the new revised star rating from the Bureau of Energy Efficiency (BEE) comes into force. This hike, which will be applicable from January 1, 2026, will almost offset the price advantage which the consumers have got from the GST reforms in September this year on room air-conditioners (RAC), where duty was slashed 10 per cent.

https://www.business-standard.com/industry/news/bee-new-star-ratings-to-push-ac-prices-up-10-pc-refrigerators-by-5-pc-from-jan-125123100931_1.html

India's lab-grown diamond market shines brighter with investor backing

India's lab-grown diamond market is entering a high-growth phase as demand accelerates and funding surges amid the expansion. Once niche, lab-grown diamonds are edging into mainstream retail — now further catalysed by the entry of Titan, the largest jewellery retailer of the country. Players in the category are also enthused as it will help drive growth. Titan's entry is being viewed as a defining pivotal moment for the category.
https://www.business-standard.com/industry/news/indias-lab-grown-diamond-market-shines-bright-with-investor-backing-125123100851_1.html

Agriculture

Sugar production surges 23.4% to 11.83 million tonnes in Oct-Dec: NFCSF

India's sugar production rose 23.43 per cent to 11.83 million tonnes in the first three months of the ongoing 2025-26 season on sharp rise in Maharashtra output, cooperative body NFCSF said on Wednesday. Sugar production stood at 9.56 million tonnes in the year-ago period, while the total output remained 26.18 million tonnes in the entire 2024-25 season (October-September). As on December 31, around 499 mills crushed 134 million tonnes of sugarcane, achieving a sugar output of 11.8 million tonnes at an average sugar recovery of 8.83 per cent, National Federation of Cooperative Sugar Factories Ltd (NFCSF) said in a statement.
https://www.business-standard.com/economy/news/sugar-production-surges-23-4-to-11-83-million-tonnes-in-oct-dec-nfcsf-125123100714_1.html

Energy

India's natural gas consumption seen rising 3-4% in FY27 on demand: Icra

India's natural gas consumption is expected to grow by 3-4 per cent year on year in 2026-27, following a period of near-term moderation in the previous year, said credit rating agency Icra. The rebound in domestic gas demand would be driven by a recovery in industrial offtake from key sectors and the continued expansion of the city gas distribution (CGD) network.
https://www.business-standard.com/industry/news/indias-natural-gas-consumption-to-grow-4-per-cent-fy27-icra-125123101000_1.html

Telecom

India broadband userbase crosses 1 billion: TRAI

The number of broadband subscribers in India crossed the 1 billion mark in November 2025, according to data released by the Telecom Regulatory Authority of India (Trai) on Wednesday. At the end of November, the country had 1.004 billion broadband users, including 958.54 million mobile broadband and 45.11 million wireline broadband users, the subscriber data disclosed by the sector regulator indicates.
https://www.financialexpress.com/business/news/india-broadband-userbase-crosses-1-billion-trainbsp/4093959/

Telcos seek higher incoming international call rates to curb spam

Indian telecom companies want to increase charges for international calls coming into the country. They currently receive very little while paying much more for outgoing calls. This difference is exploited by fraudsters for spam and phishing. Operators propose raising termination charges to deter illegal calls and protect consumers. They also seek stricter rules for telemarketers misusing domestic call rules.
https://economictimes.indiatimes.com/industry/telecom/telecom-news/telcos-seek-higher-incoming-international-call-rates-to-curb-spam/articleshow/126281241.cms

States

NABARD spotlights GI strategy to boost rural prosperity in Uttarakhand

NABARD's Uttarakhand office held a key meeting on December 30, 2025. The event focused on using Geographical Indication, or GI, to boost rural prosperity. Experts discussed branding, marketing, and value addition for local products. The workshop highlighted how social media and startups can help expand market reach.
https://economictimes.indiatimes.com/news/economy/agriculture/nabard-spotlights-gi-strategy-to-boost-rural-prosperity-in-uttarakhand/articleshow/126273041.cms

EV Policy 2.0: Delhi govt to meet five auto companies, Siam on Jan 2

As the national capital continues to choke under severe pollution, Delhi Transport Minister Pankaj Kumar Singh has called for a meeting with five automakers and the Society of Indian Automobile Manufacturers (Siam) on January 2 to discuss the draft electric vehicle (EV) Policy 2.0, Business Standard has learnt. The invitees are: MarutiSuzuki India Ltd (MSIL), Honda Cars, Toyota Kirloskar Motor (TKM), Tata Passenger Electric Mobility (TPEM), and Mahindra & Mahindra (M&M). Ofthese, MSIL, Honda, and TKM do not currently sell electric cars in India.
https://www.business-standard.com/industry/auto/delhi-govt-calls-meeting-with-5-cos-siam-on-ev-policy-125123100879_1.html

Healthcare

Ministry in talks with states to give some drug cos more time for good manufacturing practices compliance

The Union Health Ministry is in talks with states about extending the deadline for pharmaceutical companies to meet new manufacturing quality rules. A six-month extension may be granted on a case-by-case basis. This move aims to prevent potential medicine shortages and job losses. Many smaller drug units might otherwise face closure.
https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/ministry-in-talks-with-states-to-give-some-drug-cos-more-time-for-good-manufacturing-practices-compliance/articleshow/126281474.cms

Pharma leaders flag quality, sustainability as export priorities for 2026

India's pharmaceutical export strategy is entering a decisive new phase, with Pharmexcil's Annual General Meeting (AGM) of 2025 underscoring the sector's strategic pivot from volume-led growth to value-driven, innovation-oriented and sustainability-anchored manufacturing as it looks ahead to 2026. The discussions at the AGM reflected a broad consensus that future competitiveness will be defined not by scale alone, but by the ability to deliver complex, compliant and environmentally responsible products. Industry leaders highlighted a sharper focus on complex generics, speciality active pharmaceutical ingredients (APIs) and advanced therapeutic platforms, segments that demand higher scientific capability, precision manufacturing and robust quality systems.
https://www.business-standard.com/industry/news/pharma-export-priorities-2026-quality-sustainability-diversification-125123100691_1.htmlhttps://www.business-standard.com/industry/news/pharma-export-priorities-2026-quality-sustainability-diversification-125123100691_1.html

External

Next round of India-EAEU trade pact talks likely in Feb-end

India and the Russia-led EAEU bloc are likely to hold the second round of negotiations for the proposed bilateral free trade agreement in February-end after the Budget session as both sides are keen on fast-tracking the process, sources said. New Delhi, however, will insist on removal of the high number of non-tariff barriers (NTBs), mostly existing in the form of standards and procedures, that Indian exporters face while dealing with the EAEU (Eurasian Economic Union) countries before it gets into any deal, a source said.
https://www.thehindubusinessline.com/economy/next-round-of-india-eaeu-trade-pact-talks-likely-in-feb-end/article70457507.ece

Israel team to visit India in January for Pre-FTA talks

A team of officials from Israel would be visiting India in January for discussions before the launch of the official rounds of negotiations on their proposed free trade agreement, officials said. "The issues related to structuring of the negotiations are expected to dominate the discussions," they said. India and Israel signed the Terms of Reference (ToR) of their free trade agreement on November 20 to grow their bilateral trade ten-fold in the next decade.

https://www.financialexpress.com/policy/economy/israel-team-to-visit-india-in-january-for-pre-fta-talks/4093762/

India, Russia move towards more balanced, diversified economic ties in 2025

The time-tested partners India and Russia moved towards more balanced, diversified economic ties in 2025, as both sides realised the need to expand bilateral trade beyond defence and energy sectors. During Russian President Vladimir Putin's visit to New Delhi in December, India and Russia unveiled a raft of measures, including a five-year roadmap to build a robust economic partnership and addressed India's concerns over trade deficit. Prime Minister Narendra Modi also conveyed to President Putin that the war in Ukraine must be brought to an end through peaceful means.

https://www.business-standard.com/economy/news/india-russia-move-towards-more-balanced-diversified-economic-ties-in-2025-125123100272_1.html

India plans exporter performance index: DGFT

India is working on creating an index to evaluate exporters performance based on their Importer Exporter Codes (IECs), tracking performance over a five-year period, Director General of Foreign Trade (DGFT) Ajay Bhadoo said on Wednesday, as the government sharpens its focus on data-driven export promotion and market diversification. “Trying to create an index for exporters to evaluate IECs how they've fared over 5 years,” Bhadoo said, adding that the data could be compiled over the next year to support the "acceleration of new market for diversification, bring more exporters."

https://www.thehindubusinessline.com/economy/india-plans-exporter-performance-index-dgft/article70456497.ece

Government notifies first set of export promotion mission scheme

India has launched a Rs 4,531 crore Market Access Support intervention to aid MSMEs and first-time exporters in expanding global reach and overcoming trade finance hurdles. This initiative, part of a larger export promotion mission, aims to boost buyer connections and market presence through structured interventions and financial support for international participation.

https://economictimes.indiatimes.com/news/economy/foreign-trade/governmet-notifies-first-set-of-export-promotion-mission-scheme/articleshow/126272456.cms

Government extends import curbs on low-ash metallurgical coke till June 2026

The government on Wednesday said it is extending import restrictions on low-ash metallurgical coke from January 1 till June 30, 2026. However, the coke with high-ash content (above 18 per cent) is outside the scope of this restriction. "Import of low ash metallurgical coke (having ash content below 18 per cent), including coke fines/coke breeze and ultra low Phosphorous metallurgical coke...is restricted from January 1, 2026, till June 30, 2026, and shall be permitted only in accordance..., while imports of metallurgical coke with ash content above 18 per cent and other imports...shall continue to remain free," the directorate general of foreign trade said in a notification.

https://www.thehindubusinessline.com/markets/commodities/government-extends-import-curbs-on-low-ash-metallurgical-coke-till-june-2026/article70458300.ece