

January 20, 2026 – Tuesday

Economy

IMF upgrades India's FY27 GDP growth to 6.4% despite trade risks

The International Monetary Fund (IMF) on Monday revised India's 2026–27 gross domestic product (GDP) growth forecast upwards by 20 basis points to 6.4 per cent from its October 2025 projection. This would be a decline from the 7.3 per cent growth projected for 2025–26 (FY26). For FY26, the IMF, in its World Economic Outlook, revised its GDP growth forecast upwards by 0.7 percentage point to 7.3 per cent from its October 2025 estimate, citing a better-than-expected performance in the third quarter (October–December/Q3) and strong momentum in the fourth quarter (January–March/Q4).
https://www.business-standard.com/economy/news/imf-lifts-india-s-fy26-gdp-growth-forecast-to-7-3-on-better-q3-outturn-126011900791_1.html

India likely to enter upper-middle income group by 2030: SBI Research

India is expected to move into the World Bank's upper-middle income category by around 2030, with per capita income projected to touch $4,000 within the next four years, according to a report by SBI Research. The assessment is based on trends in gross national income (GNI) per capita and India's growth record over the past two decades. India became a lower-middle-income country in 2007, after taking about 60 years to move out of the low-income bracket, the report noted. It added that per capita GNI could reach to $4,000 by 2030, placing India in the upper-middle income group alongside countries such as China and Indonesia.
https://www.business-standard.com/economy/news/india-upper-middle-income-2030-sbi-research-report-126011900642_1.html

India ranks sixth in Asia manufacturing index 2026, needs sharper push

India needs to up the ante after ranking sixth among 11 Asian countries in the newly released Asia Manufacturing Index (AMI) 2026, which measures the relative competitiveness of major manufacturing economies across eight key pillars and 43 sub-parameters. In its third year, the Index — released by Dezan Shira & Associates, a pan-Asian market entry advisory firm headquartered in Hong Kong — places India behind key Asian competitors in the global manufacturing race. Malaysia has moved up to second place for the first time in 2026, replacing Vietnam, which has slipped to third.
https://www.business-standard.com/economy/news/india-ranks-sixth-in-asia-manufacturing-index-2026-needs-sharper-push-126011900747_1.html

Budget Expectations

Fiscal space for FY27 limited, conditional: Economists

As the Union government prepares for the 2026–27 Budget, it confronts a familiar but increasingly delicate policy challenge: how to support domestic growth amid an uncertain global environment while remaining firmly committed to its medium-term fiscal consolidation and debt-reduction goals.Economists broadly agree that some fiscal space

exists for FY27, but caution that it is limited, conditional, and highly sensitive to macroeconomic assumptions, execution capacity, and the credibility of the Centre's evolving fiscal framework.
https://www.financialexpress.com/policy/economy/fiscal-space-for-fy27-limited-conditional-economists/4111721/

India Inc favours stability & reforms over Budget 2026 splurge

In the face of global instability, industry leaders and economists are calling on the government to maintain its reform agenda and enhance the ease of doing business. Their aim is to stimulate demand and foster innovation within the country. These sentiments were shared by prominent figures of India Inc.
https://economictimes.indiatimes.com/news/company/corporate-trends/india-inc-favours-stability-reforms-over-budget-2026-splurge/articleshow/126712573.cms

Government should consider simplifying, rationalising tax laws in Budget to boost FDI: Experts

The government should consider simplifying and rationalising tax laws and ensuring tax neutrality in cross-border reorganisations in the forthcoming Budget to boost foreign direct investments, experts say. They also suggested that efforts should be made to reduce the cost of capital. The budget needs to signal a credible medium-term path of fiscal consolidation and debt reduction, they added.
https://economictimes.indiatimes.com/news/economy/policy/government-should-consider-simplifying-rationalising-tax-laws-in-budget-to-boost-fdi-experts/articleshow/126680456.cms

Mobile phone makers seek tax exemption on capital goods, display parts

Mobile phone firms have sought a customs duty reduction on mobile parts like microphones, printed circuit boards, and wearables, as well as tariff correction on capital goods and other components, to lower the handset production cost, industry body ICEA said in its budget recommendations. The mobile phone makers' body has suggested that the government rationalise duty on capital goods, citing recent restrictions imposed by China that threatened local production of mobile phones.
https://www.business-standard.com/industry/news/mobile-phone-makers-seek-tax-exemption-on-capital-goods-display-components-126011901082_1.html

Budget 2026: Bank, nbfc expectation from Budget

As the Union Budget approaches, bankers and non-banking financial company (NBFC) leaders are calling for structural policy support to address mounting pressure on deposits, rising funding costs and the long-standing credit gap faced by micro, small and medium enterprises (MSMEs), even as credit demand in the economy remains strong. Finance Minister Nirmala Sitharaman will present the Union Budget for 2026-27 on February 1.
https://www.financialexpress.com/business/banking-finance/bank-nbfc-expectation-from-budget/4112905/

Union Budget 2026–27: Healthcare leaders urge govt to raise spending, fix rural gaps

With the Union Budget 2026–27 on the horizon, healthcare industry leaders and policy experts on Monday called on the government to substantially increase spending on healthcare in the forthcoming budget. In its appeal, The Association of Healthcare Providers – India (AHPI) noted that India's public healthcare expenditure has remained consistently below the target of 2.5 percent of GDP as outlined in the National Health Policy (NHP) published in 2017. Experts interviewed by IANS have said that these fiscal limitations have barred the system's ability to deliver equitable and quality care.
https://www.financialexpress.com/business/news/union-budget-202627-healthcare-leaders-urge-govt-to-raise-spending-fix-rural-gaps/4112870/

Space industry seeks PLI, tax sops and procurement push in Budget

The space sector in India has put forth demands, including considering the industry as a critical infrastructure, demand creation through 50 per cent government procurement from private entities, production linked incentive (PLI), and tax sops, for the upcoming Budget 2027. Given the high upfront costs, rapid technological obsolescence, and delayed revenues, the space sector requires a tailored fiscal framework distinct from conventional manufacturing, Indian Space Association (Ispa) said in a statement.

https://www.business-standard.com/industry/news/space-industry-seeks-pli-tax-sops-and-procurement-push-in-budget-126011901014_1.html

Budget 2026: Startups, investors push regulatory changes to unlock capital

India's venture-capital industry and startup ecosystem are asking the government for regulatory relief in the Budget, arguing that policy changes could unlock billions of dollars in domestic capital for startups and position the country as a leader in emerging technologies. Investors and startup executives are calling for extending the period for an entity to be recognised as a startup from 10 to 15 years for deep-tech companies, rationalising taxes on alternative investment funds (AIFs), and reduced goods and services tax (GST) on education-technology (edtech) platforms.
https://www.business-standard.com/industry/news/budget-2026-startups-investors-push-regulatory-changes-to-unlock-capital-126011901235_1.html

Budget 2026-27: Fertiliser industry seeks duty cuts, subsidy reforms

The Fertiliser Association of India has suggested rationalisation of customs duties on key raw materials, incentives for downstream projects, and bringing urea under the nutrient-based subsidy framework in Union Budget 2026-27. The FAI has demanded exemption or reduction of basic customs duty on inputs such as ammonia, phosphoric acid, sulphuric acid, rock phosphate and sulphur. It has also sought relief from Agriculture Infrastructure and Development Cess, and resolution of issues arising from inverted GST duty structures leading to accumulation of unutilised input tax credit.
https://www.business-standard.com/industry/news/fertiliser-industry-seeks-duty-cuts-subsidy-reforms-budget-126011900565_1.html

Finance

RBI proposes linking Brics' digital currencies to cut reliance on US dollar

India's central bank has proposed that Brics countries link their official digital currencies to make cross-border trade and tourism payments easier, two sources said, which could reduce reliance on the US dollar as geopolitical tensions rise. The Reserve Bank of India (RBI) has recommended to the government that a proposal connecting the central bank digital currencies (CBDCs) be included on the agenda for the 2026 Brics summit, the sources said. They requested anonymity because they were not authorised to speak publicly.
https://www.business-standard.com/finance/news/rbi-proposes-linking-brics-digital-currencies-to-cut-reliance-on-us-dollar-126011900293_1.html

Banks feel the pinch as CASA pool shrinks

As Indian banks grapple with dwindling low-cost CASA deposits, a growing number of savers are shifting their money into market-driven investments seeking higher returns. This shift compels banks to depend increasingly on pricier short-term borrowing methods, such as Certificates of Deposit, to sustain their lending activities.
https://economictimes.indiatimes.com/industry/banking/finance/banks-feel-the-pinch-as-casa-pool-shrinks/articleshow/126714472.cms

PSBs urge RBI to include state development loans in OMO auctions

Public sector undertaking (PSU) banks have requested the Reserve Bank of India (RBI) to include state bonds, or state development loans (SLDs), in open market operation (OMO) purchase auctions, sources said. The last time the central bank included SDLs in OMO auction was during 2020 when yields had surged. "There have been some requests from PSU banks because of the widening spread," said a person aware of the development. "The last time the RBI did it was during Covid, and it was a very difficult decision," the person said.
https://www.business-standard.com/industry/banking/public-sector-banks-seek-rbi-omo-support-for-state-development-loans-126011800379_1.html

At UCB meet, RBI stresses asset quality oversight, governance standards

Reserve Bank of India Governor Sanjay Malhotra on Monday, in a meeting with the chairpersons and managing directors and chief executive officers of select urban co-operative banks (UCBs), pointed to the importance of maintaining high standards of governance, robust underwriting practices and diligent oversight of asset quality. The

meeting was part of the RBI's continued engagement with regulated entities. The previous such meeting was held on March 19, 2025. The participants included representatives from the National Urban Cooperative Finance and Development Corporation Limited and the National Federation of Urban Co-operative Banks and Credit Societies Limited.
https://www.business-standard.com/finance/news/rbi-flags-governance-standards-asset-quality-oversight-in-ucbs-meeting-126011901169_1.html

Rising state borrowings complicate RBI's rate playbook, pressures yields

A surge in borrowing by Indian states is complicating the central bank's efforts to lower interest rates as officials worry the increased supply of state bonds could affect the yield curve, according to people familiar with the central bank's thinking and analysts. State governments are issuing debt at a pace that increasingly rivals sovereign borrowing, significantly boosting bond supply for a shared pool of investors.
https://www.business-standard.com/finance/news/rising-state-borrowings-complicate-rbi-s-rate-playbook-pressures-yields-126011900379_1.html

SEBI proposes AUM threshold to identify 'significant indices'

SEBI on Monday proposed a clear quantitative threshold to identify "significant indices" that will fall under its recently-notified Index Providers Regulations, 2024. Under the proposal, any index that is tracked or benchmarked by domestic mutual fund schemes with a cumulative assets under management (AUM) of more than ₹20,000 crore will be classified as a "significant index". Index providers administering such benchmarks will be required to seek registration with SEBI and comply with governance, transparency and accountability norms laid down under the regulations.
https://www.thehindubusinessline.com/markets/sebi-proposes-aum-threshold-to-identify-significant-indices/article70526153.ece

Insurance intermediaries critical for business

The government's insurance reforms aim to lower costs for insurance companies by capping commissions, which will bring down premium costs for policyholders. However, insurance companies are pushing back against these changes. They express concerns that such measures could negatively affect their businesses and their ability to attract intermediaries, including brokers, corporate agents, insurance web aggregators, third-party administrators, and marketing firms.
https://www.financialexpress.com/business/news/insurance-intermediaries-critical-for-business/4112825/

Industry

Centre announces India's first tailings policy for critical minerals

The central government on Monday announced the country's first tailings policy, setting guidelines for exploration of critical minerals from primary as well as the secondary sources like mine dumps and tailings of existing mines. Tailings refer to the leftover waste material after valuable minerals are extracted from crushed ore. The government had, in its last Union Budget, announced to launch a policy for "recovery of critical minerals from tailings". The policy was required because the occurrence of critical and strategic elements is not just restricted to the solid mineral resources under the administrative control of the Ministry of Mines but may also be available in other commodities which are being dealt with by various other ministries.
https://www.business-standard.com/industry/news/mines-ministry-announces-policy-to-extract-critical-minerals-from-tailings-126011900816_1.html

RDI funding for industry-backed projects to begin by Jan-end: Minister

The government will start deployment under the Research Development Innovation (RDI) fund for industry-backed projects by the end of this month. The funding process will kickstart the execution stage of the scheme after it was launched in November last year, Union Minister of State (Independent Charge) for Science and Technology Jitendra Singh said on Monday. In a review meeting, the minister also said that the Department of Science and Technology (DST) has approved the Technology Development Board (TDB) and the Biotechnology Industry Research Assistance Council (BIRAC) as second-level fund managers. Business Standard was the first to report that two focused research

organisations, TDB and BIRAC, have been selected under the scheme to catalyse private sector-led research and innovation.
https://www.business-standard.com/industry/news/rdi-funding-for-industry-backed-projects-to-begin-by-jan-end-minister-126011901244_1.html

Early-bird results in Q3 show worst earnings growth in 17 quarters

The results of early-bird companies in October-December 2025 (Q3FY26) have shown just single-digit growth in revenue despite gains from cuts in goods and services tax (GST) rates. They also clocked a sharp deceleration in earnings growth. Reliance Industries and information-technology (IT) firms led the deceleration in earnings growth, while banks were the biggest laggards when it came to revenue increase. The combined net profits of 143 early-bird companies whose results are available were up just 3.5 per cent year-on-year (Y-o-Y) in Q3FY26, decelerating sharply from 11.2 per cent growth in Q3FY25 and 10.1 per cent in Q2FY26.
https://www.business-standard.com/economy/news/early-bird-results-in-q3-show-worst-earnings-growth-in-17-quarters-126011901182_1.html

Agriculture

Wheat sowing hits record 33.41 mn hectares in 2025-26 rabi season

Areas sown to wheat have touched a record 33.41 million hectares in the 2025-26 rabi season, buoyed by good weather, the agriculture ministry data showed. Total area under wheat rose 0.61 million hectares from 32.80 million hectares in the previous year same season. Sowing of wheat and other rabi or winter crops has been completed. The crop will be harvested from March onwards. As per the ministry data, area sown to pulses rose marginally to 13.7 million hectares in the 2025-26 rabi season, compared with 13.3 million hectares in the year-ago.
https://www.business-standard.com/industry/news/wheat-sowing-touches-record-33-41-mn-hectares-2025-26-126011901045_1.html

Infrastructure

Realty firms roll out integrated platforms to tap India's GCC boom

India’s fast-expanding global capability centre (GCC) ecosy-s-tem is reshaping the role of real-estate developers and pro-p-erty consultants, pushing th-em into offering end-to-end, platform-led solutions in addition to conventional office leasing. This structural shift is prompting developers such as Embassy Group, Sattva Group, and Bhartiya Urban, alongside global property consultants like Cushman & Wakefield and CBRE, to launch integrated GCC platforms and dedicated teams, segments that bundle strategy, execution and operations under one umbrella.
https://www.business-standard.com/industry/news/realty-firms-roll-out-integrated-platforms-to-tap-india-s-gcc-boom-126011901228_1.html

Railway cooperative societies asked to align bye-laws with amended Act

Cooperative Election Authority (CEA) on Monday called on railway employee cooperative societies to align their bylaws with amended legislation, as the regulator works to strengthen democratic governance in the sector. The meeting brought together representatives from 16 multi-state cooperative societies of railway employees, with more than 40 office bearers attending, the authority said in a statement. The discussions centered on aligning society bylaws with the Multi-State Cooperative Societies (Amendment) Act, 2023, establishing representative general bodies, and ensuring timely election proposals are submitted at least six months before boards complete their tenures.
https://www.business-standard.com/industry/news/railway-cooperative-societies-told-align-bye-laws-amended-act-126011900977_1.html

Energy

Power Ministry seeks to oversee civil nuclear energy development

The Power Ministry has proposed to take over the development of nuclear projects, including those with reactors under IAEA safeguards, from the Department of Atomic Energy. This move, aimed at streamlining nuclear power

development, follows discussions prior to the Shanti Act's promulgation, which allows limited private participation in the sector.
https://economictimes.indiatimes.com/industry/energy/power/power-ministry-seeks-to-oversee-civil-nuclear-energy-development/articleshow/126712657.cms

Govt may table Electricity (Amendment) Bill in Budget session

Power Minister Manohar Lal said on Monday that the Union government may introduce the Electricity (Amendment) Bill, 2025, which is aimed at opening up the power distribution sector, in the upcoming Budget Session of Parliament. The government wants to ensure zero discom losses with the latest amendments to the Electricity Act, 2003, which is expected to be tabled in Parliament in the upcoming session, he said on the sidelines of the inauguration of IIT-Delhi-CERC-Grid India Centre of Excellence.
https://www.thehindubusinessline.com/economy/policy/govt-may-table-electricity-amendment-bill-in-budget-session/article70525178.ece

Power Ministry issues guidelines for compensation payment on RoW for transmission lines

The Power Ministry has issued supplementary guidelines for the payment of compensation in regard to Right of Way (RoW) for transmission lines. These guidelines were introduced in March 2025. “There have been instances where the land valuer nomination by the representative of landowners and submission of valuation reports to the District Magistrate is taking a long time,” the Ministry said in an official note.
https://www.thehindubusinessline.com/news/power-ministry-issues-guidelines-for-compensation-payment-on-row-for-transmission-lines/article70526024.ece

Centre sets up taskforce to accelerate wind power projects, align states and grid agencies

With India’s installed wind power capacity at around 55 GW, the Union government has constituted a Taskforce on Wind Power Projects to address regulatory, land, grid connectivity and execution-related issues, as it looks to scale capacity to 108 GW by 2030. According to an office memorandum issued by the Ministry of New and Renewable Energy (MNRE), the taskforce will examine challenges affecting the timely implementation of wind power projects, including land acquisition, right-of-way, transmission availability, tariff structures and construction timelines.
https://www.financialexpress.com/business/news/centre-sets-up-taskforce-to-accelerate-wind-power-projects-align-states-and-grid-agencies/4112722/

States

Southern states hold the steering wheel in India's ePV transition

India’s electric passenger vehicle (ePV) market has expanded sharply over the past five years, with registrations rising from just 3,252 units in 2020 to about 170,000 in 2025. Throughout this scale-up, southern states have remained the bedrock of adoption, consistently contributing around one-third of national electric vehicle (EV) registrations — emphasising the region’s role as the structural backbone of India’s EV transition.
https://www.business-standard.com/industry/auto/southern-states-anchor-india-s-electric-passenger-vehicle-expansion-126011800220_1.html

Delhi govt plans to upskill 120K registered construction workers

Delhi government, under the newly implemented Code of Social Security, has planned skill training of 1.20 lakh construction workers to improve their efficiency and ensure better job prospects, officials said on Monday. The government agency Delhi Building and Other Construction Workers Welfare (DBOCWW) Board deals with the welfare of registered workers in the city. The training is important for the construction workers who are one of the most vulnerable segments of the labour workforce, largely because the majority of them migrate from different regions of the country, especially villages, to Delhi in search of livelihood means, said a senior Delhi government officer.
https://www.business-standard.com/industry/news/delhi-govt-plans-to-upskill-120k-registered-construction-workers-126011900639_1.html

Himachal govt to invite ₹100 crore bids for direct medicine purchase

Chief Minister Sukhvinder Singh Sukhu on Monday announced that the Himachal Pradesh government would soon invite tenders worth approximately ₹100 crore for the procurement of medicines. Presiding over a meeting of senior health department officials, the chief minister said medicines would be procured directly from manufacturers to provide world-class drugs to patients in government health institutions across the state. "If required, the state government will also make amendments to the Drugs Act to ensure quality medicines for the people to safeguard public interest," Sukhu said.
https://www.business-standard.com/industry/news/himachal-govt-to-invite-rs-100-crore-bids-for-direct-medicine-purchase-126011900568_1.html

External

India, UAE set $200 billion trade target, deepen nuclear and infra ties

India and the United Arab Emirates (UAE) on Monday announced a dozen outcomes, including plans to double bilateral trade to over $200 billion by 2032, cooperation in the development and deployment of large nuclear reactors and small modular reactors, and Prime Minister (PM) Narendra Modi's invitation to UAE sovereign wealth funds to consider participation in the second Infrastructure Fund, scheduled for launch in 2026.
https://www.business-standard.com/india-news/india-uae-announce-trade-nuclear-cooperation-modis-infra-invite-126011901257_1.html

India-EU Summit: Bilateral trade, defence and mobility deals on table

India and the European Union are set to announce the conclusion of a free trade agreement, firming up of a defence partnership pact and a framework for mobility of Indian professionals at the summit talks next week, diplomatic sources said on Monday. European Council President Antonio Costa and European Commission President Ursula von der Leyen will be the chief guests at the Republic Day celebrations on January 26, and the India-EU summit will be held the next day.
https://www.business-standard.com/india-news/india-eu-summit-trade-defence-and-mobility-deals-on-table-126011901131_1.html

Govt announces interest subvention scheme for export credit under EPM

The government has announced an interest subvention scheme for pre- and post-shipment export credit under the Export Promotion Mission (EPM), titled Niryat Prothsahan, the Reserve Bank of India (RBI) said in a notification on Monday. Under the instructions, lending institutions are required to extend interest subvention on export credit in line with the scheme provisions and in compliance with regulatory instructions issued by the RBI.
https://www.business-standard.com/finance/news/govt-announces-interest-subvention-scheme-for-export-credit-under-epm-126011901128_1.html

Commerce dept pushing for major tweaks in SEZ norms to counter US tariffs

The commerce department is pushing for major changes to the Special Economic Zones (SEZ) norms to cushion the impact of the steep 50 per cent tariff imposed by the United States (US) on several Indian imports, according to three people aware of the matter. If implemented, the changes could make it easier for SEZ units to sell goods in the domestic market, receive payments for domestic services in Indian currency, and simplify compliance norms, among other things. An overhaul of the existing two-decade-old law governing SEZs has been under discussion for almost four years. But, the latest push comes at a time when tariffs have adversely affected these units since August.
https://www.business-standard.com/economy/news/commerce-dept-pushing-for-major-tweaks-in-sez-norms-to-counter-us-tariffs-126011900840_1.html

India's December oilmeal exports fall 40% on weak soyabean meal shipments

In December, India's oilmeal exports plummeted by 40 percent, largely attributed to a drastic decline in soyabean meal shipments. Other oilmeals, such as rapeseed and castorseed meals, also saw diminished export levels. Conversely, the exports of rice bran extraction experienced a remarkable upswing. Over the April-December timeframe, total oilmeal exports faced a 6 percent drop.
https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-december-oilmeal-exports-fall-40-on-weak-soyabean-meal-shipments/articleshow/126676501.cms

Centre allows export of 500K tonnes of wheat flour, partially lifts ban

The government has permitted exports of 5 lakh tonnes of wheat flour and related products, according to a notification. This partial lifting of the ban was eased after a gap of over three years, when the centre banned wheat exports in 2022. India is a major producer of the commodity. "The export of wheat flour and related products shall continue to remain prohibited. However, export to the extent of 5 LMT (lakh metric tonnes) of wheat flour and related products, over and above the existing policy conditions, is allowed," the Directorate General of Foreign Trade (DGFT) has said in a notification dated January 16.

https://www.business-standard.com/industry/news/centre-allows-export-of-500k-tonnes-of-wheat-flour-partially-lifts-ban-126011900469_1.html

China seeks WTO panel against India over PLI, EV incentive schemes

China has requested the WTO's dispute settlement body to set up a panel in a case it has filed against India over New Delhi's incentive schemes for auto, battery and electric vehicles after bilateral consultations failed to resolve the dispute. In October last year, Beijing alleged that certain conditions in India's Production Linked Incentive (PLI) schemes for advanced chemistry cell batteries, automobiles and the policy to promote the manufacturing of electric vehicles violate global trade rules by discriminating against Chinese goods. In a communication to the World Trade Organisation (WTO), China has stated that consultations were held on November 25, 2025, and January 6, 2026, with a view to reaching a mutually agreed solution.

https://www.thehindubusinessline.com/economy/china-seeks-wto-panel-against-india-over-pli-ev-incentive-schemes/article70526797.ece