

February 05, 2026 – Thursday

Economy

Services PMI rebounds to 58.5 in Jan amid higher output, hiring

Growth in India's services sector quickened to 58.5 in January after December's 11-month low as growth in output, new orders and job creation picked up, according to data compiled by S&P Global on Wednesday. The HSBC India Services Purchasing Managers' index (PMI) rose from 58 in December. However, this was lower than the projected Flash India Services PMI of 59.3 released last month. The reading for January remained above the 50-mark, which indicates expansion in activity, while a reading below 50 signifies contraction. The headline figure has been in the expansion zone for the 54th month running.
https://www.business-standard.com/economy/news/india-services-sector-growth-quickens-in-january-pmi-rises-to-58-5-126020400550_1.html

Headwinds may be turning into tailwinds for foreign inflows: FM Sitharaman

The headwinds may finally be turning into tailwinds for foreign investment flows into India with the announcement of a trade deal between New Delhi and Washington, Union Finance and Corporate Affairs Minister Nirmala Sitharaman said on Wednesday, arguing the country's macroeconomic fundamentals were strong even when investors began pulling out nearly a year ago. Sitharaman said India would soon undertake another round of Customs clean-up, signalling that the rationalisation in the Budget was not comprehensive yet. The government, she said, had deliberately sequenced the reforms rather than executing them in a single sweep, given the multiple layers of the Customs ecosystem. "Some changes could even be introduced through treasury amendments. But it will happen…the sooner the better," she said.
https://www.business-standard.com/economy/news/headwinds-may-be-turning-into-tailwinds-for-foreign-inflows-fm-sitharaman-126020401842_1.html

Finance

Lenders ask RBI to relax liquidity rules amid growing loan demand

Indian lenders asked the central bank to relax a number of liquidity rules to allow them unlock more funds for growth, according to people familiar with the matter, as demand for loans grows faster than deposits. Lenders are seeking permission to free up some of the cash they have to park with the Reserve Bank of India for short-term financial stress requirements, the people said, asking not to be identified as the discussions are private. Meetings between the RBI and several banks took place over the past two weeks, they said.
https://www.business-standard.com/finance/news/lenders-ask-rbi-to-relax-liquidity-rules-amid-growing-loan-demand-126020400894_1.html

PSB meet for road map to create global lenders likely this month

The government plans a conclave for state-run banks this month. The aim is to create globally competitive lenders for Viksit Bharat 2047. This initiative follows the Finance Minister's announcement of a High Level Committee on

Banking. The conclave will focus on customer-centricity and scaling credit. Banks will share roadmaps for the next five years.
https://economictimes.indiatimes.com/industry/banking/finance/banking/psb-meet-for-road-map-to-create-global-lenders-likely-this-month/articleshow/127918019.cms

NSE Indices launches Nifty MidSmallcap 400 50:50 index

NSE's index services subsidiary, NSE Indices Ltd, on Wednesday launched a new broad market index – Nifty MidSmallcap 400 50:50. According to a press release, the Nifty MidSmallcap 400 50:50 Index is a capped version of the Nifty MidSmallcap 400 Index. "The mid cap segment represented by stocks forming a part of the Nifty Midcap 150 Index and the small cap segment represented by stocks forming a part of the Nifty Smallcap 250 Index are equally weighted. The weight of each stock within the segment is based on its free-float market capitalisation," the release added.
https://www.thehindubusinessline.com/markets/nse-indices-launches-nifty-midsmallcap-400-5050-index/article70592324.ece

NSE board to meet on Feb 6 to constitute IPO panel

The board of the National Stock Exchange (NSE) is set to meet on February 6 to formally initiate the process of its long-awaited initial public offering (IPO) following the regulatory clearance from markets watchdog SEBI. During the meeting, the board is expected to constitute a specialised IPO committee to serve as the central authority for the listing, market sources said on Wednesday.
https://www.thehindubusinessline.com/markets/nse-board-to-meet-on-feb-6-to-constitute-ipo-panel/article70592454.ece

SEBI relaxes order-to-trade ratio norms for options and market makers

The Securities and Exchange Board of India (SEBI) has relaxed its order-to-trade ratio (OTR) norms for option trading by excluding orders placed within plus or minus 40 per cent of the option premium, or within ₹20, whichever is higher, from penalty calculations. OTR is a surveillance measure used by stock exchanges to curb excessive order placement and cancellations, particularly in algorithmic and high-frequency trading, by imposing economic disincentives on trading members with very high order volumes relative to executed trades.
https://www.thehindubusinessline.com/markets/sebi-relaxes-order-to-trade-ratio-norms-for-options-and-market-makers/article70592027.ece

India's mutual fund Industry to more than double in 5 years

The mutual fund industry is projected to more than double over the next five years, with the economy growing at 10 per cent annually and a shift in money from savings accounts with low interest rates into investment accounts which give higher returns, said KV Kamath, Chairman, Jio Financial Services. "I think there is going to be a reallocation of money from savings to investment," he said at a Jio Blackrock event 'Investing for a new era.'
https://www.thehindubusinessline.com/markets/indias-mutual-fund-industry-to-more-than-double-in-5-years/article70592564.ece

Private life insurers see early signs of recovery in credit life business

Private life insurers are seeing early signs of recovery in their credit life business, as disbursements by lenders in the microfinance segment picked up in the third quarter of 2025-26 (Q3FY26), with stress in the sector normalising. In its post-earnings analyst call, ICICI Prudential Life Insurance's management said the microfinance segment of credit life business has started showing signs of revival. "We are starting to see that microfinance (MFI) has now started to turn around. I wouldn't say it's out of the woods yet, but very clearly, we have started to see a turnaround coming through in Q3. So, again, this is in line with the commentary that you're also hearing generally around MFI credit, the core business of credit. So, as that business starts to build up, we should be a natural beneficiary of that," said Dhiren Salian, chief financial officer (CFO), ICICI Prudential Life Insurance.
https://www.business-standard.com/finance/insurance/private-life-insurers-see-early-signs-of-recovery-in-credit-life-business-126020401228_1.html

Trade deals remove uncertainties, boost capital formation: Sebi chairman

Sebi Chairman Tuhin Kanta Pandey on Wednesday said that end of trade frictions through trade deals like the one with the US removes uncertainties, which will help accelerate capital formation. Replying to a question on whether the trade deal with the US will push foreign investors to get more money into the country, Pandey said such moves can "spur" investment decisions. "Fundamentally, when you have an overhang of a regulatory action which is removed, and trade frictions removed, so any capital formation is always accelerated," Pandey told reporters here.
https://www.business-standard.com/markets/news/trade-deals-remove-uncertainties-boost-capital-formation-sebi-chairman-126020400763_1.html

No tax risk for foreign companies setting up data centres in India: FinMin

The Budget proposal of a 20-year tax holiday to foreign companies which provide cloud services globally will be available only to those which have set up a MeitY-notified data centre in India, and there will not be any risk for such overseas firms of their global income being taxed in India on this account, sources said on Wednesday. Finance Ministry sources also said that the Budget announcement would also give certainty to foreign companies that are in the business of providing cloud services and procurement services from a data centre in India.
https://www.business-standard.com/industry/news/no-tax-risk-for-foreign-companies-setting-up-data-centres-in-india-finmin-126020400746_1.html

Industry

Govt likely to clear seven proposals worth ₹11,000 crore under ECMS

The Ministry of Electronics and Information Technology (MeitY) is likely to soon clear another round of five to seven applications under the Electronics Component Manufacturing Scheme (ECMS), with a cumulative investment of nearly ₹11,150 crore, a senior government official said. The total estimated production from these units is likely to be up to ₹29,000 crore, with expected direct employment generation for 19,000 people, the official said, adding that these projects are expected to go live in 2026.
https://www.business-standard.com/industry/news/govt-likely-clear-more-ecms-applications-investment-rs-11150-crore-126020401361_1.html

Technology Development Board issues first call of proposal under RDI fund

Marking a key step in operationalising the Research, Development and Innovation (RDI) Fund, the Technology Development Board (TDB) on Wednesday announced the first call for proposals. The statutory body has invited applications on a rolling basis in priority sectors, including energy security and transition, artificial intelligence (AI) and its applications, quantum computing, robotics and space. TDB, along with the Biotechnology Industry Research Assistance Council (BIRAC), are two focused research organisations that have been nominated by the government as second-level fund managers for the proposed fund. The RDI fund, worth Rs 1 lakh crore, was launched last year.
https://www.business-standard.com/industry/news/technology-development-board-first-call-proposals-rdi-fund-126020401660_1.html

Gold and silver get cheaper to import as government cuts base prices

Gold and silver import prices have been reduced by India's government. This action lowers the customs duty on these precious metals. The move comes as global prices for gold and silver are near record highs. India is a major consumer of gold and the largest market for silver. The government typically revises these prices every two weeks.
https://economictimes.indiatimes.com/news/economy/foreign-trade/gold-and-silver-get-cheaper-to-import-as-government-cuts-base-prices/articleshow/127899468.cms

Electric two-wheelers to see 16-18% volume growth in FY28: Crisil

The easing of rare-earth supply is expected to drive electric two-wheeler volume growth in India to 16-18 per cent next fiscal after moderating to 12-13 per cent in the ongoing fiscal due to supply chain constraints, according to Crisil Ratings. This fiscal, the electric two-wheeler (E2W) growth is expected to moderate due to temporary disruptions in the supply of rare-earth magnets and the goods and services tax (GST) rationalisation on internal combustion engine (ICE) models, Crisil Ratings said in a statement.
https://www.business-standard.com/industry/auto/electric-two-wheelers-to-see-16-18-volume-growth-in-fy28-crisil-126020400732_1.html

Cigarette tax hike may boost illicit trade, hurt employment and tax revenue: Report

With the new excise tax on cigarettes set to drive up prices, authorities may unwittingly trigger a rise in clandestine cigarette trade. This could pose challenges for tax collection efforts, while farmers dedicated to FCV crops might experience a slump in market demand. The ripple effect could lead to job losses within the farming community and related fields.

https://economictimes.indiatimes.com/industry/cons-products/tobacco/cigarette-tax-hike-may-boost-illicit-trade-hurt-employment-and-tax-revenue-report/articleshow/127907991.cms

Agriculture

India can unlock agroforestry potential via four key industries: Report

The full economic, social and environmental potential of India's dynamic Trees Outside Forests (TOF) sector, commonly referred to as agroforestry, can be realised by focusing on four critical industries — plywood, paper and pulp, wooden furniture, and pulp and extracts for food processing — according to a report likely to be shared at the first South Asian Agroforestry and Trees Outside Forests Congress. This is because the plywood industry in India is projected to grow at a compound annual growth rate (CAGR) of 6.60 per cent, while the paper and pulp industry is projected to grow at a CAGR of 13.4 per cent.

https://www.business-standard.com/industry/agriculture/india-agro-forestry-potential-plywood-paper-furniture-food-processing-126020401646_1.html

Infrastructure

Around 59 mn FASTags currently active, out of 118.6 mn issued: Gadkari

There are around 5.9 crore FASTags active across the country, of the total 11.86 crore FASTags issued so far, Union Minister Nitin Gadkari said on Wednesday. FASTag is an RFID passive tag used for making toll payments directly from the customer's linked prepaid, savings, or current account. Presently, more than 98 per cent of user fee on National Highways is collected through electronic toll collection system, the Union Minister for Road, Transport and Highways said in a written reply to the Rajya Sabha.

https://www.business-standard.com/industry/news/nitin-gadkari-5-9-cr-fastags-active-india-11-86-cr-issued-so-far-126020401576_1.html

Housing ministry raises EWS housing target under PMAY 2.0 by 350%

The Ministry of Housing and Urban Affairs has increased its annual target of houses to be constructed under the beneficiary-led construction (BLC) component of Pradhan Mantri Awas Yojana–Urban (PMAY-U) 2.0 by 350 per cent. According to Budget documents reviewed by Business Standard, the ministry has raised its housing construction target to 500,000 homes in FY27 from 110,000 houses in FY26. The move is expected to benefit 2.93 million family members with dignified living through housing along with basic civic amenities.

Energy

India's Russian crude imports fall 12% in January from December, shows data

India's Russian oil imports slipped in January, continuing a downturn that began in December as refiners sought more alternative barrels under Western sanctions pressure and ongoing US-India trade talks, Reuters sources said and data showed. On Monday, US President Donald Trump announced a trade deal with India to cut tariffs to 18 per cent from 50 per cent in exchange for New Delhi halting Russian oil purchases and lowering trade barriers.

https://www.business-standard.com/economy/news/india-russian-oil-imports-down-12-per-cent-in-jan-dec-amid-us-india-trade-talks-126020401520_1.html

Link power tariff hikes to inflation, suggests expert report to 16th FC

Annual power tariff increases can be linked to inflation, instead of infrequent and large tariff hikes, which would be critical for timely revenue recovery for distribution companies at modest tariff hike levels, an expert report submitted to the 16th Finance Commission has recommended. "Had such inflation-linked tariff increases been

implemented during FY16–FY23, the accumulated revenue gap would have decreased by Rs 4.41 lakh crore, translating to an annual additional revenue recovery of Rs 60,000 crore, eliminating Rs 1.6 lakh crore in interest costs," the study, prepared by Prayas Energy Group, said.
https://www.business-standard.com/industry/news/link-power-tariff-hikes-inflation-recover-rs-60000-crore-annually-fc-report-126020401422_1.html

PM Surya Ghar scheme benefits 2.8 mn households, ₹16,000 cr disbursed: Govt

Over 2.8 million households have benefited under the PM Surya Ghar: Muft Bijli Yojana as of January 2026, with disbursement of ₹16,061.12 crore as central financial assistance, Parliament was informed on Wednesday. The government is also strengthening global partnerships to advance renewable energy, storage and grid integration, Union Minister of State for New and Renewable Energy Shripad Yesso Naik said in a written reply to the Lok Sabha.
https://www.business-standard.com/industry/news/pm-surya-ghar-scheme-benefits-2-8-mn-households-rs-16-000-cr-disbursed-govt-126020400992_1.html

States

Centre provided ₹ 1,094 cr to Maharashtra under PMKSY in three years

The Centre has extended ₹ 1,094 crore in financial assistance to Maharashtra under various components of the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) during the last three financial years, the government informed. In a written reply to an unstarred question by Nationalist Congress Party Rajya Sabha member Sunetra Ajit Pawar, Union Minister of State for Jal Shakti Raj Bhushan Choudhary said the assistance between 2022–23 and 2024–25 included ₹586.10 crore under the Accelerated Irrigation Benefits Programme, ₹148.94 crore for Command Area Development and Water Management, and ₹358.89 crore for watershed development works.
https://www.thehindubusinessline.com/news/national/centre-provided-1094-cr-to-maharashtra-under-pmksy-in-three-years/article70591958.ece

Healthcare

Biopharma Shakti: India targets China dependence, patent cliff

India is launching a major initiative to boost its biopharmaceutical manufacturing. This plan aims to reduce reliance on China for crucial drug components. It also seeks to capitalize on upcoming patent expirations of major global drugs. India will focus on becoming a hub for biosimilars and emerging biologics. This strategy will strengthen the nation's pharmaceutical industry on the global stage.
https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/biopharma-shakti-india-targets-china-dependence-patent-cliff/articleshow/127917574.cms

Medical gear firms told to 'promptly' flag adverse cases

Indian medical device firms must now promptly report all adverse events, both serious and non-serious, to the government's Materiovigilance Programme. This directive aims to boost patient safety and address concerns over underreporting of issues linked to locally manufactured equipment. Timely reporting is crucial for identifying risks and implementing necessary safety measures.
https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/medical-gear-firms-told-to-promptly-flag-adverse-cases/articleshow/127893819.cms

External

India, GCC to sign terms of reference on Feb 5 to launch FTA talks

India and the six-nation bloc of Middle Eastern nations, the Gulf Cooperation Council (GCC), will ink terms of reference on Thursday for starting talks for a free trade agreement (FTA), an official said. The terms of reference (ToR) outline the scope and modalities of a proposed trade pact. Commerce and Industry Minister Piyush Goyal will preside over the signing ceremony of the ToRs with GCC. GCC is a union of six countries in the Gulf region -- Saudi Arabia, the UAE, Qatar, Kuwait, Oman and Bahrain.

https://www.business-standard.com/economy/news/india-gulf-cooperation-council-to-ink-terms-of-reference-on-feb-5-for-starting-fta-talks-126020401675_1.html

India supports FORGE initiative, a successor to US-led Mineral Security Partnership: EAM Jaishankar at Critical Minerals Ministerial

India has backed FORGE, a new critical minerals initiative launched in Washington DC. External Affairs Minister S Jaishankar attended the Critical Minerals Ministerial, a meeting of over 50 nations. Discussions focused on de-risking supply chains and reducing global overreliance on China. India's support for FORGE signals its commitment to global resource security and strategic partnerships.
https://economictimes.indiatimes.com/news/economy/foreign-trade/india-supports-forge-initiative-a-successor-to-us-led-mineral-security-partnership-eam-jaishankar-at-critical-minerals-ministerial/articleshow/127921639.cms

Russia says ready for close cooperation with India in hydrocarbons trade

Russia's Ministry of Foreign Affairs said on Wednesday that it stands ready to continue close cooperation with India on hydrocarbons trade. "We are convinced that India's purchase of Russian hydrocarbons is mutually beneficial and contributes to maintaining stability in the global energy market. We stand ready to continue close cooperation in this area with our Indian partners," the Ministry said in a statement on X. Russia's comments come as the United States has been continuously asserting that India has agreed to stop importing Russian crude oil.
https://www.thehindubusinessline.com/economy/russia-says-ready-for-close-cooperation-with-india-in-hydrocarbons-trade/article70592970.ece

Over 40% of India's US exports already face zero duty, shows govt data

Indian exports to the US, which already attract zero duty, account for more than 40 per cent of total shipments to the country, according to the latest government data for April–November 2025. This is even before India and the US announced the conclusion of a mega trade deal on Monday night. Key commodities exported from India to the US at zero duty include electronics, led primarily by smartphones; pharmaceutical products, including bulk drugs, which rank among the top three exports to the US; petroleum products; and tea, coffee, and spices.
https://www.business-standard.com/economy/news/over-40-of-india-s-us-exports-already-face-zero-duty-shows-govt-data-126020401494_1.html

India's coir exports set to gain from US tariff cut

India's coir and coir products exports are expected to gain significantly following the US ' decision to reduce import tariffs to 18 per cent, enabling exporters to recover losses incurred in 2025. The earlier tariff of 50 per cent, combined with other duties, had severely affected the competitiveness of Indian coir products in the US market. Calling the move long overdue, Sajan B. Nair, Secretary General of the Federation of Indian Coir Exporters' Associations (FICEA), said the tariff reduction has already triggered a positive response from buyers.
https://www.thehindubusinessline.com/economy/agri-business/indias-coir-exports-set-to-gain-from-us-tariff-cut/article70590846.ece