Monthly Policy Review

January 2026

Highlights of this Issue

Parliament's Budget Session to be held from January 28 to April 2 (p. 2)
The Budget Session commenced on 28 January, with 30 sittings scheduled. The Union Budget was presented on February 1. There will be a recess between 14 February and 8 March.

President addresses joint sitting of Parliament (p. 2)
The speech highlighted increased investment, expansion of transport networks and performance of health and social justice schemes. It also highlighted the four newly consolidated labour codes.

Economic Survey 2025-26 presented in Parliament (p. 2)
The survey projects a GDP growth of 6.8% to 7.2% in 2026-27. Inflation is expected to see a gradual rise but stay within the 2% to 6% target band. It also noted that FDI inflows remain below potential.

GDP estimated to grow by 7.4% in 2025-26 (p. 3)
Manufacturing is expected to grow by 7%, financial and public services by 9.9% each, agriculture by 3.1%, and construction by 7%. Overall growth is higher than 6.5%, registered in 2024-25.

India and European Union conclude Free Trade Agreement (p. 3)
The Agreement aims to provide market access to 99% of Indian exports by trade value to the EU, and a framework for business and student mobility. It also enables access to sectors such as IT and business services.

The UGC (Promotion of Equity in Higher Education Institutions) Rules, notified (p. 5)
The Rules establish an Equal Opportunity Centre in each institution. The UGC will also establish a monitoring committee. The Supreme Court has stayed the implementation of the Rules.

Draft Pesticide Management Bill, 2025 released for comments (p. 5)
The draft Bill proposes setting up of a Central Pesticides Board and a Registration Committee. It provides for registration of pesticides, ban on their use, procedure relating to pesticide poisoning, offences, and penalties.

Draft amendments to Mines and Minerals Act released (p. 7)
The Bill seeks to remove area limits for reconnaissance permit, prospecting licence and mining lease and rationalise the period of prospecting licence.

Uniform consent guidelines amended under Air and Water Acts (p. 8)
The updated guidelines extend the validity of consents and allow registered environmental auditors to verify compliance.

The National Sports Governance (National Sports Bodies) Rules, 2026 released (p. 10)
The Rules include appointment of Sportspersons of Outstanding Merit in the National Sports Bodies. They specify the eligibility criteria, roster for the election panel and grounds for disqualification as well.

February 2, 2026

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Parliament

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Parliament's Budget Session Commences

The Budget Session of Parliament commenced on January 28, 2026.[1] The session will have 30 sittings and will be held in two phases. The first phase will run from January 28, 2026 to February 13, 2026, and the second from March 9, 2026 to April 2, 2026. The President addressed both Houses of Parliament on January 28, 2026. The Economic Survey 2025-26 was presented on January 29, 2026. The Union Budget for 2026–27 was presented on February 1, 2026. With respect to Bills, only the Finance Bill, 2026 has been listed for introduction, consideration and passing.

President addresses joint sitting of Parliament

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The President of India, Ms Droupadi Murmu, addressed a joint sitting of both Houses of Parliament.[2] She outlined the major policy achievements and objectives of the government in her address. Key highlights of the address include:

- **Industry and Commerce:** The Production Linked Incentive scheme has attracted investment of around two lakh crore rupees. Production worth more than Rs 17 lakh crore has been achieved. The production of electronics reached Rs 11 lakh crore, increasing sixfold in the last 11 years. A package of Rs 70,000 crore has been announced for the shipping sector. India has become the third largest startup ecosystem in the world.
- **Infrastructure and Transport:** Last year, around 18,000 kilometres of rural roads were added. India's metro network crossed 1,000 kilometres, making it the third largest network in the world. In the last decade, more than four crore pucca houses have been built for the poor. In the five years of Jal Jeevan Mission, 12.5 crore household have been provided piped water connection.
- **Labour, skilling and job creation:** For the protection and welfare of workers, dozens of labour laws have been consolidated into four Codes. The Viksit Bharat G RAM G Act (which replaced MGNREGA) will ensure 125 days of guaranteed employment in villages. Under the Mudra Yojana, more than Rs 38 lakh crore has been provided to small entrepreneurs. Under the Prime Minister Viksit Bharat Rozgar Yojana, more than 3.5 crore new jobs are being created.
- **Health:** Under the Ayushman Bharat Yojana, more than 11 crore free medical treatments have been provided until 2025. Around 1.8 lakh Ayushman Arogya Mandirs have been set up across the country.
- **Agriculture**: Last year, over 350 million tonne of food grains were produced. Under the PM Kisan Samman Nidhi, more than four lakh crore rupees have been transferred to farmers.
- **Social Justice:** In the last decade, 25 crore citizens have overcome poverty. Last year, more than 6.75 lakh crore rupees were transferred to beneficiaries through Direct benefit Transfer. Around 95 crore citizens have social security cover.

For a summary of the President's Address, see here. For a note on the progress of announcements made in the previous year's Address, see here.

Economy

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Economic Survey 2025-26 tabled in Parliament

The Finance Minister, Ms. Nirmala Sitharaman tabled the Economic Survey 2025-26 on January 29, 2026 in Parliament.[3] Key highlights of the Survey include:

- **Gross Domestic Product (GDP):** Real GDP growth in 2026-27 is projected in the range of 6.8% to 7.2%. In 2025-26, GDP is estimated to grow by 7.4%, largely driven by domestic demand. Factors conducive for domestic economy include: (i) healthier balance sheets across households, firms, and banks, (ii) support from public investment, (iii) resilient consumption demand, and (iv) improving private investment intentions.
- **Inflation:** Retail inflation declined from 4.6% in 2024-25 to 1.7% in 2025-26 (April-December). This has improved real purchasing power and supported consumption. Decline in inflation was driven by lower prices of food items such as vegetables, pulses, and spices. This was owing to favourable weather conditions and higher production. RBI and IMF project a gradual increase in headline inflation in 2026-27, within the target range of 4% (±2%).
- **External Sector:** India's current account deficit in the first half of 2025-26 was 0.8% of GDP, lower than the first of 2024-25 (1.3% of GDP). Foreign direct investment (FDI) inflows in 2025 were USD 81 billion, 13% higher than the previous year. The Survey noted that FDI inflows remain below their potential, despite favourable macroeconomic fundamentals.
- **Government finances:** The central government is estimated to contain fiscal deficit to below 4.5% of GDP in 2025-26. Centre's revenue receipts have strengthened, increasing from 8.5% of GDP during 2016-20 to 9.1% of GDP during 2022-25. On the expenditure front, revenue expenditure has moderated driven by reduction in subsidy. At the

same time, effective capital expenditure of the Union government (including grants for capital assets) increased from average of 2.7% of GDP to 4% of GDP in 2024-25. Aggregate fiscal deficit of states rose to 3.2% of GDP in 2024-25. Only 11 states recorded a revenue surplus in 2024-25. Increasing reliance on cash transfers in states raises concerns about expenditure flexibility.

For a summary of the Economic Survey, see here.

Macroeconomic Development

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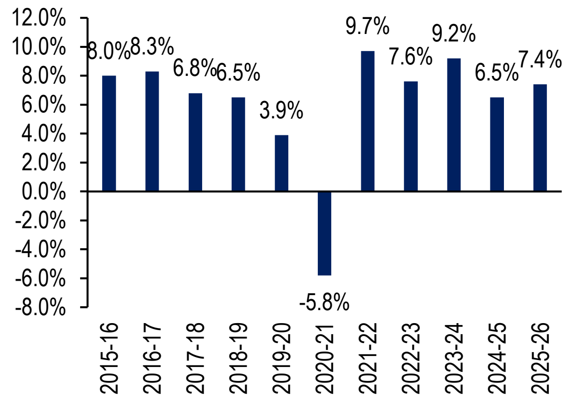
India's GDP estimated to grow by 7.4% in 2025-26

India's GDP is estimated to grow by 7.4% in 2025-26 (at constant prices), as per the first advance estimates released by the Ministry of Statistics and Programme Implementation.[4] GDP growth in 2025-26 is estimated to be higher than 2024-25 (6.5%).

Figure 1: Annual GDP growth rate (at constant 2011-12 prices)



Sources: Ministry of Statistics and Programme Implementation; PRS.

GDP across sectors is measured in terms of gross value added (GVA). In 2025-26, financial and public services are estimated to register the highest growth (9.9% each), followed by trade (7.5%), and construction and manufacturing (7.0% each).

Table 1: Annual sectoral growth (at constant 2011-12 prices)

Sector	2023-24	2024-25	2025-26
Agriculture	2.7%	4.6%	3.1%
Mining	3.2%	2.7%	-0.7%
Manufacturing	12.3%	4.5%	7.0%
Electricity	8.6%	5.9%	2.1%
Construction	10.4%	9.4%	7.0%
Trade	7.5%	6.1%	7.5%
Financial Services	10.3%	7.2%	9.9%
Public Services	8.8%	8.9%	9.9%
GVA	8.6%	6.4%	7.3%
GDP	**9.2%**	**6.5%**	**7.4%**

Sources: Ministry of Statistics and Programme Implementation; PRS.

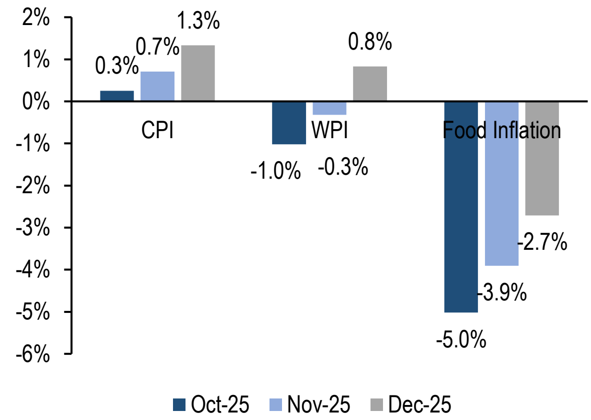
CPI inflation averaged 0.76% in the third quarter of 2025-26

Consumer Price Index (CPI) inflation was 0.76% in the third quarter (October-December) of 2025-26 over the corresponding period of the previous year, lower than 5.64% in the third quarter of 2024-25.[5] In the second quarter (July-September) of 2025-26, CPI inflation was 1.71%.

Food inflation was -3.88% in the third quarter of 2025-26, significantly lower than 9.43% in the corresponding quarter of 2024-25. In the second quarter of 2025-26, food inflation was -1.58%.

Wholesale Price Index (WPI) inflation was -0.17% in the third quarter of 2025-26, lower than 2.43% in the corresponding quarter of 2024-25.[6] In the second quarter of 2025-26, WPI inflation was 0.04%.

Figure 2: Monthly inflation in Q3 of 2025-26 (% change, year-on-year)



Sources: Ministry of Statistics and Programme Implementation; Ministry of Commerce and Industry; PRS.

Commerce and Industry

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India and European Union conclude Free Trade Agreement

India and European Union (EU) announced the conclusion of a Free Trade Agreement (FTA).[7] The agreement would provide market access for 99% of India's exports by value, to the EU. Key features of the agreement include: (i) elimination of EU's tariffs on around USD 33 billion of India's exports in sectors such as textiles and automobiles, (ii) access for India to EU's 144 subsectors such as IT, business, and education services, (iii) facilitative framework for business and student mobility, and (iv) access for practitioners of Indian traditional medicine under home title in EU member states where traditional medical practices are not regulated.

The FTA also seeks to strengthen bilateral cooperation in financial services.[8] This includes cooperation on cross-border digital payments, fintech innovation (including regulatory and supervisory technologies), safeguards against discriminatory credit rating practices, and enhanced market access commitments in the insurance and banking sectors. As of 2024-25, India's bilateral trade in goods with the EU stood at USD 137 billion. India-EU trade in services was USD 83 billion in 2024.

State Visit of the President of the United Arab Emirates (UAE) to India

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The President of the UAE, Sheikh Mohamed bin Zayed Al Nayhan, paid a state visit to India on January 19, 2026. During the visit, India and the UAE signed several memorandums of understanding (MoUs) and letters of intent (LoIs) across multiple sectors.[9]

Key agreements include: (i) an LoI to establish a Strategic Defence Partnership Framework Agreement, (ii) an agreement for the purchase of liquified natural gas by Hindustan Petroleum Corporation Limited from Abu Dhabi National Oil Company Gas for a period of 10 years starting in 2028, (iii) an MoU for quality standards for trade in the food sector, (iv) an LoI for investment cooperation by UAE for the development of the Special Investment Zone at Dholera, Gujarat, and (v) an LoI to advance cooperation in the development of space infrastructure. Other announcements include: (i) establishing a supercomputing cluster in India, (ii) doubling bilateral trade to over US$ 200 billion by 2032, and (iii) promotion of bilateral cooperation in civil nuclear energy.[9]

State Visit of the Chancellor of Germany to India

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The Chancellor of Germany, Friedrich Merz, paid a state visit to India from January 12-13, 2026.[10] During the visit, India and Germany signed 12 Joint Declarations of intent (DoI), 5 MoUs and two other agreements. Key agreements include: (i) DoIs for strengthening bilateral cooperation in industrial defense, semiconductor ecosystem, and critical minerals, and (ii) MoUs between various Indian and German institutions in energy, information technology, and heath care sectors.[11] Key announcements include visa free transit for Indian passport holders for transiting through Germany, and establishment of a foreign policy and security dialogue.

Comments invited on note proposing amendments to Designs Act, 2000

The Department for Promotion of Industry and Internal Trade (DPIIT) has invited comments on a concept note proposing amendments to the Designs Act, 2000.[12,13] The Act was implemented to protect design of physical goods and manufacturing processes. The amendments seek to modernise India's design protection framework, and include graphic and animated designs. Key observations and amendments in the note include:

- **Virtual designs protection:** Currently, the Designs Act restricts the definition of design and article to tangible objects and the visual features applied to it. The note proposes expanding the definition of 'design' to include virtual design, and that of 'article' to include non-physical items such as graphical user interfaces, typefaces, icons, and animated characters.
- **Design-copyright interface:** The overlap of design-related provisions of the Designs Act, 2000 and the Copyright Act, 1957 has led to legal ambiguity and conflicting interpretations. Currently, all designs registered under the Designs Act, 2000 are excluded from copyright protection under the Copyright Act, 1957. For works which could be registered under the Designs Act but remain unregistered, the copyright protection ceases to exist after reproduction of such unregistered designs more than 50 times. The note proposes amendments to the Copyright Act, 1957 to allow copyright protection for designs that are registrable but remain unregistered. Such protection will be limited to 15 years.
- **Riyadh Design Law Treaty:** India signed the Riyadh Design Law Treaty (DLT) in 2024. DLT makes design registration simpler by reducing paperwork and procedural requirements. The note proposes acceding to the treaty to promote ease of doing business.
- **Hague Agreement:** It also proposes to join the Hague Agreement (1999). This will allow designers and businesses to protect designs in multiple countries through a single international application. This aims to: (i) reduce administrative costs for startups and MSMEs, and (ii) make it easier for foreign applicants to seek design protection in India.
- **Deferment of publication and damages:** Currently the Designs Act does not provide the option of deferred publication to applicants. Designs are published immediately upon registration. The note proposes to introduce a mechanism for deferred publication of registered designs at the request of the applicant. The note proposes a maximum deferment period of up to 30 months.

Comments are invited by February 22, 2026.

Education

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UGC (Promotion of Equity in Higher Education Institutions) Regulations, 2026 released; SC orders stay

The University Grants Commission (UGC) released the UGC (Promotion of Equity in Higher Education Institutions) Regulations, 2026.[14] They replace the UGC (Promotion of Equity in Higher Education Institutions) Regulations, 2012.[15] Two weeks following the release of the 2026 Regulations, the Supreme Court put a stay on its implementation, and held that the 2012 Regulations will continue to be in force.[16] The Court stated that some provisions of the 2026 Regulations suffer from ambiguities, and could be misused.

Key features of the 2026 Regulations include:

- **Promoting equity:** All higher education institutions (HEIs) will have a duty to eradicate discrimination and promote equity among stakeholders. All HEIs must take measures to prevent discrimination on the basis of caste, creed, religion, language, ethnicity, gender, or disability.
- **Equal Opportunity Centres:** All HEIs will be required to establish an Equal Opportunity Centre (EOC). It will implement policies and programs for disadvantaged groups. It will coordinate with state and district level legal services authorities, civil society, media, and police to achieve these objectives. A professor or a senior faculty member appointed by the HEI will be the coordinator. It must have representation from Other Backward Classes, Scheduled Castes, Scheduled Tribes, persons with disabilities and women.
- **Equity Committee:** The EOC will have an Equity Committee to manage its functioning. It will consist of nine members, headed by the head of the institution. It will have teaching and non-teaching faculty, student representatives, and representation from civil society organisations as members.
- **Functions of Equity Committee:** The Committee will: (i) create awareness regarding social inclusion, (ii) prepare a list of acts considered as discrimination, (iii) maintain an online portal for reporting incidences of discrimination, and (iv) prepare inclusive procedure for admission of students belonging to disadvantaged groups.
- The Committee is required to act within 24 hours of discrimination being filed. It must submit its report to the head of the institution within 15 days. Appeal against the report of the Committee may be made to the UGC Ombudsperson within 30 days.
- **Monitoring committee:** The UGC will establish a national committee to monitor the implementation of the Regulations. The committee will consist of representatives from statutory professional councils and civil societies. In case of non-compliance with the regulations, the UGC may exempt the HEI from: (i) offering degree and online programs, (ii) participating in UGC schemes, or (iii) UGC recognition.

UGC guidelines on Uniform Policy on Mental Health and Well-Being for Higher Educational Institutions circulated

The UGC released guidelines on the Uniform Policy on Mental Health and Well-Being for Higher Educational Institutions (HEIs).[17] The Policy provides a framework for the mental health ecosystem in HEIs, in alignment with National Education Policy, 2020. It requires HEIs to establish a mental health and well-being support centre (the Support Centre), and a mental health and well-being centre monitoring committee (the Monitoring Committee). The UGC will be responsible for monitoring the implementation of the Policy. Key features of the Policy include:

- **Role of the Support Centre and the Monitoring Committee:** The Support Centre will be responsible for: (i) creating mental health awareness among stakeholders, (ii) capacity building of faculty to address mental health challenges in students, (iii) conducting surveys and research on mental health. The Monitoring Committee will collect and anonymise data of the support centres. It will appoint a nodal officer to serve as a liaison between HEI and UGC.
- **Role of HEIs:** The roles of HEI include: (i) deputing faculty mentors in a ratio of 1:500 students, (ii) providing student support in the ratio 1:100 students, (iii) interlinking the HEI helpline with the Tele-MANAS helpline, and (iv) collaborating with national and district mental health programmes to offer counselling, medication, stress management in colleges.
- The Policy provides for establishing readiness and crisis management in HEIs. This includes: (i) suicide prevention infrastructure, (ii) risk assessment, and (iii) post-crisis support.

Agriculture

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Draft Pesticide Management Bill, 2025 released for comments

The Ministry of Agriculture and Farmers Welfare released the draft Pesticide Management Bill, 2025 for comments.[18] The Bill aims to regulate the manufacture, import, sale, storage, distribution, use, and disposal of pesticides. It aims to replace the Insecticides Act, 1968 and the Insecticides Rules, 1971.[19,20] Another Bill to regulate pesticides was introduced and is currently pending in Rajya Sabha. It was also examined by the Standing Committee on Agriculture, Animal Husbandry, and Food Processing. Key proposals in the draft Bill include:

- **Central Pesticides Board:** The draft Bill proposes constitution of a Central Pesticides Board to advise the central and state governments on scientific and technical matters arising under the Act. The Board will also: (i) recommend inclusion of pesticides in the Schedule (notified list of registered pesticides), (ii) carry out research on pesticides and their safety, (iii) frame protocols to handle pesticide poisoning cases, and (iv) advise central government on good manufacturing practices, disposal, advertisement standards, and lab testing of pesticides.
- **Registration Committee:** The draft Bill proposes setting up a Registration Committee to: (i) oversee the registration of pesticides, (ii) review the safety and effectiveness of registered pesticides, (iii) cancel or amend the registration, and (iv) maintain a national digital register of pesticides.
- **Registration of Pesticides:** Persons seeking to import or manufacture a pesticide for ordinary or commercial use must obtain a certificate of registration for the pesticide from the Registration Committee. Multiple applications will be required for import or manufacture of more than one pesticide. The Registration Committee will be required to record and make publicly available its reasons for the grant or refusal of registration.
- **Prohibition of certain pesticides:** The central or state government may prohibit the distribution, sale, or use of a pesticide or a batch of pesticide for up to one year, if its use may pose risk to human health or other living organisms. This ban would include a ban on sale, distribution or use of such pesticide or a batch of pesticides.
- **Licences:** Any person wishing to manufacture, distribute, exhibit for sale, stock pesticide, or undertake pest control operations will be required to obtain a license from the Licensing Officer. Conviction for an offence under the Bill will lead to revocation of the licence.

Comments are invited by February 4, 2026.

Mining and Coal

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Draft amendments to the Mineral Concession Rules, 1960 released for public consultation

The Ministry of Coal has released draft amendments to the Mineral Concession Rules, 1960.[21] The Rules are formulated under the Mines and Minerals (Development and Regulation) Act, 1957.[22] The draft Rules seek to regulate the inclusion of other minerals in a mining lease. Key proposals include:

- **Application and approval for inclusion of minerals:** A holder of a mining lease may apply for inclusion of any additional mineral in the lease. The state government is required to decide on such application within 60 days. Where coal or lignite is included in a lease for any other mineral, or vice versa, the lease holder must notify the central government within 30 days of inclusion. In cases where minerals other than coal and lignite are included in a coal or lignite lease, the rules applicable to those other minerals will apply.
- **Inclusion of coal or lignite in a mining lease:** Before permitting inclusion of coal or lignite into a mining lease, the state government must ensure: (i) prospecting operations for coal and lignite have been carried out over the entire potentially mineralised area, (ii) a geological report has been prepared and approved, and (iii) a mining plan for coal and lignite has been prepared and approved.
- **Discovery of coal or lignite in a minor mineral lease:** Where coal or lignite is discovered in an area covered by a minor mineral lease, the lease holder must report such discovery within six months of notification of the Rules or within 60 days of discovery, whichever is later. The state government is required to consult the central government on the extent and type of minerals present, quantity and grade of coal and lignite, quantity and quality of minor minerals, and the estimated value of the mineral resources.

  If the estimated quantity or value of coal or lignite exceeds 25% of that of the minor minerals, the state government, in consultation with the central government, will terminate the minor mineral lease. The central government will allocate the area for grant of a coal or lignite lease. Where the estimated value of coal or lignite is 25% or lower, the state government may permit inclusion of coal or lignite in the minor mineral lease.
- **Financial obligations:** In cases where coal or lignite is included in a minor mineral lease, the lease holder is required to pay the additional amount specified under the 1957 Act. Where the lease was auctioned and the auction premium was not linked to the value of mineral dispatched, the lease holder must pay an amount equivalent to the

royalty of the included minerals. The lease holder must also maintain accounts of minerals extracted and dispatched, waste material excavated, employee details, and approved mining plans.

Comments are invited until February 6, 2026.

Draft amendments to Mines and Minerals (Development and Regulation) Act released

The Ministry of Coal released the Mines and Minerals (Development and Regulation) Amendment Bill, 2026 for public consultation.[23,24] The Mines and Minerals (Development and Regulation) Act, 1957 governs the regulation, development, and conservation of minerals in India and the grant of mining rights.[25] Proposed amendments include:

- **Removal of area limits on mineral concessions:** Under the Act, the maximum area permitted for acquiring mineral concession is: (i) 10,000 square kilometres (sq km) for reconnaissance permit, (ii) 5,000 sq km for exploration licence, (iii) 25 sq km for prospecting licence, and (iv) 10 sq km for mining lease. The draft Bill proposes to remove these area limits for all three concessions.
- **Revising the period of prospecting licence:** Under the Act, prospecting licence or reconnaissance permit can be provided for up to three years, and extended by the state government by another two years. The draft Bill proposes to: (i) amend the period of prospecting licence to three years for deep-seated minerals and two years for other minerals, and (ii) remove the timeline provided for reconnaissance permit as the section no longer contains separate provision for grant of reconnaissance permits.
- **Auction of exploration licence by the central government:** The 1957 Act provides for grant of exploration licence for critical and deep-seated minerals through state governments. In October 2024, the Ministry of Mines issued an order empowering the central government to auction the exploration licences. The draft Bill seeks to include the provisions of the order into the Act.
- **Reducing the period for operationalisation of mines:** Under the 1957 Act, a mining lease lapses if production and dispatch is not undertaken within two years from the date of execution of lease or discontinuation of production or dispatch. State governments are allowed to extend this period by another year. The draft Bill proposes to remove the powers of states to provide such extensions.

Draft amendments to the Mineral (Auction) Rules, 2015 released for public consultation

The Ministry of Mines has released draft amendments to the Mineral Auction Rules, 2015.[26,27] The Rules are formulated under the Mines and Minerals (Development and Regulation) Act, 1957.[28] The draft rules propose partial execution of mining and composite leases to speed the operationalisation of mines. Key proposals include:

- **Forest Area Exclusion:** Draft Rules propose that a state government may allow a preferred bidder to exclude the portion of the block falling in forest land, if: (i) the forest portion is located at the edge of the block, or (ii) contains less than 20% of the total estimated mineral resources.
- **Part lease execution:** Draft Rules propose that preferred bidders may also be permitted to execute mining lease separately for forested and non-forested area, if the mineral block does not contain deep-seated mineral. In case of part-lease execution, there will be no reduction in the upfront payment required. In case of part-lease execution, the mine development and production will be executed in two parts: (i) the non-forest portion, and (ii) full block area after permits and no-objection clearances are obtained for the remaining portion.
- **Revised upfront payments:** The 2015 Rules require an upfront payment of 0.5% of the value of estimated mineral resource. The draft Rules add that for mineral blocks containing minerals other than the critical, strategic, and deep-seated minerals, the upfront payment will be 1.5% of the estimated value of the mineral resources.

  The draft Rules specify that for the execution of a mine development and production agreement, the holder of a composite license is required to pay 20% of the upfront payment under the second instalment. The draft Rules remove this requirement.
- **Online portal:** The draft Rules propose setting up a unified online mining portal. The letter of Intent will be automatically issued upon receipt of upfront payment and performance security.

Comments are invited until February 23, 2026.

Environment

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Environmental (Protection) Fund rules notified

The Ministry of Environment, Forest and Climate Change has notified the Environment (Protection) Fund Rules, 2026.[29] The fund has been set up under the Environment (Protection) Act, 1986.[30]

All penalties under the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 and the Environment (Protection) Act, 1986 will be credited to the fund.

The fund will be utilised for: (i) installation and maintenance of environmental monitoring equipment, (ii) development and upgradation of environmental laboratories, (iii) research on clean technologies, (iv) assessment and remediation of environmental damage, (v) capacity building of various authorities, (vi) prevention, control, and mitigation of pollution, and (vii) administrative expenses of the fund (not exceeding 5% of amount available under the fund).

The Ministry of Environment, Forest and Climate Change will be the primary authority for administering the fund and dedicated Project Management Units will be created at both central and state level.

Solid Waste Management Rules, 2026 notified

The Ministry of Environment, Forest and Climate Change has notified the Solid Waste Management Rules, 2026.[31] The rules have been framed under the Environment (Protection) Act, 1986 and replace the Solid Waste Management Rules, 2016.[32,33] The 2026 Rules will come into effect on April 1, 2026. The Rules specify a framework for management of solid waste, and duties of various entities such as government departments, local bodies, industries, and commercial establishments. Key features of the 2026 Rules include:

- **Applicability:** The 2016 Rules apply to urban local bodies, outgrowths in urban agglomerations, census towns, and industrial townships, and specified areas such as certain religious places, airports, and government establishments. The 2026 Rules extend applicability to rural local bodies.
- **Bulk waste generators:** Under the 2016 Rules, bulk waste generators include entities with average waste generation of more than 100 kg per day (except residential societies). The 2026 Rules expand the definition of bulk waste generators to include entities with: (i) floor area of at least 20,000 square meters, or (ii) water consumption of at least 40,000 litres per day. The 2026 Rules also cover residential societies. Bulk waste generators will have certain obligations such as: (i) registering with the concerned local body, (ii) making necessary arrangements for segregation of waste, and (iii) decentralised processing of wet waste.
- **Management of horticultural waste and Agri-residue:** The 2026 Rules add that local bodies must facilitate establishment of facilities for collection and storage of agri-residue. The local bodies must ensure that such waste is not burned openly.

Uniform consent guidelines amended under Air and Water Acts

The Ministry of Environment, Forest and Climate Change has amended the 2025 Uniform Consent Guidelines under the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974.[34,35,36,37] These guidelines provide procedures and criteria for obtaining consent to establish or operate industrial plants that may cause air or water pollution. Key changes include:

- **Validity of consent**: As per the amended guidelines, the Consent to Operate will remain valid until cancelled. Earlier, this was valid up to five years. The amendments also allow the state governments to prescribe a one-time processing fee for the grant of Consent to Operate for 5 to 25 years. The processing time for granting consent to highly polluting (‘Red’ category) industries has been reduced from 120 days to 90 days. For micro and small enterprises located in notified industrial estates or areas, the Consent to Establish will be deemed granted upon the submission of a self-certified application.
- **Verification of compliance:** Under the amended guidelines, registered environmental auditors, certified under the Environment Audit Rules, 2025, will be allowed to conduct site visits and verify compliance. Earlier, this was done solely by State Pollution Control Board officers.
- **Site requirements:** The 2025 guidelines provided for minimum distance to be maintained by the industries from water bodies and certain other sites. The amended guidelines specify that these requirements will instead be imposed by the Expert Appraisal Committee or the State Board.

Greenhouse Gases Emission Intensity Targets extended to four additional industries

The Ministry of Environment, Forest and Climate Change has amended the Greenhouse Gases Emission Intensity Target Rules, 2025.[38] These Rules are issued under the Environment (Protection) Act, 1986 for compliance under the Carbon Credit Trading Scheme, 2023.[30,39] The Rules provide mandatory emission reduction targets for emission-intensive industries, such as aluminium, cement, and pulp and paper. The amended Rules extend the framework to four additional industries: (i) secondary aluminium, (ii) petroleum refineries, (iii) petrochemicals, and (iv) textiles.

Draft amendments to Ash Utilisation Notification, 2021 released for consultation

The Ministry of Environment, Forest and Climate Change released draft amendments to the Ash Utilisation Notification, 2021.[40,41] The 2021 notification was issued under the Environment (Protection) Act, 1986. It mandates 100% utilisation of fly ash by coal or lignite thermal power plants (TPPs) in eco-friendly manner.[42]

As per the draft amendment, the Central Electricity Authority (CEA), in collaboration with the Central Pollution Control Board (CPCB), will prepare a plan for handling ash waste. Earlier, this was done by CPCB in consultation with CEA.

Currently, mines located within 300 kilometres (by road) of coal or lignite-based thermal power plants are required to: (i) undertake backfilling or stowing of mine voids, and (ii) mix ash with external overburden dumps. At least 25% of ash must be mixed with the materials used for external dumping, backfilling, or stowing, in accordance with the guidelines of the Director General of Mines Safety. The proposed amendment removes the 25% threshold requirement.

Non-compliance with the ash utilisation targets by user agency currently attracts a fine of Rs 1,500 per tonne on the unutilised quantity. The amendment reduces this to Rs 1,000.

Comments are invited by March 25, 2026.

Pharmaceuticals

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The New Drugs and Clinical Trials Rules, 2019 amended

The Ministry of Health and Family Welfare has notified amendments to the New Drugs and Clinical Trials Rules, 2019.[43] The Rules provide for regulatory mechanism for approval of new drugs and conduct of clinical research. Key amendments include:

- **Submitting an online intimation:** Under the 2019 Rules, the manufacturers are required to obtain test licenses from the Central Drugs Standard Control Organisation (CDSCO) for manufacturing drugs for research purposes. Under the amended Rules the non-commercial manufacturers will be required to submit an online intimation to CDSCO for the same purpose.
- For certain bioavailability and bioequivalence studies, prior permissions have been waived off. The studies may be started after submitting an online intimation to CDSCO.
- **Revised timelines:** The manufactures are required to obtain test licenses for certain high-risk drugs. These include: (i) cytotoxic drugs, (ii) narcotics drugs, and (iii) psychotropic substances. The timeline for obtaining the test license has been reduced from 90 days to 45 days.

Finance

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RBI invites comments on licensing of Urban Co-operative Banks (UCBs)

The Reserve Bank of India (RBI) released a discussion paper on licensing guidelines for UCBs.[44] UCBs are co-operative societies that are licensed as primary co-operative banks. They constitute the largest group of banks by number. In June 2004, RBI had placed licensing of UCBs on hold after several newly licensed entities became financially unsound.[45] As on March 31, 2025, 1,457 UCBs were operational, with total assets of about seven lakh crore rupees. Further, 82 UCBs classified as weak are under supervisory restrictions. The discussion paper examines the following issues:

- **Resuming licensing of UCBs**: RBI has sought views on whether licensing of new UCBs be resumed. Arguments in favour of resuming licensing include: (i) UCBs support financial inclusion, especially in small towns, (ii) RBI's regulatory and supervisory powers over UCBs have strengthened following amendments to the Banking Regulation Act, 1949, (iii) financial position of UCBs has improved due to consolidation and closure of weak UCBs, (iv) the National Urban Co-operative Finance and Development Corporation is expected to provide institutional and technological support to UCBs.

  Arguments against resumption of licensing include: (i) constraints in raising stable capital due to the co-operative ownership structure, (ii) the concept of one-member-one-vote regardless of shareholding, and exit at face value reducing investor interest, (iii) limited systemic significance, with UCBs accounting for about 3.1% of deposits and 3.8% of advances in the banking sector, (iv) slow progress on governance reforms due to legal challenges, (v) limited expertise at the board and senior management levels, and (vi) gaps in technology and cybersecurity, which may pose systemic risks.
- **Eligibility criteria for new UCBs**: The paper proposed that the following entities may be eligible for licensing: (i) large co-operative credit societies meeting governance standards similar to those applicable to commercial banks, (ii) minimum capital of Rs 300 crore as on March 31 of the previous financial year, (iii) at least 10 years of active operations and a sound financial track record for a minimum of five years, (iv) capital to risk-weighted assets ratio (CRAR) of at least 12% and net non-performing assets (NPA) not exceeding 3% at the time of licensing, and (v) preference for multi-state co-operative credit societies, with select uni-state co-operative credit societies also eligible.

Comments are invited by February 13, 2026.

Labour and Employment

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Cabinet approves continuation of Atal Pension Yojana

The Union Cabinet has approved continuation of the Atal Pension Yojana (APY) till 2030-31.[46] APY was launched in May 2015 to provide income security to workers in the unorganised sector. It offers a guaranteed minimum pension between Rs 1,000-5,000 per month starting at age 60, based on contributions. Support will be provided for: (i) developmental and promotional activities to expand awareness among workers, and (ii) gap funding to ensure the scheme remains financially sustainable.

Sports

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The National Sports Governance (National Sports Bodies) Rules, 2026 released

The Ministry of Youth Affairs and Sports released the National Sports Governance (National Sports Bodies) Rules, 2026.[47] The Rules have been notified under the National Sports Governance Act, 2025.[48] Key features of the Rules include:

- **Appointment of Sportspersons of Outstanding Merit:** The general body of national sports bodies (NSBs) will consist of at least four sportspersons of outstanding merit (SOM). Half of these sportspersons will be women.
- **Eligibility criteria:** The SOM will be appointed according to the general and tiered eligibility criteria. Under the general eligibility criteria, an individual must be: (i) an Indian citizen, (ii) at least 25 years of age, and (iii) retired from active sports. Such an individual must not have represented any state or a district in a competitive sport event for a year prior to the application.
- Under the tiered eligibility criteria, an individual must have received a medal, award, or represented India in Olympics or Paralympics.
- **Roster for SOM and election panel:** The Rules provide for a roster of SOM and election panel. The roster of SOM will include ten times the number of athletes required in the general body. The roster for election panel must contain at least 20 qualified members at all times.
- **Electoral officer:** The Rules provide for the procedure for election to the general body. The Electoral Officer will be responsible for conducting such elections. Key responsibilities include: (i) supervising the administrative process of elections, (ii) counting of votes, (ii) declaring results, and (iv) resolving complaints regarding elections.
- The fee of the Electoral Officer will be determined through a mutual agreement with the concerned NSB, subject to a maximum of five lakh rupees.
- **Grounds for disqualification:** An individual may be disqualified from being a member of the general body or any committee of the NSB if they are: (i) declared as insolvent, (ii) convicted by court with a sentence of imprisonment, or (iii) prohibited by the ethics committee of the NSB to hold any position.
- A member may also be removed if they are a member of another NSB except the National Olympic Committee. A person who already served as a President, Secretary, or Treasurer in a NSB must complete one term of cooling period before becoming a member of the general body of another NSB.

The National Sports Board (Search-cum-Selection Committee) Rules, 2026 released

The Ministry of Youth Affairs and Sports released the National Sports Board (Search-cum-Selection Committee) Rules, 2026.[49] The Rules are released under the National Sports Governance Act, 2025. Key features of the Rules include:

- **Composition of the board:** The Rules provide for the composition of the national sports board. The board will consist of two members, headed by the Chairperson.
- **Composition of the committee:** The committee will be headed by the Cabinet Secretary. Members will include: (i) Secretary, Department of Sports, (ii) one person with experience in sports administration, and (iii) two recipients of national sports awards to be nominated by the central government.
- **Role of the committee:** The committee will be responsible for: (i) creating panel of names for appointment to the Board, and (ii) determining the procedure for selection of names in the panel. In case of vacancy in the board, the central government will make appointments from the existing panel of names. The panel of names will be valid for one year.
- **Re-appointment:** The Chairperson and members of the board are eligible for re-appointment for one term. Application for re-appointment will be made to the search committee in a manner similar to the original appointment.

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