

Monthly Policy Review

February 2026

Highlights of this Issue

[First half of the Budget Session concludes \(p. 2\)](#)

The President's Address was discussed and the Union Budget 2026-27 was presented. One Bill was introduced and passed. The session is scheduled to resume on March 9, 2026 and end on April 2, 2026.

[New GDP series released \(p. 2\)](#)

India's GDP is estimated to grow by 7.6% in 2025-26 (at constant prices), as per the new series with 2022-23 as the base year. GDP (at current prices) is estimated at Rs 345 lakh crore in 2025-26, as per the new series.

[Union Budget 2026-27 presented \(p. 3\)](#)

The government proposes to spend Rs 53,47,315 crore in 2026-27, an increase of 7.7% over the revised estimate of 2025-26. Fiscal deficit is estimated at 4.3% of GDP, lower than the revised estimate for 2025-26 (4.4%).

[Repo rate maintained at 5.25% \(p. 3\)](#)

RBI's Monetary Policy Committee voted to keep the repo rate unchanged at 5.25%. The standing deposit facility rate, the marginal standing facility rate, and the bank rate were also kept unchanged.

[India and USA announce framework for an interim trade agreement \(p. 5\)](#)

India will eliminate or reduce tariffs on all USA industrial goods and a wide range of food and agricultural products. Reciprocal tariffs on Indian exports to USA will be down to 18%.

[Cabinet approves Startup India Fund of Funds 2.0 to mobilise venture capital \(p. 5\)](#)

The fund will have a corpus of Rs 10,000 crore. It aims to support high-tech areas which require patient capital, empower early-growth stage startups, and also encourage investment beyond major metros.

[Defence Acquisition Council approves proposals worth Rs 3.6 lakh crore \(p. 6\)](#)

This includes approval for procurement of Rafale fighter jets and combat missiles for the air force, and T-72 tanks, anti-tank mines, and overhaul of vehicle platforms of Armoured Recovery Vehicles for the army.

[Bilateral talks were held with four major countries \(p. 6\)](#)

Talks were held with France, Brazil, Malaysia, and Israel at the Head of Government level. Discussions included key subjects such as defence, critical minerals, energy technologies and AI.

[Cabinet approves Urban Challenge Fund \(p. 6\)](#)

The Fund will offer central assistance to urban local bodies for infrastructure projects in specified areas including integrated spatial and transit planning, urban mobility, climate resilience, and water supply and sanitation.

[AI Impact Summit 2026 concludes with adoption of New Delhi declaration \(p. 7\)](#)

The declaration has been endorsed by 91 countries and seeks to strengthen international cooperation in AI through voluntary and non-binding initiatives.

March 2, 2026

Parliament

Ruchira Sakalle (ruchira@prsindia.org)

First half of Budget Session concludes

The first half of the Budget Session was held from January 28, 2026 to February 13, 2026. The second half is scheduled to commence on March 9, 2026 and conclude on April 2, 2026.

The session began with the President's Address to Parliament. The Union Budget 2026-27 was presented. No Bills (excluding the Finance Bill, 2026) were listed for introduction or consideration as per the session agenda. However, a Bill amending the Industrial Relations Code, 2020 was introduced, and passed by both Houses.

Macroeconomic Development

Shania Ali (shania@prsindia.org)

New GDP series released

The Ministry of Statistics and Programme Implementation (MoSPI) released a new series of annual and quarterly national accounts estimates with 2022-23 as the base year, replacing the previous series with 2011-12 as the base year.¹ The new series updates estimation methods, utilises certain high-frequency indicators, and revises the method for calculating deflation to arrive at the constant price series.

As per the second advance estimates based on the new series, India's Gross Domestic Product (GDP) (at constant prices) is estimated to grow by 7.6% in 2025-26.¹ GDP growth in 2025-26 is estimated to be higher than 2024-25 (7.1%). In 2023-24, GDP grew at 7.2%. GDP growth rate under the new series is currently unavailable for years preceding 2023-24. As per the first advance estimates based on the previous series, GDP growth in 2025-26 was estimated to be 7.4%.²

As per the new series, GDP (at current prices) in 2025-26 is estimated at Rs 345 lakh crore, which is 3.4% lower than the estimate of Rs 357 lakh crore under the earlier series. The nominal growth in 2025-26 under the new series is estimated at 8.6%, compared to 8% under the earlier series.

GDP (at constant prices) grew at 7.8% in the third quarter (October-December) of 2025-26, over the corresponding period in 2024-25.¹ In the third quarter of 2024-25, GDP had grown by 7.4%. In the second quarter (July-September) of 2025-26, GDP is estimated to grow at 8.4% (see Figure 1).

Figure 1: GDP growth at constant 2022-23 prices (in percentage, year-on-year)



Sources: MoSPI; PRS.

GDP across sectors is measured in terms of gross value added (GVA). In 2025-26, manufacturing is estimated to register the highest growth (11.5%), followed by trade (10.1%), and financial services (9.9%) (see Table 1).

Table 1: Annual sectoral growth (at constant 2022-23 prices)

Sector	2023-24	2024-25	2025-26
Agriculture	2.6%	4.2%	2.4%
Mining	2.4%	11.7%	4.1%
Manufacturing	12.7%	9.3%	11.5%
Electricity	10.7%	2.9%	1.5%
Construction	9.9%	7.3%	7.1%
Trade	10.1%	6.6%	10.1%
Financial Services	5.5%	10.0%	9.9%
Public Services	6.8%	5.0%	5.8%
GVA	7.2%	7.3%	7.7%
GDP	7.2%	7.1%	7.6%

Sources: MoSPI; PRS.

Manufacturing registered the highest growth in the third quarter of 2025-26 (13.3%), followed by financial services (11.2%) and trade (11.0%) (see Table 2).

Table 2: Growth in GVA across sectors (at constant 2022-23 prices) in the third quarter of 2025-26, (in percentage, year-on-year)

Sector	Quarter 3		
	2023-24	2024-25	2025-26
Agriculture	1.4%	5.8%	1.4%
Mining	1.5%	13.1%	4.7%
Manufacturing	15.2%	10.8%	13.3%
Electricity	12.6%	0.6%	1.5%
Construction	8.7%	6.4%	6.6%
Trade	8.8%	6.7%	11.0%
Financial Services	4.8%	11.1%	11.2%
Public Services	7.3%	4.4%	4.5%
GVA	6.7%	7.8%	7.8%
GDP	7.1%	7.4%	7.8%

Sources: MoSPI; PRS.

RBI maintains repo rate at 5.25%

The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) voted to maintain the policy repo rate (the rate at which RBI lends money to banks for short-term needs) at 5.25%.³ Other decisions of the MPC include:

- The standing deposit facility rate (the rate at which RBI borrows from banks without giving collateral) remains unchanged at 5%.
- The marginal standing facility rate (rate at which banks can borrow additional overnight funds from RBI) and the bank rate (rate at which RBI lends money to commercial banks for the long term) remain unchanged at 5.5%.
- The MPC decided to continue with its neutral stance.

MoSPI revises base year for IIP and CPI

MoSPI has also revised the base year for Index of Industrial Production (IIP), and Consumer Price Index (CPI).⁴ The new base year for IIP is 2022–23, and for CPI is 2024.

Finance

Union Budget 2026-27 presented

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The Finance Minister, Ms. Nirmala Sitharaman, presented the 2026-27 Union Budget on February 1, 2026.⁵ Key highlights of the Budget include:

- **Expenditure:** The government is estimated to spend Rs 53,47,315 crore in 2026-27, an increase of 7.7% over the revised estimate of 2025-26.
- **Receipts:** The receipts (other than borrowings) in 2026-27 are estimated to be Rs 36,51,547 crore, 7.2% higher than the revised estimate of 2025-26 (Rs 34,06,350 crore).
- **GDP:** The government has estimated a nominal GDP growth rate of 10% in 2026-27 (i.e., real growth plus inflation).
- **Deficits:** Revenue deficit in 2026-27 is targeted at 1.5% of GDP. This is similar to the revised estimate of 1.5% in 2025-26. Fiscal deficit in 2026-27 is targeted at 4.3% of GDP, lower than the revised estimate of 4.4% of GDP in 2025-26.
- **Tax Proposals:** Tax rates for 2026-27 remains unchanged from the previous year. A tax holiday until 2047 has been granted to foreign companies providing global cloud services using Indian data centres. Securities Transaction Tax rates have been increased on options and futures.

- **Policy Proposals:** A 'High Level Committee on Banking for Viksit Bharat' will be set up. The Foreign Exchange Management (Non-debt Instruments) Rules will be reviewed to simplify framework for foreign investments. A scheme will be introduced to revive 200 legacy industrial clusters. The Semiconductor Mission 2.0 will be launched. To enable domestic production of biologics, the Biopharma SHAKTI scheme will be implemented for five years.

Table 3: Union Budget Highlights (in Rs crore)

Particular	2024-25 Actuals	2025-26 RE	2026-27 BE	% change from 25- 26 RE to 26-27 BE
Total Expenditure	46,52,867	49,64,842	53,47,315	7.7%
Total Receipts*	30,78,436	34,06,350	36,51,547	7.2%
Revenue Deficit	5,64,296	5,26,764	5,92,344	12.4%
% of GDP	1.7%	1.5%	1.5%	-
Fiscal Deficit	15,74,431	15,58,492	16,95,768	8.8%
% of GDP	4.8%	4.4%	4.3%	

Note: *Excluding borrowings.

Sources: Union Budget documents 2026-27; PRS.

For an analysis of the Union Budget 2026-27, see [here](#).

RBI releases draft revised master direction on credit derivatives

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The Union Budget 2026-27 had announced the introduction of derivatives on corporate bonds. Accordingly, RBI released a draft regulatory framework to enable the introduction of total return swaps (TRS) on corporate bonds and credit default swaps (CDS).⁶ Corporate bonds are debt securities issued by companies to raise funds. TRS on corporate bonds are contracts in which one party transfers the bond's total return (interest and price changes) to another in exchange for a payment. CDS are contracts where one counterparty (protection seller) compensates the other counterparty (protection buyer) if a credit event occurs for a specific entity. In return, the protection buyer pays periodic premiums until contract maturity or the credit event. Credit derivatives are financial instruments whose value is linked to an index or credit risk of underlying debt instruments.

Such products can facilitate efficient management of credit risks, improve liquidity in the corporate bond market and facilitate issuance of corporate bonds. RBI's draft regulatory framework specifies eligible participants and instruments in the credit derivatives market, operational guidelines for trading, settlement, and hedging, roles and obligations of various market participants, customer protection and reporting requirements, prudential requirements, and penalties for violations.

RBI invites comments on amendments related to lending to REITs and InvITs

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The Reserve Bank of India (RBI) released draft directions for lending to Real Estate Investment Trusts (REITs).⁷ So far, commercial banks were not permitted to lend to these entities. It is now proposed to permit commercial banks to extend finance to REITs, subject to certain safeguards. The existing guidelines in respect of lending to Infrastructure Investment Trusts (InvITs) are also being harmonised for parity with safeguards proposed for lending to REITs. Key provisions include:

- **Lending to REITs:** Banks are now permitted to lend to REITs which: (i) are listed, (ii) are registered and regulated by SEBI, (iii) have completed minimum three years of operations, with a positive net distributable cash flows in the preceding two financial years, (iv) have not been subject to any material adverse regulatory action during the previous three years, and (v) none of the Special Purpose Vehicles (SPVs) under the REIT are facing financial difficulty. Overseas branches may also lend to foreign REITs where an effective insolvency and bankruptcy framework exists. Banks must closely monitor the end use of funds lent to REITs to ensure they are not used for prohibited activities, such as land acquisition.

Banks may lend to REITs only through loans that entail regular principal repayments. Total bank lending to a REIT and its SPVs together is capped at 49% of the REIT's asset value. A bank's overall exposure to REITs cannot exceed 10% of its eligible capital base. Further, banks must have a board-approved policy on lending to REITs, covering appraisal mechanism, sanctioning norms, internal exposure limits, and monitoring arrangements such as appropriate covenants.

Similar directions have been proposed for lending to: (i) REITs by small finance banks and All India Financial Institutions and (ii) InvITs by commercial banks.

Comments are invited by March 6, 2026.

RBI issues amendment directions on capital market exposure

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RBI released amended capital market exposure (CME) guidelines for commercial banks.⁸ CME of banks include investment in securities, lending against securities and lending to capital market intermediaries (CMI) such as stock brokers. The guidelines aim to enable banks to finance acquisitions by Indian corporates and enhance the limit for lending by banks against shares, and units of REITs and InvITs while removing the regulatory ceiling on lending against

listed debt securities. The guidelines also aim to introduce a more principle-based framework for lending to CMIs. The amendments shall come into force from April 1, 2026. Key provisions include:

- **Acquisition financing:** Banks are now allowed to provide acquisition financing, i.e., lend to Indian non-financial companies for acquiring equity stakes in domestic or foreign companies as strategic investments. Such funding shall be subject to financial eligibility criteria for the borrower, leverage limits, valuation norms, security requirements, and Board-approved policies of banks.
- **Lending against securities:** Banks may extend loans to corporates against collateral of securities as per their approved policy. Loans are not permitted against certain securities such as partly paid shares, own securities, and securities under lock-in requirements. Banks may lend to individuals against eligible securities, subject to clear loan-to-value (LTV) ceilings and valuation norms. LTV refers to the ratio of outstanding loan amount to the value of the securities on any given day. Banks may also lend to individuals to subscribe to shares during a public offering, provided that these borrowers contribute a minimum cash margin of 25%.
- **Loans to CMIs:** Banks may extend credit facilities to CMIs registered and regulated by a financial sector regulator. All credit facilities to CMIs shall be provided on a fully secured basis, i.e., fully against a collateral. Banks may issue guarantees for brokers or clearing members to meet exchange security deposits or margin requirements, provided the guarantees are backed by at least 50% collateral, including 25% in cash. Banks shall not lend to CMIs for buying securities for their own trading or investment purposes, subject to certain exceptions like market making operations. Market making operations provide liquidity in the market.
- **CME ceilings:** Aggregate CME of a bank, on standalone and consolidated basis, shall not exceed 40% of its eligible capital base. Banks' direct CME is capped at 20% of eligible capital, and aggregate exposure to acquisition finance is limited to 20% within the overall 40% CME ceiling. Direct CME refers to direct investments in capital markets securities. Separate limits apply for intra-day exposures.

Excluding acquisition financing, similar guidelines have been issued for small finance banks.

SEBI releases consultation paper on ease of doing business for REITs and InvITs

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The Securities and Exchange Board of India (SEBI) released a consultation paper proposing measures to enhance ease of doing business for REITs and InvITs.⁹ The proposals include:

- **Continuing investment in special purpose vehicles (SPVs) post concession period:** As per InvIT Regulations, SPV means an entity which holds 90% of its assets directly in infrastructure projects. On expiry or termination of a concession period, an SPV's interest in the infrastructure project ceases. However, the InvIT may continue holding such an SPV as immediate winding up may be difficult. It is proposed that the definition of SPV be expanded to enable InvITs to continue to hold companies post termination or expiry of concession agreements.
- **Expanding the scope of investment in liquid mutual fund schemes by REITs and InvITs:** REITs and InvITs are allowed to invest up to 20% of the value of their assets in the specified liquid mutual funds schemes linked to their potential credit risk. Among the top 15 liquid mutual fund schemes by asset under management, only two meet the criteria, limiting the investment opportunities available to REITs and InvITs. It is proposed to relax the criteria to make more mutual fund schemes eligible.
- **Alignment of investment conditions for private and public InvITs:** Publicly listed InvITs can invest up to 10% of the value of their assets in pure greenfield projects, while privately listed InvITs cannot. It is proposed to allow privately listed InvITs to also invest up to 10% of the value of their assets in greenfield projects.
- **Expanding the scope of permitted use of fresh borrowings for InvITs:** Currently, if an InvIT's net consolidated borrowings exceed 49% of its asset value, any additional borrowing can be used only for acquiring or developing infrastructure projects. It is proposed to expand the permitted use of such borrowings to include capital expenditure, major maintenance, and debt refinancing.

Commerce and Industry

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India and USA announce the framework for an interim trade agreement

India and USA announced the framework for an interim agreement regarding reciprocal and mutually

beneficial trade.¹⁰ The framework forms part of the ongoing negotiations towards the US-India Bilateral Trade Agreement (BTA). Key terms of the agreement include: (i) elimination or reduction of tariffs by India on all industrial goods from USA and a wide range of food and agricultural products from USA, (ii) reciprocal tariff of 18% by USA on Indian exports, such as textile, leather, and plastics, (iii) preferential market access in sectors of mutual interest, and (iv) addressing non-tariff barriers. It was also announced that USA will remove reciprocal tariffs on a range of products, including pharmaceuticals and aircraft parts. However, this will be subject to successful conclusion of the interim agreement. Further, India would purchase USD 500 billion of energy products, aircraft and aircraft parts, precious metals, technology products, and coking coal from USA by 2031.

These negotiations are underway after the decision of USA to impose reciprocal tariffs on imports across several countries including India. On February 20, 2026, the USA Supreme Court held these tariffs to be illegal.¹¹ However, following the judgement, the USA government has re-imposed tariffs. The Ministry of Commerce and Industry stated that it is examining the implications of the judgement.¹²

India and Gulf Cooperation Council sign terms of reference for a free trade agreement

India and Gulf Cooperation Council (GCC) signed the terms of reference for India-GCC Free Trade Agreement (FTA).¹³ GCC consists of countries such as Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and UAE. The terms of reference aim to guide the negotiations for the FTA by defining its scope and modalities. India's trade with GCC stood at about USD 179 billion in 2024-25, accounting for 15% of India's global trade. Key Indian exports to GCC include engineering goods, rice, textiles, machinery, and gems and jewellery. Key imports to India from GCC include crude oil, LNG, petrochemicals, and precious metals such as gold.

Cabinet approves Startup India Fund of Funds 2.0 to mobilise venture capital

The Union Cabinet has approved the establishment of the Startup India Fund of Funds 2.0 with an allocation of Rs 10,000 crore.¹⁴ The fund aims to support: (i) high technology driven areas requiring long-term capital, (ii) early-growth stage founders requiring a safety net for innovative ideas, (iii) investment beyond major metro cities, (iv) priority areas promoting self-reliance and economic growth, and (v) smaller funds.

Defence

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Defence Acquisition Council clears procurement proposals across services

The Defence Acquisition Council (DAC) approved defence procurement proposals worth Rs 3.6 lakh crore across the army, air force, navy, and the coast guard.¹⁵ For the air force, approvals included procurement of Rafale fighter jets, combat missiles, and Air-Ship Based High-Altitude Pseudo Satellites (AS-HAPS). Majority of the Rafale fighter jets are expected to be manufactured domestically.

For the army, approvals covered anti-tank mines and overhaul of platforms for Armoured Recovery Vehicles, T-72 tanks, and BMP-II infantry combat vehicles, aimed at extending equipment service life and improving operational readiness.

For the navy, approvals included 4-megawatt marine gas turbine-based electric power generators and additional P-8I maritime reconnaissance aircraft, to enhance self-reliance in power generation and strengthen maritime surveillance and anti-submarine warfare capabilities. For the coast guard, approval was granted for electro-optical/infra-red systems for Dornier aircraft, aimed at improving surveillance.

In addition, the Ministry of Defence signed a contract with Hindustan Aeronautics Limited (HAL) for the acquisition of eight Dornier 228 Aircraft along with operational role equipment for the coast guard.¹⁶ This contract is valued at Rs 2,312 crore.

External Affairs

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Bilateral talks were held with four major countries

During the month of February, bilateral talks were held at the Head of Government level with France, Brazil, Malaysia, and Israel.

France

The President of France, Mr Emmanuel Macron, visited India for bilateral talks.¹⁷ The two countries announced the upgradation of their relationship to ‘Special Global Strategic Partnership.’ An annual foreign ministers’ dialogue will be established for regularly reviewing implementation of an elevated partnership and a Horizon 2047 roadmap. Other key outcomes include: (i) renewal of the agreement between India and France on defence cooperation, (ii) signing of a joint venture between Bharat Electronics Limited and the French defence company, Safran, to produce HAMMER missiles in India, (iii) joint declaration of intent for cooperation in critical minerals and metals, and (iv) amending protocol on the double tax avoidance agreement between India and France. Other key areas of cooperation include: (i) renewable energy (ii) digital sciences and technology, (iii)

research and development on infectious diseases and global health, (iv) start-up ecosystem, and (v) skilling in aeronautics.¹⁷

Brazil

The President of Brazil, Mr Luiz Inácio Lula da Silva, visited India for bilateral talks.¹⁸ Key areas of cooperation agreed during the visit include: (i) rare earth and critical minerals, (ii) regulation of drugs and medical devices, (iii) MSMEs and crafts, (iv) digital partnership, (v) mining for steel supply chain, and (vi) postal sector.¹⁸

Malaysia

The Prime Minister, Mr Narendra Modi, visited Malaysia for bilateral talks.¹⁹ Key areas of cooperation agreed during the visit include: (i) disaster management, (ii) combating and preventing corruption, (iii) semiconductors, (iv) vocational education and training, (v) health and medicine, and (vi) national security.¹⁹

Israel

The Prime Minister also visited Israel for bilateral talks.²⁰ The two countries elevated their bilateral relationship to a “Special Strategic Partnership for Peace, Innovation and Prosperity.” They agreed to collaborate in critical and emerging technologies led by National Security Advisors. They also signed multiple agreements for cooperation in areas such as: (i) Artificial Intelligence, (ii) geophysical exploration, (iii) labour mobility, (iv) fisheries and agriculture, (v) development of a National Maritime Heritage Complex in Lothal, Gujarat, , (vi) establishing an India-Israel Centre for Agriculture, and (vii) cross-border remittances through UPI.²⁰ The two countries signed declarations of intent on: (i) cooperation in horizon scanning, and (ii) establishing an Indo-Israel Cyber Centre of Excellence.²⁰

Urban Development

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Cabinet approves Urban Challenge Fund

The Union Cabinet approved the Urban Challenge Fund with total central assistance of one lakh crore rupees for projects between 2025-26 and 2030-31.²¹ It will finance projects for integrated spatial and transit planning, urban mobility, creative redevelopment of cities, climate resilience, and water and sanitation. It will be available to the following categories of cities: (i) all cities with a population of 10 lakh or more on the basis of 2025 estimates, (ii) capitals of all states and union territories (UTs) not covered in the first category, and (iii) major industrial cities with a population of one lakh or more. Key features include:

- **Financing:** Central assistance will cover 25% of the total project cost, subject to a minimum 50%

financing through market sources. These sources may include municipal bonds, bank loans, and public private partnerships. The remaining share may be contributed by Urban Local Bodies or respective state/UT governments.

- **Project selection:** Projects will be selected through a competitive challenge mode. Funding will be linked to reforms, milestones, and clearly defined outcomes. Cities will need to continue reforms for further release of funds.
- **Credit Repayment Guarantee Scheme:** Smaller ULBs (less than one lakh population) across the country and cities in north-eastern and hilly states will be covered under this scheme. A dedicated corpus of Rs 5,000 crore will be set up for them. For first time loans, the central government will provide a guarantee of up to seven crore rupees or 70% of the loan amount, whichever is lower. Upon repayment of the first loan, an additional guarantee for a loan up to seven crore rupees or 50% of the loan amount, whichever is lower, will be provided. This will effectively cover projects worth up to Rs 20 crore for first-time borrowers and up to Rs 28 crore for subsequent projects in smaller cities.

Labour and Employment

Parliament passes the Industrial Relations Code (Amendment) Bill, 2026

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The Parliament passed the Industrial Relations Code (Amendment) Bill, 2026.²² The Bill was introduced in Lok Sabha on February 11, 2026. It amends the Industrial Relations Code, 2020.²³ The Code provides for matters such as recognition of trade unions, notice periods for strikes and lockouts, and resolution of industrial disputes. The 2020 Code replaces three Acts, namely: (i) the Trade Unions Act, 1926, (ii) the Industrial Employment (Standing Orders) Act, 1946, and (iii) the Industrial Disputes Act, 1947. The Bill clarifies that these three Acts stand repealed from November 21, 2025.

For a PRS summary of the Bill, see [here](#).

Comments invited on draft Regulations under the Occupational Safety, Health, and Working Conditions Code, 2020

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The Ministry of Labour and Employment invited comments on draft Regulations under the Occupational Safety, Health, and Working Conditions Code, 2020.^{24,25,26} These Regulations specify requirements regarding occupational safety and working conditions

for workers in: (i) metalliferous mines and (ii) docks. Key features include:

- **Metalliferous mines:** The Draft Regulations specify duties and responsibilities of entities such as the mine management, officers, contractors, and workers. For instance, the owner of a mine must ensure that an adequate and effective safety management plan (SMP) is framed and implemented. SMP will include: (i) a detailed mine safety and health policy of the company, (ii) a plan to develop capabilities to implement the objective of safety, (iii) a scheme of mining, (iv) hazard management plans for each identified hazard, (v) standard operating procedures for activities posing a health risk, and (vi) annual evaluation of the SMP to update the plan. The Draft Regulations also require a comprehensive emergency response and evacuation plan for dealing with injury, illness, or emergency that may occur during industrial or natural disasters. The draft Regulations specify requirements such as adequate lighting, ventilation, protective gear, and manner of operations such as blasting.
- **Dock workers:** The Draft Regulations specify requirements relating to construction, equipment, and maintenance of working places on shore, ships, dock, and other places where dock work is carried. They specify requirements such as safety provisions in case of fire and explosion prevention and protection, and manner of handling hazardous chemicals. Every port must ensure that an emergency action plan is in place for dealing with emergencies including drowning, floods, power failure, fire, and gas leakage.

Comments are invited until March 21, 2026 for the draft Regulations on metalliferous mines, and until March 26, 2026 for the draft Regulations on docks.

Electronics and IT

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AI Impact Summit 2026 concludes with adoption of New Delhi declaration

The AI Impact Summit 2026 concluded with the adoption of the New Delhi Declaration on AI Impact.²⁷ The declaration has been endorsed by 91 countries and international organisations, including India, China, UK, and USA. It seeks to strengthen international cooperation through voluntary and non-binding initiatives. These include: (i) promoting affordable access to foundational AI resources, (ii) developing Global AI Impact Commons, a platform to scale and replicate AI use cases globally, (iii) facilitating collaboration among scientists globally through International Network of AI for Science Institutions, (iv) promoting vocational and training

ecosystems to increase AI literacy, and (v) developing energy-efficient AI systems.

India joins Pax Silica coalition

India formally joined the Pax Silica coalition on the sidelines of the AI Impact Summit.²⁸ Pax Silica aims to build secure supply chains for silicon and critical minerals that are required for semiconductors, advanced computing, and other high-technology systems. Other signatories to Pax Silica include Australia, Greece, Israel, Japan, Qatar, South Korea, Singapore, UAE, UK, and USA.²⁹ Non-signatory participants include European Union, OECD, Canada, Netherlands, and Taiwan.²⁹

Mining

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Rules notified under the Offshore Areas Mineral (Development and Regulation) Act

The Ministry of Mines has notified the Offshore Areas Mineral (Prevention of Illegal Mining and Transportation) Rules, 2026.³⁰ The Rules have been framed under the Offshore Areas Mineral (Development and Regulation) Act, 2002.³¹ The Act regulates mining in maritime zones of India. The Rules will apply to all minerals in offshore areas except mineral oils and hydrocarbons. Key features include:

- **Electronic monitoring:** Every holder of an operating right and owner of a carrier is required to deploy an electronic monitoring system. The system should be capable of recording information in real-time related to operations such as tracking of vessels, displacement or weight of vessel, and volume and density of run-of-mine.
- **Registration:** No mechanised machinery or carrier shall be used unless the owner is registered with the Indian Bureau of Mines.
- **Export of offshore minerals:** Any holder of an operating right or trader seeking to export offshore minerals directly from offshore areas must obtain prior clearance from the Central Board of Indirect Taxes and Customs at least a week before export.
- **Dispatch and transportation:** Before dispatch, the holder of an operating right must furnish details on quantity, grade, consignee, carrier, route, and statutory payments on the specified portal and obtain a transit permit. Transportation from the lease area to the first point of discharge must be carried out using registered carriers and on the permitted route. The weight of minerals must be measured both at the time of dispatch and at the first onshore point of discharge using approved weighment systems. The Rules require reconciliation of weights and conversion to dry-basis weight. Consignees are required to verify the

quantity and grade of minerals received against the transit permit and maintain records.

- **Inspection and seizure:** Authorised officers are empowered to inspect mineral stocks, carriers, and records, including during transit. They can seize vessels, machinery, or minerals in case of contravention. Seized property may be released upon furnishing security in the form of cash or a bank guarantee. Seized minerals may be disposed of through public auction, with proceeds credited to the Consolidated Fund of India.

Transport

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Scheme launched for cashless treatment of road accident victims

The Ministry of Road Transport and Highways launched the PM RAHAT scheme (Road Accident Victim Hospitalisation and Assured Treatment).³² Under this scheme, every eligible road accident victim on any category of road will be entitled to cashless treatment up to Rs 1.5 lakh, for up to seven days from the date of accident. Stabilisation treatment will be covered for up to 24 hours in non-life-threatening cases, and up to 48 hours in life-threatening cases.

Reimbursement to hospitals will be made from the Motor Vehicle Accident Fund. If the offending vehicle is insured, payment will be drawn from contributions made by insurance companies. In uninsured and hit and run cases, payment will be made through budgetary allocation by the central government. Claims approved by the State Health Agency will be paid within 10 days.

Pharmaceuticals

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Comments invited on draft amendments to the New Drugs and Clinical Trials Rules, 2019

The Ministry of Health and Family Welfare released draft amendments to the New Drugs and Clinical Trials Rules, 2019 for public feedback.³³ The Rules specify the mechanism for approval of new drugs and for conduct of clinical research.³⁴ The proposed amendments require a manufacturer to inform the Drugs Controller, India if there is a change in an imported or a manufactured drug product. This includes changes in the manufacturing process, packaging, shelf life, or testing of the drug. In case of any major or moderate quality change, they must obtain prior approval from the Drugs Controller, India. Major or moderate change imply a substantial or moderate potential to have an adverse impact on the identity, strength, quality, purity, or potency, respectively.

Comments are invited until March 4, 2026.

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