

DAILY NEWS DIGEST BY BESI BOARD

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ECONOMY

Indian economy and financial system face near-term risks from external uncertainties: FSR: While India's economy continues to grow strongly and the domestic financial system remains sound, both face near-term risks from external uncertainties from further escalation in geopolitical and trade tensions and widening geo-economic fragmentation, according to the latest Financial Stability Report (FSR). In his foreword to the half-yearly FSR, to which all financial sector regulators have contributed, RBI Governor Sanjay Malhotra highlighted that despite a volatile and unfavourable external environment, the economy is projected to register high growth, driven by strong domestic consumption and investment.

(Business Line)

Net tax collection declined, capex surged; fiscal deficit now 62% of BE: With net tax revenue registering de-growth of over 3 per cent and capital expenditure surging over 28 per cent, fiscal deficit widened to over 62 per cent of the Budget Estimates during April-November period of 2025-26, data from Controller General of Accounts (CGA) showed. However, experts do not see fiscal deficit breaching the estimates as projected in the Union Budget of FY26. According to data made public on Wednesday, net tax revenue (total collection minus devolution to States) during April-November period dipped to around ₹14 lakh crore as against ₹14.43 lakh crore. Interestingly, direct tax mop-up has improved, but rate rationalisation affected GST collections. Settlement of IGST between Centre and States also impacted tax collection. Meanwhile, collection from Custom Duty declined as trade performance was not so encouraging.

(Business Line)

Government launches ₹4,531-crore market access support for exporters: The Commerce Department has launched the much-awaited market access support (MAS) intervention for exporters, with an outlay of ₹4,531 crore over a period of six years, to strengthen market access and diversification with a sharp focus on MSMEs, first-time exporters and the priority sector. The MAS is part of the ₹25,060-crore export promotion mission (EPM) that was cleared by the Union Cabinet in November for 2025-26 to 2030-31. It has 11 components, all of which are targeted to be notified by January 31 2026, including the popular interest equalisation scheme, according to Ajay Bhadoo, Additional Secretary and DGFT.

(Business Line)

BANKING & FINANCE



NBFC bad loans seen rising under baseline scenario: Under the baseline scenario, the system-level gross non-performing asset (GNPA) ratio of non-banking financial companies (NBFCs) is expected to rise from 2.3% in September to 2.9% by September 2026, according to stress tests conducted by the Reserve Bank of India. As asset quality weakens, the sector's aggregate capital adequacy ratio (CRAR) is projected to decline from 22.8% to 21.7% over the same period.

(Financial Express)

Insurance penetration remained unchanged in 2025, at about half of global average: Indian insurance penetration stays at 3.7 percent, lagging behind the global average. Life insurance penetration saw a slight dip, while non-life insurance remained steady. Insurance density, however, increased to 97 dollars per person. Experts predict a period of adjustment for the sector due to new regulations. Life insurance premiums are expected to grow moderately before a stronger recovery.

(Economic Times)

Banks' NPAs to improve to 1.9 per cent by March 2027: RBI: Banks' gross non-performing assets ratio will improve further to 1.9 per cent by March 2027 under a baseline scenario, the Reserve Bank said on Wednesday. As of September 2025, the key ratio stood at a multi-decade low of 2.1 per cent, the central bank said in its half-yearly Financial Stability Report. "The aggregate GNPA ratio of the 46 banks may improve from 2.1 per cent in September 2025 to 1.9 per cent in March 2027 under the baseline scenario," the report said.

(Economic Times)

Samman Capital board clears scheme to absorb Samman Finserv's NBFC: Samman Capital, the parent company of Samman Finserve, approved a scheme to merge the latter into the parent company, Samman Capital said in an exchange filing on Wednesday. The scheme, approved by the board on December 31, is subject to regulatory, statutory and shareholder approvals. Under the proposed arrangement, Samman Finserv's non-banking financial company (NBFC) business will be demerged and transferred to Samman Capital on a going-concern basis, following which the company will surrender its NBFC licence.

(Business Standard)

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

(Business Standard)

INDUSTRY OUTLOOK



India's electric two-wheeler registrations cross 1.27 million units in 2025; TVS Motor leads the market: TVS Motor emerged as the largest electric two-wheeler manufacturer in India in 2025, as total industry registrations crossed 1.27 million units during the year, underscoring the segment's continued scale-up amid intensifying competition. In 2024, electric two-wheeler registrations in India crossed the 1 million mark for the first time in a calendar year, reaching approximately 1.14 million units. According to the year-end registration data sourced from Vahan portal, the industry recorded 1,275,516 electric two-wheeler registrations in calendar year 2025. TVS Motor led the market with 240,27 units in January alone and consistently strong monthly volumes, helping it close the year with a 23.5 percent market share.

(Moneycontrol)

Centre approves relief package for Vodafone-Idea: The Cabinet on Wednesday approved a long-awaited relief package for debt-ridden Vodafone-Idea (VIL), freezing adjusted gross revenue (AGR) dues at ₹87,695 crore and extending the payment schedule from FY 2031-32 to FY 2040-41. "The AGR dues frozen as on December 31, 2025 shall also be reassessed by Department of Telecommunications (DoT) based on Deduction Verification Guidelines dated February 3, 2020/audit reports. The outcome shall be decided by a committee appointed by the government and that shall be binding on both parties," sources confirming the development told businessline.

(Business Line)

India bans oral Nimesulide over 100 mg, in immediate release form: Over 14 years after the Centre banned nimesulide in the treatment of children, it has banned all oral formulations of Nimesulide over 100 mg in immediate release form, due to its risk to humans, and because safer alternatives are available. Nimesulide is a nonsteroidal anti-inflammatory drug (NSAID) that is used in bringing down fever. It has been banned for use in children below 12 years of age, given its health risks, including liver toxicity

(2011). A year ago, (December 2024) the Centre banned all forms of nimesulide in veterinary use, as well.

(Business Line)

Centre imposes steel safeguard duty for 3 years; up to 12% on imports: The Centre has imposed a safeguard duty of up to 12 per cent on import of some steel products for three years, aiming to shield domestic producers from low-priced steel products from China and some other countries. The Central government had in April this year imposed a 12 per cent “provisional” safeguard duty on these steel imports, which expired on 7 November. According to experts, it pulled down monthly volumes by around 33 per cent year-on-year. Safeguard duties are temporary trade remedies allowed under WTO norms to protect domestic industries from import surges.

(Business Line)



REGULATION & DEVELOPMENT

Small savings schemes 2026: Government keeps interest rates unchanged for January–March quarter: The Ministry of Finance has decided to keep interest rates on small savings schemes unchanged for the January–March 2026 quarter. The rates will continue at the levels announced on September 30, 2025. Among post office savings options, the highest returns are currently offered by the Senior Citizen Savings Scheme (SCSS) and the Sukanya Samriddhi Account (SSA), both carrying an interest rate of 8.2%. In comparison, the widely used Public Provident Fund (PPF) continues to offer an interest rate of 7.1%. For long-term, tax-saving investors, the National Savings Certificate (NSC) offers a guaranteed return of 7.7% with annual compounding. Kisan Vikas Patra, with a rate of 7.5% and a maturity period of 115 months, suits investors seeking capital protection with predictable growth.

(Business Today)

Lav Aggarwal to take over as DGFT chief, Rabindra Kumar Agarwal to head FCI:

Senior bureaucrat Lav Aggarwal has been appointed as the Director General, Directorate General of Foreign Trade, an order by the Personnel Ministry said on Tuesday. His appointment was approved by the Appointments Committee of the Cabinet as part of a bureaucratic reshuffle. Also, Rabindra Kumar Agarwal currently serving as Additional Secretary, Ministry of Cooperation has been appointed as Chairman & Managing Director, Food Corporation of India. He replaces incumbent Ashutosh Agnihotri, who has now been named as the new Additional Secretary in the Ministry of Environment, Forest and Climate Change.

(Business Line)



FINANCIAL TERMINOLOGY

SAFEGUARD DUTY

- A safeguard duty is a temporary extra tax (tariff) on imported goods, imposed by a country to protect its domestic industries from a sudden, sharp increase in imports that are causing (or threatening) serious harm or injury to local producers, acting as an emergency measure under WTO rules to level the playing field.
- Unlike anti-dumping duties, it's usually applied equally to imports from all countries, not just specific ones, and includes a time limit with review periods to ensure the industry adjusts.

WISHING A HAPPY & PROSPEROUS NEW YEAR 2026



RBI KEY RATES

Repo Rate: 5.25%
SDF: 5.00%
MSF & Bank Rate: 5.50%
CRR: 3.00%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 89.9198
INR / 1 GBP : 121.0237
INR / 1 EUR : 105.5557
INR /100 JPY: 57.4200

EQUITY MARKET

Sensex: 85220.60 (+545.52)
NIFTY: 26129.60 (+190.75)
Bnk NIFTY: 59581.85 (+410.60)

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TEAM BFSIB

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