

DAILY NEWS DIGEST BY BFSI BOARD

12 January 2026



ECONOMY

India eyes new markets with US trade deal limbo: India is aggressively seeking trade deals to open markets for exporters and soften the blow of steep US tariffs, as efforts to secure an agreement with Washington remain elusive. Relations between Washington and New Delhi plummeted in August after President Donald Trump raised tariffs to 50 percent, that hurts India's ambition of becoming a manufacturing and export powerhouse. That pressure, has pushed New Delhi into a rapid diversification drive beyond its biggest market. India signed or operationalised four trade agreements last year, including a major pact with Britain -- the fastest pace of dealmaking it has seen in years -- and is now eyeing fresh deals. with the European Union, the Eurasian Economic Union, Mexico, Chile and the South American Mercosur trade bloc, either for new deals or to expand existing agreements.

(Moneycontrol)

Trade deals hinge on policy convergence, not leader-level symbolism, says GTRI: Major trade agreements hinge largely on policy convergence between the parties and the stakeholders involved, and not leader-level symbolism, asserted India-based think tank Global Trade Research Initiative (GTRI), after US Commerce Secretary Howard Lutnick's claims that the Bilateral Trade Agreement (BTA) did not fructify because Prime Minister Narendra Modi did not personally call President Donald Trump. Earlier, the US Commerce Secretary had claimed that the trade deal between India and the United States did not happen as Prime Minister Narendra Modi did not place a call to Donald Trump.

(Business Line)

German Chancellor's India visit to scale up trade, mobility, tech partnerships:

German Chancellor Friedrich Merz's two-day India visit, starting Monday, is set to add political momentum to the India-EU Free Trade Agreement (FTA) negotiations ahead of the bilateral summit while focussing on strengthening trade ties, securing defence deals and boosting cooperation in skill development, mobility, research, education and technology, sources said. "Germany is India's largest trading partner within the EU and both countries hope to gain significantly from the proposed India-EU FTA.

(Business Line)

BANKING & FINANCE



97% of bank deposit accounts insured: With the current deposit insurance limit of Rs 5 lakh, 42.1% of the total value of bank deposits was insured during the three months to September last year as compared with 41.5% during the three months to March last year, data from RBI show. Also, about 97.3% of the total deposit accounts were fully insured during the quarter ended September last year. The insured deposit ratio (the ratio of insured deposits to assessable deposits) was higher for co-operative banks at 60.7% as compared with 41.2% for commercial banks. Within that, state-owned banks have higher insured deposit ratio as compared with private sector banks. Deposit insurance premium received by the Deposit Insurance and Credit Guarantee Corporation (DICGC) grew 9.6% on-year to Rs 14,382 crore during the first half of FY26..

(Financial Express)

ICICI Lombard flags inadvertent WhatsApp leak of draft Q3 financials: ICICI Lombard General Insurance Company on Saturday said a designated person of the company had "inadvertently" uploaded certain information pertaining to its third-quarter financial statements on his personal WhatsApp status, before deleting them. The incident occurred on January 9, 2026, at around 5:44 pm. "Upon becoming aware of this incident (within an hour), the designated person deleted the above WhatsApp Status from the phone," the insurer said in an exchange filing. The company, however,

clarified that the information shared was in draft form and subject to changes as the audit process was still underway.

(Financial Express)

RBI advocates disclosure of NPA, inspection info; banks oppose; matters in CIC:

Four major banks -- Bank of Baroda, RBL Bank, Yes Bank and State Bank of India -- have approached the CIC objecting to the disclosure of information such as the list of defaulters and NPA, penalties and inspection reports, even as the RBI termed the records "liable to be disclosed" under the RTI Act. These banks appealed before the Central Information Commission, after the bankers' bank found that the information sought by RTI Applicants could be disclosed under the provisions of the RTI Act.

(Economic Times)

PhonePe adds 'Bolt' for faster, safer Visa, Mastercard payments: PhonePe Payment Gateway has introduced 'PhonePe PG Bolt' for Visa and Mastercard card transactions. This new feature uses device tokenization for secure and fast in-app checkouts. Users can save their cards once on the PhonePe app. This allows for one-click payments across integrated merchants. The system removes the need for CVV entry on subsequent transactions.

(Economic Times)

Budget 2026-27: Govt likely to amend law to speed up debt recovery: The Centre is likely to propose amendments to the Recovery of Debt and Bankruptcy Act (RDB Act), 1993, in the upcoming 2026-27 (FY27) Union Budget to redefine the jurisdiction and workload of Debt Recovery Tribunals (DRTs). According to a senior government official, the move would allow certain DRTs to focus on high-value cases, speeding up recoveries and unclogging tribunals burdened with low-value litigation. "Under the proposed changes, the Centre would be empowered to specify one or more DRTs to exclusively handle applications involving debts above a notified amount, which may vary across regions," said the official.

(Business Standard)

INDUSTRY OUTLOOK



Reliance, Adani lead ₹8.6 lakh crore investment surge in Gujarat: India Inc on Sunday announced investment commitments totalling ₹8.6 lakh crore in Gujarat over the next five years, led by Reliance Industries Ltd (RIL) and the Adani Group, underscoring strong corporate backing for India's manufacturing, clean energy and infrastructure push. Participating in the first Vibrant Gujarat Regional Conclave held at Rajkot where Prime Minister Narendra Modi remained present, Reliance Industries, chairman Mukesh Ambani committed to invest ₹7 lakh crore in Gujarat over the next five years, doubling its investments in the state across clean energy, renewable power, artificial intelligence-ready data centres, digital infrastructure, healthcare, education and sports facilities.

(Business Line)

India proposes forcing smartphone makers to give source code in security overhaul: India proposes requiring smartphone makers to share source code with the government and make several software changes as part of a raft of security measures, prompting behind-the-scenes opposition from giants like Apple and Samsung. The tech companies have countered that the package of 83 security standards, which would also include a requirement to alert the government to major software updates, lacks any global precedent and risks revealing proprietary details, according to four people familiar with the discussions and a Reuters review of confidential government and industry documents.

(Business Line)

India EV market hits 2.3 million sales in 2025, policy support, festive demand drive adoption: India's electric vehicle (EV) market crossed a major milestone in 2025, with total EV sales reaching 2.3 million units, accounting for 8 per cent of all new vehicle registrations, according to the Annual Report: India EV Market 2025 prepared by the India Energy Storage Alliance (IESA) based on Vahan Portal data. India's broader automobile market recorded 28.2 million vehicle registrations in 2025, with

two-wheelers remaining dominant, accounting for over 20 million units (72 per cent of total sales). Passenger four-wheelers crossed 4.4 million units, while tractors and agricultural vehicles exceeded 1.06 million units.

(Business Line)



REGULATION & DEVELOPMENT

Lenders sanction Rs 3,362 cr under Credit Guarantee Scheme for Exporters in a month: Lenders have sanctioned Rs 3,361.83 crore to 774 applicants under the Rs 20,000-crore Credit Guarantee Scheme for Exporters (CGSE) in one month to help promote exports facing the heat of the steep US tariffs. The scheme approved by the Union Cabinet on November 12 provides 100 per cent credit guarantee coverage by the National Credit Guarantee Trustee Company Ltd (NCGTC) to Member Lending Institutions (MLIs) for extending additional credit facilities up to Rs 20,000 crore to eligible exporters, including MSMEs. CGSE was made operational on December 1, 2025. It enables banks and financial institutions to extend additional financial assistance to Indian exporters during a period of certain headwinds, which shall diversify their markets and enhance their global competitiveness.

(Economic Times)

Municipal bond issuances hit record high in FY26 so far amid fiscal support: India's municipal bond market saw a record number of issuances in the current financial year, with nine issuances until December, compared with three in the previous year and one in the year before that, data from SEBI showed. During the year, municipal bodies beyond the regular issuers accessed the market, with growth not only in volumes but also in the range of issuers. As of September 30, 2025, total municipal bonds outstanding amounted to Rs 3,783.9 crore, with Rs 1,000 crore worth of bonds issued in the calendar year 2025.

(Business Standard)

Govt to meet fiscal deficit target of 4.4% in FY26, may even better it: PwC: The government is likely to achieve the fiscal deficit target of 4.4 per cent of the GDP in FY26, and it could even better it, a positive signal to global investors about India's commitment to fiscal management, PwC Partner and Economic Advisory Services leader Ranen Banerjee said. The revision in the nominal GDP growth target from 10.1 per cent to 8 per cent by the National Statistical Office recently raised concerns about the government's ability to meet the fiscal deficit target. Although the nominal GDP growth rate has been revised downward to 8 per cent from 10.1 per cent, the absolute numbers are almost matching the budget estimates, he said, adding that this means the denominator is not shrinking and the government should easily meet the 4.4 per cent fiscal deficit target.

(Business Standard)



RESERVE CURRENCY

- A reserve currency is a large quantity of currency maintained by central banks and other major financial institutions to prepare for investments, transactions, and international debt obligations, or to influence their domestic exchange rate. A large percentage of commodities, such as gold and oil, are priced in the reserve currency, causing other countries to hold this currency to pay for these goods.
- A reserve currency reduces exchange rate risk since there's no need for a country to exchange its currency for the reserve currency to do trade.
- Since 1944, the U.S. dollar has been the primary reserve currency used by other countries. As a result, foreign nations closely monitor the monetary policy of the United States to ensure that the value of their reserves is not adversely affected by inflation or rising prices.
- In 1944, following the Bretton Woods Agreement, delegates from 44 nations formally agreed to adopt the U.S. dollar as an official reserve currency. Since then, other countries pegged their exchange rates to the dollar, which was convertible to gold at the time. Because the gold-backed dollar was relatively stable, it enabled other countries to stabilize their currencies.



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 : 90.1395

INR / 1 GBP : 121.0201

INR / 1 EUR : 105.0065

INR /100 JPY: 57.2600

EQUITY MARKET

Sensex: 83576.24 (-604.72)

NIFTY: 25683.30 (-193.55)

Bnk NIFTY: 59251.55 (-434.95)

Courses conducted by BFSI Board

- ❖ Certificate Course on Concurrent Audit of Banks
- ❖ Certificate Course on Credit Management of Banks
- ❖ Certificate Course on Treasury and International Banking
- ❖ Certificate Course on Investment Management
- ❖ Certificate Course on General Insurance.
- ❖ Advance Certificate Course on FinTech

For details please visit
BFSIB portal of the ICMAI

Publications by BFSI Board

- ❖ Aide Memoire on Infrastructure Financing.
- ❖ Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).
- ❖ Guidance Note on the Internal Audit of General Insurance Companies.
- ❖ BFSI Chronicle (quarterly issue of BFSIB)
- ❖ Handbook on Stock & Book Debts Audit (Revised and Enlarged 2nd Edition)

TEAM BFSIB

Banking, Financial Services & Insurance Board
The Institute of Cost Accountants of India (ICMAI)

Disclaimer: Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICMAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICMAI. For Restricted Circulation only. A Compilation of News in this regard from Secondary Sources.