

DAILY NEWS DIGEST BY BFSI BOARD

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Economic Survey 2026 Highlights: GDP growth rate for FY2026-27 estimated at 6.8% - 7.2%: Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman tabled the Economic Survey 2025-26 in Parliament on 29th January 2026. The Survey, prepared by the Economic Division of the Department of Economic Affairs under the Ministry of Finance, and credited to the Chief Economic Advisor - currently Dr V Anantha Nageswaran - offers a detailed view of how India's economy fared in the past year. The highlights of the survey are outlined as follows;

- GDP growth rate for FY 2026 estimated at 6.8% - 7.2%.
- Domestic inflation averaged 1.7% for April–December, 2025.
- Foreign exchange reserves increased to \$701.4 billion as of 16 January 2026.
- Survey pitches for correction of inverted duties, lowering logistics costs.
- While the Centre has achieved fiscal consolidation alongside record public investment, rising revenue deficits and unconditional cash transfers in several States pose emerging risks by crowding out growth-enhancing spending.
- Between FY19 and FY25, 18 States saw a deterioration in their revenue balances, of which 10 slipped into revenue deficit from revenue surplus.
- The central government remains well on track to achieve its envisaged fiscal consolidation path, aiming to attain a fiscal deficit target of 4.4 per cent of GDP by FY26. As of November 2025, the union government's fiscal deficit stood at 62.3 per cent of the Budget Estimates

(PiB / Moneycontrol / Business Line)

Silver crosses Rs 4 lakh per kg mark; gold hits new record of Rs 1.83 lakh per 10 grams: Silver prices on Thursday breached the Rs 4 lakh per kilogram-mark in the national capital, while gold touched a fresh record high of Rs 1.83 lakh per 10 grams, tracking a sharp rally in global markets amid rising geopolitical and economic uncertainty. PTI reported All India Sarafa Association stating that silver extended gains for the fourth consecutive day, surging Rs 19,500, or 5.06 per cent, to an all-time high of Rs 4,04,500 per kilogram (inclusive of all taxes). The white metal had closed at Rs 3,85,000 per kilogram on Wednesday. This year, silver prices have risen Rs 1,65,500, or 69.2 per cent, from Rs 2,39,000 per kg recorded at the end of last year.

(Moneycontrol)

CEA warns of fragile global outlook in 2026, sees rising risk of disorder: The Economic Survey flagged a more fragile global economic environment heading into 2026, warning that geopolitical tensions, financial vulnerabilities and the politicisation of trade have narrowed the world's margin of safety, even as growth and trade have so far held up better than expected. In the preface, the Chief Economic Advisor V. Anantha Nageswaran outlined three plausible global scenarios for 2026, with the balance of risks now tilted away from stability and coordination and towards volatility and non-linear outcomes. Importantly, he suggested that adverse outcomes can no longer be treated as tail risks.

(Business Line)

India's agri exports have potential to reach \$100 billion in 4 years: India's combined exports of agriculture, marine products, food and beverage has the potential to reach \$100 billion over the next four years, said the Economic Survey. India's agri exports stood at \$51.1 billion in FY25. India is the world's second-largest agricultural producer by value, but according to the WTO's World Trade Statistics, the country's share in global agricultural exports has increased only modestly from 1.1 per cent in 2000 to 2.2 per cent in 2024. This disparity between production value and export performance highlights the significant untapped potential for expanding trade in agriculture.

(Business Line)

BANKING & FINANCE



High distribution costs hurting insurance access for ‘missing middle’: Economic Survey: High distribution costs and continued reliance on expensive intermediary networks, despite deeper digital penetration, are constraining the growth and penetration of the insurance sector and making policies unaffordable for the ‘missing middle’, the Economic Survey 2025–26 said. The survey noted that insurance density rose steadily to \$97 in FY25 reflecting higher spending by households already integrated into the financial system. However, insurance penetration stagnated and declined to 3.7%. This paradox, the survey said, suggests that while the sector has been able to ‘deepen’ revenues from existing customers, elevated distribution costs have prevented a meaningful ‘widening’ of the risk pool.

(Financial Express)

Canara Bank Q3 net profit jumps 26% to Rs 5,155 crore on treasury gains, fee income: Canara Bank on Thursday reported a 26% year-on-year rise in net profit to ₹5,155 crore for the third quarter, aided by higher fee-based income and gains from the sale of investments. Interest income increased 6% year-on-year to ₹31,544 crore, while non-interest income jumped 36% to ₹7,900 crore during the quarter. Treasury income surged 149% to ₹3,056 crore, largely driven by ₹2,590 crore from the sale of investments. Fee-based income rose 7% to ₹2,327 crore, while recoveries from written-off accounts stood at ₹2,051 crore, further supporting non-interest income. Asset quality continued to improve, with the gross non-performing asset (GNPA) ratio declining to 2.08% from 2.35% in the previous quarter and 3.34% a year earlier. Net NPA fell to 0.45% on both a sequential and year-on-year basis.

(Financial Express)

HDFC Capital Partners with housing firm to set up Rs 1,000 crore rental housing platform: HDFC Capital Advisors, the real estate private equity arm of the HDFC Group, on Wednesday said it has entered a strategic partnership with Curated Living

Solutions (CLS), promoted by Bhaskar Raju of the DivyaSree Group, to set up a Rs 1,000 crore rental housing platform in the country. The platform will develop, own and operate of institutional-grade rental housing assets to meet the growing demand for professionally managed rental accommodation across major urban centres, it said. CLS brings extensive development and operational capabilities across co-living, student accommodation, and worker housing, and currently manages over 13,000 beds across the country, it said.

(Financial Express)

Go Digit paid India's first insurance claim using parametric product for agriculture: Go Digit General Insurance has disbursed payouts to around 500 farmers in Rajasthan. This marks a significant step in climate-linked insurance for agriculture. The policy covered soil moisture imbalance during the rabi season. This parametric solution offers immediate liquidity using objective data. It helps bridge the gap between climate shock and recovery for farmers.

(Economic Times)

Punjab & Sind Bank gets RBI nod to open branch in GIFT City: Punjab & Sind Bank will open a branch at GIFT City in Gandhinagar, Gujarat. The Reserve Bank of India has given its approval. This move marks the bank's entry into international banking. The GIFT City IFSC is India's premier international financial hub. The bank aims to strengthen its foreign currency lending and trade finance capabilities.

(Economic Times)

INDUSTRY OUTLOOK



Survey bats for application-led AI over capital-intensive model: The Economic Survey has pitched artificial intelligence (AI) as a tool for solving real economic and governance challenges rather than a technology race centred on building large, capital-intensive models, stating that India's advantage lies in pragmatic, application-led deployment rather than scale alone. In a dedicated chapter on AI, the Survey says India should leverage its late-mover position to adopt AI in a calibrated manner that

aligns with its economic structure, institutional capacity and resource constraints. Rather than competing with advanced economies in developing large foundation models that require massive compute power and energy consumption, the Survey has advocated for a focus on low-cost, high-impact applications tailored to domestic needs.

(Financial Express)

Economic Survey 2025-26 on PSU disinvestment: The Economic Survey highlights that to facilitate larger disinvestment, the government is considering changing the definition of a listed Government Company to allow 26 per cent government ownership. The Survey stated that, “Since effective control requires only about a 26 per cent stake, the Government could consider amending the definition of “Government Company” under the Companies Act, limited to listed entities, to allow them to remain as government companies with a minimum of 26 per cent ownership, thereby retaining special resolution rights, while enabling the government to monetise its stake”. Currently, the Companies Act requires a 51 per cent government shareholding in a PSU to be called a Government Company. At present, only 30 per cent of listed PSU companies have government shareholding below 60 per cent. The survey said that the govt ownership reduction resolution will allow for a larger monetisation while retaining the govt control through special resolution rights.

(Financial Express)

'Very disappointed' with Europeans, says Bessent after India-EU trade deal: In the wake of the free trade agreement (FTA) between India and the European Union (EU), the United States has described the Europeans as “very disappointing”, saying they were unwilling to join Washington in putting tariffs on New Delhi for its purchases of Russian oil because of this trade deal. “Again, they should do what’s best for themselves, but I will tell you I find the Europeans very disappointing because the Europeans are on the front line of the Ukraine-Russia war,” US Treasury Secretary Scott Bessent said in an interview with CNBC’s on Wednesday. Bessent was responding to a question on the “massive” trade deal between Europe and India and whether that threatens America, given that the countries are moving ahead with free trade without Washington.

(Business Standard)



REGULATION & DEVELOPMENT

Economic Survey flags urgent need for capacity expansion in IBC framework:

Economic Survey suggests that while the Insolvency and Bankruptcy Code (IBC) has delivered transformative gains over the past nine years, its progress is increasingly constrained by a binding institutional bottleneck. The Code was designed to offer time-bound resolution of corporate distress, yet the system now struggles under the weight of mounting pendency and capacity shortages that risk undermining its core promise. The survey highlights that although IBC has strengthened credit discipline, reduced NPAs, and improved recovery rates, the timelines mandated under the law are routinely breached.

(Financial Express)

Govt proposes seasonal adjustment of industrial production data: The Ministry of Statistics and Programme Implementation (MoSPI) has released a discussion paper proposing seasonal adjustment of the Index of Industrial Production (IIP) to mitigate the distorting effects of moving festivals and other calendar variations on monthly data. The adjustment aims to remove predictable seasonal and calendar effects, allowing for a more accurate assessment of underlying trends in industrial activity, the ministry stated. Until now, the National Statistics Office (NSO) under MoSPI has released only the unadjusted (original) monthly IIP, which tracks changes in output across the mining, manufacturing, and electricity sectors.

(Financial Express)



FINANCIAL TERMINOLOGY

POSITIONAL GOODS

- Products that confer status and are thus both limited in supply and carry premium prices. Examples include properties in highly desirable residential areas, fancy sports cars and upmarket hotels.
- The existence of positional goods helps explain why rising living standards have not been accompanied by a substantial reduction in working hours; people work hard so they can feel a cut above the rest.



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 : 91.9644

INR / 1 GBP : 127.2530

INR / 1 EUR : 110.2273

INR /100 JPY: 60.0800

EQUITY MARKET

Sensex: 82566.37 (+221.69)

NIFTY: 25418.90 (+76.15)

Bnk NIFTY: 59957.85 (+359.05)

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The Institute of Cost Accountants of India (ICMAI)

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