

DAILY NEWS DIGEST BY BESI BOARD

31 January 2026



ECONOMY

Donald Trump picks Kevin Warsh as new Federal Reserve chair: US President Donald Trump on Friday said he had chosen former Federal Reserve Governor Kevin Warsh to head the U.S. central bank. A New York native and former mergers and acquisitions banker at Morgan Stanley, Warsh has recently sharpened his criticism of the Fed, aligning with several policy positions advocated by Trump and his administration. Warsh is seen as a comparatively moderate figure, as one of the less radical choices and notably more cautious about deploying heavy monetary stimulus despite his preference for lower rates.

(Moneycontrol)

India, World Bank Group unveil \$50 billion plan to power jobs and private investment for Viksit Bharat: India and the World Bank Group (WBG) on January 30 launched a new Country Partnership Framework (CPF) to steer the country's growth ambitions toward its Viksit Bharat vision — India's goal of becoming a developed economy by 2047. The five-year roadmap focuses squarely on generating jobs and crowding in private investment, with \$8-10 billion in annual support from the Bank Group. With over 12 million young Indians entering the labor market annually, the CPF puts private sector-led job creation at the center. The World Bank Group's global jobs strategy — built on investing in infrastructure, enabling a business-friendly environment, and scaling risk-mitigation tools — will be tailored to India's context across five priority sectors: infrastructure and energy, agribusiness, healthcare, tourism, and value-added manufacturing.

(Business Today)

Fiscal deficit hits 54.5% of full-year target in April–December: India's fiscal deficit in April-December was ₹8.6 lakh crore or 54.5% of the estimate for the financial year ending March 31, government data showed on Friday. Net tax receipts at 19.4 trillion rupees, up from 18.4 trillion rupees collected in the same period a year ago. Non-tax revenue at 5.4 trillion rupees compared with 4.5 trillion rupees a year ago. Total government expenditure at 33.8 trillion rupees compared with 32.3 trillion rupees a year earlier. Capital expenditure, or spending on building physical infrastructure, at 7.9 trillion rupees against 6.9 trillion rupees a year ago.

(Business Line)

BANKING & FINANCE



NSE gets key approval for its IPO, settlement to follow in due course: NSE's plans for filing of Initial Public Offer (IPO) has got the green signal from market regulator Securities and Exchange Board of India (SEBI). SEBI's department regulating stock exchanges and other market infrastructure institutions (MIIs) has issued a No Objection Certificate (NOC) to apply for IPO. As per the norms, the sectoral regulator's approval is required for companies to apply before IPOs, in this case the approval of Market Regulation Department (MRD) was required.

(Moneycontrol)

Government sets February 5 deadline for financial bids for IDBI: India's government has set a February 5 deadline for financial bids to divest a majority stake in IDBI Bank, marking a significant step in the privatization process. Eligible bidders, including Fairfax Financial Holdings and Emirates NBD, are now in the final phase. The government and LIC aim to sell 60.7% of the lender, with the successful bidder gaining naming rights.

(Economic Times)

Citigroup taps Ankur Khurana to lead India commercial banking business: Citigroup Inc.'s India operations have appointed Ankur Khurana as head of commercial

banking, strengthening the Wall Street lender's focus on India's fast-growing mid-market corporate segment, Bloomberg reported citing people familiar with the development. Khurana joins Citigroup after a stint at Standard Chartered Plc, where she served as co-head of coverage for India and South Asia. Khurana brings more than 20 years of experience across corporate and commercial banking.

(Economic Times)

India's foreign exchange reserves hit record high of \$709 billion: India's foreign exchange reserves rose to a record high of \$709.41 billion in the week ended January 23, latest data from the Reserve Bank of India (RBI) showed. The total reserves increased by \$8 billion during the week on the back of a rise in gold reserves and foreign currency assets. It took nearly 17 months for foreign exchange reserves to scale a new peak, as the previous high of \$705 billion was recorded in the week ended September 27, 2024. The central bank has intervened aggressively in the foreign exchange market over the past one-and-a-half years as the rupee has come under pressure due to global factors.

(Business Standard)

Bank of Baroda Q3 net profit up 4.5% on lower provisioning, margin pressure: Bank of Baroda's net profit rose 4.5 per cent YoY to ₹5,055 crore in the third quarter of financial year 2026 (Q3 FY26), aided by lower provisioning and a marginal rise in non-interest income. Net interest income (NII) was flat at ₹11,800 crore in the quarter ended December 2025, compared with ₹11,786 crore a year ago. Asset quality improved during the quarter, with gross NPAs declining to 2.04 per cent in December 2025 from 2.43 per cent a year earlier. Net NPAs fell to 0.57 per cent from 0.59 per cent in December 2024.

(Business Standard)



INDUSTRY OUTLOOK



Govt finalises PLI 2.0 for self-sustaining drone ecosystem: The Centre has finalised a Production-Linked Incentive (PLI) 2.0 scheme aimed at developing a self-sustaining drone ecosystem in the country. The proposed scheme is expected to incentivise domestic manufacturing of drones and their key components. The basic proposal for the PLI for drones has moved from the Civil Aviation Ministry to the Finance Ministry and the expectation is that it would be announced in the Union Budget for FY27, sources said.

(Business Line)

Bank credit growth moderates to 13%; deposit growth eases to 10.6%: Bank credit growth in the first fortnight of calendar year 2026 (January 15) slowed down to 13.1 per cent Y-o-Y and deposit growth during the same period also slowed down to 10.6 per cent Y-o-Y, latest data from the Reserve Bank of India showed. In the fortnight, credit contracted by ₹1.88 trillion, while deposits contracted by ₹3.57 trillion. This comes after the last fortnight of calendar year 2025 (December 31) reported credit growth of 14.5 per cent Y-o-Y and deposit growth of 12.7 per cent Y-o-Y.

(Business Standard)

Gold, silver ETFs log biggest single-day fall as prices crash 10-20%: Gold and silver exchange traded funds (ETFs) in India witnessed their biggest single-day decline on Friday as precious metal prices eased after a steep rally in recent months. Nippon India gold ETF, the largest in the category, tumbled 10.1 per cent on the National Stock Exchange (NSE). This is the highest single-day decline for the scheme which was launched in 2007. The HDFC and ICICI Prudential gold ETFs, the other popular offerings, were down 8.8 per cent and 9.5 per cent on the NSE, respectively. The fall in domestic ETFs followed the selloff in precious metals globally on Friday.

(Business Standard)



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REGULATION & DEVELOPMENT

World Bank to boost private jobs in India with \$8-10 bn annual lending: The World Bank Group (WBG) on Friday announced a new Country Partnership Framework (CPF) with India to help accelerate the country's next phase of growth, with a focus on private sector-led job creation and annual financing of \$8-10 billion over the next five years (FY26-FY31). This follows an earlier CPF implemented between FY18 and FY25, under which the World Bank committed annual lending of \$6-7 billion. With around 12 million young people entering India's labour market each year, unlocking private investment in job-rich sectors is a central priority for the country's next phase of growth, the World Bank said in a statement.

(Business Standard)

States utilise less than half of FY26 capex budget in Apr-Dec period: After the first three quarters of 2025-26 (April-December), states have managed to spend just 45.8 per cent, or ₹3.8 trillion, of their combined annual budgeted capital expenditure (capex) of ₹8.35 trillion, according to an analysis of monthly accounts for 20 states released by the Comptroller and Auditor General (CAG) of India. The subdued pace of capital spending by states contrasts sharply with the Centre's performance during the same period. Central government capex reached 70.3 per cent of its Budget Estimates (BE) in the first nine months of FY26, from April to December, according to the latest data from the Controller General of Accounts (CGA).

(Business Standard)



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FINANCIAL TERMINOLOGY

FOREIGN TRADE ZONE

- A Foreign Trade Zone (FTZ), also known as a free trade zone, is a designated area within a country where goods can be imported, stored, processed, or manufactured, and then re-exported, without being subject to customs duties or other regulations until they enter the country's domestic market.
- FTZs are geographically defined areas within a country that are treated as if they are outside the country's customs territory for the purpose of trade.
- The primary goal of FTZs is to encourage international trade and investment by providing businesses with a duty-free environment for certain activities.



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 : 91.8983
INR / 1 GBP : 126.3834
INR / 1 EUR : 109.5661
INR /100 JPY: 59.7200

EQUITY MARKET

Sensex: 82269.78 (-296.59)
NIFTY: 25320.65 (-98.25)
Bnk NIFTY: 59610.45 (-347.40)

Courses conducted by BFSI Board

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- ❖ **Certificate Course on Investment Management**
- ❖ **Certificate Course on General Insurance.**
- ❖ **Advance Certificate Course on FinTech**

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- ❖ **Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).**
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TEAM BFSIB

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