Not accurate: India rejects US reason for delay in trade deal

MEA says Modi, Trump spoke over phone on eight occasions in 2025

ARCHIS MOHAN & SHREYA NANDI
New Delhi, 9 January

India on Friday rejected as "not accurate" remarks by US Commerce Secretary Howard Lutnick that a proposed bilateral trade deal failed to materialise last year because Prime Minister Narendra Modi did not place a telephone call to US President Donald Trump, marking one of New Delhi's strongest responses to comments by a senior American official in recent months.

At his weekly media briefing, Randhir Jaiswal, spokesperson for the Ministry of External Affairs (MEA), said the two countries had "on several occasions been close to a deal," signalling that responsibility for the impasse did not rest solely with New Delhi, as suggested by Lutnick in comments made during an interview on Thursday (India time).

Jaiswal added that "Prime Minister Modi and President Trump have also spoken on phone on eight occasions during 2025, covering different aspects of our wide-ranging partnership."

People familiar with the negotiations said India had concerns about opening up its farm sector, citing potential implications for farmers' livelihoods, and said there was no juncture last year at which a phone call would have clinched the agreement.

India reiterated that it had been "committed to negotiating a bilateral trade with the US as far back as February 13, 2025," and that "since then the two sides have held multiple rounds of negotiation to arrive at a balanced and mutually beneficial trade agreement." The decision to pursue talks was taken at a meeting between Modi and Trump at the White House on February 13. "We have seen the remarks," Jaiswal said. "India and the US were committed to negotiating a bilateral trade agreement as far back as February 13 last year." Turn to Page 7

IN A PODCAST ON THURSDAY, US COMMERCE SECRETARY HOWARD LUTNICK SAID MODI NEEDED TO CALL TRUMP FOR THE TRADE DEAL TO PROCEED

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On US exit from ISA, India says it stands for multilateralism

India on Friday said it is closely following developments relating to a proposed legislation by the US that seeks to impose up to 500 per cent tariffs on countries procuring Russian crude oil, and that the International Solar Alliance (ISA) will continue to advance its goals despite US' exit.

Worst week in over 3 months for indices amid new tariff fears

Weakness in equity mkts

		Chg (%)	
	Jan 9	1-day	Weekly
Sensex	83,576.3	-0.7	-2.5
Nifty50	25,683.3	-0.7	-2.5
Nifty Midcap 100	59,748.2	-0.8	-2.6
Nifty Smallcap 100	17,282.7	-1.8	-3.1
BSE SmallCap	49,912.1	-1.7	-3.9
BSE MidCap	46,304.8	-0.9	-2.6
(Figures in ₹ trn)			
BSE mcap	467.7	-4.5	-13.5

Source: Bloomberg

SUNDAR SETHURAMAN
Mumbai, 9 January

Equity benchmarks declined for a fifth straight session on Friday, ending the day nearly 1 per cent lower and logging their biggest weekly fall in over three months amid renewed trade tariff concerns and weakness in index heavyweights.

On Friday, the Sensex closed at 83,576, down 605 points or 0.7 per cent, while the Nifty ended at 25,683, a decline of 194 points or 0.8 per cent.

Both indices fell 2.5 per cent for the week, their steepest weekly decline since the week ended September 26, 2025. The total market capitalisation (mcap) of BSE-listed firms stood at around ₹468 trillion, down about ₹4.5 trillion from Thursday's close. For the week, mcap declined by ₹13.5 trillion.

Concerns over US trade tariffs intensified this week after US Senator Lindsey Graham on Wednesday said that President Donald Trump had approved a Bill allowing sanctions against countries doing business with Russia. Turn to Page 7

India Inc's revenue growth may have picked up in Q3

Firms in information technology and fast-moving capital goods such as Tata Consultancy Services, Infosys, Wipro, Hindustan Unilever, ITC, and Asian Paints are, however, likely to once again struggle with low single-digit growth in revenue and earnings in Q3FY26.

The combined net sales (net interest income in the case of lenders) in Q3FY26 are expected to grow 11.3 per cent Y-o-Y, up from 6.9 per cent in Q3FY25 and 9.2 per cent in Q2FY26.

Revenue growth in the third quarter is likely to be the fastest in the last 12 quarters.

The combined net sales of 44 index companies in the sample (as referred to above) are likely to grow to ₹13.42 trillion in Q3FY26 from ₹12.06 trillion in Q3FY25, and against ₹14.18 trillion in Q2FY26.

The combined net profits of index companies excluding banks, finance services and insurance (BFSI) are expected to grow 5.1 per cent Y-o-Y in Q3FY26, down from 5.6 per cent in Q3FY25 and 10.4 per cent growth in Q2FY26.

Similarly, the combined net profits of index companies excluding the ones in BFSI, ONGC, and Reliance Industries are expected to grow 5.7 per cent in Q3FY26, down from 8.3 per cent in Q3FY25 and 11.1 per cent in Q2FY26.

The combined net sales of index companies excluding the BFSI category are expected to grow 11.5 per cent Y-o-Y in Q3FY26, up from 6.8 per cent in Q3FY25 and 9.5 per cent in Q2FY26.

The combined net sales of index companies are likely to grow 13.1 per cent Y-o-Y in Q3FY26, up from 8.5 per cent in Q3FY25 and 11.6 per cent in Q2FY26.

"The overall earnings growth in Q3FY26 is expected to be strong and will be anchored by Oil & Gas, NBFC-Lending, Automobiles, Metals, Telecom, Technology Real Estate, Capital Goods and Cement.

These sectors are anticipated to contribute 77 per cent of the incremental Y-o-Y accretion in earnings in Q3FY26," wrote analysts at Motilal Oswal Financial Services in their earnings preview for the quarter.

Analysts at Kotak Institutional Equity in their earnings preview wrote: "We expect Q3FY26 net income of the KIE universe to increase 8.8 per cent Y-o-Y, led by (1) capital goods (strong overseas execution for L&T), (2) construction materials (higher volumes Y-o-Y, on account of ramp-up of acquired capacities for ACEM and UTCEM, partly offset by lower profitability), (3) metals & mining (strong quarter for base metal players due to higher commodity prices in 3QFY26) and (4) oil, gas & consumable fuels (strong refining and marketing margins of OMCs) sectors.

Not accurate: India rejects US reason for delay in trade deal

"Since then, the two sides have held multiple rounds of negotiation to arrive at a balanced and mutually beneficial trade agreement. On several occasions, we have been close to a deal. The characterisation of these discussions in the reported remarks is not accurate." He said India remained interested in concluding a mutually beneficial agreement between the two complementary economies.

New Delhi has avoided a public exchange with the Trump administration since May, including over Trump's claims of credit for the India-Pakistan ceasefire following Operation Sindoor and comments related to the trade talks. Indian officials have said the bilateral relationship spans multiple sectors, including cooperation in several strategic areas, and is underpinned by a large Indian diaspora in the US, factors they say should temper simplified assessments of ties.

In an interview on the All-In podcast on Thursday, Lutnick said Modi needed to call Trump for the trade deal to proceed. "It's all set up. You have to have Modi call the President. They were uncomfortable doing it, so Modi didn't call," he said.

Lutnick said the UK was the first country to finalise a trade agreement with the US in May, after which the Trump administration adopted what he described as a "staircase" approach, under which countries that moved earlier secured more favourable terms. India, he said, was given a deadline and expected to take a political call, including a call from Modi to Trump. Meanwhile, Washington concluded agreements with other Asian countries at higher tariff rates.

"We did Indonesia, the Philippines, and Vietnam. We announced a whole bunch of deals in Asia. Because we negotiated them and assumed India was going to be done before them; I negotiated them at a higher rate," Lutnick said. "So now the problem is the deals came out at a higher rate and then India calls back and says we were ready... Are you ready for the train that left the station three weeks ago?"

Although India was the first country to initiate trade talks with the US in March, uncertainty over finalising an agreement has persisted. Washington concluded a trade deal with Britain in May, followed by agreements with countries including the Philippines and Vietnam in July.

Trade talks between India and the US came close to completion before stalling around July last year. In August, Trump imposed a 50 per cent tariff on several Indian goods, including a 25 per cent punitive duty for India's purchases of Russian oil.

The two sides have been working toward a broad bilateral trade agreement, as well as a more limited framework deal aimed at easing the impact of the 50 per cent tariffs on Indian exporters.

Both missed a 2025 "fall" deadline for the framework agreement despite more than six rounds of negotiations. Officials have cited India's reluctance to halt purchases of Russian crude, US demands related to India's sensitive agricultural sectors, and disagreements over reciprocal tariff rates.

Lutnick said he believed a deal with India would eventually "work out", but noted that other countries had moved faster. India later sought a tariff rate between the 10 per cent agreed with the UK and the 20 per cent agreed with Vietnam, but that offer had lapsed, he said.

"And now when they say, I want a deal between the UK and Vietnam, because that's what I negotiated... I said then, and not now," Lutnick said. "India will work it out, but there's a lot of countries and they each have their own deep internal politics, and to get something approved by their parliament, these are deeply complex things."

Worst week in over 3 months for indices over new tariff fears

The Bill would give Trump the authority to impose tariffs of up to 500 per cent on imports from countries, including India, that purchase Russian oil. The US has accused India of fuelling Russia's war machines through its oil imports and had imposed a 50 per cent tariff last year.

ICICI Bank and HDFC Bank were the biggest drags on the Sensex on Friday. HDFC Bank declined 6.3 per cent for the week, its sharpest weekly fall since the week ended January 19, 2024, amid concerns over deposit growth. Reliance Industries slipped 7.3 per cent during the week, its biggest weekly decline since October 4, 2024.

Foreign portfolio investors (FPIs) were net sellers worth ₹3,769 crore, while domestic institutional investors were net buyers worth ₹5,596 crore.

"There has been an escalation in tariff worries for India and geopolitical tensions, which is weighing on FPI selling. Corporate results will not have much bearing on Indian equities unless there is a positive or negative shock. Trade tariffs and global cues will determine market movement," said U R Bhat, co-founder of Alphaniti Fintech.

The market breadth was weak, with 3,196 stocks declining and 993 advancing.

"Volatility is likely to persist in the near term, particularly in US-exposed companies and sectors such as metals and oil & gas. However, strong domestic fundamentals, resilient GDP growth, and robust credit trends could support selective buying where earnings prospects remain favourable," said Vinod Nair, head of research at Geojit Investments.

Nair added that foreign institutional flows and currency movements would be key monitorables, while any positive outcome from India-US trade discussions or easing tariff concerns could trigger a short-term rebound. "Overall, markets are expected to remain range-bound with a mixed bias, as investors balance external risks against domestic fundamentals."

Forex kitty down $10 bn, steepest in over a year

"The reserves fell because of dollar selling during the week, which was around $7 billion, while the remaining decline of about $2.7 billion was due to revaluation losses. Gold prices declined 4.4 per cent week-on-week. Dollar selling was because of capital outflows owing to a negative balance of payments," Gupta said.

India's foreign exchange reserves had hit a record high of $705 billion in September 2024. During the reported week, the rupee depreciated 0.38 per cent against the US dollar, while gold prices fell 4.43 per cent.

The rupee was under pressure during the reported week due to dollar demand among corporate amid delayed US trade deal. Foreign exchange market participants said the central bank intervened to contain volatility amid continued foreign outflows.

"If we look at the latest data, the RBI has been a net seller of dollar. In such times when rupee is depreciating, the RBI will keep intervening, wherever it feels that it has to smooth increased volatility. There is no level that the RBI particularly targets, but tries to curb excessive shocks to the market," said Aditya Vyas, chief economist at STCI Primary Dealer Ltd.

After depreciating 4.74 per cent in 2025, its steepest fall in three years, the rupee continued to be under pressure with over 0.32 per cent decline so far in January. On Friday, the Indian unit weakened 0.15 per cent to close at 90.16 against the dollar.

The rupee could be under pressure in the coming days with continuing global headwinds, including prospects of more US sanctions and an unlikely trade deal, and a large stock of maturing short forward positions, which rose to $66.04 billion by November-end.

Netflix's India decade: From 'HBO moment' to a hunt for mass reach

YouTube was free, while Amazon Prime Video cost roughly ₹100 a month and offered a wide range of Indian films, along with a strong grip on the burgeoning comedy scene. Despite having one of the best user interfaces in the business, Netflix struggled to scale.

By December 2021 — more than five years after entering India — it had only 5.5 million subscribers. Prime Video had 19 million and Disney+Hotstar 46 million. Netflix then cut prices by 60 per cent and doubled down on a larger local slate. The strategy worked. Titles such as Heeramandi, the Emmy-winning Delhi Crime, and Vir Das: Landing, as well as the National Award-winning Kathal and the Emmy-nominated Amar Singh Chamkila, have brought it both accolades and audiences.

This global recognition — and the showcasing of Indian stories across the 200 countries Netflix reaches — flows naturally from the global nature of its business. But it also reflects what some in the industry describe as a second Netflix effect: The company has invested substantial management time, effort and money in nurturing India's creative ecosystem.

Its initiatives have included scriptwriting workshops and