

DAILY NEWS DIGEST BY BFSI BOARD

05 February 2026



ECONOMY

India opens equity market doors to global investors: For the first time, foreigners will now be allowed to invest in the Indian equity market thanks to the Budget 2026. Budget 2026 has proposed to allow individual 'Persons Resident Outside India' (PROI) to invest in equity instruments of listed Indian companies through the Portfolio Investment Scheme (PIS). "One of the major developments of the Union Budget 2026 is the announcement to permit Individual Persons Resident Outside India (PROI) to invest in Indian capital markets through the Portfolio Investment Scheme," says CA (Dr) Suresh Surana. Under the PIS, NRIs and Foreign Portfolio Investors (FPIs) are currently permitted to purchase shares in Indian companies that are listed on Indian stock exchanges. "At present, investment is largely restricted to registered Foreign Portfolio Investors (FPIs) and Non-Resident Indians (NRIs).

(Financial Express)

January services PMI climbs to 58.5, hits two-month high as demand improves: India's services sector saw a pickup in growth momentum in January. HSBC India Services PMI rising to 58.5 from 58.0 in December, hitting a two-month high. According to the latest HSBC India Services PMI data released by S&P Global, the growth was supported by stronger demand, improved business confidence and a return to hiring. In the Purchasing Managers' Index (PMI) parlance, a reading above 50 indicates expansion, while a score below 50 denotes contraction.

(Financial Express)

Liquidity improves as banks' deployment at RBI's SDF window vaults over ₹3 lakh crore:

The amount parked by banks' at the Reserve Bank of India's (RBI) Standing Deposit Facility has surpassed the ₹3 lakh crore-mark over the last couple of days, indicating easing of liquidity conditions in the wake of RBI's liquidity infusion measures and a pick up in government spending. The extent of surplus liquidity can be gauged from the fact that banks deployed ₹3,64,627 crore on February 3 and ₹3,20,805 crore on February 2 at RBI's SDF window for a day, according to latest RBI data.

(Business Line)

BANKING & FINANCE



RBI MPC begins rate meeting, decision due Friday: RBI Governor Sanjay Malhotra-headed six-member rate-setting panel on Wednesday started deliberations on the next set of bi-monthly interest rate in the backdrop of growth-focused Union Budget and announcement of India-US trade deal, which lifted market sentiments. The decision of the Monetary Policy Committee (MPC) will be announced by Malhotra on Friday morning. Experts are of the view that the RBI has already reduced the key short-term lending rate (repo) by 125 basis points since last February, and may go for status quo on rates as there are no pressing concerns on either growth or inflation fronts. However, some are of the opinion that the central bank may go for one more rate cut to further borrowing cost

(Economic Times)

RBI mulls supervision revamp for banks to curb risks: The Reserve Bank of India is considering a revamp of how it supervises lenders, shifting from a traditional box-checking exercise to a deeper examination of banks' business models, according to people familiar with the matter. The financial regulator plans to examine in greater depth how banks conduct their business instead of analysing ratios in isolation at every inspection, said the people, who asked not to be identified because the discussions are private. The watchdog also seeks to add more officers to its supervision division, with

hiring skewed toward specialists in cybersecurity controls as digital risks multiply across the banking system, according to the people. The overhaul is still under consideration and details could evolve, they said.

(Business Line)

RBI's box-checking is old for new-age frauds, big shift on way for bank supervision: Reserve Bank of India is considering a revamp of how it supervises lenders, shifting from a traditional box-checking exercise to a deeper examination of banks' business models, according to people familiar with the matter. India's financial regulator plans to examine in greater depth how banks conduct their business instead of analyzing ratios in isolation at every inspection, said the people, who asked not to be identified because the discussions are private.

(Economic Times)

Bajaj Life Insurance partners with Mirae Asset Sharekhan to expand life cover offerings: Bajaj Life Insurance has entered into a strategic partnership with Mirae Asset Sharekhan to offer a range of life insurance solutions to the wealth management platform's customer base. Under the alliance, customers of Mirae Asset Sharekhan will gain access to a curated portfolio of Bajaj Life Insurance products.

(Business Line)

INDUSTRY OUTLOOK



Tech stocks tumble as Anthropic's AI tools threaten the SaaS model: Fears that agentic AI tools such as Anthropic's Claude Cowork plug-ins could automate core enterprise processes and disrupt the traditional SaaS model triggered a sharp sell-off in global tech stocks, dragging down US software majors and wiping over ₹2 lakh crore off the market capitalisation of Indian IT firms, even as Indian industry leaders argue the impact will be evolutionary rather than disruptive in the near term.

(Business Line)

India's mutual fund Industry to more than double in 5 years: The mutual fund industry is projected to more than double over the next five years, with the economy growing at 10 per cent annually and a shift in money from savings accounts with low interest rates into investment accounts which give higher returns, said KV Kamath, Chairman, Jio Financial Services. “I think there is going to be a reallocation of money from savings to investment,” he said at a Jio Blackrock event ‘Investing for a new era.’ He pointed out that 10 per cent growth in the Indian economy was sustainable. “My experience in banking shows that if you are growing at 20 per cent, financial services typically grows at 15 per cent, so we should simply compound at 15 per cent and we'll have a doubling of the assets.”.

(Business Line)

India's GDP can reach \$25–30 trillion in 20–30 years: Mukesh Ambani: Reliance Industries Chairman Mukesh Ambani said that India's GDP could grow to \$25-30 trillion in the next 20-30 years. He hinted that India could sustain a double-digit growth. “I think that the Indian opportunity—we stand at about \$4.5 trillion of GDP in a \$110 trillion world. I like seeing us outgrowing the world and finding our right place. I am one of those believers who think that this, in a 20-30-year period, will outgrow the rest of the world, and we will hit \$25-30 trillion”, Mukesh Ambani said. Speaking at a JioBlackrock event in Mumbai, Mukesh Ambani said that India's ability to execute large-scale projects is a key factor behind its growth, citing developments in road infrastructure, telecommunications, and other sectors.

(Financial Express)

India Joins BRICS Centre for Industrial Competencies to Support Manufacturing and MSMEs: India joined the BRICS Centre for Industrial Competencies (BCIC) at an event organised by the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, at Vanijya Bhavan, New Delhi. The BCIC, launched in partnership with the United Nations Industrial Development Organization (UNIDO), serves as a one-stop centre providing integrated support services to manufacturing companies and Micro, Small and Medium Enterprises (MSMEs) across BRICS countries, with a focus on strengthening Industry 4.0 competencies.

(PiB)



REGULATION & DEVELOPMENT

SEBI relaxes OTR norms for equity options, exempts market makers' algo orders: SEBI has revised its Order-to-Trade Ratio (OTR) framework, easing compliance for equity options traders and exempting algorithmic orders placed by designated market makers from OTR penalties. SEBI said that for equity option contracts, orders placed within $\pm 40\%$ of the last traded price (premium) or \pm Rs 20, whichever is higher, will be exempted from the framework for imposing penalties for high OTR. Earlier, the exemption threshold across segments was limited to a narrow band around the last traded price. SEBI circular read, "Orders placed within the range of $\pm 0.75\%$ of the LTP shall be exempted from the framework for imposing penalty for high OTR. However, for equity option contracts, orders placed within the range of $\pm 40\%$ of LTP (premium) or \pm INR 20, whichever is higher, shall be exempted from the framework for imposing penalty for high OTR". SEBI has also decided that algorithmic orders placed by Designated Market Makers for market-making activity will not be considered for OTR computation.

(Moneycontrol)

Govt eyes rule tweak to help Indian audit firms go global: In a move to promote domestic audit and advisory firms to grow big in size, the government is planning changes in the relevant rules to modify the definition of "accountant" for the purpose of Safe Harbour rules that will facilitate CA firms to offer different services to global clients with lesser regulatory hurdles. "The tweaks in the definition can hugely benefit Indian audit and advisory firms since safe harbour rules determine who can provide cross-border accounting, costing and related services with predefined margins and tax certainty. Broadening of the definition would allow more Indian firms to qualify for these activities," an official told FE.

(Financial Express)

Procurement from GeM portal crosses Rs 4 lakh crore in FY'26, to surpass last year's level: The procurement of goods and services from the Government e-Marketplace (GeM) has crossed Rs 4 lakh crore so far this fiscal with over 50 lakh buying and selling orders by various ministries and departments, a senior government official said on Wednesday. GeM CEO Mihir Kumar said about 45 per cent of public procurement orders are placed to MSMEs, higher than the mandatory requirement of 25 per cent.

(Economic Times)



ORDER-TO-TRADE RATIO (OTR)

- The Order-to-Trade Ratio (OTR) measures the number of orders placed, including modifications and cancellations, relative to trades executed by a trading member.
- A high OTR indicates excessive order placement with low execution or creating 'noise', often linked to algorithmic or high-frequency trading. Exchanges impose penalties on high OTR to curb market manipulation, reduce system congestion, and ensure fair trading.



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 : 90.4693

INR / 1 GBP : 124.1106

INR / 1 EUR : 107.0559

INR /100 JPY: 57.8900

EQUITY MARKET

Sensex: 83817.69 (+78.56)

NIFTY: 25776.00 (+48.45)

Bnk NIFTY: 60238.15 (+196.85)

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The Institute of Cost Accountants of India (ICMAI)

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