

DAILY NEWS DIGEST BY BFSI BOARD

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ECONOMY

India-US trade deal sets stage for sustained FPI inflows as foreign investors return with \$897 million: The India-US trade deal is expected to trigger sustained foreign portfolio inflows into Indian markets as overseas investors regain confidence in the country's growth trajectory, with the week ending February 6, 2026 marking a decisive shift as FPIs turned net buyers after weeks of relentless selling. Foreign portfolio investors (FPIs) invested a net \$897 million into Indian stocks during the week, according to data from the National Securities Depository Limited (NSDL), signalling a potential reversal in sentiment that could gather momentum as bilateral trade relations strengthen and currency stability returns. The weekly inflow comprised net equity purchases of \$897.15 million, while debt instruments saw net outflows of \$0.13 million. In February through the 6th, FIIs were net equity buyers to the tune of ₹2,645 crore, marking a sharp turnaround from January's heavy outflows.

(Business Line)

What are GM crops and why they are a point of concern in US trade deal?: The India-US trade deal has brought agriculture back into the policy spotlight after New Delhi agreed to grant zero-duty or sharply reduced-duty access to a set of American farm and food products, while reiterating that its "sensitive" farm sectors remain protected. Items such as dried distillers' grains (DDGS), red sorghum, soybean oil, and select fruits and nuts have drawn particular attention because they sit close to US agricultural supply chains dominated by genetically modified crops. Genetically modified crops are plants whose DNA has been altered using modern biotechnology to introduce specific traits, such as insect resistance or herbicide tolerance, with greater precision than conventional cross-breeding. The US is among the world's largest

producers and exporters of GM crops. This matters for India-US trade because the American agricultural export basket is dominated by corn- and soybean-linked products, including animal feed inputs and processed derivatives. According to the joint statement on the trade deal, India has not opened the door to the most politically sensitive farm imports, such as US corn and soybeans, while offering zero-duty or reduced-duty access on select other items. India's resistance to importing GM-linked farm products reflects a mix of regulatory caution, political economy considerations, environmental risk assessment and trade strategy, rather than a blanket rejection of biotechnology.

(Business Standard)

BANKING & FINANCE



RBI removes cap on VRR to boost long-term FPI debt investments: The Reserve Bank of India on Friday unveiled a set of measures to deepen financial markets, including a major change to the voluntary retention route (VRR) for foreign investors. By scrapping the Rs 2.5 lakh crore cap and offering greater operational flexibility, the RBI aims to make long-term FPI participation in India's bond market smoother and more predictable. "The VRR has been witnessing active investment by FPIs, and over 80% of the current investment limit of Rs 2.5 lakh crore has been utilised. With a view to ensuring predictability about the availability of investment limits under the VRR and to further increase ease of doing business, it has been decided that investments under the VRR shall now be reckoned under the limit for FPI investments under the general route," the RBI said. It added that it will provide other operational flexibilities to FPIs, who invest under VRR.

(Financial Express)

SBI outperforms street expectations; posts its highest-ever quarterly profit of Rs 21,028 crore: State Bank of India (SBI), the country's largest lender, delivered its highest-ever quarterly profit, supported by strong credit demand, healthy deposit mobilisation and continued improvement in asset quality. SBI beat street expectations

in the December 2026 quarter, reporting a 24.5% year-on-year rise in net profit to Rs 21,028 crore (Rs 16,891 crore Q3FY25), sharply ahead of Bloomberg's estimate of Rs 17,800 crore. On a sequential basis (Q-o-Q), the bank posted a profit growth of 4.3% from Rs 20,160 crore as on the quarter ended September (Q2FY26).

(Financial Express)

Govt gets financial bids for IDBI Bank stake sale: The financial bids for the strategic disinvestment of IDBI Bank have been received from the shortlisted bidders, the Department of Investment and Public Asset Management (DIPAM) said on Friday, paving the way for the announcement of the winning bidder in the coming weeks. Fairfax India Holdings, the promoter of CSB Bank, and Kotak Mahindra Bank are widely seen as the frontrunners in the race for the lender. Emirates NBD, which was among the shortlisted bidders, is no longer considered a serious contender after it acquired a majority stake in private sector lender RBL Bank last year, analysts said.

(Financial Express)

PSU banks' profit set to cross Rs 2 lakh crore in FY26, says DFS Secretary

Nagaraju: Public sector banks (PSBs) are on track to post a record combined profit exceeding Rs 2 lakh crore in the current financial year, Financial Services Secretary M Nagaraju said, expressing confidence in the sector's improving financial strength and resilience. Speaking to PTI, Nagaraju emphasised that the broader Indian banking system remains robust, supported by steady credit expansion and healthy deposit mobilisation. Credit growth at PSBs is running at about 12 per cent this year, which he described as tremendously "good", while deposit growth of around 10 per cent is also reasonably very good.

(Economic Times)

RBI unveils risk-based deposit insurance premium; safest banks to pay 8 paise per ₹100 from April 2026: The RBI on Friday issued the risk-based premium

framework for deposit insurance, rewarding banks that manage risks better by giving them a discount of up to 33.3% with 8 paise per ₹100 being the lowest. All banks now pay the same premium of 12 paise for every ₹100 of assessable deposits, regardless of how risky or well-managed they are. Banks will be grouped into 4 risk categories-A, B, C and D. Category A banks, considered the safest, will pay 8 paise per ₹100 of

deposits; Category D banks will continue to pay current rate of 12 paise. Risk assessment will be based on audited financial data and supervisory ratings.

(Business Standard)

INDUSTRY OUTLOOK



Eway bill generation rises 43% in January, the second-highest ever: E-way bill generation rose sharply in January, with total e-way bills generated at 136.83 million, the second-highest monthly level recorded so far. On a year-on-year (Y-o-Y) basis, e-way bill generation in January grew 42.6 per cent from 95.96 million in the same month last year. The January number was marginally lower than the all-time high of 138.39 million, which was recorded in the month of December last year. An e-way bill is a digitally generated document under the goods and services tax (GST) system that is mandatory for transporting goods worth more than Rs 50,000 from one place to another, either within a state or across states.

(Business Standard)

ESAF SFB to apply for universal banking licence after 2 years, says MD: Thrissur-based ESAF Small Finance Bank (SFB) will wait at least two years before applying for a universal banking licence as it pivots towards secured lending to improve asset quality and profitability following stress in its microfinance business, according to Paul Thomas, managing director (MD) & chief executive officer (CEO), of the bank. “The road map is clear. We have to wait at least two years to fulfil the criteria given the current situation. It is a wait-and-watch approach. By then, others will have become established, and we will have greater clarity,” Thomas said.

(Business Standard)

India-US trade deal: Farmer groups fear backdoor entry of GM crops via DDGS: Farmer groups and opposition parties on Saturday expressed apprehensions over the permission for cheap imports of dried distillers' grains with solubles (DDGS) under the India-USA interim framework agreement, terming it a 'backdoor entry' for genetically modified (GM) crops into India. They claim this will harm soybean farmers despite

Commerce Minister Piyush Goyal clarifying that DDGS will be imported under a quota and will be free of GM components post-processing.

(Business Standard)



REGULATION & DEVELOPMENT

Listing rules on corporate governance to prevail over RBI's for listed banks, clarifies SEBI: SEBI has clarified that listed entities, including public sector banks, must place their quarterly corporate governance compliance reports before the full board of directors and cannot delegate this responsibility to board committees such as the audit committee. The clarification came through an informal guidance issued to Punjab National Bank (PNB), which had sought SEBI's interpretative view on compliance with Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. PNB had argued that the Reserve Bank of India's Commercial Banks – Governance Directions, 2025 allow public sector banks to assign certain matters, including compliance with statutory and regulatory requirements, to committees of the board so that the board can devote greater attention to strategic issues.

(Moneycontrol)

UIDAI completes over 10 mn biometric updates for children in 83K schools: Aadhaar custodian UIDAI has completed mandatory biometric updates (MBU) for one crore school children covering 83,000 schools across the country, an official statement said. A child under the age of five can enrol for Aadhaar by providing the photograph, name, date of birth, gender, address and birth certificate but the fingerprints and iris biometrics of a child are not captured for Aadhaar enrolment below the age of five as these indicators are not mature by then. Therefore, providing fingerprints and iris information in Aadhaar by following the process of MBU, upon crossing the ages of 5 and 15 years, is an essential requirement for children.

(Business Standard)



FINANCIAL TERMINOLOGY

Dried distillers' grains with solubles (DDGS)

- This substance remained a point of discussion in recent US-India Trade deal causing fear among Indian farmers.
- Dried Distillers' Grains with Solubles (DDGS) is a high-protein (approx. 38–45%), nutrient-rich byproduct of ethanol production (mostly corn), commonly used as a cost-effective, high-energy livestock feed for cattle, poultry, and swine.
- It is derived from fermented, distilled grains and is a valuable, digestible source of protein, fat, and phosphorus.
- The U.S. is a major producer and exporter of DDGS.



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 : 90.4163

INR / 1 GBP : 122.7431

INR / 1 EUR : 106.6864

INR /100 JPY: 57.6400

EQUITY MARKET

Sensex: 83580.40 (+266.47)

NIFTY: 25693.70 (+50.90)

Bnk NIFTY: 60120.55 (+56.90)

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The Institute of Cost Accountants of India (ICMAI)

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