

## **DAILY NEWS DIGEST BY BFSI BOARD**

16 February 2026



### **ECONOMY**

**India-UK trade deal implementation likely in April:** The India-UK free trade agreement signed last year is expected to come into force from April 2026, a government official has said, raising hopes of a major boost to bilateral trade and market access for Indian exporters. India and the United Kingdom signed the Comprehensive Economic and Trade Agreement (CETA) on July 24, 2025. Under the pact, 99 per cent of Indian exports will enter the British market at zero duty. In return, India will reduce tariffs on select British goods, including cars and Scotch whisky.

***(Moneycontrol)***

**India's forex reserves slip to \$717 billion; gold takes the hit as RBI data flags a sharp drop:** India's foreign exchange reserves dipped USD 6.711 billion in the week that ended February 6 to \$717.064 billion, after having reached a new all-time high in the prior week, according to the Reserve Bank of India's latest data. Foreign exchange reserves dipped substantially in the latest week, driven by a drop in gold reserves while foreign currency assets rose. Over the past few weeks, the forex kitty has been largely in an uptrend. Foreign exchange reserves touch record high of USD 723.774 billion last week. For the reported week (that ended February 6), India's foreign currency assets (FCA), the largest component of foreign exchange reserves, stood at \$570.053 billion, up \$7.661 billion.

***(Moneycontrol)***

**FPI inflows rebound to ₹19,675 cr in early Feb on India-US trade deal:** Foreign Portfolio Investors (FPIs) staged a sharp turnaround in early February, pumping Rs 19,675 crore into Indian equities in the first fortnight, supported by the US-India trade

deal and easing global macro concerns. The inflows follow three consecutive months of heavy selling, with FPIs pulling out Rs 35,962 crore in January, Rs 22,611 crore in December, and Rs 3,765 crore in November, according to data from depositories. Overall, in 2025, FPIs pulled out a net Rs 1.66 lakh crore (USD 18.9 billion) from Indian equities, marking one of the worst periods for foreign flows. The selling was driven by volatile currency movements, global trade tensions, concerns over potential US tariffs and stretched equity valuations.

***(Business Standard)***

## **BANKING & FINANCE**



**Religare Enterprises to split financial services, insurance biz into two listed entities:** Burman family-backed Religare Enterprises (REL) has approved a plan to demerge its financial services and insurance businesses into two separate listed entities, in a move aimed at unlocking shareholder value and sharpening strategic focus. The decision was approved at the company's board meeting held on Saturday. The group aims to complete the process and list Religare Finvest (RFL) by Q1 FY28. This is the first major restructuring announced by the company since Burmans took over REL in February, 2025.

***(Business Line)***

**Banks to drive domestic M&A as RBI eases financing norms:** Banks, especially large public sector lenders such as State Bank of India and Bank of India, have begun seeking legal advice on reviving acquisition financing in the domestic market, following the Reserve Bank of India's (RBI) release of its final prudential guidelines on acquisition financing. "Large PSU banks have shown a lot of interest... they have a large appetite. The interest is already visible," said a senior partner at a law firm, stating that lenders have started internal evaluations on how to operationalise the new framework. Banks are now preparing board-approved policies, subject to risk department vetting and upgrades in staffing and capabilities.

***(Financial Express)***

**Reserve Bank of India restores default loss guarantees for NBFCs:** In a move that could support stronger credit expansion, the Reserve Bank of India (RBI) has restored the use of default loss guarantees (DLGs) for non-bank lenders, rolling back last year's curbs that had forced them to make higher provisions on loans sourced through fintech partners. Non-banking finance companies (NBFC) can now factor in DLGs when setting aside buffers for potential loan losses, provided the guarantee forms an integral part of the loan arrangement

*(Economic Times)*

**RBI's new loan recovery norms: NBFCs may incur extra cost to train agents:** The Reserve Bank of India's (RBI) proposed stricter norms on loan recovery — whether undertaken in-house or through outsourced agents — are expected to raise compliance costs for NBFCs, given a significant number of these lenders, barring the larger ones, rely on third-party recovery agencies, and aligning such agents with the central bank's proposed framework would entail additional training and monitoring expenses. "The cost may go up for those that are outsourcing recovery activities to a third party. Every outsourcing agent must be trained and certified, and adhere to the governance standards of the bank or NBFC. This increases the cost for the lender. If an NBFC does not have its own in-house team, the compliance burden will be higher. However, from a customer's perspective, these guidelines are welcome," said a senior executive at one of the largest NBFCs.

*(Business Standard)*

## INDUSTRY OUTLOOK



**MCA to propose Corporate Amendment Bill for LLP, Companies Act changes:** The Ministry of Corporate Affairs (MCA) is planning to propose a Corporate Amendment Bill covering changes in both the Companies Act and the Limited Liability Partnership Act, with the main focus on easing processes and the compliance burden on businesses, according to sources. The MCA has finalised the Cabinet note covering comprehensive changes across the two Acts. "The forms are being rationalised, and more action on decriminalisation is being proposed for greater ease of doing business,"

a senior official said. The government is expected to table the Insolvency and Bankruptcy Code Amendment Bill, also under the MCA, in the second half of the ongoing Budget session.

**(Business Standard)**

### **RBI curbs loans extended to brokers in blow to proprietary trading volumes:**

India's central bank tightened rules for loans taken by firms that undertake proprietary trading in shares and commodities and offer leverage to clients, the latest measure aimed at reducing speculative market activity in the South Asian nation. All credit facilities to securities firms will have to be backed by collateral, while lending for trading on their own account or investments by brokers will be prohibited, according to a statement published on the Reserve Bank of India's website late Friday. The so-called prudential rules for capital market intermediaries such as stock and commodity brokers will come into effect from April 1, the central bank said.

**(Business Standard)**

### **Cabinet approves ₹1 trn Urban Challenge Fund for market-led urban growth:**

The Union Cabinet has approved the launch of the Urban Challenge Fund (UCF) with a total central assistance of Rs 1 trillion, Union Minister Ashwini Vaishnaw said on Saturday. Under the scheme, central assistance will cover 25 per cent of a project's cost, provided that at least 50 per cent of the funding is mobilised from the market. In a statement, the government said the initiative will lead to a total investment of Rs 4 trillion in the urban sector over the next five years.

**(Business Standard)**



## **REGULATION & DEVELOPMENT**

### **Amit Shah launches e-Rupee-powered PDS, unveils 24x7 'Annapurthi' grain ATM in Gujarat:**

Union Home and Co-operation Minister Amit Shah on Sunday inaugurated the country's first Central Bank Digital Currency (CBDC)-based Public Distribution System in Gandhinagar, Gujarat, terming it a "leak-proof" reform that will digitise and secure India's flagship food subsidy programme. As part of the rollout, Gujarat also

inaugurated an “Annapurthi Grain ATM” — an automated dispensing machine that will operate 24x7. From March 2026, beneficiaries will be able to collect one-kilogram packets of tur dal, chana, sugar and salt, along with up to 25 kg of wheat and rice, directly from the machine. Officials say the machine can dispense up to 25 kilograms of grain in roughly 35 seconds.

**(Business Line)**

### **Cabinet approves Startup India Fund of Funds 2.0 to Mobilize Venture Capital for India’s Startup Ecosystem:**

In a major boost to India’s growing startup ecosystem, the Union Cabinet chaired by the Prime Minister, Shri Narendra Modi, has approved the establishment of the Startup India Fund of Funds 2.0 (Startup India FoF 2.0) with a total corpus of Rs. 10,000 crore for the purpose of mobilizing venture capital for the startup ecosystem of the country. The Startup India FoF 2.0 follows the strong performance of the Fund of Funds for Startups (FFS 1.0), which was launched in 2016 to address funding gaps and catalyse the domestic venture capital market for startups. Under FFS 1.0, the entire corpus of Rs. 10,000 crore has been committed to 145 Alternative Investment Funds (AIFs). Such supported AIFs have invested over Rs. 25,500 crore in more than 1,370 startups across the country in sectors such as agriculture, artificial intelligence, robotics, automotive, clean tech, consumer goods & services, e-commerce, education, fintech, food & beverages, healthcare, manufacturing, space tech, and biotechnology amongst others.

**(PiB)**

### **Phase out universal subsidies, target benefits better: ADB-PwC study:**

Governments should move away from universal subsidies towards tightly targeted transfers, backed by stricter eligibility norms, sunset clauses and periodic audits to curb leakages and improve spending efficiency, a joint study by Asian Development Bank and PwC has recommended. Submitted to the 16th Finance Commission, the report argues that sharper targeting, greater transparency and stronger accountability are essential to improve the quality of public expenditure while safeguarding fiscal stability. The study calls for a sharper pivot in India’s subsidy regime, from standardising what qualifies as a subsidy to phasing out universal benefits.

**(Business Standard)**



## REAL Vs NOMINAL GDP

- Nominal GDP measures the total value of goods and services produced in a country using current prices, while real GDP measures the same value adjusted for inflation. Real GDP is considered a more accurate measure of a country's economic performance.
- Real GDP is calculated by adjusting nominal GDP for inflation using a statistical tool called the price deflator.
- Real GDP is more accurate because it removes the effects of inflation. This allows economists to see if the value of output has increased due to more production or higher prices.
- $\text{Real GDP} = (\text{Nominal GDP} / \text{Price Index}) \times 100$



### **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 : 90.7415  
INR / 1 GBP : 123.4459  
INR / 1 EUR : 107.6218  
INR /100 JPY: 59.2000

### **EQUITY MARKET**

Sensex: 82626.76 (-1048.16)  
NIFTY: 25471.10 (-336.10)  
Bnk NIFTY: 60186.65 (-553.10)

### **Courses conducted by BFSI Board**

- ❖ **Certificate Course on Concurrent Audit of Banks**
- ❖ **Certificate Course on Credit Management of Banks**
- ❖ **Certificate Course on Treasury and International Banking**
- ❖ **Certificate Course on Investment Management**
- ❖ **Certificate Course on General Insurance.**
- ❖ **Advance Certificate Course on FinTech**

For details please visit  
**BFSIB portal of the ICMAI website**

### **Publications by BFSI Board**

- ❖ **Handbook on Aide Memoire on Infrastructure Financing (3rd enlarged revised edition).**
- ❖ **Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).**
- ❖ **Guidance Note on the Internal Audit of General Insurance Companies.**
- ❖ **BFSI Chronicle (quarterly issue of BFSIB)**
- ❖ **Handbook on Stock & Book Debts Audit (Revised and Enlarged 2<sup>nd</sup> Edition)**
- ❖ **Handbook on Central Bank Digital Currency (CBDC)**
- ❖ **Monograph on Climate Risk and Green Finance-Banking Sector-International Practices and Indian Perspective (2nd Series)**
- ❖ **Guidance Note on Cost Control Strategies in the Banking Sector**

## **TEAM BFSIB**

**Banking, Financial Services & Insurance Board  
The Institute of Cost Accountants of India (ICMAI)**

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