

DAILY NEWS DIGEST BY BESI BOARD

24 February 2026



ECONOMY

US Supreme Court ruling prompts India to reassess trade deal provisions: The Central government is evaluating "all aspects" of the US Supreme Court ruling, which is why the talks around the interim trade framework have been deferred, a senior government official told. Another source aware of the development said that the government is looking at freshly negotiating some provisions of the trade deal – so that it can get an edge over other countries. "The 18 percent tariff rate gave India a slight edge over its peers. But now since the global tariff rate imposed by US is 15 percent, the benefit is gone. Therefore, sectors under which India get can get more concession or exemption – via the trade deal -- is being assessed," the source said.

(Moneycontrol)

₹16.72 lakh crore target: Govt scales up asset monetisation under NMP 2.0 till FY30: The government has drawn up an ambitious five-year roadmap under the National Monetisation Pipeline 2.0 (NMP 2.0), targeting ₹16.72 lakh crore through the monetisation of public assets across 12 key sectors between FY26 and FY30, according to the official release. Launched by Union Finance Minister Nirmala Sitharaman, the second phase of the asset monetisation programme builds on the first round and is positioned as a central pillar of infrastructure financing. The ₹16.72 lakh crore aggregate pipeline includes an estimated ₹5.8 lakh crore in private sector investment.

(Business Today)

Centre announces re-issue of 6.48% G-Sec 2035 for ₹32,000 crore: The Government of India has announced the sale (re-issue) of its Government Security 6.48 per cent GS 2035 through an auction scheduled for Friday, February 27. The date of maturity is set on October 6, 2035 and the Centre has the right to retain additional subscription of ₹2,000 crore. The sale of securities helps the Centre's ongoing market borrowing to fund funding requirements, while ensuring liquidity in the bond markets. Up to 5 per cent of the notified amount will be allotted to select eligible investors.

(Business Line)

BANKING & FINANCE



Banks should focus on core business, not on mis-selling, says FM Sitharaman: Finance Minister Nirmala Sitharaman on Monday asked the banks again to focus on core business while saying that it is spending more time on selling insurance than core business. She also said that it is too early to comment on the impact of the tariff changes as announced by the US. “Banks should concentrate on their core business. My pet peeve has always been, you're spending more time on selling insurance when it is not required, and conveniently, it fell between two stools (of RBI and IRDAI),” she said while addressing a press conference after customary post-Budget address to the central board of the Reserve Bank of India. She expressed satisfaction RBI's draft proposal on checking the mis-selling.

(Business Line)

IDFC First Bank tanks 16% on ₹590 crore fraud; AU Bank slips 7% on Haryana de-empanelment: IDFC First Bank shares were among the worst performers on Dalal Street on Monday afternoon, plunging nearly 16 per cent to ₹70.26 on the NSE after the lender disclosed unauthorised and fraudulent activities at its Chandigarh branch involving Haryana government accounts worth approximately ₹590 crore. The bank, in a regulatory filing dated February 21, 2026, said discrepancies were noticed when a Haryana government department sought closure of its account and transfer of funds. Subsequent engagement with other Haryana government entities from February 18

revealed further differences between actual account balances and balances claimed by these entities. The matter is currently confined to a specific set of government-linked accounts at the Chandigarh branch and does not affect other customers of that branch. Four employees have been suspended pending investigation. The bank has filed a police complaint, informed its regulator, and on February 22 announced the appointment of KPMG to conduct an independent forensic audit.

(Business Line)

Insolvency recoveries hit 15-quarter low: The amount realised by the creditors under the Insolvency and Bankruptcy Code (IBC) as a fraction of their total claims has hit a 15-quarter low of 20.02% in October-December 2025. As per the latest report from Insolvency and Bankruptcy Board of India (IBBI), the claimants recovered just over 20% (or Rs 5,477.4 crore) of the total claims admitted (Rs 27,360.9 crore) by them in cases where the insolvent entities were resolved. Lower realisation indicates an increase in the value of haircuts by the financial and operational creditors.

(Financial Express)

AU Small Finance Bank begins internal probe after Haryana account fiasco: AU Small Finance Bank said it has begun an internal review as the Haryana government de-empanelled it citing irregularities but added there is no indication of any financial impact or any fraudulent activity at the bank. The bank said it has placed some employees off duty. "The bank's board has been informed and the bank continues its internal review on this matter. To ensure a fair and transparent review, certain employees have been placed off duty," AU said in a late Sunday note. There were 14 suspected transactions involving Rs 47 crore from a Haryana government account to a customer account, both maintained with AU Small Finance Bank.

(Economic Times)

Banks may invest ₹7 trillion in G-secs in FY27 amid rising deposit base: Banks were expected to invest around ₹7 trillion in government securities (Gsec) in the upcoming financial year as their overall statutory liquidity ratio (SLR) holdings have declined, Shailendra Jhingan, head – treasury at ICICI Bank, said on Monday. He was speaking at IIMK-NSE 3rd Annual Conference on Macroeconomics, Banking & Finance. Jhingan added that bank deposit growth was projected between 10 per cent and 12 per cent in 2026-2027 (FY27), implying incremental accretions of around ₹30

trillion. As banks maintain about 25 per cent of deposits in SLR assets, this translates into potential investments of roughly ₹7 trillion in government bonds.

(Business Standard)

INDUSTRY OUTLOOK



Airtel unveils Rs 20,000-crore NBFC war chest to scale digital lending: Bharti Airtel on February 23 announced a Rs 20,000-crore capital infusion in its NBFC subsidiary, Airtel Money Ltd, over the next few years, marking one of its largest strategic bets outside telecom. Airtel will contribute 70 percent of the capital and the remaining 30 percent will come from the promoter group through Bharti Enterprises Ltd. The announcement came 10 days after Airtel Money received its non-banking finance company (NBFC) licence from the Reserve Bank of India, formally enabling the telecom major to scale its digital lending ambitions. Airtel's push into full-scale lending builds on its existing Lending Service Provider (LSP) platform, which the company says has disbursed over Rs 9,000 crore in loans over the past two years.

(Moneycontrol)

India-France DTAC amended: full taxing rights on capital gains to resident jurisdiction: India and France have signed a protocol to make changes to the Double Taxation Avoidance Convention (DTAC). According to a statement by the board, the amending protocol provides full taxing rights in respect of capital gains arising from sale of shares of a company to the jurisdiction where the company is situated. It deletes the so-called most-favoured nation (MFN) clause from the protocol to the DTAC, thereby bringing to rest all issues relating to it. It modifies the taxation of income from dividends by replacing a single rate of 10 per cent of tax, with a split rate of 5 per cent for those holding at least 10 per cent of capital and 15 per cent of tax for all other cases. It also modifies the definition of fees for technical services by aligning it with the definition in India US Double Taxation Avoidance Agreement, and expands the scope of permanent establishment by adding service PE.

(Business Line)

Gurugram topples Mumbai again as India’s biggest luxury housing market: Once a satellite city, Gurugram has now become the epicentre of India’s luxury housing boom. In 2025, it toppled Mumbai for the second year in a row, clocking Rs 24,120 crore in sales of ultra-premium homes — the clearest signal yet of how new wealth and infrastructure are redrawing the country’s real estate map. According to the latest report by India Sotheby’s International Realty (ISIR) and CRE Matrix, Gurugram’s luxury housing segment — homes priced at Rs 10 crore and above — recorded transactions worth Rs 24,120 crore in calendar year 2025, outpacing Mumbai’s Rs 21,902 crore. This marks the second year in a row that Gurugram has overtaken Mumbai, which had dominated the luxury segment for nearly four decades.

(Financial Express)



REGULATION & DEVELOPMENT

Won’t revisit broker funding norms: RBI gov: The Reserve Bank of India is not considering revisiting its recently announced norms on bank financing for traders and brokers, Governor Sanjay Malhotra said on Monday. He also ruled out any systemic risk arising from the IDFC First Bank fraud. The RBI recently mandated that banks must secure 100% collateral when funding brokers and capped total exposure to 40% of their tier-1 capital. It has also barred bank funding for proprietary trading by brokers. Since proprietary trading accounted for about 30% of participation in cash and futures markets and nearly 50% in the equity options segment as of December 2025, the move is expected to affect overall trading volumes.

(Financial Express)

Benefits under RoDTEP cut to half: The government has slashed the benefits under the scheme that refunds taxes incurred at the production stage of exported goods by half. “With immediate effect, the applicable Remission of Duties and Taxes on Exported Products (RoDTEP) rates shall be limited to 50% of the existing rates and, where applicable, 50% of the notified value caps,” a notification by the DGFT said. RoDTEP reimburses taxes, duties and levies at the central, state and local level which

are currently not being refunded under any other mechanism but are incurred by the exporters in the process of manufacture and distribution of exported products. Before Monday notification, refunds ranged from 0.3% to 4.3% of the value of exported products. These rates will now come down to 0.15% to 2.15%. The refunds are given as transferable duty credit scrip which can be used to pay import duties or sold in the market by exporters.

(Financial Express)

Labour Ministry to auto-refund small balances in inoperative EPFO accounts:

The Ministry of Labour and Employment has cleared a pilot project to automatically refund small balances from inoperative Employees' Provident Fund Organisation (EPFO) accounts without requiring members to apply, said officials aware of the development. There are a total of 3.186 million inoperative accounts with the EPFO, with deposits amounting to ₹10,903 crores. Of these, 7,11,000 accounts contain balances of ₹ 1,000 or less, with ₹ 30.52 crore lying unclaimed in them. These small balance accounts will be part of the pilot phase. After the 2016 amendment to the EPF Scheme, 1952, an account becomes inoperative only after a member turns 58 and fails to withdraw the balance. Inactivity alone does not trigger inoperative status. All EPF accounts — whether active, inactive, or without contributions — continue to earn interest until the member reaches 58 years of age. Interest stops only after the account becomes inoperative post-58.

(Business Standard)



FINANCIAL TERMINOLOGY

OPTIMAL CAPITAL STRUCTURE

- The optimal capital structure of a firm is the best mix of debt and equity financing that maximizes a company's market value while minimizing its cost of capital. In theory, debt financing offers the lowest cost of capital due to its tax deductibility.
- However, too much debt increases the financial risk to shareholders and the return on equity that they require. Thus, companies have to find the optimal point at which the marginal benefit of debt equals the marginal cost.
- An optimal capital structure is the best mix of debt and equity financing that maximizes a company's market value while minimizing its cost of capital.
- Minimizing the weighted average cost of capital (WACC) is one way to optimize for the lowest cost mix of financing.



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 : 90.7461
INR / 1 GBP : 122.7444
INR / 1 EUR : 107.3042
INR /100 JPY: 58.8000

EQUITY MARKET

Sensex: 83294.66 (+479.95)
NIFTY: 25713.00 (+141.75)
Bnk NIFTY: 61264.25 (+92.25)

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

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