



# IIBF VISION

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## VISION

To be premier Institute for developing and nurturing competent professionals in banking and finance field.

## MISSION

To develop professionally qualified and competent bankers and finance professionals primarily through a process of education, training, examination, consultancy / counselling and continuing professional development programs.

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**TOP STORIES**
**Union Budget 2026-27**

The Union Budget 2026-27 reinforces the macroeconomic stability through fiscal consolidation, while prioritizing infrastructure investment and financial sector reforms to support sustained economic growth. Its focus on enhancing domestic manufacturing capacity, textiles, MSMEs and human capital addresses both immediate economic needs and long-term structural priorities. Emphasis on Ease of Doing Business and Ease of Living is evident through measures to rationalize taxes, simplified tax compliance and initiatives that improve infrastructure, logistics and urban development to lower transaction costs and raise living standards. To drive Growth and Development, the Budget boosts public capital expenditure, advances high-impact programs in manufacturing and expands connectivity via high-speed rail and waterways — fostering investment, jobs and economic diversification. Targeted interventions in technology and sustainability paves a gradual path towards self-reliant Viksit Bharat.

The budget is anchored around three kartavyas: accelerating economic growth, building human capacity and ensuring inclusive development.

With total expenditure estimated at Rs. 53,47,315 crore; receipts (other than borrowings) estimated to be Rs. 36,51,547 crore and a fiscal deficit estimated at 4.3% of GDP, the budget seeks to sustain GDP growth while adhering to fiscal discipline.

**The key highlights of Union Budget 2026-27 are as follows:**

- Banking & Financial sector
  - High Level Committee on Banking for Viksit Bharat proposed to be set-up.
  - The vision for Non-Banking Financial Companies (NBFCs) for Viksit Bharat has been outlined with clear targets for credit disbursement and technology adoption.
  - Incentive of Rs. 1000 crore for single issuance of Municipal Bonds of more than Rs. 1000 crore. Current scheme under AMRUT will continue.
  - Foreign Exchange Management (FEMA) (Non-debt Instruments) Rules to be comprehensively reviewed.
  - Market making framework and total return swaps on corporate bonds to be introduced.
  - Securities Transaction Tax (STT) on Futures and options premium to be raised to 0.05% and 0.15%, respectively.
  - Individual residents living outside India will be allowed to invest in Indian equities, expanding the investor base.
- Micro, Small and Medium Enterprise (MSME): A dedicated ₹10,000 crore SME Growth Fund has been proposed. Liquidity support to MSMEs through Trade Receivables Discounting System (TReDS).
- The debt-to-GDP ratio is estimated to be 55.6% of GDP in Budget Estimates 2026-27. The Government has proposed to reduce the debt-to-GDP ratio to 55.6% in FY26–27, from 56.11% in FY25–26 (Revised Estimates).
- The New Income Tax Act, 2025 will come into effect from April 2026.
- The exemption from Minimum Alternate Tax (MAT) to all non-residents, who pay tax on presumptive basis, has been proposed.
- The exemption in capital gains tax for Sovereign Gold Bonds, has been proposed.
- A special one-time measure to facilitate sales by eligible manufacturing units in Special Economic Zones (SEZs) to the domestic tariff area at concessional rates of duty.
- The setting up of dedicated Real Estate Investment Trusts (REITs) and Infrastructure Risk Guarantee Fund has been proposed.
- The dedicated Rare Earth Corridors, to promote mining, processing, research and manufacturing, to be established.

- Green Push: The scheme to adopt Carbon Capture Utilization and Storage (CCUS) with an outlay of ₹20,000 crore, has been proposed.
- Unification of Information Technology Services.
- Launch of India Semiconductor Mission (ISM) 2.0 proposed.
- Introduced the Scheme to revive 200 legacy industrial clusters.
- Boosting manufacturing sector: Exemption from income tax for five years to non-residents providing capital goods, equipment or tooling, to any toll manufacturer in a bonded zone.
- High-Powered 'Education to Employment and Enterprise' Standing Committee to focus on the Services Sector.
- Scheme to support States in establishing five Regional Medical Hubs, to be launched.

### **RBI revised Integrated Ombudsman Scheme to provide quicker redressal**

The revised Integrated Ombudsman Scheme will become functional from July 1, 2026, to provide a cost-effective, expeditious and non-adversarial alternate grievance redress mechanism for complaints against Regulated Entities (REs). Any customer aggrieved by an act or omission of any RE resulting in a deficiency in service may file a complaint under the Scheme personally or through an authorised representative. Complaints will be received and processed by a Centralised Receipt and Processing Centre, with reference to the principles of banking law and practice, as well as the directions, instructions, guidelines or regulations issued by the REs. The RBI Ombudsman will have the power to examine and close the complaints. In the public interest, the RBI will publish an annual report on the functioning and activities under the Scheme.

### **MSME exports to get boosted with two interventions under EPM**

Under the Niryat Protsahan, sub-scheme of the Export Promotion Mission (EPM), two key interventions have been launched. One is Interest subvention, which will be provided on pre- and post-shipment rupee export credit extended by eligible lending institutions. Second, a collateral guarantee support for export credit is being introduced in partnership with the CGTMSE. Micro and Small exporters will get a guaranteed coverage of up to 85%; medium exporters will get up to 65%, with a maximum outstanding guaranteed exposure of ₹10 crore per exporter in a financial year. In another scheme, Market Access Support (MAS) Intervention, which focuses on improving buyer connect, 35% minimum participation of MSMEs is mandated for supported events.

### **PFRDA issued updated guidelines for cyber security**

As per updated guidelines superseding those issued in April 2020, Pension Fund Regulatory and Development Authority (PFRDA) has mandated all intermediaries and REs viz. Points of Presence, Atal Pension Yojana Service Providers and Non-Individual Retirement Advisors to report cyber incidents to the authority via email within six hours of occurrence, along with CERT-In. Additional mandatory requirements include quarterly reports on cyber incidents and remedial actions, as well as an annual compliance certificate submitted within 30 days of the financial year-end.

## **Banking Policies**

### **RBI makes handling of cross-border guarantees by AD banks more transparent and uniform**

The RBI has introduced a framework for issuance, modification and invocation of guarantees involving persons resident outside India. A person resident in India, being a creditor, may arrange or obtain a guarantee in its favour, subject to the conditions. All guarantees issued, modified or invoked will be comprehensively reported as mandated.

### **RBI issued guidelines to empower Authorised Dealers (ADs) help exporters & importers**

As per the revised guidelines, an AD shall make a credit or debit to an exporter or importer's account, for receipt of export or payment for import, only after being satisfied about the genuineness of the transaction. The AD shall, simultaneously, close or update the respective entry in Export Data Processing and Monitoring System (EDPMS) or Import Data Processing and Monitoring System (IDPMS). The AD may allow set-off of export receivables against import payables from/to the same overseas buyer or supplier or with their overseas group or associate companies, within the stipulated period for realisation of export proceeds or extended period, if applicable.

### **RBI amended guidelines on CRR and SLR of commercial banks**

The RBI has issued amendments regarding guidelines on Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR): explicitly including “other development financial institutions” within the relevant provisions; rationalise reporting by deleting specific phrasing under “Cash in hand”; update statutory forms to reflect the expanded list of development financial institutions and introduce a new reporting item for amounts placed with the RBI under the Standing Deposit Facility (SDF) Scheme.

### **RBI to continue Modified Interest Subvention Scheme for short-term loans to farmers**

The Modified Interest Subvention Scheme (MISS) for short-term loans, availed by farmers for agriculture and allied activities during FY2025-26, is being continued by RBI. These loans are available at a concessional interest rate of 7% per annum. Farmers will have to borrow through the Kisan Credit Card (KCC) to avail the subvention. Lenders will also receive an interest subvention of 1.50%.

## **Banking Developments**

### **RBI revised PSL Directions in keeping with capital and risk norms**

The RBI has amended the Priority Sector Lending (PSL) Directions. Accordingly, banks will now have to obtain certification from external auditors to ensure that the same underlying loan exposure is not claimed as PSL by both the originating bank and the intermediary. The PSL target for Small Finance Banks (SFBs) has been adjusted from 75% to 60% of their Adjusted Net Bank Credit (ANBC). Export credit to agriculture and MSMEs will also be eligible for classification as PSL in the respective categories and subject to the aggregate limits mentioned therein. Banks can enter into co-lending arrangements for lending to priority sectors.

### **RBI tightened oversight on related-party loans**

RBI has prescribed individual transaction-level materiality thresholds for loans. Ceiling for materiality threshold has been set at Rs. 25 crore for banks with assets exceeding Rs. 10 lakh (as per the last audited balance sheet). Banks with assets between Rs. 1 lakh and Rs. 10 lakh will have a ceiling of Rs. 10 crore, while banks with assets below Rs. 1 lakh will have a Rs. 5 crore ceiling. Loans beyond this threshold will require approval from a bank's board or a dedicated committee.

### **RBI issued Directions to classify lending to ‘high-quality infrastructure projects’**

According to amended Directions issued by the RBI to NBFCs, only that lending shall be classified as lending to ‘high-quality infrastructure projects’ if: the infrastructure project has completed at least one year of operations after the date of completion of commercial operations, without breaching material covenants stipulated by the lenders; the exposure is classified as ‘standard’ in the books of the lender; the borrower has sufficient internal or external financial arrangements to cover current and future working capital and other funding requirements as per the lender's assessment; the borrower is restricted from acting to the detriment of the lender. Also, RBI has eased prudential norms on capital adequacy for NBFCs giving loans to high-quality infrastructure projects.

## **Capital Market**

### **SEBI introduced CAS for equity cash market stocks**

To make the discovery of closing prices more transparent and robust, SEBI has introduced a new framework called Closing Auction Session (CAS) in the equity cash segment. Through this, SEBI will align itself to global practices where closing prices are discovered through an auction mechanism. Initially, it will apply only to cash market stocks that have derivative contracts.

### **SEBI made it easier to onboard FPIs under SWAGAT-FI**

To simplify on-boarding and ongoing compliances for Single Window Automatic & Generalised Access for Trusted Foreign Investors (SWAGAT-FIs), SEBI has modified the Operational Guidelines for [Foreign Venture Capital Investors \(FVCIs\)](#) and Designated Depository Participants (DDP). An eligible SWAGAT-FI FVCI applicant can apply for FVCI registration, along with Foreign Portfolio Investor (FPI) registration, without filing separate application forms or supporting documents, if the same custodian and DDP are appointed for both registrations.

### SEBI eased technical glitch framework for stock brokers

SEBI has come out with the framework for dealing with technical glitches in stock brokers' electronic trading systems. Under the framework, that will apply only to brokers with more than 10,000 registered clients, technical glitches which are outside the stock brokers' trading architecture, glitches that do not directly affect the trading functionality and those which have negligible impact have been exempted from the technical glitch framework. Reporting requirements have also been eased out.

## Regulator Speaks

### Regulation must be tech-neutral; accountability must be human: Governor, RBI

Addressing the Third Annual Global Conference of the College of Supervisors, Mr. Sanjay Malhotra, Governor, RBI stated that with digital technologies dominating the financial landscape and redefining the operations of REs, the regulator's regulation and supervision must remain risk-based, proportionate and technology-neutral. Technology must embed compliance, not bypass it. Accountability must remain human. Automation should not dilute accountability - it should sharpen it. Digitalisation and innovations must be aligned with fair outcomes for consumers.

### Compliance, third-party arrangements and AI to be closely watched in today's digital banking era: Deputy Governor, RBI

Speaking at the Third Annual Global Conference of the College of Supervisors, Mr. Swaminathan J., Deputy Governor, RBI outlined three expectations from supervised entities. The three expectations are: **Compliance:** Faster business and risk cycles demand continuous operational discipline and strong data governance through the year. **Third-party arrangements:** The reliance on third-party arrangements needs to be addressed with better oversight of partners, clearer accountability for incidents. **Expanding use of artificial intelligence and analytics:** As analytics and AI get increasingly used across banking functions, banks should be prepared for more intensive supervisory questions on model risk, explainability and fairness.

## Economic Wrap Up

### The Government of India released Economic Survey 2025-2026. The key highlights are as follows:

- According to the First Advance Estimates, real Gross Domestic Product (GDP) and Gross Value Added (GVA) can grow by 7.4% and 7.3% respectively in FY26.
- Rising aggregate deposits with banks have boosted the broad-money growth to 12.1% vis-à-vis 9% a year ago.
- Money multiplier increased to 6.21 in December 2025 from 5.70 a year earlier.
- Gross Non-Performing Asset (GNPA) ratios declined to multi-decadal lows and net NPAs reached record low levels in FY26. The Capital-to-risk-weighted assets ratio (CRAR) of Scheduled Commercial Banks (SCBs) stood strong at 17.2% as of September 2025.
- Profit after tax of SCBs rose by 16.9% in FY25 and by 3.8% YoY as of September 2025. In September 2025, return on equity stood at 12.5% and return on assets stood at 1.3%.
- Outstanding credit by SCBs increased to 14.5% YoY in December 2025, vis-à-vis 11.2% in December 2024.
- MSME credit expanded by 21.8% in November 2025, with micro and small enterprises increasing by 24.6% YoY in November 2025, up from 10.2% in November 2024.
- Total resource mobilisation from primary markets stood at ₹10.7 lakh crore, as of December 2025.
- The share of equity and mutual funds in annual household financial savings rose from 2% in FY12 to over 15.2% in FY25.
- The Securities Market Code 2025, repeals and replaces the Securities Contracts Regulation Act, 1956, SEBI Act, 1992 and Depositories Act, 1996 consolidating India's Securities Market laws into a Single framework.
- RBI's FREE-AI: structural approach for financial regulations and institutions to leverage Artificial Intelligence while managing its risks.

## Forex

| Foreign Exchange Reserves              |                        |          | Trends in Foreign Exchange Reserve (US\$ Mn) last 6 months |
|--|------------------------|----------|--|
| Item                                   | As on January 30, 2026 |          |  |
|  | ₹ Cr.                  | US\$ Mn. |  |
|  | 1                      | 2        |  |
| <b>1 Total Reserves</b>                | 6657540                | 723774   |  |
| <b>1.1 Foreign Currency Assets</b>     | 5173119                | 562392   |  |
| <b>1.2 Gold</b>                        | 1266470                | 137683   |  |
| <b>1.3 SDRs</b>                        | 174333                 | 18953    |  |
| <b>1.4 Reserve Position in the IMF</b> | 43619                  | 4746     |  |

Note: Data as reported on last Friday of respective month

Source: Reserve Bank of India

**Base Rates of Alternative Reference Rates (ARRs) for FCNR (B) deposits as on January 30, 2026, applicable for the month of February 2026**

| ARR Name    | Base Rates of ARR (%) |
|-------------|-----------------------|
| SOFR (USD)  | 3.64                  |
| SONIA (GBP) | 3.7248                |
| €STR (EUR)  | 1.933                 |
| TONA (JPY)  | 0.727                 |
| CORRA (CAD) | 2.2700                |

| ARR Name     | Base Rates of ARR (%) |
|--------------|-----------------------|
| AONIA (AUD)  | 3.60                  |
| SARON (CHF)  | -0.060037             |
| OCR (NZD)    | 2.25                  |
| SWESTR (SEK) | 1.669                 |
| SORA (SGD)   | 1.2136                |

| ARR Name    | Base Rates of ARR (%) |
|-------------|-----------------------|
| HONIA (HKD) | 1.60783               |
| MYOR (MYR)  | 2.75                  |
| DESTR (DKK) | 1.5070                |

Source: [www.fbil.org.in](http://www.fbil.org.in)

## Glossary

### Foreign Venture Capital Investor

Foreign Venture Capital Investor means an investor incorporated and established outside India, who is registered under the Regulations and proposes to make investment in accordance with the Regulations.

## Financial Basics

### Tobin's Q Ratio

The Tobin's Q Ratio or Q Ratio is a ratio between a physical asset's market value and its replacement value. The ratio can be used for valuing a single company and even the whole stock market. If the ratio is greater than 1, the market value of a company exceeds the value of its booked assets.

## Institute's Training Activities

### Training Programmes for the month of February 2026

| Programmes   | Dates   | Location                                    |
|--|---|---|
| Programme on Cyber Resilience in Banking: Mastering IT Risk & Financial Crime Prevention                   | 12 <sup>th</sup> -13 <sup>th</sup> February, 2026 | Virtual                                     |
| Programme on IT & Cyber Security   | 12 <sup>th</sup> -13 <sup>th</sup> February, 2026 | Virtual                                     |
| Programme on Management of Operational Risk  | 16 <sup>th</sup> -18 <sup>th</sup> February, 2026 | Leadership Development Centre, IIBF, Mumbai |
| Programme on Compliance in Banking   | 18 <sup>th</sup> -19 <sup>th</sup> February, 2026 | Virtual                                     |
| Programme on Business Analytics, Machine Learning and Artificial Intelligence and its Implication in Banks | 18 <sup>th</sup> -20 <sup>th</sup> February, 2026 | Virtual                                     |
| Programme for Internal Audit Officers of Banks /NBFCs/FIs/SFBs   | 23 <sup>rd</sup> -24 <sup>th</sup> February, 2026 | Virtual                                     |
| Programme on Discipline Management, Investigation & Disciplinary Action/Proceedings for Banks              | 25 <sup>th</sup> -27 <sup>th</sup> February, 2026 | Virtual                                     |

## News from the Institute

### Webinar on “Budget and Banks: Road ahead for Viksit Bharat”

IIBF organised a webinar on “Budget and Banks: Road ahead for Viksit Bharat” on February 06, 2026. The webinar was delivered by Dr. Soumya Kanti Ghosh, Group Chief Economic Advisor, State Bank of India. The lecture was well received and attended by a wide number of bankers.

### 5<sup>th</sup> edition of Inter Bank Quiz Contest - Banking Chanakya

The Grand Finale of the Inter Bank Quiz Competition-Banking Chanakya 2025 hosted by IIBF on January 17, 2026 at Mumbai. The team from ‘Reserve Bank of India’ has emerged the Champions winning a cash prize of ₹1,00,000/-.

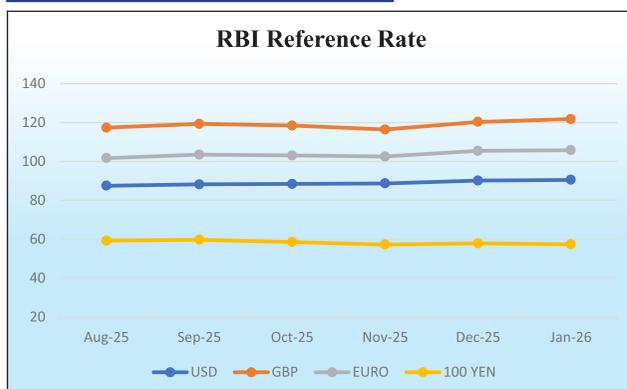
### IIBF invites papers/proposals under Micro and Macro Research & DJCHBBORF 2025-26

IIBF invites papers/proposals under Micro and Macro Research & Diamond Jubilee CH Bhabha Banking Overseas Research Fellowship (DJCHBBORF) 2025-26. The last date for receipt of applications is February 28, 2026. For more details, please visit [www.iibf.org.in](http://www.iibf.org.in)

### Bank Quest Theme for upcoming issue

The theme for January-March 2026 issue of Journal 'Bank Quest' is “New Avenues of Payments Systems”. The Sub-themes are: UPI, ULI, CBDC- Challenges, Opportunities and Prospects, Cyber Security.

## Market Roundup



Source: FBIL

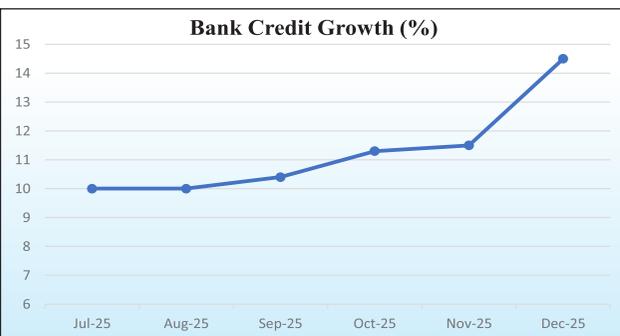


Source: Weekly Newsletter of CCIL

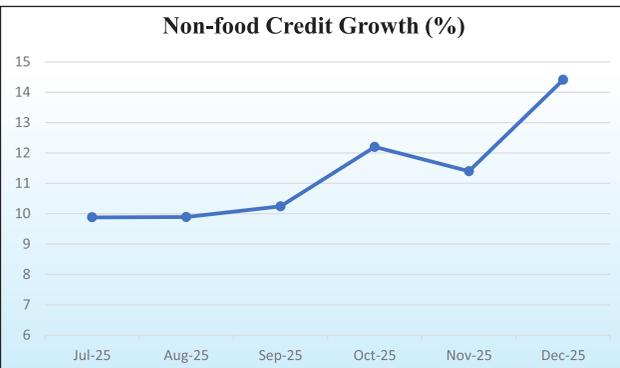
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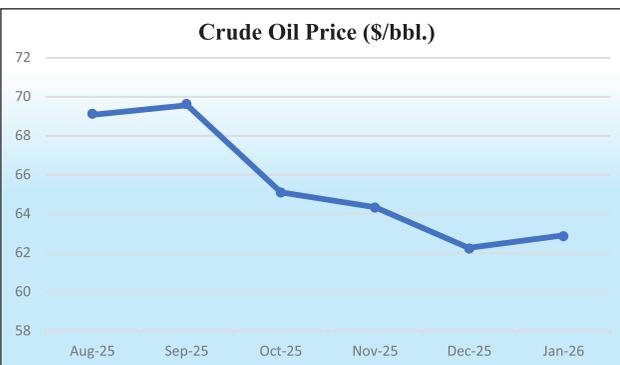
Source: Monthly Review of the Economy, CCIL, January 2026



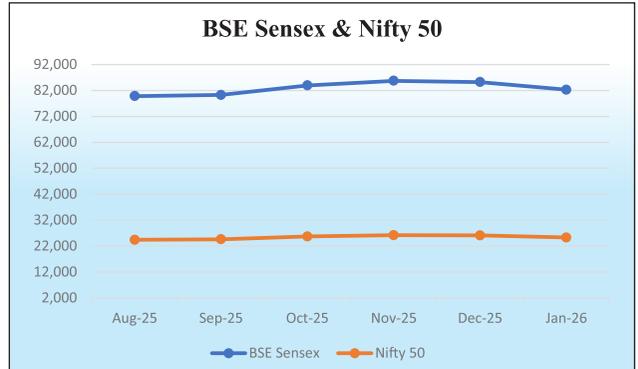
Source: Reserve Bank of India



Source: Monthly Review of the Economy, CCIL, January 2026



Source: PPAC, Ministry of Petroleum and Natural Gas



Source: BSE & NSE



Source: Gold Price India

**Cut-off date of guidelines/important developments for examinations**

The Institute has a practice of asking questions in each exam about the recent developments/guidelines issued by the regulator(s). In this regard, it has been decided that: (i) In respect of the exams to be conducted by the Institute for the period from March to August of a calendar year, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31<sup>st</sup> December will only be considered for the purpose of inclusion in the question papers. (ii) In respect of the examinations to be conducted by the Institute for the period September to February of a calendar year, instructions/ guidelines issued by the regulator(s) and important developments in banking and finance up to 30<sup>th</sup> June will only be considered for the purpose of inclusion in the question papers.

**Green Initiative**

Members are requested to update their e-mail address with the Institute and send their consent to receive the Annual Report via e-mail.

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**Editor :** Deepak Kumar Lalla

**INDIAN INSTITUTE OF BANKING & FINANCE**

Kohinoor City, Commercial-II, Tower-I, 2nd Floor, Kirol Road, Kurla (W), Mumbai - 400 070.  
Tel. : 91-22-6850 7000  
E-mail : admin@iibf.org.in  
Website : www.iibf.org.in