ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
भारतीय लागत लेखाकार संस्थान
Statutory Body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

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DAILY NEWS DIGEST BY BFSI BOARD

03 August 2026

ECONOMY

FIIs end four-month selling streak with $2.31 billion July buying: After four straight months of selling, foreign institutional investors (FIIs) turned net buyers in Indian equities in July despite heightened volatility triggered by renewed Iran tensions and elevated crude oil prices. Strong participation in primary issuances and a return to secondary markets helped FIIs record their biggest monthly buying in over a year. FIIs invested $1.25 billion in the primary equity market during the month, extending their buying streak in primary issuances to 34 consecutive months. They also infused $1.06 billion into secondary equity markets, turning net buyers for the first time after four straight months of selling.

(Moneycontrol)

RBI MPC likely to stay on hold amid inflation risks, global uncertainty: The Reserve Bank of India's Monetary Policy Committee (MPC) is expected to keep the benchmark repo rate unchanged at 5.25 per cent and retain its "neutral" stance at its August 3-5 meeting, despite rising inflationary pressures stemming from higher crude oil prices, a weakening rupee, the West Asia conflict and concerns over the impact of El Nino.The MPC has left the repo rate unchanged in its last three meetings while maintaining a neutral policy stance for six consecutive meetings. Headline retail inflation accelerated to 4.4 per cent in June from 3.9 per cent in May, breaching the RBI's 4 per cent target for the first time since January 2025 and touching an 18-month high.

(Business Line)

Cabinet approves 'Samudra Manthan' - National Offshore Exploration Scheme with an outlay of Rs.84,084 crore: The Union Cabinet, chaired by Hon’ble Prime Minister Shri Narendra Modi, yesterday approved “Samudra Manthan” the National Offshore Exploration Scheme, a Central Sector Scheme of the Ministry of Petroleum & Natural Gas carrying an approved outlay of Rs.84,084 crore for implementation through FY 2030–31. It is India’s most ambitious offshore exploration mission to date. This approval marks the culmination of a series of transformative reforms undertaken under the leadership of the Hon'ble Prime Minister to strengthen India's hydrocarbon exploration and production sector.
(PiB)

BANKING & FINANCE

Index derivatives turnover falls as RBI tightens bank funding to prop traders: The RBI’s tighter funding norms for capital market intermediaries have started reflecting in derivatives trading volumes, with turnover in NSE’s index futures and options segment declining sharply in July. Market participants, however, believe the full impact is yet to play out as a portion of bank funding sanctioned before the new rules kicked in on July 1 continued to support trading activity during the month. Data from NSE showed index futures turnover fell 17 per cent month-on-month to Rs.3.96 lakh crore in July from Rs.4.75 lakh crore in June, while index options premium turnover declined 16 per cent to Rs.9.70 lakh crore from Rs.11.5 lakh crore.
(Business Line)

Govt to introduce Bill to replace 125-year-old law on presenting bank records as evidence in courts: The government is replacing a colonial-era law with one that seeks to preserve access to banking evidence while protecting banks from unnecessary legal proceedings, shifting the emphasis to better-targeted judicial oversight rather than unrestricted access to banking records. To this end, Finance Minister Nirmala Sitharaman will introduce the Bankers’ Books Evidence Bill, 2026 in Parliament on Monday, replacing the Bankers’ Books Evidence Act, 1891, which has

governed the production of banking records in courts for over 125 years. According to the List of Business for August 3, the proposed legislation seeks to provide "for law relating to evidence with respect to bankers' books and to align it with contemporary digital banking practices."
(Business Line)

PSBs seek higher NIM, reprice Rs 1 lakh-cr corp loans in Q1: In pursuit of higher net interest margin, public sector banks (PSBs) repriced or shed more than Rs 1 lakh crore of low-yielding corporate loans in the June quarter. Three big state-run lenders — Bank of Baroda, Punjab National Bank and Canara Bank — have repriced or let go corporate loans amounting to around Rs 80,000 crore owing to low yields, sources said. A stiff competition to attract corporate loans had brought down lending rates to even below 7% for top-rated firms. But the pricing environment has marginally improved, and demand for credit has also increased over time, senior bank officials said.
(Financial Express)

SBI mops up $7.5 billion under RBI swap window: State Bank of India (SBI) has garnered $7.5 billion under the Reserve Bank of India's three concessional swap schemes, accounting for almost 20% of the total mop-up by banks until July 31. SBI has mobilised $6 billion via FCNR(B) deposits while $1.5 billion has come in through foreign currency bonds, a source said. Some of the public sector banks, including Indian Bank, Canara Bank and Bank of Baroda, have hit the $1-billion mark in FCNR(B) deposits during this period, according to sources.
(Financial Express)

Bank of Maharashtra cuts home loan rate to 7%, waives processing fee: State-owned Bank of Maharashtra (BoM) has launched a limited-period "Monsoon Dhamaka" campaign, reducing its home loan interest rate to 7 per cent per annum while waiving processing fees and documentation charges to boost retail lending. The bank also lowered its car loan interest rate to 7.45 per cent per annum, positioning both products among the lowest-priced offerings in the industry, it said in a statement on Saturday.
(Business Standard)

INDUSTRY OUTLOOK

India approved only one Chinese FDI proposal in FY26, cleared 13 from Hong Kong: India approved only one foreign direct investment (FDI) proposal from China worth Rs 1 crore during the 2025-26 financial year, while clearing 13 proposals from Hong Kong worth Rs 610.42 crore, according to official data released by the Department for Promotion of Industry and Internal Trade (DPIIT). The approvals come under the government's Press Note 3 framework, under which investments from countries sharing a land border with India require prior government approval. The policy was introduced in April 2020 to prevent opportunistic takeovers of Indian companies during the COVID-19 pandemic.
(Moneycontrol)

New Delhi to host “GI & Beyond 2.0 Summit” on 5 August: To promote India's rich Geographical Indication (GI) handloom and handicraft products and strengthen their position in domestic and international markets, the Office of the Development Commissioner (Handlooms), Ministry of Textiles, Government of India, in association with the Handloom Export Promotion Council (HEPC), will organise the GI & Beyond 2.0 Summit‟ on 5 August 2026 at Dr. Ambedkar International Centre, New Delhi. The Summit aims to promote India's GI-tagged handloom and handicraft products and facilitate collaboration among stakeholders across the GI ecosystem. It will bring together overseas buyers from about 10 countries, exporters and multinational corporations (MNCs) from across India, registered proprietors of GI products, officials from Central and State Government Departments, and experts from leading textile brands, retail chains, e-commerce platforms, academia and industry.
(PiB)

Gross GST collections rise 15% in July, led by strong import revenues: Gross and net Goods and Services Tax (GST) collections rose 15.4 per cent and 15.8 per cent year-on-year (YoY), respectively, in July, with the increase driven largely by robust revenue from imports. Domestic GST collections also registered healthy growth.

Gross GST collections stood at Rs.2.11 trillion in July, compared with Rs.1.83 trillion a year ago, while net collections, after adjusting for refunds, rose to Rs.1.81 trillion from Rs.1.57 trillion, according to government data released on Saturday. July GST collections reflect economic activity and transactions undertaken in June. On a sequential basis, gross GST collections increased 8.4 per cent from Rs.1.95 trillion in June to Rs.2.11 trillion in July, while net GST collections rose 11.6 per cent from Rs.1.62 trillion to Rs.1.81 trillion.

(Business Standard)

REGULATION & DEVELOPMENT

Cabinet note in the works to end forex rule for SEZ services: The Commerce Department is preparing a Cabinet note to amend the Special Economic Zones (SEZ) Act to allow SEZ units to receive payments in Indian rupees, instead of foreign exchange, for services provided to clients in the domestic market, a move expected to remove a long-standing “anomaly” and unlock significant business opportunities for companies such as GMR and Larsen & Toubro (L&T). “A range of sectors, particularly maintenance, repair and overhaul (MRO), engineering, defence manufacturing and information technology, where SEZ units have been unable to fully participate in the domestic market because of the foreign exchange payment requirement, are set to benefit from the proposed amendment,” an official tracking the development told businessline.

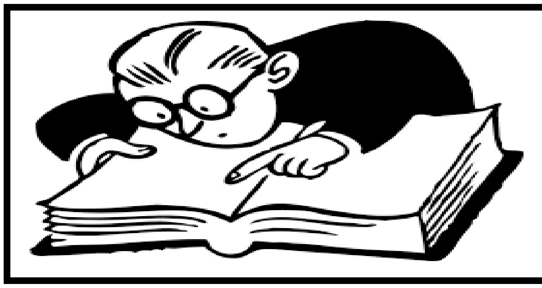
(Business Line)

Centre releases additional tax devolution of Rs.1.09 trillion to states: The finance ministry on Saturday said the Centre has released additional instalment of tax devolution to state governments amounting to Rs 1.09 trillion, which is in addition to the normal monthly amount. Currently, 41 per cent of taxes collected by the Centre is devolved in 14 instalments among states during a fiscal year.

(Business Standard)

RBI's special forex swap window outpaces 2013 inflows in only weeks: The Reserve Bank of India (RBI) on Saturday said banks had mobilised nearly $41 billion in foreign exchange inflows as of July 31 under its concessional swap window for fresh [FCNR(B)] deposits, Overseas Foreign Currency Borrowings (OFCBs) and External Commercial Borrowings (ECBs). Of the total inflows, $36.7 bn came through FCNR(B) deposits, $2.57 bn through OFCBs and $1.5 bn through ECBs. The latest mobilisation has already surpassed the roughly $34 bn raised under the RBI's special FCNR(B) deposit scheme in 2013. Overall inflows under the current concessional swap window have comfortably exceeded the 2013 mobilisation in less than two months since the facility was operationalised.

(Business Standard)



FINANCIAL TERMINOLOGY

HELICOPTER MONEY Vs QUANTITATIVE EASING

- ‘Helicopter Money’. basically means non-repayable money transfer from the central bank to the government.
- This is an unconventional monetary policy tool aimed at bringing a flagging economy back on track. It involves printing large sums of money and distributing it to the public. Friedman used the term to signify "unexpectedly dumping money onto a struggling economy with the intention to shock it out of a deep slump. “Under such a policy, a central bank "directly increase the money supply and, via the government, distribute the new cash to the population with the aim of boosting demand and inflation."
- Quantitative easing also involves the use of printed money by central banks to buy government bonds. But not everyone views the money used in QE as helicopter money. It sure means printing money to monetise government deficits, but the govt has to pay back for the assets that the central bank buys.It's not the same as bond-buying by central banks "in which bank-owned assets are swapped for new central

bank reserves."Helicopter money is also different from a central bank directly financing the debt of a government.

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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 : 95.3706
INR / 1 GBP : 128.2779
INR / 1 EUR : 109.8189
INR /100 JPY: 59.4600

EQUITY MARKET

Sensex: 78094.64 (+166.49)
NIFTY: 24383.60 (+66.45)
Bnk NIFTY: 57264.85 (+117.35)

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- Certificate Course on Treasury, Foreign Exchange and International Banking

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