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)

H.Q: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi – 110 003
Kolkata Office: CMA Bhawan, 12 Sudder Street, Kolkata – 700 016

DAILY NEWS DIGEST BY BFSI BOARD

04 August 2026

ECONOMY

India's kharif sowing deficit shrinks to less than 3%; 81% of normal area covered: Farmers have planted kharif crops in nearly 107 lakh hectares (lh) during the July 25-31 week, aided by a 23 per cent surplus in rain from the previous week that created suitable soil conditions for sowing, compared to 94.5 lh a year ago. The higher sowing in the past week has helped to further narrow the overall deficit to less than 3 per cent. The deficit was 5 per cent until July 24. The sowing area in the ongoing kharif season has reached 894.22 lh as of July 31 compared with 920.72 lh in the year-ago period, down by 2.9 per cent, the Agriculture Ministry said in its weekly update on Monday. The current coverage is 81 per cent of the season's normal area of 1,104.46 lh.

(Business Line)

PMI Manufacturing slips to near 5-year low in July: The manufacturing sector moderated in July, as the Purchasing Manager's Index (PMI) for the month slipped to a five-year low to 53.5 as against 54.2 in June, S&P Global reported on Monday. Job creation also weakened in July. The index is below the long-run series average of 54.2. According to the agency, manufacturers in India continued to benefit from demand resilience, with a sustained rise in new orders underpinning a further expansion in output during July. "However, growth cooled across some metrics such as total sales, input purchasing and employment," it said.

(Business Line)

Rise in wholesale inflation driven by global commodity, energy costs: Govt: The increase in wholesale price inflation in June to 9.87 per cent was largely driven by price pressures in items that are more sensitive to global commodity and energy costs, Parliament was informed on Monday. Minister of State for Finance Pankaj Chaudhary said in the Lok Sabha that the government has been actively undertaking a series of measures to control inflation and mitigate its impact on consumers. These measures include augmenting buffer stocks for essential food items, strategically selling procured grains in the open market, and calibrating trade policies. As a result of the government's measures, the retail or Consumer Price Index (CPI)-based inflation rate has been below the 4 per cent target over the last two quarters -- 3.1 per cent (January-March of FY26) and 3.9 per cent (April-June FY'27).
(Business Standard)

BANKING & FINANCE

Govt takes first step to levy MDR on UPI; bill proposes to repeal earlier amendment of Zero MDR: The Finance Ministry has taken the first step to possibly levy Merchant Discount Rate (MDR) on UPI payments for large merchants. The ministry has proposed repealing the amendment of section 10A, which mandated that banks and payment companies should not levy MDR on UPI payments. Once passed in Parliament, this will help the government issue a Gazette notification imposing MDR on UPI.
(Moneycontrol)

Govt tables Bankers' Books Evidence Bill, 2026, in the Lok Sabha : The government on Monday introduced the Bankers' Books Evidence Bill, 2026, in the Lok Sabha to expand the definition of "bankers' books" to include all forms of records maintained by banks, covering physical, electronic, digital, virtual, cloud-based or any other format. This is intended to create a comprehensive and future-ready framework for using banking records in legal proceedings.The Bill seeks to modernise and strengthen the existing legal framework to meet the requirements of the present

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banking system, recognising that banking records today are increasingly created, stored and maintained using contemporary technology rather than only in physical form, Finance Minister Nirmala Sitharaman said in the Statement of Objects and Reasons for introducing the bill. A key change proposed in the Bill is the explicit recognition of electronic bank records as admissible evidence. It provides that courts can receive such records either in physical or electronic form. The Bill also proposes standardised certificate formats for bank records and allows authentication through a “manual, digital, or electronic signature”.

(Financial Express)

RBI swap facility triggers dollar rush as FCNR(B) deposits surge 86%, cross $60 billion in under 60 days: The Foreign Currency Non-Resident (Bank) deposits in the Indian banking system have witnessed a huge surge in under 60 days. This comes as the Reserve Bank of India’s concessional swap facility, introduced on June 8, has helped push the FCNR(B) outstanding balance to nearly double between June 5 and July 30, 2026. The FCNR(B) outstanding balance rose from $32.5 billion (USD 32,558.5 million) to $60.5 billion (USD 60,548.7 million) — an 86% jump in under two months. Some of the banks that are prominent in the recent dollar drive from NRIs include HSBC, SBI, UCO Bank, Punjab National Bank and Standard Chartered.

(Financial Express)

Credit to tech infrastructure sector doubles in two years: Bank loans for India's technology infrastructure sector have doubled in two years. This growth reflects India's position as a global hub for data centers. Loans to IT services and digital infrastructure rose significantly year on year. This expansion is driven by data centers, GCCs, and IT enabled services. These segments are now showing robust growth in bank credit.

(Economic Times)

Private banks step up FCNR (B) mobilisation with higher deposit rates: With two months left before the RBI's concessional FCNR(B) swap window closes, private sector lenders are stepping up efforts to mobilise deposits after foreign banks and SBI dominated inflows so far. Large private sector banks such as HDFC Bank and ICICI Bank have increased FCNR(B) deposit rates by 25 basis points (bps) to 6.25 per cent in the three-to-five-year maturity bucket. According to data shared by the government in Parliament, foreign banks mobilised $8.37 billion, taking their outstanding FCNR(B)

deposits to \$8.97 billion from \$603 million. Private sector banks garnered \$10.73 billion, while public sector banks mobilised \$8.84 billion.
(Business Standard)

India achieves near-universal banking coverage, with 99.92% of inhabited villages now served by a banking outlet: The country has achieved near-universal banking coverage, with 99.92% of inhabited villages (6,00,868 out of 6,01,328) now served by a banking outlet (Bank branch / Business Correspondent / India Post Payments Bank (IPPB)) within a radius of 5 km, as per the data uploaded by banks on Jan Dhan Darshak (JDD) App. This banking expansion is supported by a robust infrastructure of over 1.81 lakh bank branches, 17.36 lakh Business Correspondents (BCs), and 1.65 lakh IPPB centers, as on 17.07.2026.
(Business Standard)

INDUSTRY OUTLOOK

EPF wage ceiling hike to Rs.25,000 set to bring millions under pension net: A major overhaul of India’s retirement savings framework is gathering momentum. The Finance Ministry has cleared a proposal to raise the mandatory Employees’ Provident Fund (EPF) wage ceiling from Rs.15,000 to Rs.25,000 per month, shifting millions of private sector employees closer to compulsory social security coverage. The proposal now awaits final sign-off from the Union Cabinet. If approved, the decision will mark the first revision to the threshold since September 2014, when the limit was raised from Rs.6,500 to Rs.15,000. While the government initially evaluated raising the threshold even higher to Rs.30,000, officials eventually settled on the Rs.25,000 mark. Under existing rules, compulsory enrolment in the Employees’ Provident Fund (EPF) and Employees’ Pension Scheme (EPS) applies only to workers earning a basic monthly salary of up to Rs.15,000.
(Business Today)

Govt to offload 6.54% in LIC, likely to get over Rs.31,000 crore: Government on Monday announced offloading up to 6.54 per cent of its holding in the Life Insurance Corporation of India through offer for sale (OFS)mechanism. Going by the floor price, it is expected to fetch over Rs.31,000 crore to the government, which will be biggest proceed from any OFS till date. “Offer for Sale in LIC opens tomorrow for non-retail investors. Retail investors can bid on Wednesday. Government offers to disinvest 2.5 per cent equity with an additional 4 per cent as a green shoe option. Floor price has been fixed as Rs.382 per share,”
(Business Line)

India's next road safety upgrade? Govt proposes mandatory V2V systems for vehicles from 2028: India is preparing for a major shift in automotive safety, with the government proposing to make Vehicle-to-Vehicle (V2V) communication systems mandatory in new vehicles. The move is aimed at enabling cars, buses, trucks and two-wheelers to exchange real-time information that could help prevent collisions, warn drivers of hazards before they are visible, and lay the foundation for a connected transportation ecosystem. V2V communication allows nearby vehicles to wirelessly exchange critical information such as speed, position, direction and acceleration.
(Business Today)

REGULATION & DEVELOPMENT

India proposes tax relief for offshore funds using local managers: India has proposed tax law amendments to shield offshore investment funds from Indian tax liabilities when they route investments through India-based fund managers, a draft bill showed. The proposed change comes as the country faces significant foreign outflows, prompting the government to take measures to attract overseas investors by easing access. Investors have long complained about aggressive tax administration in India. The government described the new rules as being framed "in order to promote fund management activity and provide tax certainty."
(Moneycontrol)

Parliamentary panel proposes mandatory NCLT insolvency benches, expands NFRA powers: A parliamentary committee on Monday proposed key changes to the Corporate Laws (Amendment) Bill 2026, including mandatory dedicated insolvency benches at the National Company Law Tribunal (NCLT) and proposing wider prosecution powers for the National Financial Reporting Authority (NFRA). In a report tabled in parliament, the 31-member joint committee said that apart from regular benches dealing with cases of corporate laws, mergers, acquisitions, specialised dedicated Insolvency and Bankruptcy Code (IBC) benches must be established through a binding statutory obligation rather than an enabling administrative option.
(Financial Express)

Parliamentary panel urges govt to examine feasibility of permitting CSR contributions in kind: A Parliamentary panel has recommended to the government to examine the feasibility of permitting CSR contributions in kind through an appropriate statutory or regulatory framework. It has supported increasing the threshold of profit to Rs.10 crore for CSR, which would benefit Micro, Small and Medium Enterprises (MSME). At present, the Companies Act says a company having net worth of Rs.500 crore or more or turnover of Rs.1,000 crore or more or a net profit of Rs.5 crore or more in the immediately preceding financial years need to spend 2 per cent of its profit on Corporate Social Responsibility (CSR). The Corporate Laws (Amendment) Bill proposed raising the threshold for applicability of CSR to Rs.10 crore.
(Business Line)

FINANCIAL TERMINOLOGY

CONTINGENT CONVERTIBLE (CoCo) BONDS

- Contingent Convertible (CoCo) Bonds are hybrid debt instruments issued by banks to strengthen their capital base under the Basel III framework. These bonds automatically convert into equity or are written down when a bank's capital ratio falls below a predetermined trigger level, thereby absorbing losses without requiring external capital support.
- CoCo Bonds enhance a bank's resilience during financial stress and reduce the burden on taxpayers in case of bank failures. For bankers, understanding CoCo Bonds is essential because they form part of Additional Tier 1 (AT1) capital and play a significant role in capital adequacy, risk management, and regulatory compliance.

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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 : 95.2601
INR / 1 GBP : 128.2633
INR / 1 EUR : 109.8247
INR /100 JPY: 60.7900

EQUITY MARKET

Sensex: 78639.03 (+544.39)
NIFTY: 24774.30 (+390.70)
Bnk NIFTY: 58247.95 (+983.10)

Courses conducted by BFSI Board

- Certificate Course on Concurrent Audit of Banks
- Certificate Course on Credit Management of Banks
- Certificate Course on Investment Management
- Certificate Course on General Insurance.
- Advance Certificate Course on FinTech
- Certificate Course on Project Financing
- Certificate Course on Cost Control Strategies in the Banking Sector
- Certificate Course on Treasury, Foreign Exchange and International Banking

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- Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).
- Guidance Note on the Internal Audit of General Insurance Companies.
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TEAM BFSIB

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