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

05 August 2026

ECONOMY

Household savings as share of GDP rise to 21.7 pc in FY25: Household savings as a share of GDP have risen from 20 per cent in FY23 to 21.7 per cent in 2024-25, and both the government and the RBI have undertaken measures to enhance incomes, Parliament was informed on Tuesday. "According to the new series of GDP estimates (Base Year 2022-23) released by the Ministry of Statistics and Programme Implementation, household savings (inclusive of physical savings) increased from Rs 52.25 lakh crore in 2022-23 to Rs 69.01 lakh crore in 2024-25," Minister of State for Finance Pankaj Chaudhary said in a written reply to the Rajya Sabha. As a share of GDP, he said, household savings have grown from 20 per cent in 2022-23 to 21.7 per cent in 2024-25.

(Moneycontrol)

Indian economy to hit USD 5-trillion mark in FY29 as per IMF: FM: Indian economy is set to cross USD 5-trillion mark in FY29 as per the International Monetary Fund (IMF) and the government has adopted a broad-based growth strategy to achieve the milestone, Finance Minister Nirmala Sitharaman said in the Rajya Sabha on Tuesday. As per the World Economic Outlook database (April 2026) published by the IMF, India's GDP at current prices is projected to be around USD 5.1 trillion by 2028-29, she said in a written reply..

(Business Line)

NSE's closing auction skews MF NAVs, creates winners and losers: The pricing anomaly triggered by the National Stock Exchange's new closing auction session (CAS) has spilled over into mutual fund (MF) schemes' net asset values (NAVs), producing winners and losers among investors who transacted over the past two days. Investors who bought into largecap-oriented schemes before Monday's 3 pm cutoff were allotted units at inflated NAVs. Those who submitted redemption requests before the cutoff, by contrast, benefited from the elevated valuations. Tuesday's gap-down opening unwound much of Monday's late-session surge. But another sharp jump during the closing auction kept NSE closing prices elevated, preventing the full impact of the earlier excess from being reflected in fund NAVs. As a result, investors who subscribed on Monday have yet to absorb the full mark-to-market loss. Meanwhile, subscriptions and redemptions placed on Tuesday will also be processed at elevated NAVs, extending the pricing distortion into a second day.

(Business Standard)

BANKING & FINANCE

Bank Retirees' body wants payment of ex-gratia to private sector bank pensioners: Many private sector banks, who are party to the 12th Bipartite Settlement/8th Joint Note, have neither implemented payment of ex-gratia to the pensioners nor extended an option for pension to the resignees so far, claimed the All Kerala Bank Retirees' Federation (AKBRF). It is a matter of sadness that the managements of these banks are not considering the plight of their retired employees and officers, said KS Krishna, General Secretary, AKBRF.

(Business Line)

Govt moves Bill to levy MDR on UPI, digital payments on big merchants; no fee for consumers: Any electronic mode of payment outside the negative list, notified by the Finance Ministry, will attract Merchant Discount Rate (MDR) and one of them could be unified payment interface (UPI), sources have said. The list will be notified once the Taxation and Other Laws (Amendment) Bill (ToLA) is enacted. Finance Minister Nirmala Sitahraman on Tuesday introduced ToLA Bill in the Lok Sabha. Apart from various provisions, the Bill aims to amend the Payment and Settlement Systems Act, 2007. The amendment prescribes removing the reference of provision of Income-tax

Act and also to provide that "no bank or system provider shall impose, whether directly or indirectly, any charge upon a person making or receiving a payment by using one or more electronic modes of payment as may be notified by the Central Government."
(Business Line)

Banking system liquidity improves on FCNR (B) inflows: Ahead of the Reserve Bank of India's monetary policy announcement on Wednesday, banking system liquidity has improved on account of inflows from foreign currency non-resident bank {(FCNR) (B)} deposits. The system liquidity was at a surplus of Rs 2.4 lakh crore as on Monday, the highest since May 16. It averaged at Rs 1.64 lakh crore over the past week, compared with Rs 1.07 lakh crore in July, according to data from the Reserve Bank of India (RBI). Followed by the improved liquidity, the weighted average call rate (WACR) eased to 5.06% on Tuesday compared to 5.10% on Monday and an average of 5.23% in July. Volume in the call market has also come down over the past few days due to improved liquidity.
(Financial Express)

Lack of proper training in credit monitoring among reasons for frauds: CVC to banks: The Central Vigilance Commission has advised banks on training to prevent frauds. Lack of proper credit appraisal and monitoring is identified as a key reason for these issues. Banks and financial institutions are urged to conduct training programs focusing on these aspects. This advice comes as part of a preventive vigilance campaign for public administration. The commission seeks action taken reports by November 30.
(Economic Times)

Public sector banks lag in RBI penalty count, but lead in cost: RBI imposes penalties on lenders as the banking regulator. By number of cases, cooperative banks lead with 71 per cent of the total in FY26. Public sector banks (PSBs) top the penalty amount list, accounting for 34 per cent. PSBs' share of penalty cases has shrunk from 50.98 per cent in FY20 to 5.39 per cent in FY26. Penalty cases against regulated entities have risen since FY20. Customer-service lapses account for the largest share of cases of penalty on banks, while KYC (know your customer) and governance failures dominate for NBFCs.
(Business Standard)

SC asks RBI to frame uniform protocol for banks dealing with cyber fraud: The Supreme Court on Tuesday directed the Reserve Bank of India (RBI) to put in place a standard operating procedure (SOP) for banks to deal with cyberfraud cases, including 'digital arrests', and mule accounts within four weeks. The SOP will cover temporary hold on debit from suspected accounts, a grievance redressal mechanism, a system for restoring defrauded money, and measures to create public awareness of these facilities.

(Business Standard)

INDUSTRY OUTLOOK

Govt planning to incentivize vehicles blended with over 20% ethanol? Heavy Industries Ministry answers: The Ministry of Heavy Industries on Tuesday said it has not formulated any separate phased national policy to incentivise flex-fuel vehicles operating on fuel blended with "more than 20 per cent ethanol".The Heavy Industries Ministry also stated that it has not conducted any study regarding incentivization of flex-fuel and electric vehicles. The Centre has defended its ethanol blending programme, saying extensive testing and large-scale field experience had found no evidence that E20 (blended with 20 per cent ethanol) petrol causes abnormal engine wear, corrosion or reduced vehicle life.

(Moneycontrol)

Govt offers new tax breaks in bid to lure foreign capital; long-term exemptions across electronics, data centres: The Taxation and Other Laws (Amendment) Bill, 2026, expected to be presented in the Parliament this week, offers long-term tax holidays for a clutch of sectors, and extends the waivers for some others. It also eases the conditions for India-domiciled foreign funds to avail tax exemption on their global income. The existing tax break for foreign companies providing capital goods and machinery to contract manufacturers and warehouses in the electronics sector has been extended by 10 years through March, 2041. The move will come in handy for Big

Tech companies including Apple and Google who plan to scale up manufacturing in India over the next few years.

(Financial Express)

FSSAI ban: Dabur to explore legal options, 100% claim labels to be 'transitioned': Dabur has been banned from selling multiple products over allegations of 'misleading claims' on the packaging. The Food Safety and Standards Authority came down heavily against the company on Monday, issuing prohibition orders directing an immediate end to sale of such products. "FSSAI has issued a Prohibition Order directing Dabur India Limited to immediately cease the sale of food products carrying misleading "100%" claims," the regulatory body shared via X.

(Financial Express)

REGULATION & DEVELOPMENT

SEBI proposes Depository Receipts for REITs, listed InvITs to widen foreign investor access: The Securities and Exchange Board of India (SEBI) has proposed a regulatory framework to allow Real Estate Investment Trusts (REITs) and publicly listed Infrastructure Investment Trusts (InvITs) to issue Depository Receipts (DRs), a move aimed at broadening overseas investment avenues and attracting more foreign capital into India's real estate and infrastructure sectors. In a consultation paper released on Tuesday, the regulator said the proposal would enable REITs and publicly listed InvITs to issue foreign currency-denominated Depository Receipts in permissible overseas jurisdictions. These DRs would be backed by the underlying REIT or InvIT units deposited with a domestic custodian in India.

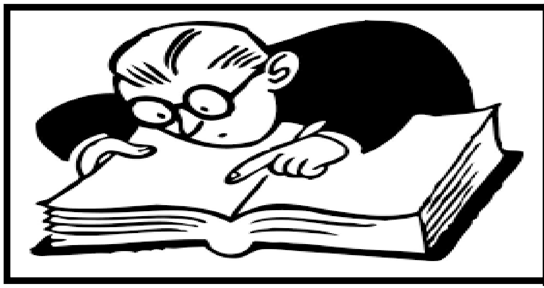
(Business Today)

PM Surya Ghar achieves 5 million rooftop solar installations: The Ministry of New & Renewable Energy (MNRE) said on Tuesday that the PM Surya Ghar: Muft Bijli Yojana (PMSG: MBY) has achieved solar power installations on 5 million residential roof tops. "The PM Surya Ghar: Muft Bijli Yojana has crossed a landmark milestone with over 50.06 lakh households now benefiting from rooftop solar installations across the country," the MNRE said. Achieved in just over two years since its launch, this milestone marks a significant acceleration compared to the 7.94 lakh rooftop solar installations recorded over the previous 10 years, it added..

(Business Line)

Unexercised ESOP buyback gains taxable as LTCG, not salary income: ITAT: The Income Tax Appellate Tribunal determined that employee stock options are not considered part of salary perks until they are exercised. Any gains from the repurchase of options, which have not yet been exercised, are to be taxed as long-term capital gains. This case revolved around a Flipkart executive who received Rs.2.33 crore from repurchased stock options, affirming that the options are treated as capital assets.

(Economic Time)



FINANCIAL TERMINOLOGY

WRONG-WAY RISK (WWR)

- Wrong-Way Risk refers to a situation where the probability of a counterparty default increases simultaneously with the bank's exposure to that counterparty. For example, if a bank lends to an oil company while oil prices are collapsing, the company's creditworthiness deteriorates precisely when the bank's exposure becomes riskier.
- This risk amplifies potential losses and poses significant challenges in credit risk management, derivatives trading, and collateral valuation. Banks use stress testing, diversification, and robust risk measurement models to mitigate Wrong-Way Risk under Basel guidelines.

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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 : 95.3487
INR / 1 GBP : 128.0237
INR / 1 EUR : 109.7165
INR /100 JPY: 60.4700

EQUITY MARKET

Sensex: 78428.95 (-210.08)
NIFTY: 24614.90 (-159.40)
Bnk NIFTY: 57907.20 (-340.75)

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- 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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- Handbook on Aide Memoire on Infrastructure Financing (3rd enlarged revised edition).
- Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).
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TEAM BFSIB

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