ICMAI
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THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
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
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DAILY NEWS DIGEST BY BFSI BOARD

05 September 2026

RBI moves to longer cash drain as India liquidity surges: India's central bank will lock up excess banking cash for longer, stepping up efforts to manage a record liquidity glut fueled by its drive to attract dollars from overseas Indians. The Reserve Bank of India will hold a 7 trillion rupee ($74.1 billion), 30-day variable-rate reverse repo auction on Monday, it said in a statement. The longer tenor marks a shift from recent operations of up to 15 days and will allow the RBI to keep excess cash out of the banking system for an extended period. The tool is less forceful than some alternatives because banks choose how much money they want to park with the central bank. India's banking system is awash with a record 10.5 trillion rupees of excess cash, according to a Bloomberg Economics index, after the central bank exchanged dollars raised by banks from overseas Indians for rupees. "Participants will have an option for premature reversal of the amount lent in the above auction," the release added.

(Moneycontrol)

World's biggest sovereign wealth fund mulls slashing US Treasury holdings: Norway's $2.3 trillion sovereign wealth fund has proposed reducing its allocation to government bonds, with US Treasuries likely to bear the biggest cut, as it seeks to diversify its fixed-income portfolio and boost returns. Norges Bank Investment Management (NBIM), which manages the fund has recommended reducing the share of government bonds in its benchmark bond index from 70% to 50%, Bloomberg reported. The fund, which is the largest sovereign wealth fund in the world, said a 50% government bond allocation would still provide sufficient liquidity during periods of market turbulence, while allowing it to seek higher returns from other fixed-income assets.

(Moneycontrol)

GDP methodology: MoSPI says negative manufacturing deflator does not mean factory-gate prices fell: The Ministry of Statistics and Programme Implementation (MoSPI) has sought to address concerns over the newly released GDP estimates, saying a negative implicit deflator for manufacturing does not mean that manufacturing prices declined and that revisions to last year's GDP were not aimed at mechanically boosting the latest growth rate. In a set of questions and answers released on Wednesday, the ministry explained the impact of the new double-deflation methodology, the revisions to the GDP series and the differences between the GDP deflator, consumer price inflation and wholesale price inflation. The clarification comes days after MoSPI released the updated annual and quarterly GDP estimates with 2022-23 as the base year. The revised series incorporates the new Producer Price Index (PPI), Banking Services Price Index and updated administrative data.

(Business Line)

80% of FCNR (B) inflows came via the leverage route: According to bankers' estimates, about 80 per cent of the total $127.23 billion mobilised by Non-Resident Indians (NRIs) under the special Foreign Currency Non-Resident (Bank) FCNR(B) deposits offered by banks through the RBI's limited-period concessional swap facility came through the leverage route, while more than two-thirds of the deposits were parked in the five-year tenor. Inflows into the special FCNR(B) deposit scheme were robust during the 85-day period from June 8 to August 31, 2026, as high interest rates of 6-7.5 per cent offered by banks attracted NRIs.

(Business Line)

HDFC Bank, Ujjivan SFB start CEO search amid leadership changes in private banks: HDFC Bank and Ujjivan Small Finance Bank have begun scouting for suitable candidates to be appointed as their new MD and CEO to drive next phase of growth. Kotak Mahindra Bank and Fino Payments Bank are reportedly at the advanced stage of appointment process. As per the process, the board of a bank shortlists couple of names for top executive position. Once finalised, the shortlisted names are sent to Reserve Bank of India (RBI) for its approval. RBI after thorough examination gives its nod.

(Business Line)

Insurer can't reject claim if alcohol habit disclosed before policy purchase: Consumer commission: A consumer commission ordered Edelweiss Tokio Life Insurance to pay over fifty lakh rupees. The company rejected a widow's claim despite disclosed alcohol consumption by her husband. Hypertension and diabetes were also noted as lifestyle diseases by the commission. The insurer was found guilty of deficiency in service for rejecting the claim. The widow will receive the claim amount, interest, and compensation for harassment.

(Economic Times)

HDFC, Kotak CEO departures put succession planning at India's private banks under scrutiny: Recent unexpected leadership changes at top Indian private banks raise succession planning concerns. Investors question long-term business strategy continuity amid these abrupt departures. HDFC Bank and Kotak Mahindra Bank face leadership transitions, surprising many analysts. Stricter regulations and competition from fintech also affect talent retention. Improved succession visibility will help maintain investor confidence in strategic direction.

(Economic Times)

NFRA sets up advisory panel on audit quality, AI and technology risks: The National Financial Reporting Authority (NFRA) on Friday constituted an advisory committee on 'audit quality, assurance and technology' to look into the risks and practical implementation issues arising from the use of data analytics, automation, artificial intelligence and machine learning in the conduct of audits among various other audit quality related matters. This is the third such Committee set up by NFRA, the first being the Technical Advisory Committee, which was constituted in 2020 and whose term ended in December 2022.

(Business Standard)

Sebi, ESMA sign MoU to deepen regulatory cooperation on clearing houses: The Securities and Exchange Board of India (Sebi) and the European Securities and Markets Authority (ESMA) on Friday signed a memorandum of understanding (MoU) to strengthen cooperation and exchange of information relating to central counterparties (CCPs) regulated and supervised by Sebi. The pact replaces an earlier MoU between the two regulators signed on June 21, 2017. It establishes a framework for cooperation between Sebi and ESMA in accordance with their respective laws and regulations, including enabling ESMA to rely on Sebi's regulatory and supervisory activities.

(Business Standard)

Govt urges industry to lead Rs.60K cr PM-SETU initiative to drive energy, industrial transformation: The government has urged industry to take a leading role in transforming the country's skilling landscape through the ambitious Rs.60,000 crore PM-SETU initiative to drive India's energy and industrial transformation. The Pradhan Mantri Skilling and Employability Transformation through Upgraded ITIs (PM-SETU) scheme envisages enhancing the overall quality and relevance of vocational training with upgraded labs, machines and industry-aligned curriculum in the country.

(Business Line)

Fin Min notifies norms allowing e-commerce firms to maintain inventory only for exports: The Department of Economic Affairs under the finance ministry has notified changes in Foreign Direct Investment (FDI) norms to allow e-commerce firms to maintain inventory only for export purposes. These firms will have to export goods manufactured or produced in India. Also, FDI in inventory-based e-commerce retailing has not been permitted. The department in a September 2 notification has added a

provision in this regard in the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
(Business Line)

Company formation slows in first quarter of FY27: The number of new companies registered in the first quarter of FY27 remained high, but the pace of growth slowed sharply from the previous quarter. Data from the Ministry of Corporate Affairs (MCA) showed that 62,986 companies were registered during April-June 2026, up 3% from 61,139 in the same period a year earlier. However, registrations were 9.7% lower than the 69,772 companies registered in January-March 2026, the highest quarterly figure on record. Despite the sequential decline, the latest quarter was the second-highest in the series. The slowdown was also pronounced compared with the previous quarter, when company registrations had risen 25.5% YoY.
(Financial Express)

States' capex growth halves in April-July: States' aggregate capital expenditure (capex) likely grew at half the pace in April–July of the current financial year compared with the year-ago period, partly due to a monsoon-induced slowdown. Going by the finances of 20 large states reviewed by FE, their capex during April-July 2026-27 rose 10.7% year-on-year to Rs 1.79 lakh crore, compared with 21.8% growth in the same period of 2025-26. The moderation could also partly stem from only four tranches of tax devolution being shared with the states in April-July 2027, compared with five in the year-ago period. However, stronger tax revenue growth and lower borrowings, coupled with likely front-loading of tax devolution in the coming months, could give states the fiscal space to accelerate capex in the remaining months of FY27.
(Financial Express)

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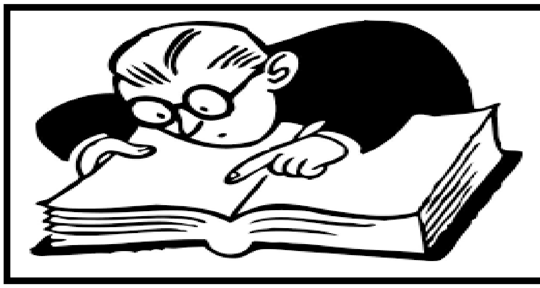
Eway bills rise 7.7% to 139.08 mn in August, third highest on record: Eway bill generation rose 7.7 per cent year-on-year (Y-o-Y) to 139.08 million in August, the third-highest monthly count on record, signalling sustained momentum in goods movement and formal economic activity. An eway bill is an electronically generated document required under the goods and services tax (GST) regime for movement of goods valued at more than Rs.50,000, subject to specified conditions and exceptions. The August figure was 9.95 million higher than the 129.13 million eway bills generated in August 2025. Sequentially, however, generation declined marginally by 0.51 per cent from 139.79 million in July, the second-highest monthly count on record.
(Business Standard)

Odisha plans integrated university township with industry focus: Odisha is working on an ambitious plan to establish an integrated university township that will bring higher education, research, skill development and innovation under one roof. The state has identified several regions for detailed examination and giving in-principle approval to a framework that envisages industry-led campuses, mining-focused universities and shared infrastructure. The proposed integrated university township is part of the Centre's university townships plan announced during Union Budget 2026-27.
(Business Standard)



FINANCIAL TERMINOLOGY

DEPOSIT BETA

- Deposit beta measures how much of a change in the policy rate is passed on to the interest rates paid by banks on deposits. For example, if the RBI raises the repo rate by 100 basis points and a bank increases its average deposit rate by 60 basis points, the deposit beta is 60%.
- A higher deposit beta raises the bank’s cost of funds and may compress its Net Interest Margin (NIM). It has become particularly important amid intense competition for deposits.

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 : 94.4914
INR / 1 GBP : 127.9703
INR / 1 EUR : 109.8822
INR /100 JPY: 60.5200

EQUITY MARKET

Sensex: 76515.43 (+362.57)
NIFTY: 23897.70 (+24.25)
Bnk NIFTY: 57369.65 (-10.95)

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

Publications by BFSI Board

- Handbook on Aide Memoire on Infrastructure Financing (3rd enlarged revised edition)
- Aide Memoire on Lending to MSME Sector (including restructuring of MSME Credit)
- BFSI Chronicle (quarterly issue of BFSIB)
- Handbook on Central Bank Digital Currency (CBDC)
- Monograph on Climate Risk and Green Finance-Banking Sector: International Practices and Indian Perspective (2nd Series)
- Guidance Note on Cost Control Strategies in the Banking Sector
- Expected Credit Loss (ECL) Framework – A Practical Handbook for Indian Banks
- Handbook on Restructuring of Bank Loans

For details, please visit the BFSIB portal on the ICMAI website.

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The Institute of Cost Accountants of India (ICMAI)