ICMAI
भारतीय लागत लेखाकार संस्थान
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
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

18 August 2026

India seeks WTO consultations with US over 4-year quartz surface tariff quota: India has sought consultations at the World Trade Organisation (WTO) with the United States over Washington's new safeguard measure on imports of quartz surface products, a move that could hit Indian exporters who have emerged as one of the largest suppliers to the US market. The US has imposed a four-year tariff-rate quota (TRQ) on imports of quartz surface products, effective August 15, after the US International Trade Commission (USITC) found that increased imports were causing serious injury to the American industry. The measure covers quartz slabs and other fabricated quartz surface products.
(Business Line)

$10.5 bn FCNR (B) swap cost over 5 years is 1.45% of forex kitty: Report: The cost of the Reserve Bank of India's (RBI's) concessional swap facility for FCNR(B) deposits is unlikely to have been a factor behind the central bank's decision to close the window a month ahead of schedule, with the cumulative hedging cost estimated at around $10.5 billion over five years, according to an SBI Research report. The report estimates that FCNR(B) mobilisation could reach $60-65 billion, and $80-85 billion when overseas foreign currency borrowings (OFCBs) and external commercial borrowings (ECBs) are included.
(Business Standard)

Rupee weakens, bond yields harden as RBI shuts FCNR(B) swap window early: The rupee weakened and government bond yields hardened on Monday after the Reserve Bank of India (RBI) brought forward the closure of its concessional foreign exchange swap facility for foreign currency non-resident (bank), or FCNR (B), deposits by a month, dealers said. The rupee settled at 95.61 a dollar, down 0.17 per cent from Friday's close of 95.44. It opened at around 95.48 and touched an intraday low of 95.62. The yield on the benchmark 10-year government bond rose to 6.81 per cent from 6.76 per cent, as the early closure of the FCNR (B) swap window raised concerns about future dollar inflows and liquidity. The central bank on Friday had announced that the facility would now be available only for FCNR(B) deposits mobilised until August 31, 2026, with banks able to avail themselves of swaps with the RBI until September 11. Under the original schedule, deposits would have been mobilised until September 30, with banks able to access the swaps until October 16.

(Business Standard)

SEBI simplifies mutual fund registration, replaces three forms with single application: The Securities and Exchange Board of India has revised the registration process for mutual funds, replacing three existing application forms with a single consolidated form covering both the sponsor approval and final registration stages. The change was announced in a circular dated August 17 and follows SEBI's overhaul of the regulatory framework governing mutual funds earlier this year. The regulator has retained the existing two-stage registration process and said other conditions prescribed under its March 20 Master Circular for Mutual Funds will remain unchanged.

(Moneycontrol)

FM asks public sector banks to leverage strong balance sheets for next phase of growth: Union Finance Minister Nirmala Sitharaman called on Public Sector Banks (PSBs) to capitalise on their historically low NPAs and robust balance sheets to drive economic expansion and propel structural reforms. Speaking at a two-day conclave of PSB and financial institution chiefs, Sitharaman announced that the high-level

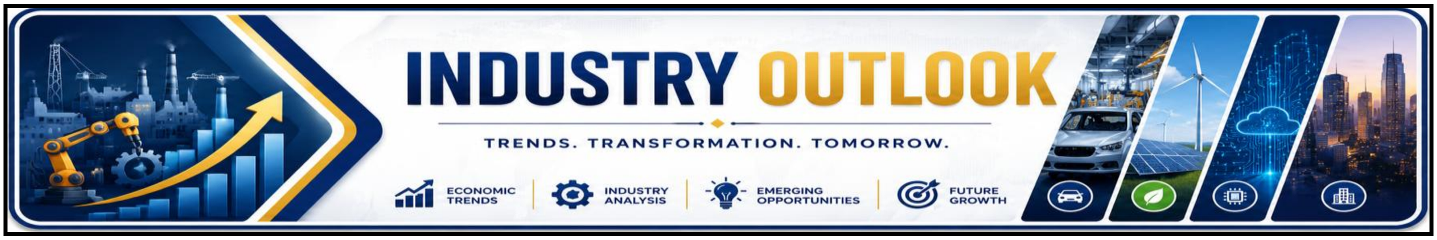
committee on 'Banking for Viksit Bharat', proposed in the Union Budget, will be constituted shortly. Emphasising the urgency of the 2047 target, the Finance Minister noted that Indian banking is positioned at an unprecedented point of financial resilience after years of balance-sheet cleanup. Sitharaman stressed the need for banks to focus particularly on the country's young population, noting that 29% of Indians are in the 15-29 age group.
(Business Line)

Banks clock highest deposit growth since Dec 2016: CareEdge: The growth in bank deposits accelerated to 15.4% year-on-year as of July 31, the fastest pace since December 2016, as strong mobilisation of foreign currency non-resident (bank) {FCNR(B)} deposits under the Reserve Bank of India's special swap facility boosted the liability accretion, CareEdge Ratings said in a report. Deposit growth had stood at 12.7% as of July 15 and 10% in the year-ago period. Aggregate deposits rose to Rs 269.4 lakh crore, with incremental deposits increasing by Rs 6.57 lakh crore during the fortnight. Time deposits led the increase, growing 14.8% year-on-year to Rs 235.1 lakh crore and accounting for 87.3% of total deposits. Demand deposits grew 19.3%.
(Financial Express)

Banking reform panel likely this month; Tems may include consolidation road map: The government will soon constitute the proposed High-Level Committee on Banking for Viksit Bharat to initiate a new phase of comprehensive banking sector reforms, Finance Minister Nirmala Sitharaman said on Monday. "The intensive discussions of today and tomorrow come at a time we expect the announcement on the high-powered committee to look into banking for Viksit Bharat. Sooner, the committee will be announced," she said addressing the two-day Public Sector Banks Conclave here. Sources indicated that the panel may be formed this month itself. Issues for the panel's consideration might include creating larger Indian banks through consolidation, raising foreign direct investment limits in public sector banks, rationalising investor voting rights, and reviewing regulatory requirements like the Cash Reserve Ratio and Statutory Liquidity Ratio.
(Financial Express)

Banks may rush to tap short loans abroad: Bankers said some lenders now plan to borrow more short-term funds, possibly at a higher rate, to finance the promised leverage to FCNR(B) clients after the Reserve Bank of India advanced the deadline for swap support. These funds will have to be replaced with a long-term loan or bond later, leading to a temporary mismatch between banks' foreign deposits and borrowings.

(Economic Times)



Govt clears 31 electronics component applications worth Rs 7,877 crore under ECMS 2.0: The Ministry of Electronics and Information Technology (MeitY) has cleared nearly 31 applications involving investments of Rs 7,877 crore under the Electronics Components Manufacturing Scheme (ECMS), MeitY Secretary S Krishnan said, as the government accelerates efforts to build a domestic electronics component ecosystem. The projects span 10 states and are expected to generate Rs 82,243 crore in production and create close to 10,000 jobs, Krishnan said. With the latest approvals, the government has now cleared 106 applications covering around 30 product categories across 15 states under the ECMS. The approved projects represent cumulative investments of Rs 69,548 crore, surpassing the scheme's original investment target of Rs 59,350 crore.

(Moneycontrol)

FIDC to flag NBFC concerns over RBI's proposed revolving credit ban: The Finance Industry Development Council (FIDC), the self-regulatory organisation (SRO) for the non-banking finance company (NBFC) sector, is set to flag divergent concerns among lenders over the Reserve Bank of India’s (RBI’s) proposed ban on revolving credit products, with the industry arguing that the move could create regulatory arbitrage in favour of banks. The industry body is collating views from NBFCs, including those engaged in supply-chain finance, loan against property (LAP) and MSME lending, before submitting its feedback to RBI within the prescribed deadline.

(Business Standard)

Swiggy launches AI Assistant named 'Guru' for restaurant partners: Food delivery aggregator Swiggy on Monday announced the rollout of its AI Assistant 'Guru' for its restaurant partners, to track payouts and monitor the performance of their campaigns across over 720 cities and accessible to 2.7 lakh restaurants. Menu insights on Guru allow partners to add items, generate descriptions, and highlight top-selling items to deliver personalised insights, by analysing the category performance and what is working for them, Swiggy said.

(Business Standard)

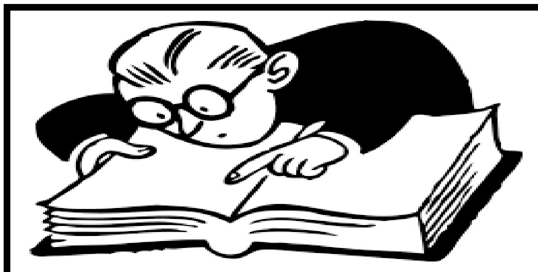
Govt to examine litigation funding for PUFE deals under insolvency regime: The Ministry of Corporate Affairs (MCA) will examine litigation funding for preferential, undervalued, fraudulent, and extortionate (PUFE) transactions under the insolvency regime to improve recoveries, the ministry told a parliamentary standing committee in a written reply. “Litigation funding for PUFE transactions will be examined in light of global best practices and refined through detailed consultation with all relevant stakeholders,” the MCA said.

(Business Standard)

Sebi eyes SLBM reforms; may allow net settlement to boost market liquidity: Reforms are under way to deepen India’s securities lending and borrowing (SLB) market as the Securities and Exchange Board of India (Sebi) is stepping up efforts to improve liquidity in the cash market and strengthen its infrastructure, which underpins its recently introduced closing auction session (CAS). It is discussing a set of changes to the securities lending and borrowing mechanism (SLBM), including expanding the universe of eligible stocks, allowing net settlement within the SLB segment and with the cash market, enabling interoperability between stock exchanges, and improve the links between the cash and derivatives markets, according to people familiar with the developments.

(Business Standard)

Sebi launches portals to strengthen cybersecurity incident reporting: The Securities and Exchange Board of India (Sebi) on Monday launched the Incident Reporting Portal and Cyber Suraksha Portal to streamline communication from market intermediaries about cybersecurity incidents. The incident reporting portal will make reporting cybersecurity incidents more structured and timely, aligning it with the Financial Stability Board's format. Meanwhile the Cyber Suraksha Portal will act as a central hub for sharing cybersecurity knowledge, vulnerability warnings, policy measures, and incident insights across the securities market ecosystem.
(Business Standard)



FINANCIAL TERMINOLOGY

ECONOMIC MOAT

- An Economic Moat refers to a sustainable competitive advantage that allows a business to protect its market position, profitability and customer base from competitors over a long period. The term was popularised by investor Warren Buffett, who compared a strong business advantage to a moat protecting a castle.
- Just as a moat protects a castle from attackers, an economic moat protects a company from competitors trying to take away its customers and profits.
- A strong brand creates customer loyalty and allows a company to command premium pricing. Example: Customers may prefer a trusted bank even when another bank offers marginally better pricing.

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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 : 95.6019
INR / 1 GBP : 129.5638
INR / 1 EUR : 110.7621
INR /100 JPY: 60.0900

EQUITY MARKET

Sensex: 77728.16 (-281.09)
NIFTY: 24287.65 (-78.35)
Bnk NIFTY: 57497.80 (+6.70)

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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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).
- Guidance Note on the Internal Audit of General Insurance Companies.
- BFSI Chronicle (quarterly issue of BFSIB)
- Handbook on Stock & Book Debts Audit (Revised and Enlarged 2nd Edition)
- 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

CMA Harshad S. Deshpande, Chairman
Banking, Financial Services & Insurance Board (BFSIB)
The Institute of Cost Accountants of India (ICMAI)