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

19 August 2026

India, Israel set to exchange market access offers for FTA: India-Israel free trade agreement (FTA) negotiations, revived last year after years of intermittent discussions, are gathering momentum as both sides prepare to enter the crucial market-access phase, sources said. Following the second round of talks in July, New Delhi is consulting domestic industry to finalise its offer ahead of the third round, when the two countries are expected to exchange market-access proposals.
(Business Line)

Rupee fall may reduce effective incentives for semiconductor projects: The effective incentive available to eligible companies under the India Semiconductor Mission (ISM) could decline because of the sharp depreciation of the rupee against the dollar, a senior official in the Ministry of Electronics and Information Technology (Meity) said. The impact could be significant because nearly 65 per cent of the cost of a semiconductor project is spent on machinery, most of which has to be imported and paid for in dollars. A large part of this investment typically takes place in the third and fourth years of a project, when equipment starts getting installed. The rupee has depreciated by more than 26 per cent against the dollar since the ISM scheme was announced in December 2021. It has fallen by more than 9 per cent in the past year.
(Business Standard)

Five-year bond yield hardens as FCNR(B) position unwinding weighs on trade: Shorter-tenor bonds, particularly the five-year paper that had outperformed after the FCNR (B) swap scheme was announced, have come under significant pressure following the Reserve Bank of India’s (RBI’s) decision to close the swap window early.

The five-year bond yield has hardened by around 10 basis points (bps) over the past two trading sessions. The benchmark 10-year government bond yield settled higher at 6.83 per cent against its previous close of 6.81 per cent, while the five-year yield rose to 6.46 per cent from 6.44 per cent. The yield on the benchmark 10-year government bond yield could rise further and trade closer to 6.85 per cent by end-August, said dealers.

(Business Standard)

Indian banks race to raise $1.85 billion as RBI shuts dollar swap window early: Four Indian private lenders have fast-tracked plans to raise dollar bonds before the end of August, seeking to take advantage of a central bank swap facility before its early closure, after larger peers ICICI Bank and Axis Bank raised more than $1 billion. Lenders are rushing to raise funds after the Reserve Bank of India last week said it would close a swap facility for FX deposits from non-resident Indians on August 31, a month earlier than planned.

(Moneycontrol)

'Banking for Youth': Sitharaman asks PSBs to launch month-long campaign for Indians above 16: Finance Minister Nirmala Sitharaman on Tuesday asked public sector banks (PSBs) to consider launching a focused, month-long 'Banking for Youth' campaign from October 2, 2026, as she called on state-owned lenders to build stronger and longer-term relationships with young Indians. "I would like Public Sector Banks to consider launching a focused, month-long 'Banking for Youth' campaign commencing 2nd October 2026 (Gandhi Jayanti), with particular outreach to young citizens above 16 years of age," Sitharaman said in her closing remarks on the second day of the PSB Confluence 2026. She said the campaign could be coordinated through the Department of Financial Services (DFS) and the Indian Banks' Association (IBA). The Finance Minister said the campaign should reach young people at the beginning of

their financial journey, bring them into the formal banking system and establish an early connection with them.
(Moneycontrol)

PSB Confluence 2026 concludes with actionable strategies across seven themes for Public Sector Banks and Public Financial Institutions: The two-day PSB Confluence 2026, organised by the Department of Financial Services (DFS), Ministry of Finance, concluded after extensive deliberations among the leadership of Public Sector Banks (PSBs) and Public Financial Institutions (PFIs). The Day 2 deliberations identified opportunities to strengthen financing across agriculture and horticulture value chains, including FPOs, storage, processing, logistics and market linkages. Discussions on Reimagining the Credit Card Business explored strategies around digital onboarding, greater cross-sell to the existing customer base and leveraging opportunities arising from RuPay-UPI integration. The deliberations were also enriched by real-world experiences shared by CA Arvind Agarwal, Director, VNR Group, on Agriculture and Horticulture Value Chain Infrastructure, and Shri Sanjay Mehndiratta, Director, Toy Zone, on Priority Sector Lending, bringing practical perspectives from their respective entrepreneurial journeys.
(PiB)

Regional Rural Banks (RRBs) Record Strong Growth in Credit Delivery during FY 2025–26: During FY 2025–26, Regional Rural Banks (RRBs) have continued to strengthen their role in promoting rural economic development and financial inclusion by expanding credit delivery and maintaining a strong focus on Priority Sector Lending (PSL). While gross loans outstanding of RRBs increased by 10.3%, from Rs.5,24,163 crore in FY 2024–25 to Rs.5,78,349 crore in FY 2025–26, the performance of RRBs under the Reserve Bank of India's Priority Sector Lending framework remained strong during the year. The average achievement against the overall PSL prescribed target of 75% reached 91.7% of Adjusted Net Bank Credit (ANBC). Almost all RRBs achieved the overall PSL target, reflecting the RRBs' robust focus on supporting priority sectors and advancing financial inclusion.
(PiB)

Banking sector in strongest position to undertake reforms, high-level panel coming soon: FM Sitharaman: Finance Minister Nirmala Sitharaman on Monday said India's banking sector is in its strongest position to undertake the next phase of reforms, aided by historically low non-performing assets. She said the High-Level Committee on Banking for Viksit Bharat will be announced soon to align the sector with India's growth ambitions.

(Economic Times)

Swiggy gets shareholder nod for key changes to secure IOCC status: Swiggy has secured shareholder approval for key changes aimed at helping it qualify as an Indian-owned and controlled company (IOCC), clearing a major hurdle after a similar proposal was rejected by investors in May. At its August 18 annual general meeting (AGM), shareholders approved a special resolution to alter the company's Articles of Association (AoA) with 93.97 percent of votes in favour. The same proposal had received only 72.36 percent support in May, falling short of the 75 percent threshold required for a special resolution.

(Moneycontrol)

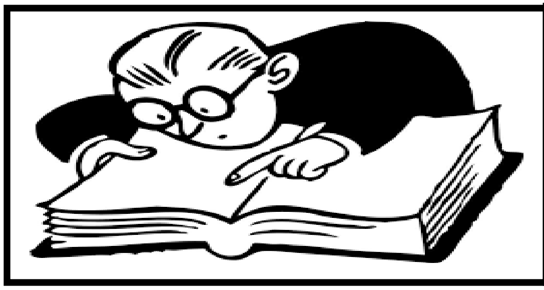
Prudential gets CCI nod to acquire 75% stake in Bharti Life Insurance: Fair trade regulator CCI on Tuesday cleared the proposal of Prudential Corporation Holdings, an arm of UK-based financial giant Prudential plc, to acquire a stake in Bharti Life Insurance Company Ltd. "The proposed combination envisages the acquisition of certain equity shareholding in Bharti Life Insurance Company Ltd (Target) by Prudential Corporation Holdings Ltd (Acquirer)," the Competition Commission of India (CCI) said in a release. Prudential Corporation Holdings acts as the holding company of the acquirer Group's insurance and asset management operations in Asia and provides management and support to its Asia and Africa business operations, while Bharti Life Insurance is an IRDAI-licensed insurer.

(Business Standard)

Razorpay builds proprietary AI model Vulcan to boost payment success rates: Payments technology company Razorpay on Tuesday rolled out an artificial intelligence (AI) model Vulcan trained across four billion transactions to improve payment success rates and detect frauds. The Bengaluru-based company said the model was proprietary to the company with the architecture and training data belonging to the fintech firm. It claims to have been trained across 3 trillion data points with the model's ability to understand nearly 3,000 signals from each transaction. What is different in this model is that instead of a specialised model each for routing, risk, fraud and checkout, a single model like this understands all data points at one point.
(Business Standard)

UIDAI Special Drive Completes over 2 Cr Mandatory Biometric Updates (MBU) in Aadhaar for School Children: The Unique Identification Authority of India (UIDAI) has achieved a significant milestone in its nationwide mission-mode drive for Mandatory Biometric Updates (MBU), completing over 20 million (over 2 crore) MBUs for school children across the country. The initiative was enabled by UIDAI's technological integration with the Unified District Information System for Education Plus (UDISE+), which provides visibility of the MBU status of children at schools. The special drive, initiated in September 2025, has by now covered over 1.56 lakh schools, enabling school children to complete their Aadhaar biometric updates conveniently through dedicated school-level camps and coordinated outreach by UIDAI and State/UT education departments. Aadhaar enrolment for children below five years captures demographic information and photograph, while fingerprints and iris biometrics are not captured at that age as these biometrics are still developing. MBU helps ensure that the child's Aadhaar continues to have updated biometric information. MBU is required when a child attains the age of 5 years and again at 15 years.
(PiB)

Saudi Arabia tightens anti-crime oversight on UAE-bound bank transfers: Saudi Arabia has placed financial transfers to the United Arab Emirates under extra layers of regulatory oversight reserved for countries considered high-risk for illicit money flows, according to three people with direct knowledge of the matter, the latest sign of a widening rift between the wealthy Gulf monarchies. The measures, which were not announced publicly, could help explain why a number of companies ?? say they have had difficulties transferring funds from accounts in Saudi Arabia to the UAE in recent months, an issue first reported by Bloomberg and the Financial Times in July. The enhanced oversight measures have not previously been reported.
(Business Standard)



FINANCIAL TERMINOLOGY

FINANCIAL REPRESSION

- Financial repression refers to government policies that keep interest rates artificially low or channel financial resources toward government borrowing, often through regulations on banks and financial institutions. It can help the government finance fiscal deficits at relatively low cost, but prolonged repression may reduce returns to savers, distort capital allocation, and weaken financial-sector efficiency.
- Mandatory holdings of government securities, administered interest rates, or restrictions that encourage banks to finance government borrowing can be associated with financial repression.

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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 : 95.6772
INR / 1 GBP : 129.4471
INR / 1 EUR : 110.6969
INR /100 JPY: 59.8900

EQUITY MARKET

Sensex: 77235.46 (-492.70)
NIFTY: 24154.90 (-132.75)
Bnk NIFTY: 57262.40 (-235.40)

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)
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- 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)