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

21 August 2026

Core sector growth eases to 5.4% in July from 6% in June; iron ore, cement lead: India’s core infrastructure sector growth moderated to 5.4% year-on-year in July 2026, compared with 6% growth recorded in June, according to provisional data released by the Ministry of Statistics and Programme Implementation on August 20. The eight-core industries, which account for 40.27% of the weight of items included in the Index of Industrial Production (IIP), recorded stronger cumulative growth of 4.3% during April-July 2026, compared with 1.5% in the corresponding period last year. Iron ore emerged as the fastest-growing segment in July, expanding 29.5% year-on-year. Cement production rose 13.1%, while electricity generation increased 9%. Coal output grew 7.6%, followed by steel at 2.9% and refinery products at 2.7%.
(Business Today)

'AI Jobocalypse': Raghuram Rajan proposes AI token tax to curb job losses, boost govt coffers: Former Reserve Bank of India (RBI) governor Raghuram Rajan has advocated for a target-based tax on corporate artificial intelligence usage to level the fiscal playing field between human labor and automation. Writing in a recent Project Syndicate column titled "How Corporations Can Mitigate an AI Jobocalypse," the economist argued that taxing AI "tokens" consumed by businesses could replenish government treasuries while disincentivising rapid, cost-driven workforce reductions. According to details reported by The Economic Times, Rajan highlighted a structural financial distortion in modern employment markets: companies are mandated to pay social security and employment-related contributions for human staff, whereas replacing human labor with automated systems carries no equivalent fiscal obligation.
(Business Today)

Gold reclaims momentum as US Treasury move sparks bullion rush, gains 2% in a day: Gold prices surged sharply by Rs.3,212 per 10 gram, or nearly 2 per cent, on Thursday, climbing to Rs.1,57,080 from Rs. 1,53,868 in the previous session, buoyed by a strong rally in international markets. The yellow metal turned bullish after the US Treasury announced that it would double buyback operations for longer-dated bonds from $2 billion to $4 billion per operation from September 9. The move is expected to provide liquidity support to the long end of the bond market, pushing the 30-year US Treasury yield down from near two-decade highs to around 5.19 per cent and boosting investor interest in gold. In the domestic market, gold opened higher at Rs.1,57,387 per 10 grams amid strong buying interest, according to data from the India Bullion and Jewellers Association (IBJA). Silver also witnessed a sharp rally, rising by Rs.8,541 per kg to Rs.2,37,766 from Rs.2,29,225 in the previous session.

(Business Line)

HDFC Bank raises $1.75 billion in biggest overseas fundraise, highest since 2008 global financial crisis: HDFC Bank said on August 20 that it has raised $1.75 billion through senior unsecured bonds, in its biggest overseas fundraise since the global financial crisis in 2008, as multiple lenders continue to tap the overseas bond market. The country's largest private sector lender said that issuance happened through its GIFT City branch, and that it was a dual-tranch issuance. The first one was $500 million of three-year bonds and the second tranche consisted of $1.25 billion of five-year bonds. The three-year notes carry a coupon of 5.159 percent, while the five-year notes offer 5.401 percent, with interest payable semi-annually. Both tranches will be settled on August 26. The three-year bonds will mature by August 26, 2029, while the five-year bonds will mature by August 26, 2031.

(Moneycontrol)

S Somnath appointed to RBI central board; Anand Mahindra gets another 4-year term: S Somnath, former chairman of the Indian Space Research Organisation (ISRO), was on Thursday appointed as a part-time, non-official director on the central board of the Reserve Bank of India (RBI). Somnath, who retired from ISRO in January 2025, will serve on the central board for four years with effect from August 20, 2026, according to an official statement. Meanwhile, the RBI also reappointed billionaire Anand Mahindra as a part-time, non-official director on the central board for another four-year term, according to a separate statement.
(Moneycontrol)

IRDAI bars Niva Bupa from opening new offices for six months over expense limit breach: India's insurance regulator has barred Niva Bupa Health Insurance from opening new places of business for six months because of the breach of business expense limits, the health insurer said on Thursday. The insurer failed to comply with limits on expenses of management, which comprises operating costs and commissions paid to agents and distributors, during fiscal year 2024-25, as per the statement. Niva Bupa, backed by UK-based international healthcare group Bupa, said it complied with the expense rules for fiscal 2025-26 and was on track to remain compliant in the current fiscal.
(Moneycontrol)

Citi India institutional asset book crosses Rs.1 trillion after retail exit: Citibank N.A. India has topped Rs.1 trillion in institutional assets, nearly doubling its Rs.53,000-crore book since it exited the consumer business in March 2023 by selling it to Axis Bank for a final consideration of over Rs.11,600 crore, as part of its strategy to sharpen its focus on institutional and corporate banking across markets, including India. The bank added about Rs.24,000 crore to its institutional asset book in the last 12 months, a 30 per cent increase, reflecting robust client activity, increased capital investment, expanding trade flows and sustained financing demand across key sectors of the economy, a senior Citibank official told Business Standard.
(Business Standard)

Citi, HSBC, StanChart adopt Ant International's AI tool for liquidity risks: Ant International launched an upgraded version of its artificial intelligence model ??on Thursday, signing up major global banks as financial institutions accelerate the adoption of specialised AI to manage liquidity risks. The Singapore-based fintech giant rolled out its Falcon Time-Series Transformer Model 2.0 and has partnered with six large banks including Citi, HSBC, Deutsche Bank , Standard Chartered, and Barclays, according to Kelvin Li, the firm's general manager of platform tech.

(Business Standard)

Strong demand at RBI liquidity mop-up auctions; another Rs.1.5 trn on Friday: The Reserve Bank of India received strong demand at the variable rate reverse repo (VRRR) auctions on Thursday, with cumulative bids amounting to Rs 1.91 trillion against the total notified amount of Rs 1.5 trillion. The central bank conducted two overnight auctions and plans to conduct another three-day VRRR auction worth Rs 1.5 trillion on Friday. Market participants said the strong demand was driven by overnight rates being lower than the weighted average rate offered by the RBI at the VRRR auction. Banks parked the notified amount at a weighted average rate of 5.24 per cent.

(Business Standard)

India 10-15 years from battery self-sufficiency; full localisation may lift BESS capex 30%: India could remain 10-15 years away from a globally competitive, self-sufficient battery cell industry, while pushing domestic content in grid-scale battery storage projects to 100% could increase project capital costs by around 30%, highlighting the cost and supply-chain challenge confronting the country's rapidly expanding storage market. The gap is already stark. India has only 2 GWh of commissioned cell manufacturing capacity in 2026, accounting for less than 1% of the approximately 260 GWh battery demand pipeline from competitive tenders, according to Wood Mackenzie's Chasing Self-Sufficiency: Cost of Building an Indigenous Battery Storage Supply Chain in India report.

(Financial Express)

Aditya Birla Capital enters gold loan business: Aditya Birla Capital has entered the gold loan business, making it the third non-banking finance company to foray into the segment in the past two months. In July, Godrej Capital and Tata Capital ventured into the territory. The company has plans to roll out 200-300 dedicated gold loan branches by March 2027. "Over the next three years, the ABCL-NBFC business aims to establish a network of around 1,000 gold loan branches, building a strong pan-India franchise and further strengthening its presence across the country," the company said.

(Financial Express)

DPIIT Signs MoUs with PhonePe and Shell India to Strengthen Startup Ecosystem and Drive Innovation: The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, signed MoUs with PhonePe and Shell India Pvt. Ltd. on 19 August 2026 to strengthen support for DPIIT-recognised startups and promote innovation across key sectors of the economy. Under its collaboration with DPIIT, PhonePe will provide DPIIT-recognised startups with a range of benefits, including transaction credits through its Payment Gateway, access to the Indus AppStore, dedicated onboarding and support services, and opportunities for enhanced brand visibility. PhonePe will also conduct regular masterclasses and webinars on topics such as fintech, sales, go-to-market strategies and business scaling, enabling startups to strengthen their capabilities and accelerate growth. The MoU with Shell India will focus on supporting startups operating in the energy and climate-tech sectors. Through this partnership, Shell India will provide mentorship, strategic guidance, investor and incubator connect, and opportunities to participate in the Shell E4 Smart Energy Track.

(PiB)

SEBI allows FPIs to use digitally signed power of attorney for faster onboarding: The Securities and Exchange Board of India (SEBI) has allowed Foreign Portfolio Investors (FPIs) to submit digitally signed Powers of Attorney (PoA) to custodians, removing the need for physical authentication procedures in such documents. The move is aimed at making the FPI onboarding process faster and improving ease of doing business for foreign investors. The new provision takes effect from August 20, 2026, and forms part of SEBI's broader efforts to digitalise the registration and onboarding process for FPIs.

(Business Today)

SC scraps worker-friendly 1978 'industry' precedent for new labour code: In a verdict in which judges varyingly differed on issues, a nine-member Bench of the Supreme Court on Thursday held that a nearly half-century-old expansive interpretation of 'industry', which previously granted workers stronger labour rights and protection, will not apply under the new Industrial Relations Code, 2020. The verdict had enabled workers employed in a wide range of employment with a legal recourse, including collective bargaining, against unfair labour practices by employers. The 48-year-old verdict had exempted only core sovereign activities like judiciary, law and order, defence, etc, from the purview of 'industry', as defined under Section 2(j) of the Industrial Disputes Act, 1947, in order to protect the State's functional autonomy. The 1978 judgment had further introduced a 'triple test' which laid down conditions that any activity which was systematic or organised, operated on the basis of employer-employee cooperation and dealt in the production of goods and services to satisfy human wants came within the ambit of 'industry'.

(Business Line)

DGFT eases rupee trade rule for exporters: The Directorate General of Foreign Trade (DGFT) has amended the Foreign Trade Policy 2023 to give Indian exporters greater flexibility in invoicing and receiving export payments in Indian rupees or foreign currencies. For exports outside the Asian Clearing Union (ACU), eligible rupee receipts routed through RBI-approved banking channels—except those relating to Nepal and Bhutan—will now qualify for FTP incentives and count towards the fulfilment of export obligations, placing them on par with foreign-currency earnings. Exports financed through EXIM Bank or Government of India lines of credit may also be invoiced in rupees. Separate rules continue for ACU members, Nepal, Bhutan and sensitive trade with Iran. Although the amendment removes regulatory uncertainty and supports rupee internationalisation, practical challenges remain, including limited rupee availability abroad, currency convertibility restrictions, trade imbalances, exchange-rate and hedging costs, complex banking procedures, and the continued dominance of the US dollar in global trade.

(Business Line)

FINANCIAL TERMINOLOGY

OPERATING LEVERAGE

- Operating leverage measures how strongly a change in revenue affects operating profit because of the organisation’s fixed-cost structure. Businesses with high fixed costs and relatively low variable costs have high operating leverage.
- Once the break-even point is crossed, incremental revenue can generate rapid profit growth. However, revenue decline can also cause a disproportionate fall in profit.
- Example: A bank invests Rs.500 crore in a digital lending platform. The initial technology and compliance costs are high, but the cost of processing each additional loan is relatively low. As loan volumes increase, the average processing cost declines and profitability improves substantially. If revenue increases by 10% while operating profit increases by 20%, the business demonstrates high operating leverage.

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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 : 95.6416
INR / 1 GBP : 130.1615
INR / 1 EUR : 111.7253
INR /100 JPY: 60.3500

EQUITY MARKET

Sensex: 77537.72 (+628.04)
NIFTY: 24231.85 (+153.55)
Bnk NIFTY: 57495.90 (+256.15)

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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- Guidance Note on Cost Control Strategies in the Banking Sector

CMA Harshad S. Deshpande, Chairman
Banking, Financial Services & Insurance Board (BFSIB)
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