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)

H.Q: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi – 110 003
Kolkata Office: CMA Bhawan, 12 Sudder Street, Kolkata – 700 016

DAILY NEWS DIGEST BY BFSI BOARD

26 August 2026

Overseas investments by Indians push remittances up 20% y-o-y in June: Indians' overseas investment appetite surged in June, with remittances into foreign equity and debt more than doubling year-on-year to hit a record high $0.46 billion. Travel remained the dominant reason for sending money abroad and grew 11 per cent YoY. As per the RBI bulletin released on Tuesday, the total outward remittances under Liberalised Remittance Scheme (LRS) rose by about 20 per cent year-on-year (y-o-y) to $2.5 billion in June. This was up 6 per cent month-on-month from May. The overall growth was driven by sharp increases in remittances towards 'deposits' and towards 'investment in equity and debt,' which grew at 75 per cent and 119 per cent YoY in June, respectively.
(Business Line)

Services exports help current account balance in Q1 FY27: India's current account deficit (CAD) remained contained at $3.1 billion in the first quarter of FY27, only marginally wider than the $2.9 billion recorded a year earlier, despite a sharp expansion in the merchandise trade gap, caused by sustained high global crude petroleum prices due to the effective closure of the Strait of Hormuz, following the West Asia crisis. Analysis of the latest balance of payments data from RBI shows that the goods deficit widened to $85.7 billion in Q1 of FY27 from $68.9 billion in Q1 of FY26. On the capital side, the account swung from a $7.4 billion net inflow in Q1 of FY26 to a $5 billion outflow in Q1 of FY27, led by a sharp reversal in foreign portfolio investment (FPI).
(Business Line)

Outward remittances under LRS surge 20% to $2.5 billion in June: RBI data: Outward remittances under the Liberalised Remittance Scheme (LRS) for resident individuals surged 19.9 per cent year-on-year (Y-o-Y) in in the April-June period of FY27 to $2.5 billion, owing to a rise in international travel and overseas investments, according to the RBI dataDuring the month, deposit-related remittances rose 67.95 per cent Y-o-Y to $70.74 million. Similarly, remittances for the purchase of equity and debt investments more than doubled to $456.7 million. Remittances for the purchase of immovable property also rose 31.5 per cent Y-o-Y to $49.66 million. The largest component — travel —rose 10.7 per cent YoY to $1.37 billion compared with last year.
(Business Standard)

SBI eyes $10 billion from NRIs, foreign investors ahead of RBI swap window closure: As RBI's concessional swap window draws to a close this month end, State Bank of India (SBI) Chairman C S Setty has expressed confidence that the bank would garner about $10 billion from non-resident Indians and foreign investors. "In aggregate, we must be reaching the $10 billion mark, predominantly coming from the deposit side. But there is visibility of ECBs. ECB, of course, will have a longer period available to us, but by August 31, we should have mobilised around $9-10 billion on a consolidated basis," he told PTI in an interview.
(Business Line)

Public sector banks more efficient than private sector banks, says EAC-PM paper: Contrary to popular perception, a working paper by the Economic Advisory Council to the Prime Minister (EAC-PM) has said that efficiency of public sector banks (PSBs) is much better than private banks and foreign banks. The paper, authored by Soumya Kanti Ghosh (Part-time member, EAC-PM and Group Chief Economic Advisor at State Bank of India) and Tapas Kumar Parida (Economist at State Bank of India) studied 47 banks for the period FY15 to FY26 and employed Data Envelopment

Analysis (DEA) to calculate efficiency and productivity of the banks. It studied 12 public sector banks, 21 private sector banks and 14 foreign banks. These banks cover more than 95 per cent of the assets of the banking system. Efficiency has been measured between 0 and 1, and the range is expressed in percentage terms
(Business Line)

Federal, Jana SFB merger buzz grows: Speculation over a merger between Federal Bank and Jana Small Finance Bank (Jana SFB) intensified on Tuesday after a television channel reported that the Kerala-based lender was in advanced talks to acquire a controlling stake in the small finance bank. CNBC-TV18, citing sources, reported that Jana SFB's promoter, Jana Holdings, is likely to sell its entire 16.9% stake to Federal Bank, a transaction that would trigger an open offer. Shares of Federal Bank fell 3% on the BSE on Tuesday, while Jana SFB slipped 2%. Since regulations bar one bank from owning another, investment bankers said any acquisition of a controlling stake would eventually have to culminate in a merger.
(Financial Express)

Carlisle Investors to approach PMO over alleged HDFC Bank mis-selling: A group of investors who bought Carlisle's life settlement product through HDFC Bank's Dubai operations are set to write to the Prime Minister's Office (PMO) this week, alleging mis-selling, substantial losses and years long denial of redemption. Investors are planning to write to the Prime Minister's Office this week. They allege mis-selling and substantial losses from a Carlisle product. The group also intends to approach the Reserve Bank of India. They are exploring legal action against HDFC Bank for alleged client-suitability lapses.
(Economic Times)

EAC moots consolidation to create a few large banks: India needs to consolidate banks into a few large ones of comparable size, without harming competition, to meet rising credit needs to achieve Viksit Bharat by 2047, suggested a paper by the Economic Advisory Council to the prime minister (EAC-PM). Banks will increasingly focus on data-driven customer experiences and AI automation. The banking sector has seen significant positive changes since 2014. Future agendas include mobilizing stable deposits and deepening productive lending.
(Economic Times)

US targets four Indian firms in 'Operation Economic Outcast' against Iran: The US has sanctioned four India-based companies for their alleged involvement in importing Iranian petroleum and petrochemical products, as Washington expands its economic pressure on Tehran under a new campaign – Operation Economic Outcast – aimed at choking Iran's finances. The four Indian companies named by the US State Department are Portease Partners LLP, Sadashiva Overseas Ltd, PP Softtech Pvt Ltd and Prakrutees Infra Impex India Pvt Ltd. Operation Economic Outcast' is an "economic onslaught against Iran's financial connections around the globe",
(Business Line)

Govt to ease BIS rules for high-tech manufacturers: Goyal: The government will create a framework of exemptions from compliance with standards mandated by the Bureau of Indian Standards (BIS) for high-tech companies looking to set up manufacturing bases in India, Commerce and Industry Minister Piyush Goyal said on Tuesday. "We have already instructed BIS and the Ministry of Commerce and Industry to work on a framework to support high-tech industry, not necessarily only Japanese companies coming in to promote the Make in India programme," the minister said at a roundtable on semiconductors and artificial intelligence in Tokyo. The framework for exemptions from BIS certification will cover equipment and components that companies need to bring to India to support their manufacturing operations.
(Financial Express)

Japanese financial institutions seek greater access to India markets: Japanese financial institutions have sought simplification of processes for profit repatriation, improving access to Indian capital markets and ensuring greater regulatory predictability for long-term investors in their meetings with Commerce and Industry Minister Piyush Goyal on Tuesday. In Tokyo the talks between the minister and Japanese financial and investment institutions focussed on strengthening long-term capital flows, deepening investment partnerships and expanding Japanese participation in India's growth story. The discussions assume significance in the context of the India-Japan objective of mobilising 10 trillion yen ($ 68 billion) of Japanese private investment into India over the next decade.

(Financial Express)

Regional rural banks told to speed up tech adoption: The finance ministry has asked regional rural banks, or RRBs, to accelerate the adoption of modern banking technology and the digital delivery of financial services to improve operational efficiency and customer experience. Net profit of RRBs increased to an all-time high of Rs.10,176 crore in FY26, as compared to a consolidated net profit of Rs.6,820 crore in FY25. In a statement, the finance ministry noted that after a review meeting of RRBs, financial services secretary Sanjay Lohia urged sponsor banks to handhold RRBs in their growth journey, particularly in strengthening IT infrastructure.

(Economic Times)

PSBs turn 'Banking for Youth' into an entry-level hiring pipeline: Public-sector banks (PSBs) are preparing to use the Ministry of Youth Affairs and Sports' 'Mera Yuva Bharat' (MY Bharat) portal to offer internships and training to young people and build a pipeline for entry-level recruitment, days after Finance Minister Nirmala Sitharaman asked them to become more youth-friendly to attract the next generation of customers. Under the month-long 'Banking for Youth' initiative from October 2, PSBs plan to accelerate acquisition of young customers and expand outreach through financial literacy and digital banking programmes, while also offering internship opportunities and entry-level jobs to youth.The banks plan to train young people registered on the MY Bharat portal through internships under the Prime Minister Internship Scheme. The trained candidates could subsequently be considered for entry-level positions at PSBs, a government official said.

(Business Standard)

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FINANCIAL TERMINOLOGY

EQUATION OF EXCHANGE

- The equation of exchange is an economic identity that shows the relationship between the money supply, the velocity of money, the price level, and an index of expenditures.
- It says that the total amount of money that changes hands in the economy will always equal the total money value of the goods and services that change hands in the economy.
- In its basic form, the equation says that the total amount of money that changes hands in an economy equals the total money value of goods that change hands, or that nominal spending equals nominal income.
- The equation of exchange has been used to argue that inflation will be proportional to changes in the money supply and that total demand for money can be broken down into demand for use in transactions and demand to hold money for its liquidity.

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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 : 95.7143
INR / 1 GBP : 130.4155
INR / 1 EUR : 111.5748
INR /100 JPY: 60.0700

EQUITY MARKET

Sensex: 77656.09 (+286.98)
NIFTY: 24334.55 (+115.50)
Bnk NIFTY: 57514.20 (-11.75)

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