

DAILY NEWS DIGEST BY BFSI BOARD

27 May 2026



ECONOMY

New IIP series to track debit cards, CCTV cameras, stents and vaccines as govt updates industrial basket: India's new industrial production numbers will track newer industrial products such as magnetic stripe cards including debit and credit cards, CCTV cameras, non-woven textile articles, aircraft and spacecraft parts, stents and vaccines, as the government updates the country's factory output gauge to better reflect changes in the economy. The Ministry of Statistics and Programme Implementation is revising the base year of the IIP from 2011-12 to 2022-23, with the new series planned for release on June 1. Government is adding 120 new item groups to the series, while 64 will be dropped.

(Moneycontrol)

India, US sign critical minerals framework to deepen cooperation; protect against `coercive practices`: India and the US, on Tuesday, signed a bilateral critical minerals framework to deepen cooperation across the critical minerals and rare earths supply chain protecting it from "coercive market practices" amid Chinese restrictions disrupting supplies. "Through this framework, the United States and India will engage in international efforts to protect sensitive supply chains from coercive market practices and reduce our collective vulnerability to single-source monopolies," per a statement issued by the US Embassy in India.

(Business Line)

Fuel price hikes may push retail inflation to 5% by June, say economists: Fuel price hikes and higher import duties on gold and silver could push retail inflation to 5 per cent by June, but the RBI will wait and watch till the impact of fuel price hike settles in before tightening interest rates in the second half of the fiscal year, economists said. Over a period of 11 days, starting May 15, petrol prices have been increased by Rs 7.38/ltr and diesel prices by Rs 7.48/ltr with some inter-city variation. These price hikes will directly cascade into impacting prices in sectors where petrol and diesel are used as inputs such as transport and storage and to some extent electricity..

(Business Line)

BANKING & FINANCE



India sees 15% jump in education loans, touches decade-high Rs.8.58 lakh crore in FY26: Rising tuition fees, growing overseas education aspirations, and wider lender participation pushed education loans from banks to their sharpest annual growth in a decade in FY26. Outstanding education loans from banks rose nearly 15 per cent YoY to Rs.8.58 lakh crore in FY26 from Rs.7.46 lakh crore in FY25, according to data from Reserve Bank of India's latest bulletin. The loan book had contracted in FY22 and FY23 before recovering in the last two fiscals.

(Business Line)

Insurance CEO pay tied to customer outcomes, transparency under revised IRDAI norms: Poor returns on life insurance savings products or delays in settling claims and grievances in health and motor insurance could now directly hit the pay packets of top insurance executives. The insurance regulator has mandated that at least 50% of the variable pay and incentives of key managerial personnel (KMPs) at insurance companies be tied to parameters such as product performance, claim responsiveness, grievance redressal and policy persistence from FY27. Under the revised framework, six broad parameters including overall financial soundness, product performance, claim responsiveness, grievance redressal, implementation of Indian

Accounting Standards, and removal of “dark patterns” in customer interactions will together carry a 50% weightage in the assessment of performance-linked pay and incentives for KMPs. Of this, accounting standards implementation and dark pattern removal will carry a 10% weightage each, while the remaining 30% weightage will be determined by the board.

(Financial Express)

ATM cash loaders demand more money to cover increasing expenses: Cash logistics firms are urging banks for higher ATM replenishment fees due to escalating operational costs. Soaring fuel prices and increased minimum wages are pushing expenses up by an estimated 15-20%. A surge in replenishment trips, driven by demand-supply gaps, further inflates fuel expenses. The industry is exploring ways to optimize trips to manage these rising costs.

(Economic Times)

Banks seek RBI guidance as multiple nominations create claim settlement hurdles: Banks are facing difficulties settling claims when multiple people are nominated on accounts. This is causing operational problems for financial institutions. They are now seeking guidance from the Reserve Bank of India. Existing rules allow up to four nominees. Issues arise when nominees do not claim jointly. Courts have also added to the confusion with differing judgments.

(Economic Times)

ICICI Bank adds most credit cards in April amid rising competition: ICICI Bank added the highest number of new credit cards among India's top five issuers in April, signalling intensifying competition for cardholder market share, Reserve Bank of India data showed. ICICI Bank recorded 151,823 net new issuances, while SBI Cards came in second with 138,990 additions and HDFC Bank recovered strongly with 128,525 additions.

(Economic Times)

INDUSTRY OUTLOOK



Coal India OFS opens May 27; government plans sale of up to 2% stake: The Government of India will divest up to a 2% stake in Coal India Limited (CIL) through an Offer for Sale (OFS) scheduled over May 27 and May 29, according to a stock exchange filing by the state-owned mining company on Tuesday. The government has fixed the floor price at Rs.412 per equity share, nearly 10% lower than Coal India's closing price of Rs.455.90 on the NSE, offering investors an opportunity to buy shares at a discount. Under the proposed OFS, the government plans to sell 6.16 crore equity shares, representing 1% of Coal India's total paid-up equity capital, as the base issue size. It has also retained a greenshoe option to sell an additional 6.16 crore shares in case of oversubscription. If fully exercised, the total offer size will increase to 12.32 crore shares, equivalent to a 2% stake sale.

(Business Today)

QUAD to mobilise \$ 20 billion for critical minerals: The informal strategic alliance of US, India, Japan and Australia on Tuesday announced its intention to mobilise \$ 20 billion through government and private sector for development of secure critical mineral supply chains. The meeting of the foreign minister of Quadrilateral Security Dialogue or Quad partners launched the Critical Minerals Initiative that plans to use economic policy tools and coordinated investment to accelerate the development of diversified and fair critical mineral markets.

(Financial Express)

Credit guarantee scheme: Loan limit for large MFIs increased to Rs.1K crore: NCGTC has revised the loan limit for large microfinance institutions (MFIs) — those with assets under management (AUM) of Rs.2,000 crore and above — under its credit guarantee scheme to Rs.1,000 crore from the Rs.300 crore notified in March. The Credit Guarantee Scheme for Microfinance Institutions 2.0 (CGSMFI 2.0) was announced in March to provide guarantee cover to commercial banks and all-India

financial institutions for loans extended to non-banking financial company microfinance institutions (NBFC-MFIs) and other MFIs, for on-lending to existing or new small borrowers. Under the scheme, loans of up to Rs.20,000 crore were to be guaranteed by NCGTC.

(Business Standard)



REGULATION & DEVELOPMENT

SEBI eyes equity-style norms for debt, to pilot tokenised bond market: SEBI is reviewing whether listed debt securities should be subject to disclosure requirements on par with those for listed equities, its chief said at an event on Tuesday, as it also moves ahead with plans to pilot tokenisation of corporate bonds to modernise the market. Securities and Exchange Board of India (SEBI) is reviewing whether listed debt should have disclosure norms similar to listed equity to enhance transparency and investor protection in debt markets, chairman Tuhin Kanta Pandey said.

(Business Line)

IBC 2.0 takes effect as MCA notifies major insolvency reforms: The Ministry of Corporate Affairs (MCA) has notified May 26 as the appointed date for bringing into force 57 clauses, along with parts of four other clauses, of the Insolvency and Bankruptcy Code (Amendment) Act, 2026, marking the formal rollout of “IBC 2.0”. The operationalised provisions include creditor-led resolution mechanisms, an overhaul of the liquidation process, stricter timelines and measures aimed at reducing delays in insolvency proceedings. The Amendment Act was notified on April 6 after Parliament passed the legislation during the Budget Session, incorporating all 11 recommendations of the Select Committee along with an additional government amendment mandating the Committee of Creditors (CoC) to formally record reasons for selecting the successful resolution applicant. First, the amendments are about speed and certainty. Second, they introduce a major structural shift through the new creditor-initiated insolvency resolution process, where debtors remain in possession while creditors remain in control, similar to frameworks followed in several foreign

jurisdictions. Third, the amendments firmly place creditors in the driver's seat while cleaning up grey areas in the law," he said.

(Business Line)



FINANCIAL TERMINOLOGY

GREENSHOE OPTION

- A greenshoe option (or over-allotment option) is a legal clause in an initial public offering (IPO) underwriting agreement. It allows underwriters to sell up to 15% more shares than originally planned if investor demand exceeds expectations. This mechanism provides price stability by helping underwriters smooth out extreme price fluctuations in the secondary market.
- The lead underwriter sells more shares to the public than the issuing company initially authorized, borrowing these extra shares from major existing shareholders (promoters).
- If the stock price drops below the IPO offer price: The underwriter buys back the extra shares in the open market to fulfill their promise to return the borrowed shares. This creates artificial demand, preventing the stock from crashing.
- If the stock price rises above the IPO offer price: The underwriter exercises the greenshoe option, purchasing the new shares directly from the issuing company at the original offering price to cover the borrowed shares.



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 : 95.4437

INR / 1 GBP : 128.6416

INR / 1 EUR : 111.0507

INR /100 JPY: 60.6000

EQUITY MARKET

Sensex: 76009.70 (-479.26)

NIFTY: 23913.70 (-118.00)

Bnk NIFTY: 55092.90 (-200.75)

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TEAM BFSIB

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

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