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

29 August 2026

IIP growth eases to 6.7% in July: Growth in India's industrial output, as measured by the Index of Industrial Production (IIP), slowed to 6.7% in July from a 27-month high in June, mainly because of a contraction in the mining output, data released by the Ministry of Statistics and Programme Implementation on Friday showed. A slowdown in manufacturing and electricity growth also weighed on the headline print. IIP growth last month eased from an upwardly revised 8.8% in June, which is the highest growth since March 2024. Industrial output had grown 5.4% in July 2025. Sequentially, the general index was unchanged from June.
(Financial Express)

Govt achieves 78% of FY27 divestment, asset monetisation Budget target in Apr-Aug: The government has achieved about 78 per cent of the FY27 budgeted disinvestment and asset monetisation target of Rs.80,000 crore within 5 months of the financial year. The government has raised Rs.55,757 crore so far this fiscal through minority stake sale in 9 PSUs, including the big ticket ones like LIC and Coal India, as well as strategic sale of Indian Medicines Pharmaceuticals Corporation Ltd and remittances from SUUTI. More than half of the disinvestment proceeds came from the 6.5 per cent stake sale in Life Insurance Corp (LIC) which garnered Rs.31,515 crore. Further, a 2 per cent share sale in Coal India fetched about Rs.5,542 crore, while a 6.01 per cent stake dilution in NHPC fetched Rs.4,357 crore to the exchequer.
(Business Line)

FinMin urges ministries to give realistic projections for FY28 Budget: The Ministry of Finance has started the Union Budget exercise for the next financial year by asking all line ministries and departments to give realistic projections for FY27 revised estimates and FY28 estimates, a person privy to the development said. Ministries have also been told to include proper expenditure estimation in their proposals to obviate the need for routine, frequent mid-year re-appropriations, said the person. Ministries and departments have also been explicitly told to ensure that all allocations sought are in line with the approval of the competent authority, the person said.
(Business Standard)

Bankers question role of RP in the Subhash Chandra case and how net worth was computed: The settlement offered by Zee Group founder Subhash Chandra in the Rs.22,000-crore borrowing case has put the spotlight on the personal guarantee process, particularly with regard to personal net worth, creditor qualification and the role of resolution professionals, bankers told ET. Dissenting banks say unresolved pleas for a forensic audit and asset trailing to be conducted on Subhash Chandra's financials to probe how his networth fell from more than Rs 40,562 crore when he issued the guarantees to Rs 32 crore in 2025, the crowding out of lenders by related party entities in the committee of creditors (CoC), and the role of resolution professional (RP) Shiv Nandan Sharma in admitting questionable entities as creditors highlights the difficulties in recovery in high-profile cases.
(Economic Times)

Bank credit, deposits decline in fortnight ended August 15: RBI data: The banking sector saw contraction in both credit and deposits outstanding in the fortnight ended August 15, Reserve Bank of India's latest weekly data showed. A net Rs 6534 crore of deposits were withdrawn from the banking system in the fortnight ending August 15 even as banks continued to amass foreign currency denominated funds from non-residents, Reserve Bank of India data showed. This slowed the pace of year-on-year deposit growth to 14.7% at the end of August 15 from the decade-hgh print of 15.4% recorded in the preceding fortnight. The outstanding bank deposits at the end of the latest reporting cycle stood lower at Rs 269.31 lakh crore. Banks' credit outstanding also came down by Rs 70639 crore during the fortnight under review to Rs 220.08 lakh crore. The credit growth print also contracted to 18.3% against 19.3% in the preceding 15-day period, data showed.

(Economic Times)

Indian Bank's Rs.1,500 crore treasury bet comes with a gold push: CEO Binod Kumar: Indian Bank anticipates treasury income between Rs 1,000 and Rs 1,500 crore this fiscal year. The lender expects its gold loan book to surpass Rs 1.5 lakh crore during this period. Gross non-performing assets are targeted to decrease to 1.5-1.6 percent by year-end. The bank plans to sell Rs 200 crore in bad loans to an asset reconstruction company. During the first quarter, the bank anticipated an overall treasury income of Rs 300 crore, but actually earned Rs 500 crore, much better than expected, Indian Bank MD and CEO Binod Kumar told PTI in an interaction.

(Economic Times)

NBFCs enter new cyclical recovery, PAT seen rising 24% in FY27: Non-banking financial companies are entering a new cyclical recovery phase. Loan growth and asset quality improvements are expected to drive earnings higher. Profit after tax for NBFCs is projected to grow significantly in upcoming fiscal years. However, geopolitical risks and monsoon conditions pose potential challenges to this recovery. Interest rates may also rise, impacting funding costs and profit margins for some firms.

(Economic Times)

REIT fundraising nearly doubled to Rs.9,300 crore in FY26, InvIT collections fell 21%: Fundraising through Real Estate Investment Trusts (REITs) nearly doubled to Rs.9,300 crore in FY26, even as the number of issues remained low at three, indicating larger capital mobilisation through individual offerings. In contrast, Infrastructure Investment Trusts (InvITs), despite seeing an increase in the number of issues, saw fundraising decline by 21 per cent to Rs.21,026 crore.In FY25, REITs had raised Rs.4,728 crore through two issues. Consequently, the average amount raised per issue in the year ended March 2026 rose 31 per cent to Rs.3,100 crore from Rs.2,364 crore a year ago.

(Business Line)

Fitch Ratings upgrades RIL's Long-Term Local-Currency Issuer Default Rating to 'A-': Fitch Ratings has upgraded Reliance Industries Ltd's (RIL) Long-Term Local-Currency Issuer Default Rating (IDR) to 'A-' from 'BBB+'. The Outlook is Stable. The rating upgrade is driven by the rating agency's expectation that RIL will sustain positive free cash flow (FCF) generation on higher EBITDA and lower capex intensity. At the same time, the agency has affirmed RIL's Long-Term Foreign-Currency IDR at 'BBB', which is one notch above India's Country Ceiling of 'BBB-', with a Stable Outlook.

(Business Standard)

CII taskforce seeks new green finance institution for sustainability goals: A high-powered taskforce set up by the Confederation of Indian Industry (CII) has recommended to the government a new green finance institution to create a transparent pathway for investments in climate, streamlining and strengthening the Securities and Exchange Board of India (Sebi)-mandated Business Responsibility and Sustainability Reporting Framework (BRSR) and broadening sustainability reporting.

(Business Standard)

NBFC body urges RBI to ease proposed curbs on revolving credit products: The Finance Industry Development Council (FIDC), the representative body of non-banking finance companies (NBFCs), has urged the Reserve Bank of India (RBI) to reconsider its proposed restrictions on revolving credit products, according to a letter seen by Business Standard. The industry body has asked the RBI to allow NBFCs to restore or replenish the principal amount repaid by a borrower ahead of schedule, subject to safeguards. FIDC said a blanket restriction could affect several loan products used by micro, small and medium enterprises (MSMEs) and individuals, including supply chain finance, working capital loans, and loans against securities. Under the RBI's proposed framework, once a term loan is disbursed, the sanctioned limit cannot be restored or replenished after the borrower repays the whole or part of the principal. FIDC said this could increase the interest burden for small businesses, whose funding needs often change based on their cash flows.

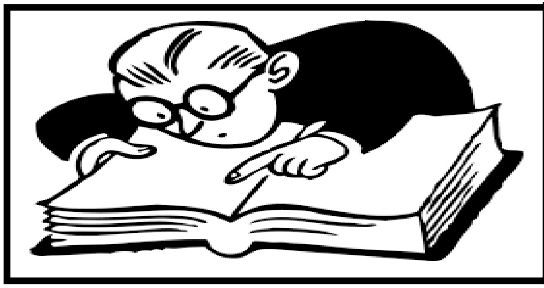
(Business Standard)

MCA likely to ease three-year cooling-off period for auditors: The Ministry of Corporate Affairs (MCA) is likely to tone down its plan for mandating a three-year cooling off period for statutory auditors after an audit engagement, which was proposed in the Corporate Laws (Amendment) Bill, 2026 tabled in Parliament in March, two persons aware of the development said. Instead of a blanket ban on all non-audit services during the cooling off period as originally proposed, the ministry is considering limiting the ban to a list of prohibited services already listed in the Companies Act, the persons said. That means, during the cooling off period between statutory audits, the auditor can offer permissible non-audit services to the same client.

(Business Standard)

Govt to buy back Rs.30,000 cr securities on Sep 3 amid surplus liquidity: The Reserve Bank of India (RBI) on Friday announced the buyback of government securities worth Rs 30,000 crore on September 3. The auction will take place on September 3, between 10:30 AM and 11:30 AM on the Reserve Bank of India Core Banking Solution (E-Kuber), the RBI said in a notification. The government will buy back securities such as 7.33 per cent GS 2026, 5.74 per cent GS 2026, 8.15 per cent GS 2026, and 8.24 per cent GS 2027, the notification said.

(Business Standard)



FINANCIAL TERMINOLOGY

VARIABLE RATE REVERSE REPO RATE (VRRR)

- The Variable Rate Reverse Repo Rate (VRRR) is a liquidity-absorption mechanism used by the Reserve Bank of India to withdraw surplus funds from the banking system. Under VRRR auctions, banks and other eligible participants place their excess funds with the RBI for a specified period and quote the interest rate at which they are willing to lend.
- Unlike the fixed-rate Standing Deposit Facility (SDF), the interest rate under VRRR is determined by market bids. The auction may be conducted for different tenors, such as overnight, 7-day or 14-day periods, depending on liquidity conditions. VRRR is part of RBI's liquidity-management framework and helps absorb surplus liquidity, improve monetary-policy transmission and keep the weighted average call rate close to the policy repo rate.

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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 : 95.5614
INR / 1 GBP : 129.8867
INR / 1 EUR : 111.2956
INR /100 JPY: 59.9200

EQUITY MARKET

Sensex: 77264.51 (+330.92)
NIFTY: 24175.65 (+84.80)
Bnk NIFTY: 57496.30 (-13.65)

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