ICMAI
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
भारतीय लागत लेखाकार संस्थान
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

31 July 2026

ECONOMY

Dividend windfall, disinvestment receipts give fiscal cushion: Higher-than-expected dividend and surplus payouts from the Reserve Bank of India and state-run financial institutions have provided the much-needed fiscal leeway to the Centre. Total collections under this head have outpaced the full-year Budget Estimate of Rs.3.19 lakh crore, possibly blunting the impact of an anticipated moderation in direct tax buoyancy. Budget Estimates (BE) for ‘dividend/surplus of the Reserve Bank of India, nationalised banks and financial institutions have been pegged at Rs.3.16 lakh crore, which is nearly 47 per cent of non-tax revenue of over Rs.6.66 lakh crore. As of July 30, total collections under the said head crossed over Rs.3.24 lakh crore after Life Insurance Corporation of India (LIC) gave a dividend of over Rs.12,000 crore for FY26.
(Business Line)

India’s gold demand falls 6% as volatile prices turn away consumers: With jewellery demand dropping to the second lowest in the second quarter since 2000, India’s gold demand in the June quarter declined by 6 per cent to 131 tonnes. This was because volatile prices forced consumers to postpone their jewellery purchases. However, demand for in terms of value was up 50 per cent to Rs.1.98 lakh crore against Rs.1.32 lakh crore logged in the same period last year, according to the Gold Demand Trend report released by World Gold Council on Thursday. Jewellery demand plunged 15 per cent to 75 tonnes against 89 tonnes.
(Business Line)

Gold climbs as weaker dollar, easing inflation lift bullion prices: Gold rose on Thursday as the U.S. dollar weakened and inflation eased, with traders dialing back bets on interest rate hikes a day after Federal Reserve Chair Kevin Warsh offered little clarity on policy. Spot gold was up 1% at $4,104.59 per ounce by 1:40 p.m. EDT (1740 GMT). U.S. gold futures for August delivery gained 1.6% to settle at $4,160.60. The dollar fell 0.8% as the yen strengthened, while traders remained on alert for possible intervention by Japanese authorities to prop up the battered currency. A weaker dollar makes greenback-priced bullion more affordable for buyers overseas.

(Business Standard)

BANKING & FINANCE

SFBs post healthy Q1 on robust NIM, better asset quality: Small finance banks (SFBs) reported a healthy set of June quarter earnings, with strong loan growth and lower credit costs driving a broad-based recovery in profitability. Asset quality also improved as stress in the microfinance portfolio eased. The improvement in earnings was broad-based. According to data from Capitaline, AU Small Finance Bank remained the largest profit contributor, reporting a 37% year-on-year (YoY) rise in net profit to Rs 796 crore. Ujjivan Small Finance Bank posted the strongest growth, with profit more than tripling to Rs 317 crore, while Suryoday SFB's net profit more than doubled to Rs 75 crore. Equitas Small Finance Bank returned to profit after reporting a loss a year earlier, while Jana SFB and Capital Small Finance Bank also posted double-digit growth in net profit.

(Financial Express)

Mid-tier private banks rake in more low-cost deposits: Select mid-sized private banks outperformed their larger rivals in mobilising low-cost deposits during the June quarter, with IDFC First Bank, Bandhan Bank and Federal Bank reporting a sharp year-on-year improvement in their current and savings account (Casa) ratios. "Our Casa was only 10% initially. For the first three or four years of taking over management of this bank, we slowed down the loan book and focused on building the Casa ratio to

50%," V Vaidyanathan, MD and CEO, IDFC First Bank, told ET in an interview. "If we had kept growing the loan book, we could never have addressed structural issues like this. I believe in playing the long game in every format."
(Economic Times)

RBI gives banks more time to implement bulk deposit rate norms, deadline now Oct 1: Banks now have until October 1 to implement new differential interest rate rules. These norms allow varied rates on bulk deposits considering liquidity coverage ratios. The Reserve Bank of India has extended the implementation deadline after bank feedback. Rates for deposits under Rs 3 crore remain outside these new stipulations. Banks must now disclose bulk deposit rates online by 10:00 am daily.
(Economic Times)

Govt tweaks MFI credit guarantee rules to boost scheme utilisation: In a bid to increase utilisation of the credit guarantee scheme for microfinance institutions (MFIs), the National Credit Guarantee Trustee Company Ltd (NCGTC) has decided to club a minimum percentage of loans that needs to be extended to small and medium size MFIs. According to the new norms, banks need to lend at least 15 per cent of their total corpus of Rs.20,000 crore to small- and mid-size MFIs, as compared with 5 per cent and 10 per cent earlier. The maximum amount of loan which can be sanctioned by banks is capped at 20 per cent of Assets under Management (AUM) of NBFC-MFIs and MFIs, subject to maximum of Rs.100 crore to small-size, Rs.200 crore to medium-size and Rs.1,000 crore to large-size micro lenders.
(Business Standard)

RBI allows banks to link bulk deposit rates to liquidity profile: The Reserve Bank of India (RBI) has given banks greater flexibility in pricing bulk deposits, allowing them to offer differential interest rates based on the liquidity characteristics of such deposits under the LCR framework. The central bank, however, has retained the broader principle of uniformity in deposit pricing. Interest rates offered on deposits, including bulk deposits, must be uniform across all branches and customers, and banks cannot discriminate between deposits of a similar amount accepted on the same date at any of their offices, the central bank said. “A bank shall have the freedom to offer differential interest rate on bulk deposits, by considering the differential run-off rate applicable to deposits or unsecured wholesale funding under the LCR framework," it said.

(Economic Times)

INDUSTRY OUTLOOK

Zepto pauses IPO, seeks Rs 1,000 crore pre-IPO funding: Quick commerce firm Zepto has put its initial public offering (IPO) plans on hold after domestic institutional investors balked at the valuation it was seeking, prompting the company to instead pursue a pre-IPO fund raise of more than Rs 1,000 crore ($105 million) from existing investors, sources said. The company is in discussions to raise the capital at a valuation of around $4-4.2 billion, well above the $2.5-3 billion that domestic mutual funds were willing to ascribe to the company for the IPO, sources said.

(Financial Express)

Adani rules out airline plans, says June letter backed regional aviation: Adani Group has clarified that its June representation to the government was intended to strengthen India's regional aviation ecosystem and should not be interpreted as a precursor to launching an airline, dismissing recent media reports that suggested the conglomerate was exploring an aviation venture. Speaking to analysts after Adani Enterprises' Q1 FY27 earnings on Tuesday, Group CFO Jugeshinder Singh said the company's interest in regional aviation stems from its position as one of India's largest airport operators and its belief that stronger regional connectivity is essential for the long-term growth of the country's airport network.

(Financial Express)

Microsoft's $450 billion jump is biggest in stock market history: Microsoft Corp. made market history on Thursday, adding nearly half a trillion dollars to its value, the most by any stock in a single day. Shares of the Redmond, Washington-based company soared 16%, their biggest gain since October 2008, to add roughly $450 billion to its market capitalization. The move eclipses Nvidia Corp.'s $440 billion

addition, following President Donald Trump's announcement of a 90-day tariff pause last year, as the biggest ever, according to data compiled by Bloomberg.
(Moneycontrol)

REGULATION & DEVELOPMENT

India rises from 82nd to 57th in global rankings, in structural and pro-competitive reforms: India has advanced 25 places in the global rankings, from 82nd to 57th, reflecting significant progress in structural and pro-competitive reforms between 2010 and 2023, according to the report India's Next Growth Frontier: Reducing Anti-Competitive Market Distortions to Build on India's 2010–2023 Reform Progress, released by the Competere Foundation. The report assesses India's performance under its Market Distortions Performance Index, examining the country's reform trajectory between 2010 and 2023, and attributes the improvement to sustained efforts in reducing market distortions and strengthening competitiveness. The report was launched during a discussion on "India's Reform Trajectory, Market Distortions and the Next Frontier for Growth and Competitiveness", organised by the Centre for Trade and Investment Law (CTIL), Indian Institute of Foreign Trade (IIFT), New Delhi, in collaboration with the Competere Foundation for Trade and Competition Policy, at the India Habitat Centre, New Delhi.
(PiB)

DFS Launches Protection & Indemnity Insurance Product under Bharat Maritime Insurance Pool (BMIP): he Department of Financial Services, Ministry of Finance held an event chaired by Secretary, DFS today in New Delhi to launch India's first sovereign-backed Protection & Indemnity insurance product under Bharat Maritime Insurance Pool (BMIP), designed by the New India Assurance Company Limited. The Secretary, DFS handed over the first P&I policy document to Shipping Corporation of India Limited issued by the New India Assurance Company Limited under BMIP, providing financial protection against third party liabilities including Crew & Cargo

liability, pollution liability, wreck removal, 24x7 port correspondent network with indemnity limit upto USD 1.5 billion, through the combined capacity of the pool.
(PiB)

State insurers quote low premiums to win NPCIL nuke insurance cover: Oriental Insurance and United India, both with solvency ratios significantly below the regulatory minimum, have undercut each other to win a nuclear insurance contract where bids to cover the unusual risks dropped to nearly a third of the budgeted premium, people familiar with the offers told ET. Nuclear Power Corp of India (NPCIL) had budgeted Rs 30.13 crore, including taxes, for insuring Tarapur units 3 and 4 under a one-year property damage programme, said sources. The reverse auction for covering the risk, however, saw bids fall dramatically, with Oriental Insurance quoting Rs 10 crore, United India Insurance Rs 10.98 crore, and New India Assurance Rs 28.9 crore, they added.
(Economic Times)

FINANCIAL TERMINOLOGY

YEARLY RENEWABLE TERM (YRT)

- Yearly renewable term is a one-year temporary life insurance policy that automatically continues each year at the same death benefit. When someone buys a YRT insurance policy, the premium quoted is for one year of coverage based on the insured's current age. Premiums then increase annually to cover the increased risk of death as the insured ages while keeping their policy in-force.
- Yearly renewable term life insurance, or YRT, provides one year of insurance that pays a tax-free death benefit to the policy's beneficiaries if the insured dies during that 12-month period. Each year (unless the policy owner cancels the coverage or stops paying premiums), the YRT renews at the same death benefit but charges a higher premium that reflects the insured's higher age. This type of life insurance is also called increasing premium term insurance or annual renewal term insurance.

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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 : 95.7327
INR / 1 GBP : 127.7116
INR / 1 EUR : 109.5817
INR /100 JPY: 58.5200

EQUITY MARKET

Sensex: 77928.15 (+273.55)
NIFTY: 24317.15 (+66.95)
Bnk NIFTY: 57147.50 (+58.40)

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