

## **DAILY NEWS DIGEST BY BFSI BOARD**

03 July 2026



### **ECONOMY**

**Japan bets Rs.1 lakh crore on India: Manufacturing, AI and semiconductors lead 120 new India-Japan deals:** Japan is significantly expanding its economic footprint in India, with investments worth nearly Rs.1 lakh crore spread across manufacturing, semiconductors, artificial intelligence (AI), green energy, finance and digital infrastructure. The investment push comes alongside 120 Memorandums of Understanding (MoUs) signed between India and Japan since August 2025, signalling that the bilateral relationship is evolving beyond trade into a broader technology and strategic partnership. The projects span multiple states, including Haryana, Gujarat, Maharashtra, Telangana, Assam and Meghalaya, and reflect India's growing importance in Japan's efforts to diversify supply chains and strengthen economic cooperation in the Indo-Pacific.

**(Business Today)**

**India's rupee denominated external debt up 10 percentage points over the last 15 years:** India's external debt profile has undergone a notable shift over the past decade and a half, with the share of rupee-denominated liabilities rising by 10.6 percentage points. Analysis of the data from the Reserve Bank of India (RBI) and the Department of Economic Affairs (DEA) shows that rupee-denominated debt accounted for 29.4 per cent of India's external debt at the end of March 2026, compared with 18.8 per cent at the end of March 2011.

**(Business Line)**

**US unemployment rate drops to 4.2% though employers added 57,000 jobs:** The US unemployment rate fell to 4.2% in June from 4.3% in May, even as employers added fewer jobs than expected. According to the US Bureau of Labor Statistics (BLS), nonfarm payrolls increased by 57,000 jobs in June, well below the 110,000 jobs economists had expected in a Reuters poll. Payroll growth was also sharply lower than the revised 129,000 jobs added in May. The May figure was revised down from 172,000, but April payroll growth was lowered from 179,000 to 148,000, bringing total revisions for the two months to 74,000 fewer jobs than previously reported.

*(Financial Express)*

## **BANKING & FINANCE**



**SBI targets Rs 1.20 lakh crore in fresh home loans in FY27:** State Bank of India (SBI) is targeting Rs 1.20 lakh crore in fresh home loan disbursements during the current financial year, aiming to increase its market share by one percentage point in one of the fastest-growing retail lending segments. With the planned addition, the country's largest lender expects its home loan portfolio to rise to Rs 10.64 lakh crore by the end of FY27 from Rs 9.44 lakh crore as of March 31, 2026. "The bank's retail loans, including housing and non-housing, grew about 15% in FY26 over the previous year, and we are seeing strong demand in the current fiscal as well. We are projecting to increase our home loan book by Rs 1.20 lakh crore in FY27," said SBI Managing Director Rama Mohan Rao Amara, who oversees the bank's retail business.

*(Financial Express)*

**Microfinance & gold rewriting Axis Bharat Banking loan book:** Axis Bank is witnessing a shift in the composition of its Bharat Banking portfolio covering rural and semi-urban regions — a reduction in the dominance of traditional farm lending as newer segments such as gold loans and microfinance grow at a faster pace. In the near term, the bank expects the change in the product mix to deepen and strengthen its profitability as well, Group Head-Bharat Banking Bipin Saraf said. Farmer finance and Bharat Enterprise remain the two largest segments within the portfolio, though with

a lower share. The share of farmer finance declined to 37% at the end of March from 43% a year ago while Bharat Enterprise — which finances the broader rural value chain including warehouses, traders and processors — fell to 29% from 32%.

**(Financial Express)**

**Bank of Baroda to pay \$600 million to settle NMC Health insolvency claims:** Bank of Baroda has agreed to a \$600 million settlement with administrators of the insolvent NMC Health Plc. The bank faced allegations of gross negligence, failing to conduct proper due diligence, and allowing fraudulent transactions without adhering to anti-money laundering and KYC norms. This payout, significantly exceeding its reported exposure, aims to resolve claims from NMC Health and its affiliates, stemming from a fraud discovered between 2012-2020.

**(Economic Times)**

**Banks' loan growth outpaces deposit growth in Q1 across public, pvt lenders:** Commercial banks that have announced their business updates for the April-June quarter of the current financial year showed loan growth outpaced deposit growth. Punjab National Bank posted 11.74 per cent year-on-year (Y-o-Y) growth in domestic advances to 12.06 trillion as of June 30, 2026, while domestic deposits grew 8.63 per cent Y-o-Y to 16.70 trillion. Another large public sector bank (PSB), Bank of Baroda, saw its domestic advances grow 16.14 per cent Y-o-Y to 11.51 trillion and domestic deposits increase 14.74 per cent Y-o-Y to 13.82 trillion as of June 30, 2026.

**(Business Standard)**

**RBI keeps 8.05% bond rate unchanged:** RBI has kept the interest rate on its Floating Rate Savings Bond (FRSB) unchanged at 8.05 per cent for the next six months, giving investors a state-backed fixed-income option that offers higher returns than several popular savings schemes and bank fixed deposits. The RBI said the coupon rate on the Floating Rate Savings Bond 2020 (Taxable) from July 1 to December 31, 2026, will remain at 8.05 per cent. The rate remains unchanged because the bond's return is linked to the National Savings Certificate (NSC) interest rate. The government recently retained the NSC rate at 7.7 per cent for the second quarter of financial year 2026-27. The RBI bond carries a 0.35 per cent additional spread over the NSC rate, keeping its coupon at 8.05 per cent.

**(Business Standard)**

## INDUSTRY OUTLOOK



**Adani Enterprises, Abu Dhabi's IRH to invest \$11.5 billion in Odisha:** Adani Enterprises Ltd (AEL) and Abu Dhabi-based International Resources Holding (IRH), a unit of IHC group company, on Thursday signed a deal with the Odisha government to set up an integrated aluminium project for a proposed investment of \$11.5 billion (about Rs.1.08 trillion). Billed as India's largest foreign direct investment (FDI) in mining and metallurgy and the biggest FDI proposal for Odisha, the project will be developed through a 50:50 joint venture between AEL and IRH. It is expected to position the mineral-rich state as a key player in the global aluminium supply chain, while significantly strengthening India's ambitions of becoming a global hub for value-added aluminium manufacturing.

**(Business Standard)**

**After WhatsApp, IT Ministry sends notices to Telegram, Signal:** After sending a notice to WhatsApp, the IT Ministry has now sent a notice to Telegram and Signal, raising questions on their existing username feature and asking how the platforms are addressing concerns related to fraud and impersonation, according to a source. Sources said that in the notice to Telegram, the government has asked the platform why it should be allowed to retain the username feature. On Wednesday, the Centre issued a notice to Meta over the username feature on WhatsApp, citing concerns that it could materially increase online fraud, phishing, digital arrest scams, and impersonation attacks. It had also directed WhatsApp to pause the feature until consultations on the issue are completed "to the satisfaction of the Government".

**(Business Standard)**

**West Asia crisis caused Rs.74,781 cr loss on fuel sales for oil firms: Puri:** State-run oil marketing companies (OMCs) incurred losses of Rs.74,781 crore on the sale of petrol, diesel and liquefied petroleum gas (LPG) up to June 30 as a spike in global crude oil prices raised input costs, Union Petroleum Minister Hardeep Singh Puri said

on Thursday. Speaking to reporters, Puri said the losses were linked to the sharp rise in international crude prices during the West Asia conflict, even as fuel continued to be sold domestically at prices below cost. He said that although global crude prices have eased in recent weeks, the impact of the earlier surge is still being felt because refiners are processing crude purchased when prices were significantly higher.

**(Business Standard)**



## REGULATION & DEVELOPMENT

**SEBI plans shift to INR-denominated fees for FPI, FVCI:** The Securities and Exchange Board of India (SEBI) has decided to shift the payment of registration and related fees by Foreign Portfolio Investors (FPIs) and Foreign Venture Capital Investors (FVCIs) from US dollars to Indian rupees, with the changes set to be implemented within six months of the notification. Fees will be specified in rupee terms, while FPIs and FVCIs will continue to pay the equivalent amount in eligible foreign exchange to their Designated Depository Participant (DDP).

**(Business Line)**

**IBBI proposes recovery clarity for guarantors, tighter valuation norms:** The Insolvency and Bankruptcy Board of India (IBBI) on Thursday proposed operationalising the recent withdrawal of interim moratorium protection for personal guarantors while tightening the valuation framework by requiring creditors' approval for appointing valuers and keeping valuation reports confidential until resolution plans are received. In a discussion paper, the insolvency regulator said, "The proposals are aimed at plugging identified gaps, reducing procedural uncertainty, and aligning the regulatory framework with legislative developments under the Amendment Act, 2026." Earlier, an interim moratorium came into effect from the time an insolvency application was filed against a personal guarantor. This prevented creditors from continuing recovery proceedings while the application was pending. To prevent misuse of this

provision, the Insolvency and Bankruptcy Code (Amendment) Act, 2026, removed the automatic interim moratorium.

***(Business Standard)***

**PF above Rs.1,800 now formally voluntary: What changes under EPF Scheme**

**2026:** The Centre has notified the EPF Scheme, 2026, clarifying that contributions above the statutory EPF limit of Rs 1,800 a month are voluntary. While this has been the practice in many organisations, the new scheme explicitly incorporates it into the legal framework and removes ambiguity for employers and employees alike. The change does not alter the statutory wage ceiling of Rs 15,000 a month or the mandatory contribution rate of 12 per cent. Instead, it formally distinguishes between mandatory EPF contributions and any additional contributions made on salaries above the wage ceiling. The notification also introduces another significant change for nearly 80 million EPF members by simplifying advance withdrawal rules, reducing categories from 13 to just three. Under the earlier EPF framework, employers were legally required to contribute 12 per cent of the statutory wage ceiling, which works out to Rs 1,800 a month. However, many companies voluntarily calculated EPF contributions on an employee's full basic salary, resulting in much higher deductions for both the employee and employer.

***(Business Standard)***



## FINANCIAL TERMINOLOGY

### CROWDING OUT EFFECT

- A situation when increased interest rates lead to a reduction in private investment spending such that it dampens the initial increase of total investment spending is called crowding out effect.
- Sometimes, government adopts an expansionary fiscal policy stance and increases its spending to boost the economic activity. This leads to an increase in interest rates. Increased interest rates affect private investment decisions. A high magnitude of the crowding out effect may even lead to lesser income in the economy.
- With higher interest rates, the cost for funds to be invested increases and affects their accessibility to debt financing mechanisms. This leads to lesser investment ultimately and crowds out the impact of the initial rise in the total investment spending. Usually the initial increase in government spending is funded using higher taxes or borrowing on part of the government.



### 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 : 95.2731  
INR / 1 GBP : 126.6637  
INR / 1 EUR : 108.4957  
INR /100 JPY: 58.7200

### EQUITY MARKET

Sensex: 77502.12 (+579.48)  
NIFTY: 24175.70 (+169.85)  
Bnk NIFTY: 58031.65 (-1.40)

### Courses conducted by BFSI Board

- ❖ Certificate Course on Concurrent Audit of Banks
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- ❖ Certificate Course on General Insurance.
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### Publications by BFSI

- ❖ Handbook on Aide Memoire on Infrastructure Financing (3rd enlarged revised edition).
- ❖ Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).
- ❖ Guidance Note on the Internal Audit of General Insurance Companies.
- ❖ BFSI Chronicle (quarterly issue of BFSIB)
- ❖ Handbook on Stock & Book Debts Audit (Revised and Enlarged 2<sup>nd</sup> Edition)
- ❖ 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

## TEAM BFSIB

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

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