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)

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

04 July 2026

ECONOMY

India takes on US over 12.5% tariff plan, calls forced-labour findings legally flawed: India is set to challenge the proposed US tariffs on exports with the US Trade Representative next week, contending that the findings on forced labour are legally flawed and would affect American businesses and consumers. Representatives from the commerce ministry as well as industry bodies, such as APEDA, FICCI, CII and ACMA, are scheduled to present India's counter to the USTR proposal to impose tariffs at a public hearing on July 8. India has already, in written submissions, said that the USTR's findings do not take into account the country's robust domestic legal regime reflecting a structured and progressive approach combining statutory prohibitions, institutional mechanisms, and ongoing policy measures aimed at reducing vulnerability to forced labour.
(Moneycontrol)

India sets $1 trillion export target for FY27, eyes 17% growth in merchandise exports: Urging industry to make exports a key priority and utilise the free trade pacts, Commerce and Industry Minister Piyush Goyal on Friday set a $1 trillion target for exports this fiscal. Merchandise exports are expected to grow by 16-17% this fiscal to $530 billion, and services exports by 11-12% to $470 billion, he further said. Addressing a meeting of the Board of Trade, the minister said that exports have continued to perform well so far this fiscal. In the first quarter, merchandise exports have grown by 15% year-on-year and services exports by 11%, he said. "We must achieve $1 trillion in exports this fiscal. It is an ambitious target, but it can be done," he

underlined. India's total exports in FY26 were $860 billion, of which merchandise exports were worth $441.78 billion and services exports were $421 billion.
(Business Today)

Central banks bought 41 tonne of gold in May, says WGC: Central banks bought a net 41 tonne of gold in May, with Poland, China, Uzbekistan and Kazakhstan making significant purchases in the month. “Central banks were back in buying mode in May – and with a little more spring in their step. … purchases once again concentrated among a familiar cast of buyers,” said Marissa Salim, Senior Research Lead, APAC of the World Gold Council (WGC).
(Business Line)

India's services PMI falls to 17-month low in June amid weaker demand: Growth in India’s services sector slowed to a 17-month low in June as challenging market conditions weighed on sales, output and hiring, a monthly private survey showed on Friday. The HSBC India Services Purchasing Managers’ Index (PMI), which tracks monthly changes in services activity, fell to 57.4 in June from 59.8 in May. The June reading was the lowest since January 2025, when the index stood at 56.5. “Behind the softer increase in services output was the slowest expansion in new order intakes in over two-and-a-half years. Several firms indicated that challenging market conditions and reduced client interest in their services dampened sales,” the survey said.
(Business Standard)

BANKING & FINANCE

HDFC SKY spotlights capital efficiency in fintech: As India’s retail investing landscape matures, HDFC SKY, the investment platform of HDFC Securities, is highlighting capital efficiency as the next frontier in online investing through its Hold-Transfer-Release (HRT) mechanism. The development comes amid a broader shift in the fintech industry, where platforms are increasingly competing on fund management capabilities alongside user experience and pricing. For years, online brokerages focused on lowering entry barriers with intuitive interfaces, low brokerage charges and seamless onboarding. However, as retail investors become more sophisticated, attention is turning to how efficiently trading platforms manage investors' capital. HDFC SKY's HRT mechanism seeks to address this by allowing funds to remain in a customer's bank account until a trade is executed. The required amount is automatically blocked or debited only when the transaction takes place, enabling investors to continue earning interest on unused balances while reducing the need for manual fund transfers before each trade.

(Financial Express)

LIC's policyholder payouts near Rs 5 lakh crore in FY26: Life Insurance Corporation of India (LIC) paid Rs.4.96 lakh crore in benefits to policyholders during FY26, equivalent to 93% of its net premium income for the year. Total benefits paid by the country's largest life insurer rose 19% year-on-year from Rs.4.16 lakh crore in FY25. The increase in total benefits paid was primarily driven by an 18% y-o-y rise in maturity claims and periodical benefits to Rs.2.80 lakh crore, the largest payout category. Annuity and pension payouts increased 16% to Rs.25,641 crore. Interim bonus payments more than doubled to Rs.8,357 crore in FY26 from Rs.3,076 crore in FY25. Pension and group scheme withdrawals jumped 34% to Rs.1.10 lakh crore.

(Financial Express)

RBI imposes Rs 66.7 lakh penalty on Bank of Baroda, GIC Housing Finance: Reserve Bank of India imposed a penalty of Rs 63.60 lakh on Bank of Baroda after it was found that the bank had collected a higher rate of interest in certain loan accounts and for not uploading KYC records onto the Central Records Registry within the prescribed timeline. "The action is based on deficiencies in regulatory compliance. The bank had collected interest at a rate higher than the contracted rate in certain loan accounts. And for non-compliance with certain provisions of directions issued by RBI on 'Fair Practices Code for Lenders' and 'Know Your Customer (KYC)," RBI said in a release. In another statement RBI also imposed a fine of Rs 3.10 lakh on GIC Housing Finance Limited for non-compliance with provisions of the 'Reserve Bank of India KYC Directions' issued by RBI. The statutory inspection of the company was conducted by NHB with reference to its financial position as on March 31, 2025.

(Financial Express)

HDFC Bank, ICICI Bank, and Axis Bank set for Q1FY27 results on July 18: Banking stocks will be in limelight this month as key large cap banks are set to announce their quarterly financial results over the next few weeks. Lenders across the country will put out their Q1FY27 results on exchanges, and investors will especially eye the statements of heavyweight HDFC Bank. The country's largest private lender will post its financial results for the first quarter of financial year 2027 on Saturday, July 18.

(Financial Express)

HDFC Bank develops own AI platform, fraud monitoring system: HDFC Bank is transforming into a tech powerhouse, developing its own AI platform, Neev, and a real-time fraud detection system. These in-house solutions, built by a dedicated engineering team, aim to combat rising banking frauds and enhance customer security. By investing in proprietary technology and engineering talent, the bank is positioning itself for future competition in the evolving financial landscape.

(Economic Times)

INDUSTRY OUTLOOK

Centre orders removal of seven apps misused to remotely disable e-rickshaws: Ministry of Electronics and Information Technology (MeitY) issued a notice to Google Android and Apple iOS to remove 7 applications from their App Store for misuse of apps for shutting down batteries in e-rickshaws/vehicles, including the removal of Chinese apps - BAT-BMS, Lossigy, and Epoch-i-ion. The major crackdown by the Centre came after videos surfaced showing some e-rickshaws being remotely rendered inoperable through a shutdown feature enabled by a Bluetooth connection linked to the Chinese smartphone application BAT-BMS. According to cybersecurity experts, such acts are an offence under the IT Act 2000 and are punishable by law.

(Business Line)

PM Modi to launch Rs.1 trillion projects in Rajasthan, Gujarat on Saturday: Prime Minister Narendra Modi on Saturday will inaugurate the country's first greenfield integrated refinery-cum-petrochemical complex in Balotra, Rajasthan, and a semiconductor assembly and test facility in Sanand, Gujarat. Modi will inaugurate and lay the foundation stone for projects worth about Rs.1.06 lakh crore during his visit to the two states. The refinery project at Pachpadra in Rajasthan's Balotra was to be launched in April by Modi, but a day before the inauguration, a major fire broke out, due to which the inauguration was postponed.".
(Business Standard)

IndusInd Bank loan book grew in Q1, a first since accounting lapse: Private sector lender IndusInd Bank reported 3.3 per cent growth in its net advances for the quarter ended June 30 to Rs.3.26 trillion — the first increase in its loan book after declining for four straight quarters. On a year-on-year (Y-o-Y) basis, however, the loan book contracted 2.3 per cent. According to the Q1 business update shared by the lender, deposits were up 4.5 per cent to Rs.4.15 trillion. The share of low-cost deposits — current account and savings account (CASA) deposits — fell to 29.5 per cent at the end of June from 31.5 per cent a year ago.
(Business Standard)

REGULATION & DEVELOPMENT

SEBI revamps unpaid securities framework with auto-pledge, auto-release mechanism: The Securities and Exchange Board of India (SEBI) has overhauled the framework governing unpaid client securities, introducing a time-bound mechanism that allows stock brokers to recover outstanding dues while ensuring investors regain full control over their shares if brokers fail to act within prescribed timelines. The revised framework, which takes into account the prevailing practice of direct credit of securities to clients' demat accounts, replaces provisions introduced in 2019 and subsequently amended in 2022. SEBI said the changes follow representations from the

Brokers' Industry Standards Forum (ISF), which sought revisions to address operational issues and align the rules with the current regulatory environment. Under the revised norms, securities purchased by a client but remaining unpaid will continue to be credited directly to the client's demat account. However, they will automatically be pledged in favour of a separate Client Unpaid Securities Pledgee Account (CUSPA) maintained by the broker.

(Moneycontrol)

Insurance regulator IRDAI plans overhaul of commission rules to curb mis-selling, sources say: India's insurance regulator is set to overhaul distributor commissions, proposing payments spread over a policy's life to curb mis-selling and reduce high distribution costs. This move aligns India with global practices and aims to ensure customer suitability over sales volume. A draft framework is expected soon, potentially impacting how agents are compensated for their services.

(Economic Times)

UIDAI Enables Free Email Update in Aadhaar through Aadhaar App: In another step towards enhancing resident convenience, the Unique Identification Authority of India (UIDAI) has now allowed people to add or update their email ID in Aadhaar directly through the Aadhaar App, eliminating the need to visit an Aadhaar centre. This is a free service via the Aadhaar App only, effective 1 July 2026 for a period of six months, making it easier than ever for residents to keep their Aadhaar information up to date. By removing the requirement for physical visits, the initiative underlines UIDAI's commitment to providing people friendly digital service as part of Digital India initiative towards a Viksit Bharat.

(PiB)

FINANCIAL TERMINOLOGY

VARIABLE RATE REPO (VRR)

- Variable Rate Repo (VRR) is a short-term liquidity tool used by the Reserve Bank of India (RBI) to provide funds to the banking system. It's a way for the RBI to add or remove liquidity from the market, depending on demand.
- It is a mechanism where the RBI permits banks to borrow funds at rates determined by the market, differing from the fixed Repo Rate at which banks borrow directly from the RBI. Typically lasting up to 14 days, VRR serves as a means to inject short-term liquidity into the banking system. Conversely, Variable Rate Reverse Repo (VRRR) is employed to absorb surplus liquidity from the system.
- The main difference between a variable rate repo (VRR) and a repo is that the interest rate in a VRR is not fixed (driven by auction process), but in a repo, the interest rate is fixed.
- A VRR is a type of repo where the interest rate is determined through a competitive bidding process. The rate can change based on economic conditions and the bids submitted by participating banks.

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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 : 95.2408
INR / 1 GBP : 127.4109
INR / 1 EUR : 109.1475
INR /100 JPY: 59.2500

EQUITY MARKET

Sensex: 77763.91 (+261.79)
NIFTY: 24270.85 (+95.15)
Bnk NIFTY: 57938.50 (-93.15)

Courses conducted by BFSI Board

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- 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

For details please visit BFSIB portal of the ICMAI website

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- Handbook on Aide Memoire on Infrastructure Financing (3rd enlarged revised edition).
- Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).
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