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

06 July 2026

ECONOMY

India begins work on strategic natural gas storage after West Asia crisis: The recent West Asia conflict has prompted the government to begin work on creating India's first strategic natural gas storage system, with public sector oil companies evaluating multiple options, including underground salt caverns and above-ground cryogenic LNG tanks. The move marks a significant expansion of India's strategic energy security planning. While the Indian Strategic Petroleum Reserves Limited (ISPRL) manages the country's strategic crude oil reserves, it does not have expertise in salt cavern-based natural gas storage. As a result, feasibility studies are underway to assess suitable storage technologies and geological structures.
(Business Line)

New-base GSDP estimates likely by Aug-Sept, GDP back series by year-end: The statistics ministry is working closely with states and Union Territories to help them shift Gross State Domestic Product (GSDP) estimates to the new base year, with states expected to finalise the exercise by August–September 2026, Saurabh Garg, Secretary, Ministry of Statistics and Programme Implementation, told Moneycontrol. Garg said the ministry is also exploring the use of AI, machine learning and big data in official statistics, while putting in place safeguards to protect privacy and confidentiality.
(Moneycontrol)

Govt withdraws emergency gas curbs as LNG supplies normalise after crisis: The government has withdrawn most provisions of the emergency natural gas supply regulation order imposed during the West Asia conflict after liquefied natural gas (LNG) shipments through the Strait of Hormuz resumed. In a notification issued on Saturday,

the Ministry of Petroleum and Natural Gas amended the Natural Gas (Supply Regulation) Order, 2026, omitting key operational provisions, which led to all domestically produced natural gas and imported LNG to be sold as per a new priority customer list drawn by the government.
(Business Standard)

BANKING & FINANCE

PSU banks' loan growth races ahead of deposits in Q1: PSBs opened the new financial year with strong credit growth, driven largely by retail, agriculture and MSME lending, but a slower pace of deposit mobilisation highlighted a familiar challenge for lenders. Provisional business updates released by nine state-owned banks for the quarter ended June 30 showed advances growing much faster than deposits, reflecting sustained demand for loans despite increasing competition for customer deposits. Bank of Baroda reported a 17.4 per cent YoY increase in global advances, while deposits rose 13.8 per cent. Bank of India posted loan growth of 18.64 per cent against a 14.92 per cent rise in deposits. Retail, agriculture and MSME continued to remain the biggest drivers of credit expansion.
(Moneycontrol)

Pvt sector banks log robust growth in deposits and advances in Q1FY27: HDFC Bank, Kotak Mahindra Bank (KMB), YES Bank, and AU Small Finance Bank have reported robust growth in deposits and advances in the first quarter (Q1FY27), per their provisional numbers. HDFC Bank's deposits and gross advances increased by 14.7 per cent YoY and 15.4 per cent YoY, respectively. The bank's period end deposits were about Rs.31,70,500 crore as of June 30, 2026, a growth of around 14.7 per cent over Rs.27,64,100 crore as of June 30, 2025, according to regulatory filing by India's largest private sector bank.
(Business Line)

ICICI Prudential Life may drop 'Prudential' brand as UK promoter seeks investor status: ICICI Prudential Life Insurance may undergo a rebranding by dropping the 'Prudential' name as one of its promoters, Prudential Corporation Holdings, seeks to be reclassified from a 'promoter' to an 'investor'. The move could bring to a close a 25-year brand association that helped make ICICI Prudential one of India's most recognised names in life insurance. Prudential Corporation Holdings (Prudential) and ICICI Bank, the two promoters of ICICI Prudential Life Insurance, on Saturday entered into a letter of undertaking under which Prudential will apply to the IRDAI to be reclassified from a 'promoter' to an 'investor' under the regulator's norms. The undertaking also sets out the rights of ICICI Bank and Prudential from the date of submission of the reclassification application until the proposed transaction is completed.

(Financial Express)

State Bank of India to buy 10% in RDCL: State Bank of India (SBI) is set to acquire National Housing Bank's (NHB's) 10% stake in RMBS Development Company (RDCL), a middle-layer NBFC focused on residential mortgage-backed securitisation. Following the transaction, NHB's holding in RDCL will decline to 29% from 39%. "The induction of SBI as a shareholder will strengthen RDCL, which is being developed as a specialised market intermediary for mortgage-backed securitisation in India," said a person familiar with the development. RDCL was set up in 2024 with a paid-up capital of Rs.500 crore to help deepen India's residential mortgage-backed securities (RMBS) market. Its shareholders include leading banks, housing finance companies, NBFCs and LIC.

(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 (the company) for non-compliance with provisions of the KYC norms.
(Financial Express)

INDUSTRY OUTLOOK

Insurance, NPS pump record Rs 88,852 crore into equities in H1 2026: Insurance companies and the National Pension System (NPS) have emerged as the key drivers of domestic liquidity in Indian equities, together investing a record amount in the first half of 2026 since data became available. The buying has continued despite muted returns from Indian markets through the year and sustained selling by foreign institutional investors (FIIs). During January-June 2026, insurance companies bought equities worth around Rs 45,929 crore while NPS bought around Rs 42,922 crore, taking combined six-month buying to Rs 88,852 crore, a record since data became available in 2021, NSE data showed.
(Moneycontrol)

India builds AI fallback amid US export curbs: US restrictions on access to advanced artificial intelligence (AI) models are beginning to reshape India's AI strategy, with the government building independent capability to test critical software and cybersecurity systems instead of waiting for access to Anthropic's most advanced model. The ministry of electronics and information technology (MeitY) has started using alternative frontier AI models to stress-test critical code while accelerating work on indigenous frontier models, reflecting a broader effort to reduce reliance on overseas AI platforms for strategic applications. The move comes even as India continues to seek access to Anthropic's Mythos 5 under Project Glasswing, a trusted-partner programme that Washington is yet to expand.
(Financial Express)

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NSE plans to launch quanto cross-currency derivatives, seeks RBI approval: NSE is planning to launch quanto cross-currency derivatives or quanto derivatives, and has sought approval from RBI for the same, according to the draft red herring prospectus (DRHP) filed with SEBI for its IPO. A quanto derivative is a financial contract that enables investors to take exposure to the exchange rate between two foreign currencies, such as the euro against the US dollar or the UK pound sterling against the dollar, without directly assuming exchange rate risk in the settlement currency. It tracks the movement of a foreign currency pair, while profits and losses are settled in a pre-determined currency under a fixed conversion mechanism.
(Business Standard)

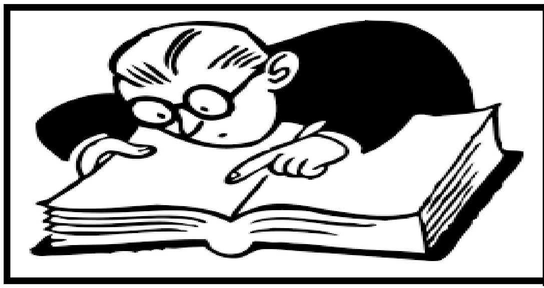
REGULATION & DEVELOPMENT

ADB approves $230 million loan to modernise water supply and sanitation in Chennai: The Asian Development Bank (ADB) on Friday approved a $230 million loan to modernise and expand Chennai's water supply and sanitation infrastructure, benefiting 4.5 million residents in the Greater Chennai area. The project will construct over 170 km of water supply pipes and sewer pipes, upgrade seven water pumping stations and 38 sewer pumping stations, and strengthen water utility assets and operations management through performance-based contracts.
(Business Line)

Shivraj Singh Chouhan Releases First Installment of Rs.25,863 Crore to States for VB-G-RAM-G: Union Minister for Rural Development Shri Shivraj Singh Chouhan today reviewed the implementation of the Viksit Bharat–Guarantee for Rozgar and Aajeevika Mission (Gramin) [VB-G-RAM-G] through a video conference with Rural Development Ministers of all States and Union Territories. During the meeting, he released the first installment (Mother Sanction) of Rs.25,863 crore to the States for implementation of the scheme.
(PiB)

Prime Minister launches the Next Phase of UDAN – Viksit UDAN: Launched in October 2016, the UDAN Scheme has transformed regional connectivity by operationalising 669 routes and connecting 95 airports, heliports and water aerodromes, benefitting over 1.66 crore passengers. Building on this success, the Union Cabinet, chaired by the Hon'ble Prime Minister, approved the Modified UDAN Scheme on 25 March 2026 with an outlay of approximately Rs.29,000 crore over the next ten years to accelerate aviation-led development and advance the vision of Viksit Bharat 2047. The Modified UDAN Scheme focuses on expanding regional aviation infrastructure through the development of 100 aerodromes from existing unserved airstrips with an investment of Rs.12,159 crore. It also provides Rs.2,577 crore towards Operations and Maintenance support for regional airports, development of 200 modern helipads with an investment of Rs.3,661 crore, and continued Viability Gap Funding of Rs.10,043 crore to sustain regional airline operations.

(PiB)



FINANCIAL TERMINOLOGY

CROWDING OUT EFFECT

- The Crowding Out Effect is an economic phenomenon in which increased government borrowing leads to a reduction in private sector investment by absorbing a large share of available financial resources. As the government competes with businesses for funds, interest rates tend to rise, making borrowing more expensive for private firms.
- The Crowding Out Effect occurs when government expenditure financed through borrowing increases the demand for loanable funds, resulting in higher interest rates that discourage private investment.

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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

- Certificate Course on Concurrent Audit of Banks
- 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

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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)
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- Guidance Note on Cost Control Strategies in the Banking Sector

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Banking, Financial Services & Insurance Board
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