

DAILY NEWS DIGEST BY BESI BOARD

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ECONOMY

Rupee posts biggest single-day gain in three weeks on debt inflows: The rupee on Tuesday recorded its biggest single-day gain in three weeks as foreign inflows continued into debt, with muted dollar demand from oil firms providing support, dealers said. The domestic currency closed at 94.97 against the US dollar, appreciating 0.46 per cent from the previous close of 95.40. This was the rupee's biggest gain since June 12, 2026, when it appreciated 0.68 per cent. The Indian unit was the best-performing Asian currency after the South Korean won, which gained 0.91 per cent. The rupee's recovery comes after sustained pressure in recent weeks despite measures announced by the RBI to attract dollar inflows.

(Business Standard)

Centre plans to zero in on about 500 districts to boost MSME exports: The Centre is preparing a major district-level export promotion initiative under which about 500 districts will be identified in the first phase to boost exports, with a special focus on helping micro, small and medium enterprises (MSMEs), according to people familiar with the matter. The broad contours of the initiative were discussed at the recent Board of Trade (BoT) meeting chaired by Commerce and Industry Minister Piyush Goyal, the people said. Sources said during the meeting that India's exports are currently concentrated in fewer than 100 districts, even though almost every district has products or sectors with export potential. The proposed exercise seeks to widen the country's export base by identifying districts that can emerge as new export hubs.

(Business Standard)

E-way bill generation rises 14.5% in June to fourth-highest monthly level: E-way bill generation under the GST regime rose 14.5 per cent YoY to a four-month high of

136.77 million in June 2026 from 119.46 million a year earlier. On a sequential basis, it increased 0.5 per cent from 136.08 million in May. The June tally was the highest in four months and the fourth-highest monthly e-way bill generation since the roll out of GST, pointing to continued resilience in goods movement and steady tax compliance. E-way bills are mandatory for transporting consignments valued above ~50,000 and are widely tracked as a high-frequency indicator of domestic trade, supply chain activity and GST compliance.

(Business Standard)

BANKING & FINANCE



Home loan PSL limit should be raised to Rs.1 crore in metros, education loan cap to Rs.50 lakh: Report: SBI Research has proposed raising the Priority Sector Lending (PSL) eligibility limit for home loans to Rs.1 crore in metro cities and Rs.75 lakh in other centres, while also recommending that the education loan cap under PSL be doubled to Rs.50 lakh. The proposals are part of a broader review of the Reserve Bank of India's (RBI) PSL framework to better align it with rising costs and the government's Viksit Bharat 2047 vision. The report argues that the current loan thresholds have failed to keep pace with inflation in property prices and education costs, reducing the effectiveness of the PSL framework in supporting borrowers. It recommends revising the limits to ensure that priority sector lending remains relevant as financing needs evolve.

(Business Today)

Sharp rise in general insurance complaints raises service quality concerns: RBI: A sharp surge in customer grievances in the general insurance sector has raised fresh concerns over claims management, service quality and product communication, according to the Reserve Bank of India (RBI). The unresolved grievances could undermine policyholder confidence and pose broader financial stability risks, RBI said. According to the RBI's Financial Stability Report, the number of reported grievances in

the general insurance sector nearly tripled to 1.78 lakh in 2025-26 from 2021-22, signalling persistent shortcomings in customer service and claims settlement.

(Business Line)

Strong credit growth, treasury gains to support banks' Q1 earnings: Robust credit growth of 17.7% in the first quarter — the highest in nearly two years — along with strong treasury gains and stable asset quality is expected to support banks' profitability. However, pressure on net interest margins (NIMs) is likely to persist as much of the incremental lending has been funded through high-cost retail and bulk deposits. "Most of the incremental bank credit growth has come from corporate credit, gold loans and NBFC lending, all lower-yielding segments, pointing to a NIM trade-off," Nomura said in a report. Deposit growth continues to lag credit growth, while low-cost current account savings account (CASA) ratios have declined across most banks. The banking sector recorded sequential deposit growth of 3.3% and year-on-year growth of 12 % as of June 15, according to the latest Reserve Bank of India data.

(Financial Express)

Cost of free alerts: RBI's SMS order may dent banks' income by Rs 300 crore:

The banking regulator's directive to bar banks from charging customers for SMS alerts sent for compliance, awareness, or promotional purposes could result in a loss of fee income of up to Rs 300 crore for large lenders, banking officials told ET. Banks have also been given the flexibility of dropping mandatory alerts for lowvalue transactions. However, top-draw private banks, such as HDFC Bank or ICICI Bank, are unlikely to reduce SMS alerts for such transactions to ensure their reputation for technology adoption and customer experience isn't compromised.

(Economic Times)

Irdai asks state-run insurers to account for wage costs annually: Irdai has implemented a new requirement for state insurers to create annual provisions for wage increases, intending to soften the financial repercussions of periodic wage negotiations. Insurers are now obliged to evaluate the sufficiency of these provisions quarterly after obligations become clear. The government has ruled out options for additional capital, instead banking on solvency improvements from IFRS 17 and stakes in the NSE.

(Economic Times)

HSBC pulls back from risky credit after bankruptcy scare: HSBC is pulling back from riskier private credit lending, becoming the latest bank to rein in exposure to the sector after a string of high-profile bankruptcies raised concerns over underwriting standards, the Financial Times reported on Tuesday. The bank has told some clients it will not renew their lending facilities after deciding to stop lending to private credit funds that did not offer sufficient returns to justify the risk, the report, citing three people familiar with the matter, said.

(Economic Times)

INDUSTRY OUTLOOK



ARC consolidation: Govt weighs ASREC merger with NARCL: The government is considering a merger of ASREC Asset Reconstruction Company with NARCL to enhance the functionality of state-sponsored bad-loan resolution efforts. This proposal, still in preliminary discussions, underscores a strategic effort for consolidation rather than growth. ASREC ARC is majorly held by public sector lenders and LIC, aiming for better management and scrutiny of bad loans.

(Economic Times)

Include infra loans in priority sector in absence of vibrant bond market: SBI economists: Economists propose reviewing priority sector lending guidelines for banks. They note banks struggle to meet targets without certificate purchases. Infrastructure loans should gain priority sector status for national development. Housing and education loan limits also need upward revision. Renewable energy project loan limits should be significantly increased.

(Economic Times)

PM E-Drive scheme may get a longer run as EV makers seek support: The Ministry of Heavy Industries (MHI) is considering an extension of the Prime Minister Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-Drive) scheme. For electric two-wheelers (e2Ws), the scheme was extended until July 31 this year

from the earlier deadline of March 31, according to discussions between stakeholders and senior ministry officials. Under the scheme, which has a total outlay of Rs.10,900 crore, e2Ws are eligible for a subsidy of up to Rs.5,000 per vehicle, or Rs.2,500 per kilowatt-hour. The number of vehicles eligible for the subsidy has been capped at 2.4 million.

(Business Standard)



REGULATION & DEVELOPMENT

SEBI allows depositories to use up to 5% of IPF investment income for administrative expenses: Market regulator Securities and Exchange Board of India (SEBI) has allowed depositories to use a small portion of the annual investment income generated from their Investor Protection Funds (IPF) to meet administrative and statutory expenses, while mandating that the bulk of the earnings continue to be added back to the fund. In a circular issued on July 8, SEBI said depositories must plough back at least 95 percent of the interest or income earned from investments made out of the IPF every financial year. The remaining up to 5 percent may be utilised towards expenses related to the functioning of the IPF Trust.

(Moneycontrol)

Government Extends Additional NPS Investment Choices to Employees of Central Autonomous Bodies (CABs): The Government of India has extended two additional investment choices under the National Pension System (NPS) to employees of Central Autonomous Bodies (CABs) covered under NPS. The Government had earlier introduced the Additional Investment Choices, namely the Aggressive Life Cycle Fund (LC-75) and the Balanced Life Cycle Fund (BLC), for the Central Government employees covered under NPS. These investment options have now also been extended to NPS subscribers employed in CABs. With this extension, eligible employees of CABs will now have choice to the following additional investment options under NPS:

- Aggressive Life Cycle Fund (LC-75) now named as LC-75-High: An investment option with equity exposure of up to 75%, designed for subscribers seeking higher growth potential over the long term.
- Balanced Life Cycle Fund (BLC) now named as Aggressive Life Cycle Fund: An investment option with equity exposure capped at 50%, with a gradual reduction in equity allocation beginning from the age of 45 years, offering a balanced approach between growth and stability.

(PiB)

ECLGS 5.0 Crosses 4.11 Lakh Guarantees with guaranteed amount reaching over Rs.1.55 Lakh Crore: The Emergency Credit Line Guarantee Scheme (ECLGS) 5.0, approved by the Union Cabinet on 5th May 2026, is delivering fast, large-scale liquidity support to businesses affected by the West Asia geopolitical situation. Since launch, 4,11,497 guarantees have been issued under ECLGS 5.0, with the guaranteed amount reaching to Rs.1,55,229 crore, a sign of the scheme's rapid absorption across the lending ecosystem.

(PiB)



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FINANCIAL TERMINOLOGY

DISCOUNT WINDOW

- The discount window is a central bank lending facility meant to help commercial banks manage short-term liquidity needs. Banks that are unable to borrow from other banks in the federal funds market may borrow directly from the central bank's discount window paying the federal discount rate.
- The US Federal Reserve extends discount window loans to financial institutions that, in turn, support commercial industries.
- The Federal Reserve and other central banks maintain discount windows, referring to the loans they make at an administered discount rate to commercial banks and other deposit-taking firms.



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 : 95.3138
INR / 1 GBP : 127.5451
INR / 1 EUR : 108.9395
INR /100 JPY: 58.8300

EQUITY MARKET

Sensex: 78180.72 (-104.35)
NIFTY: 24398.70 (-31.65)
Bnk NIFTY: 58200.70 (-90.80)

Courses conducted by BFSI Board

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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.
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TEAM BFSIB

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

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