

DAILY NEWS DIGEST BY BESI BOARD

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ECONOMY

FPIs return to Indian stocks in July with Rs 15,157 crore inflows after four-month selling streak: Foreign portfolio investors (FPIs) turned net buyers of Indian equities in July after four consecutive months of selling, investing more than Rs 15,157 crore so far this month, according to data from CDSL. The turnaround comes after FPIs withdrew Rs 49,340 crore in June, Rs 32,963 crore in May, Rs 60,847 crore in April and Rs 1.17 lakh crore in March. Before the prolonged selling streak, foreign investors had invested Rs 22,615 crore in Indian equities in February. Despite the July recovery, FPIs remain net sellers for the year, pulling out around Rs 2.6 lakh crore from Indian equities so far in 2026, higher than the Rs 1.66 lakh crore withdrawn during the corresponding period last year.

(Moneycontrol)

Retail inflation likely to have breached 4% mark in June: Driven by surging food costs and the domestic pass-through of global fuel hikes, retail inflation is projected to breach the crucial 4 per cent mark in June after a 16-month hiatus. Despite the spike, the Reserve Bank's Monetary Policy Committee (MPC) is expected to hold policy rates steady during its upcoming review on August 3–5. Under the new 2024 base series, CPI inflation has climbed from 2.74 per cent in January 2026 to 3.93 per cent in May, surging 45 basis points sequentially in the last month alone. Core inflation similarly touched 3.9 per cent in May.

(Business Line)

Global M&A activity on track to eclipse 2021 deal boom, Morgan Stanley says:

Morgan Stanley expects global mergers and acquisitions activity to hit a record \$6.4 trillion in 2026, overshadowing the levels seen in 2021 as buoyant equity markets and renewed corporate confidence set off a flurry of transactions. The projection points to a broad-based revival in global dealmaking after years of high interest rates and market volatility kept executives on the sidelines. Although the Middle East conflict and fears of AI-driven disruption weighed on sentiment earlier this year, Wall Street appears to have largely brushed aside those worries.

(Reuters)

BANKING & FINANCE



HDFC Bank workforce drops by over 3,300 as operations automated: HDFC Bank Ltd.'s workforce declined by 3,343 employees in the financial year ended March as India's largest private lender accelerated efforts to automate operations and redeploy staff to customer-facing roles. The bank's total staff fell to 211,178 as of March 31 from a year earlier with new hiring dropping by 3,811, according to its annual report released on Saturday. Of the total, non-supervisory employees - often classified as workmen or clerical and subordinate staff - decreased by more than 8,000 to 162,797, indicating a significant reduction may have come in operational and back-office roles.

(Moneycontrol)

HDFC Bank incorporates new GenAI platform 'Neev' as it scales AI adoption across businesses: HDFC Bank has introduced a new GenAI platform called 'Neev' as the country's largest private lender scales adoption of artificial intelligence across all its operations while maintaining regulatory oversight. The past year has been transformational for HDFC Bank, not only in terms of what it delivered, but how it was engineered. GenAI has played a key role in this shift, but equally important has been the strengthening of the underlying architecture, platforms and delivery model," the lender said in its annual report for the fiscal year 2026. Neev is an in-house enterprise GenAI full-stack platform. According to the bank, the platform standardises AI

development, allowing business teams to focus on solving operational problems while ensuring consistency and enterprise-wide controls.

(Moneycontrol)

RBL Bank's data centre to handle 5x current transaction volumes: RBL Bank's new data centre will be capable of processing nearly five times its current transaction volumes, with the underlying architecture designed to support the lender's technology requirements for the next 10-12 years, Ravi Pichan, chief information officer and head – digital banking said. "The core architecture has been designed for 10 to 12 years, while the current setup gives us sufficient capacity for the next two to three years," Pichan said. "We've designed it so that scaling beyond that becomes pretty plug and play."

(Financial Express)

Indian Bank drops capital raising plan on lower ECL hit: Indian Bank has cancelled its planned share sale to raise funds. The lender's expected credit loss impact is now estimated lower than previously calculated. This revised calculation means the bank will not need to raise additional capital. The bank's net profit rose ten percent year-on-year in the fiscal first quarter. Gross advances and deposits also saw significant year-on-year growth.

(Economic Times)

Life insurers trim advertising spend by 20% in FY26 amid cost pressures: The advertising and publicity expenses of life insurance companies declined in the financial year 2025-26 (FY26) compared with the previous year (FY25), owing to a drop in such expenditure by private life insurers. According to experts, private life insurers cut spending following the Goods and Services Tax (GST) exemption on individual term insurance, which led to growth in the segment in the second half of the year, as well as restructuring following the loss of input tax credit (ITC). According to data analysed from the public disclosures of life insurers, advertisement and publicity expenses dropped 19.8 per cent to Rs 3,196 crore in FY26 from Rs 3,988.04 crore in FY25. Of this, private life insurers' expenses fell to Rs 2,512.8 crore from Rs 3,436 crore in FY25, while state-owned Life Insurance Corporation of India's (LIC's) expenses rose to Rs 683 crore from Rs 551.8 crore.

(Business Standard)

INDUSTRY OUTLOOK



India plans private entry into missile manufacturing as demand for DRDO's Astra missile rises: Report: India is preparing to allow private companies to enter missile manufacturing, marking one of the most significant changes in its defence production policy, according to a report by Hindustan Times. The move follows growing international interest in Indian-made missile systems, including Indonesia's reported interest in acquiring the Defence Research and Development Organisation's (DRDO) Astra missile, prompting the government to expand production capacity to meet rising domestic and export requirements.

(Mint)

Govt, Nasscom working on AI curriculum for undergraduate programmes: The government is working with IT industry body Nasscom for developing an artificial intelligence curriculum for undergraduate programmes, a senior executive said on Thursday. The National Association of Software and Services Companies (Nasscom) is a leading IT industry body. With the increasing use of AI in various areas, there is also a need to provide reskilling and upskilling opportunities for graduates.

(Business Standard)

200,000 micro food processing enterprises covered under PMFME scheme: **Govt:** India's Food Processing Industries Minister Chirag Paswan on Thursday announced that over 2 lakh micro enterprises have received credit-linked subsidy under the PMFME scheme since its launch in 2020 to set up processing facilities with a combined investment of Rs 20,300 crore. The total subsidy amount provided so far under the Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) scheme is around Rs 6,000 crore, he added. Paswan said the PMFME Scheme, which was launched in 2020, has been extended till September this year, and the ministry is considering launching PMFME 2.0 with suitable changes to attract more investments in this sector.

(Business Standard)



REGULATION & DEVELOPMENT

EPFO rolls out 6-month Amnesty Scheme to regularise exempted PF trusts:

EPFO has launched a six-month Amnesty Scheme, 2026, offering establishments operating exempted Provident Fund (PF) trusts a one-time opportunity to regularise their status under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. In a statement issued on Sunday, the Ministry of Labour and Employment said the scheme is aimed at establishments whose PF trusts are recognised under the Income Tax Act but do not have a formal exemption notification from the appropriate government. The ministry said employers, stakeholders, and the general public should "take note of the scheme, which will remain open for a period of six months."

(Business Today)

SEBI employees will need to liquidate all 'non-permitted investment', disclose professional interests:

Taking lessons from the controversy involving its former Chairperson, the Securities and Exchange Board of India (SEBI) has amended regulations governing employee service. A new clause has been added prescribing liquidation of all non-permitted investment at the time of joining. In addition, employees will need to disclose details of their professional interests during the last three years.

(Business Line)

MCA considers global audit norms placing responsibility on group auditors:

Nearly two years after the National Financial Reporting Authority (NFRA) proposed adopting global auditing standards that place greater responsibility on group auditors, the Ministry of Corporate Affairs (MCA) is in advanced consultation stages and is likely to decide soon, official sources said. The proposal gained significance following the Rajesh Exports matter, in which statutory auditors and the company's audit committee came under scrutiny over the alleged failure to independently verify revenues reported by overseas subsidiaries. NFRA has initiated an investigation into the alleged financial misstatements. NFRA recommended the revised Standard on Auditing (SA) 600 to the

government in November 2024 along with 33 other auditing standards, despite opposition from the Institute of Chartered Accountants of India (ICAI). NFRA had proposed that the revised standards take effect from April 1, 2026, subject to government approval.

(Business Standard)



FINANCIAL ACCELERATOR MECHANISM

- The Financial Accelerator is an economic theory explaining how imperfections in credit markets amplify business cycles. During periods of economic expansion, rising asset prices improve borrowers' net worth, enabling easier access to credit and encouraging further investment and consumption. Conversely, during downturns, falling asset values weaken collateral, restrict lending, reduce investment, and deepen the recession, thereby reinforcing the economic slowdown.
- This mechanism highlights the interconnectedness of financial markets and the real economy and underscores the importance of macroprudential regulations, capital buffers, and timely central bank interventions to prevent financial shocks from escalating into systemic crises.



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 : 95.3129
INR / 1 GBP : 128.0252
INR / 1 EUR : 109.0815
INR /100 JPY: 59.0200

EQUITY MARKET

Sensex: 77569.39 (+827.57)
NIFTY: 24206.90 (+244.10)
Bnk NIFTY: 58045.90 (+793.45)

Courses conducted by BFSI Board

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TEAM BFSIB

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

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