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

20 July 2026

ECONOMY

Centre ring-fences 72 lakh tonne of FCI rice for ethanol push: As the Centre scales up grain-based ethanol production to support higher blending targets and reduce dependence on imported fossil fuels, the food ministry has reserved 72 lakh tonne (lt) of rice from official stocks for distilleries in the next ethanol season, up from 52 lt allocated in the 2025-26 supply year. It has also allocated an additional 55 lakh tonne (lt) of 100 per cent broken rice for sale through e-auction, which ethanol producers can procure, potentially making biofuel production more profitable.
(Business Line)

India bought record $5.14 billion worth of Russian crude oil in June: Indian refiners bought record quantities of Russian crude oil, valued at more than $5 billion, in June 2026 with Moscow transforming into New Delhi’s strongest energy security hedge, particularly since the strait of Hormuz (SoH) disruptions. Centre for Research on Energy and Clean Air (CREA) in its latest commentary on Russia’s earnings from its hydrocarbon trade pointed out that India imported Euro 4.5 billion with of crude oil in June 2026, a growth of 32 per cent M-o-M and 25 per cent Y-o-Y.
(Business Line)

Banks post modest treasury gains in Q1 despite softer bond yields: Banks booked modest treasury gains during April-June this financial year even as bond yields softened through June. Bankers said the decline in treasury income on a year-on-year (Y-o-Y) basis was largely due to a high-base effect as lenders had booked outsize treasury gains in Q1FY26. Most large banks reported a decline in treasury income on a Y-o-Y basis for the quarter.

(Business Standard)

BANKING & FINANCE

India's private lenders bet on corporate loan revival for growth: India's top private banks are betting on a sustained pick up in lending after reporting healthy numbers in the first quarter of the fiscal year, as more companies shift away from pricier bond market borrowings to cheaper loans. At least six private banks reported robust loan growth in the three months to June, driven by corporate lending, as high bond yields make market funding less attractive. HDFC Bank Ltd., India's largest private lender by assets, reported a nearly 19% jump in corporate loans in the quarter, compared with a 1.7% growth a year earlier. ICICI Bank Ltd.'s domestic corporate loans rose 18.5% from a year earlier, while Kotak Mahindra Bank Ltd. posted a 15% increase.

(Moneycontrol)

IFSCA proposes allowing GIFT City distributors to offer EU, UAE, Singapore, Australia investment products to retail investors: The International Financial Services Centres Authority (IFSCA) has proposed allowing registered distributors in GIFT City to offer capital market products, including investment funds, domiciled in the European Union (excluding Croatia), the UAE, Singapore and Australia to retail investors, significantly expanding the range of global investment products available through India's international financial services centre. The proposal, issued through a consultation paper, seeks to expand the list of overseas jurisdictions from where capital market products and services can be distributed by IFSCA-registered distributors to all categories of investors. If implemented, the move would also open the door for distributors in GIFT City to offer products domiciled in major global fund hubs such as Luxembourg and Ireland, both of which fall within the European Union and are among the world's largest fund jurisdictions.

(Business Line)

IDBI Bank sale move faces call for review on governance, sovereignty grounds: The United Forum of IDBI Officers and Employees has expressed profound concern over the Centre's reported decision to proceed with strategic disinvestment of controlling stake in IDBI Bank in favour of Fairfax Financial Holdings, subject to regulatory and statutory approvalsIDBI Bank was established as an institution for national development. Over the decades it played a historic role in financing industrialisation, infrastructure development and nation-building. During periods of financial stress, substantial public resources were deployed for its revival, the Forum leaders said. Employees and officers accepted difficult restructuring measures and worked tirelessly to restore the institution to profitability. Today, when the bank has returned to sustained profitability and financial stability, proposal to transfer ownership raises serious questions of public policy.
(Business Line)

HDFC Bank reports steady Q1; net up 5%: HDFC Bank's net profit for the quarter ended June grew 5% on-year to Rs 19,060 crore, missing analyst expectations. The bottomline for the lender was pegged at Rs 19,720 crore as per Bloomberg estimates. Net profit was up on the back of falling provisions and steady growth in net interest income (NII). NII was up 7% on-year to Rs 33,534 crore in the reporting quarter. However, it was lower than Bloomberg estimates of Rs 34,257 crore. Net interest margin (NIM) for April-June stood at 3.26% as against 3.40% a quarter ago. In terms of asset quality, the gross non-performing asset (NPA) ratio inched up to 1.17% from 1.15% a quarter ago. Net NPA ratio stood at 0.41% as against 0.38% a quarter ago.
(Financial Express)

PNB profit jumps threefold to Rs 5,253 cr in Q1: Punjab National Bank's (PNB) net profit has surged three-fold in the quarter ended June 30, 2026, to Rs 5,253 crore from Rs 1,675 crore a year ago on back of lower tax expense and consistent performance in core parameters. The domestic loan book grew 11.6% to Rs 12.04 lakh crore as on June 30, 2026. The RAM (retail, agriculture and MSME) segment grew 12.8% y-o-y to Rs 6.88 lakh crore, while corporate loans rose 10% to Rs 5.15 lakh crore. The bank's asset quality improved, with gross non-performing assets (NPAs) declining to 2.78% of gross advances, from 3.78% a year ago and 2.95% in the preceding quarter.
(Financial Express)

Punjab National Bank scouting for partner to build its M&A financing portfolio: CEO: Punjab National Bank is seeking a partner for its merger and acquisition financing portfolio. The bank aims to gather $2.5 billion in special FCNR(B) deposits and has already mobilized funds. Its corporate loan book is projected to exceed four lakh crore rupees this fiscal year. PNB is actively focusing on renewable energy and emerging sectors like hydrogen capacity.

(Economic Times)

INDUSTRY OUTLOOK

IDBI Bank privatisation protest – Nationwide hunger strike on July 27, sale likely by August: Report: Officers and employees of IDBI Bank will hold a one-day nationwide hunger strike on July 27 to protest the proposed privatisation of the lender, with the strategic sale expected to be completed by the end of August, news organization BusinessLine reported on Saturday. The protest has been reportedly called by the United Forum of IDBI Officers and Employees, which has raised concerns over job security, social security benefits, reservation policies, public accountability and the future of the bank’s developmental role.

(Financial Express)

Trade, NBFC credit to remain fastest-growing lending segments: Report: Trade and NBFC credit are expected to remain among the fastest-growing segments of India's banking system, supported by rising formalisation of economic activity, deeper financial penetration and the expanding reach of organised lenders, according to a report by Ashika Institutional Equities. The report said continued adoption of GST, digital payments and cash-flow-based underwriting will support credit expansion, while banks are likely to increasingly favour well-capitalised NBFCs with with diversified funding profiles and healthy asset quality.

(Economic Times)

Banks align on Vodafone Idea's projections, seek promoter promise: Vodafone Idea's (Vi's) lenders have broadly agreed on the telecom company's financial projections, including its revenue outlook, after scaling back its own assumptions. However, they await more comfort from Vi's promoters before signing off on a fresh round of funding, two persons informed about the development said. The country's third-largest telco - after Mukesh Ambani's Reliance Jio and Sunil Bharti Mittal's Bharti Airtel- has sought funding of Rs.35,000 crore to support its capital expenditure (capex) plan that includes 5G network rollout. Lenders, however, are holding back from formally approving the funds as they expect guarantees from group companies or explicit commitments from promoters to infuse additional capital or to provide a backstop in event of a default.

(Business Standard)

REGULATION & DEVELOPMENT

RBI asks banks to clear old trade and payment mismatches: For years, missing numbers, lost documents, and wrong entries have led to mismatches between trade and payment flows, growing over time and lying unreconciled with banks. The RBI has asked banks to resolve long-pending mismatches between trade and payment records worth thousands of crores. Banks must verify documents and transactions to regularise genuine export-import cases. Clearing old EDPMS and IDPMS entries could improve compliance, prevent businesses from being flagged and ensure more accurate trade data.

(Economic Times)

Banks pare FCNR (B) inflow expectations amid leverage and tax hurdles: Banks have turned cautious about their forecast on potential fund mobilisation via the Reserve Bank of India's Foreign Currency Non-Resident (Bank) or FCNR (B) deposit scheme owing to a combination of challenges posed by tax disadvantages in the US and Europe, among other markets, leverage restrictions in certain jurisdictions, and a heavy reliance on overseas lenders for leverage. While the interest from non-resident

Indians (NRIs) remains strong, leverage availability is likely to determine the final mobilisation, with the bulk of inflows expected over the next two months, bankers said. There is intense competition among banks to secure funding lines from foreign lenders. According to Sashidhar Jagdishan, managing director and chief executive officer (MD & CEO), HDFC Bank, it does not make economic sense for customers to take leverage and invest in FCNR (B) deposits in in Australia, Europe and the US where taxation is levied on the gross interest earned.

(Business Standard)

FINANCIAL TERMINOLOGY

YIELD CURVE INVERSION

A **Yield Curve** shows interest rates of bonds across different maturities.

Normal Situation:

Long-term interest rate > Short-term interest rate

Inversion:

Short-term interest rate > Long-term interest rate

Meaning:

- Signals **upcoming recession**
- Investors expect future interest rates to fall
- Banks' profitability declines because they borrow short-term and lend long-term

Importance:

Yield curve inversion has predicted many global recessions.

H.Q: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi – 110 003
Kolkata Office: CMA Bhawan, 12 Sudder Street, Kolkata – 700 016

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 : 96.3665
INR / 1 GBP : 129.8323
INR / 1 EUR : 110.3384
INR /100 JPY: 59.3500

EQUITY MARKET

Sensex: 78151.45 (+964.58)
NIFTY: 24334.30 (+261.55)
Bnk NIFTY: 58521.40 (+939.15)

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

For details please visit BFSIB portal of the ICMAI website

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 2nd 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)