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)

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DAILY NEWS DIGEST BY BFSI BOARD

21 July 2026

ECONOMY

Government likely to broaden SEZ services definition to ease payment hurdles: The Centre is preparing an amendment to the special economic zones (SEZ) act to widen the definition of services under the law, a move aimed at easing operational constraints faced by service-sector units, including issues around transactions involving Indian rupee payments, a senior government official said. The proposed change is part of a broader effort to modernise the SEZ framework after announcing measures for manufacturing units in the Budget 2026-27. "The definition of services in the SEZ Act is very limited. It says services must earn foreign exchange. We are trying to fix that. We are trying to get a small amendment in the SEZ Act," the official said on condition anonymity. Enacted in 2005, the SEZ Act was designed to promote export-oriented businesses by allowing companies operating from these zones to avail certain benefits, provided they meet some conditions, including foreign exchange earnings. ***(Moneycontrol)***

India rakes in $17.4 billion in FCNR(B) deposits under RBI swap window: The Reserve Bank of India's (RBI) special measures to encourage overseas deposits from non-resident Indians (NRIs) have attracted $17.4 billion in foreign currency non-resident (FCNR(B)) deposits until last Friday, reflecting strong investor interest in the scheme. In a statement, the RBI said companies also raised $1.34 billion through external commercial borrowings (ECBs), while overseas foreign currency borrowings (OFCBs) brought in another $1.97 billion. "In all, the RBI said the forex deposit program, which was being subsidized by the central bank since it was bearing the entire hedging costs, was witnessing avid interest and has attracted steady inflows." ***(Moneycontrol)***

India's core sector growth rises to five-month high of 5% in June: Production growth of nine core infrastructure sectors rose to a five-month high of 5 per cent in June due to an increase in output of cement, electricity and iron ore, official data released on Monday showed. The core sectors' growth was 1.1 per cent in June 2025 and 3.2 per cent in May 2026. The data has been released with a new base year, 2022-23, replacing the earlier base year of 2011-12. The government has also added iron ore to the index, increasing the number of core sectors to nine.

(Business Line)

BANKING & FINANCE

1 in 5 gold loans given to a borrower with an NPA on other trade lines: Bhavesh Jain, MD & CEO, TransUnion CIBIL: The credit landscape in the country is transforming with the profile of borrowers, the loans that they prefer and the lenders catering to them undergoing a shift in recent years. In this chat with businessline, Bhavesh Jain, MD & CEO, TransUnion CIBIL, gives us insights into the evolving trends in various loan products. New-to-credit borrowers now opting for personal loans, especially the phone financing category, says the TransUnion CIBIL head.

(Business Line)

Indian Overseas Bank net rises 49% in Q1FY27 on higher NII, recoveries: Net profit of Indian Overseas Bank (IOB) grew 49 per cent YoY and stood at Rs.1,659 crore for the quarter ended June 2026 (Q1FY27) driven by growth of net interest income, higher recoveries, and lower tax expense. Asset quality of the public sector bank also improved. Net interest income (NII) increased by 34.3 per cent YoY to Rs.3,688 crore in Q1FY27. Domestic NIM (net interest margin) increased to 3.5 per cent while Global NIM increased to 3.37 per cent. The bank's total business increased by 17.7 per cent to Rs.6,98,325 crore. Asset quality of the bank improved with Gross NPA reduced to 1.33 per cent from 1.97 per cent in Q1FY26. Net NPA reduced to 0.18 per cent from 0.32 per cent in Q1FY26.

(Business Line)

Top banks earn over Rs 20,000 crore from insurance sales in FY26: India's leading private and public sector banks earned more than Rs.20,000 crore in brokerage and commission from selling insurance policies in FY26. An analysis by FE of the country's top 8 banks' annual reports shows that nearly 80%, or close to Rs.16,000 crore, of this income was generated by the four largest private sector lenders. Insurance distribution has emerged as one of the biggest sources of fee income for large private banks, contributing nearly a fifth of non-interest income for some of them.

(Financial Express)

Indian banks mobilise $20.7 billion under RBI's special incentive window: In a remarkable financial boost, India's central bank recorded significant foreign exchange inflows of $20.72 billion, primarily through a swap facility provided by the Reserve Bank of India. Out of this amount, Foreign Currency Non-Resident Deposits accounted for $17.41 billion. Meanwhile, External Commercial Borrowings contributed $1.34 billion, and Overseas Foreign Currency Borrowings brought in an additional $1.97 billion, enhancing the country's economic standing.

(Economic Times)

Credit-deposit gap to persist as loan demand dynamics have changed, says SBI Research: A noticeable gap between credit and deposit growth is troubling the banking landscape. Consumers are shifting their savings from traditional deposits to diverse financial options. Amid geopolitical uncertainties and rising oil costs, companies are requesting more working capital loans. To alleviate this funding pressure, newly introduced FCNR(B) deposits could provide a short-term remedy. It is projected that savings will increasingly gravitate towards the five-year maturity category.

(Economic Times)

INDUSTRY OUTLOOK

India joins WTO fisheries subsidies agreement after years of negotiations: India has formally become a party to the World Trade Organization's (WTO) Agreement on Fisheries Subsidies after depositing its Instrument of Acceptance on 20 July 2026, becoming the 123rd WTO member to do so. The Instrument of Acceptance was handed over by the Commerce Secretary, Government of India, to WTO Director-General Ngozi Okonjo-Iweala. The WTO Agreement on Fisheries Subsidies, adopted by consensus at the 12th WTO Ministerial Conference (MC12) in Geneva in June 2022, is the first multilateral WTO agreement focused on environmental sustainability. The agreement prohibits subsidies linked to illegal, unreported and unregulated (IUU) fishing, fishing of overfished stocks, and certain fishing activities on the unregulated high seas. It entered into force on 15 September 2025 after acceptance by two-thirds of WTO members.

(Moneycontrol)

Restaurants can't force you to pay service charge: CCPA acts against 41 eateries: Hotels and restaurants cannot add a service charge to your bill without telling you, and they also cannot force you to pay it. The Central Consumer Protection Authority (CCPA) has now taken action against 41 restaurants across India for allegedly violating consumer rights by automatically adding a service charge to customers' bills. In a press release issued by the Ministry of Consumer Affairs, Food and Public Distribution on July 19, the government said the CCPA started the action on its own after receiving several complaints through the National Consumer Helpline (NCH).

(Financial Express)

Singapore Airlines to carefully consider fund infusion in loss-making Air India: Singapore Airlines (SIA), which owns a quarter of Air India, said it would "carefully consider any requests for additional capital" from the Tata Group airline, marking its first public indication of a willingness to infuse fresh funds into the loss-making carrier.

The Singapore flag carrier also reaffirmed its long-term commitment to its 25.1% stake in Air India. "The Board will carefully consider any requests for additional capital from Air India, taking into consideration the Group's other capital requirements and Air India's business strategy," SIA said in a regulatory filing on Monday.

(Mint)

REGULATION & DEVELOPMENT

Govt says no proposal under consideration to remove LTCG tax on equities: The government on Monday clarified that there is currently no proposal under consideration to scrap the long-term capital gains (LTCG) tax, according to a response by Pankaj Chaudhary, Minister of State for Finance, in the Lok Sabha. The tax rate of 12.5 per cent on equity LTCG is the same for domestic retail investors and foreign portfolio investors (FPIs), Chaudhary said in a written response to a parliamentary question by Lok Sabha member Anand Bhadauria on July 20. The response comes amid demands from certain market participants to cut the LTCG tax.

(Business Standard)

Sebi imposes Rs.1 crore penalty on CDSL for alleged cybersecurity lapses: The Securities and Exchange Board of India (Sebi) has imposed a total penalty of Rs 1 crore on Central Depository Services (CDSL) for alleged failures in cybersecurity measures identified after a malware attack in November 2022. The market regulator noted that critical systems, including the settlement process and inter-depository transfer, were disrupted for 46 hours and 54.5 hours, respectively, making it evident that the disruption had a major spillover impact on the entire securities market.

(Business Standard)

Empower Internal Ombudsmen, use feedback to strengthen institutions: RBI DG: Reserve Bank of India (RBI) Deputy Governor Swaminathan J has urged the boards, senior management and principal nodal officers of regulated entities to empower their internal ombudsmen, respect their independence and use the feedback to strengthen institutional processes. Swaminathan was addressing the annual conference of internal ombudsmen on July 13. He said the effectiveness of the internal ombudsman framework depends not only on the capability and independence of the ombudsman but also on the commitment of an institution's leadership to implement the framework "in both letter and spirit."

(Business Standard)

FINANCIAL TERMINOLOGY

JUST-IN-TIME (JIT)

- The just-in-time (JIT) inventory system is a management strategy that aligns raw-material orders from suppliers directly with production schedules. Companies employ this inventory strategy to increase efficiency and decrease waste by receiving goods only as they need them for the production process, which reduces inventory costs. This method requires producers to forecast demand accurately.
- The just-in-time (JIT) inventory system minimizes inventory and increases efficiency. JIT production systems cut inventory costs because manufacturers receive materials and parts as needed for production and do not have to pay storage costs. Manufacturers are also not left with unwanted inventory if an order is canceled or not fulfilled.

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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 : 96.5120
INR / 1 GBP : 129.9431
INR / 1 EUR : 110.3888
INR /100 JPY: 59.4300

EQUITY MARKET

Sensex: 77708.52 (-442.93)
NIFTY: 24238.50(-95.80)
Bnk NIFTY: 57945.00 (-576.40)

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).
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- BFSI Chronicle (quarterly issue of BFSIB)
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