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

22 July 2026

ECONOMY

Houthi's Saudi blockade threaten to inflate India's oil bill again: India's crude supplies and import bill may face a fresh shock after a Houthi threat to blockade Saudi Arabia put the kingdom's oil moving through Bab el-Mandeb at risk. The threat comes just as Saudi Arabian crude sharply regained share in India's import basket over the last two weeks. Kpler data showed Saudi supplies to India rebounded to 586,000 barrels per day (bpd) through July 19, doubling from 293,000 bpd for the whole of June, Kpler data showed. The kingdom ranked third after Russia at 2.45 million bpd and the UAE at 617,000 bpd. Saudi Arabia supplied India an average 700,000 bpd between July 2025 and April 2026, accounting for 14.5% of imports. Its share slipped to 7% in May-June before recovering to around 10% in July, increasing India's exposure to Riyadh's Red Sea route.

(Financial Express)

India targets 10% share in goods exports by 2047: India has set a target to increase its share of world merchandise exports to 10% by 2047 from 1.8% in 2024, the government informed the World Trade Organisation (WTO) as part of the review of its trade policy by the global trade body. The review covers trade policy from 1 January 2021 to 31 December 2025. Under the Viksit Bharat 2047 mission, India aims to grow its economy to $30-35 trillion with overall exports reaching $10 trillion. On WTO reform, India reiterated its stated position that it must be development-centred, consensus-based, and member-driven. It also sought restoration of a standing, independent, and binding two-tier dispute settlement system with immediate restoration of the Appellate Body, which has been non-functional since December 2019.

(Financial Express)

WTO says India must tackle structural gaps to realise Viksit Bharat by 2047: India will need to address structural challenges, including high trade costs, regulatory complexity, infrastructure gaps and barriers to deeper global integration, to sustain strong economic growth and achieve the Viksit Bharat vision of becoming a developed country by 2047, the World Trade Organisation (WTO) said on Tuesday. In its quinquennial and eighth Trade Policy Review of India, the WTO secretariat said real gross domestic product (GDP) growth is forecast to range between 6.8 per cent and 7.2 per cent in FY2027-28, continuing the trend of strong growth posted during the review period, in which India was the fastest-growing G20 economy.
(Business Line)

BANKING & FINANCE

Foreign banks account for lion's share of FCNR(B) inflows under RBI's concessional swap facility: Foreign banks have helped facilitate a lion's share of the over $17 billion in Foreign Currency Non-Resident (Bank) [FCNR(B)] deposits mobilised under the Reserve Bank of India's concessional swap facility, bankers said on Tuesday. Some large state-owned and private sector banks also hold a significant share of inflows received so far, at least three bankers told PTI. The RBI on Monday said its concessional swap facility, introduced to encourage foreign currency inflows, has attracted $20.72 billion till July 17, which included $17.406 billion, followed by OFCBs at $1.970 billion and ECBs at $1.342 billion.
(Moneycontrol)

FCNR(B): Data show banks have raised $20.7 bn under scheme; $10 bn more may flow in: The optimism follows RBI's disclosure that banks have collectively garnered $20.7 billion under its special incentive window, a pace that has already eased earlier concerns the scheme was struggling for traction. Of the total, FCNR(B) deposits accounted for the largest share at $17.4 billion, mobilised within six weeks of the scheme becoming operational. This was followed by overseas foreign currency borrowings (OFCBs) at $2 billion and external commercial borrowings (ECBs) at $1.3 billion.

(Economic Times)

Banks lure NRIs with high-return FCNR(B) deposits, warn of leverage risks: Banks are attracting NRI dollar deposits through RBI's FCNR(B) window. These deposits offer projected returns of thirteen to sixteen percent. Customers can borrow multiple times their capital to amplify these dollar yields. However, early redemption carries substantial penalties and lender control over pledged funds. Investors face liquidity constraints and regulatory risks with these leveraged products.

(Economic Times)

SC quashes case against Standard Chartered Bank over violations of FERA provisions: The Supreme Court quashed a 23-year-old criminal complaint against Standard Chartered Bank. This decision provided relief to the bank after a lengthy legal process. The court cited a lack of documentary evidence supporting the complaint. It also noted the trial had not progressed beyond serving summons. The Supreme Court's inherent powers were exercised to end these proceedings.

(Economic Times)

Banks, financial institutions reported fraud of Rs 1.42 lakh crore in last 5 years: MoS Finance: Banks and financial institutions reported Rs 1.42 lakh crore in fraud over five years. Recovery of Rs 6,389 crore was made during this five-year period. Public sector banks filed recovery suits against 15,577 wilful defaulters by March 2026. These banks also recovered Rs 52,360 crore from wilful defaulters. The Reserve Bank of India has directed banks to avoid borrower harassment.

(Economic Times)

INDUSTRY OUTLOOK

Gold, silver smuggling surges after Indian govt more than doubles import duty: The Indian government's decision to increase the import duty on gold and silver has probably led to increased smuggling, with data showing a manifold jump in seizures of smuggled consignments of the precious metals. On May 13, the Government more than doubled the Customs duty on gold and silver to 15 per cent from 6 per cent, including 5 per cent Agriculture and Infrastructure Development Cess. The seizure of silver consignments increased by more than 10 times between May 13 and June 30 compared with the April 1-May 12 period. On the other hand, gold consignment seizures jumped 186 per cent during the period, data provided by the Government in the Lok Sabha showed.
(Moneycontrol)

India's manufacturing to rise 2.8x to $1.5 trn by 2035: Morgan Stanley: India's manufacturing sector is likely to see sharp growth in the coming years, supported by industrial policy and reforms, Morgan Stanley said in a report. With India seen entering a multi-year capex super-cycle, the manufacturing sector is projected to expand to $1.5 trillion by 2035, 2.8x its current size, the report said. "Success in expanding manufacturing is imperative to India's medium-term growth trajectory," said Morgan Stanley economists, led by Upasana Chachra. Morgan Stanley expects manufacturing's share of GDP to rise to around 20% by 2035, from the near 15% currently, implying an incremental manufacturing base of about $930 billion.
(Financial Express)

India's fertiliser exports rise 52% in three years from FY24 to FY26: Even as the focus is on India's rising fertiliser imports and the burden they are placing on the national exchequer amid the West Asia crisis, the latest data sourced from Parliament replies and other official sources show that the country's fertiliser exports have quietly risen by almost 52 per cent over the three years from 2023–24 (FY24) to 2025–26 (FY26). Though the export volume is minuscule compared with the quantity of fertilisers India imports every year, the trend is noteworthy given the broader discourse surrounding the sector. India exported about 317,515 tonnes of fertilisers in FY24, with shipments steadily rising to 479,737 tonnes in FY26. A major share of these exports was other superphosphates shipped to Brazil, official data showed.

(Business Standard)

REGULATION & DEVELOPMENT

SEBI weighs overhauling safety capital norms for clearing corporations, proposes uniform risk cover approach: Market regulator Securities and Exchange Board of India (SEBI) is evaluating a proposal to introduce a uniform framework for the key minimum safety fund applicable to all clearing corporations. Clearing corporations guarantee every trade by ensuring securities are delivered and payments are settled, eliminating counterparty default risk. According to sources aware of the initial discussions, the regulator has discussed with all key stakeholders implementing the Cover 3 risk standard approach, which requires the Core Settlement Guarantee Fund (Core SGF) to be sufficient to cover the simultaneous default of at least the top three clearing members. Sources said the proposal, though in its initial stage, if implemented, will remove the mandatory Rs 10,500-crore minimum corpus requirement for systemically important clearing corporations with a market share of more than 40 per cent of clearing volumes, while making the stringent Cover 3 risk standard uniformly applicable across all clearing corporations.

(Moneycontrol)

SEBI operationalises promoter share freeze mechanism for buybacks: The Securities and Exchange Board of India (SEBI) on Tuesday issued the operational framework for freezing promoter and promoter group shareholdings at the ISIN level during buybacks, paving the way for implementation of the amended buyback regulations from August 1. The circular follows SEBI's July 1 amendment to its buyback regulations, which requires promoter and promoter group holdings, including those of their associates, to remain frozen from the date the board or shareholders approve a buyback until the offer closes.

(Business Line)

RBI proposes easier FDI compliance regime, seeks public comments: RBI proposed a principle-based regulatory framework by rationalising provisions, harmonising definitions and simplifying the regulatory architecture to improve clarity and reduce the compliance burden for foreign investors. The central bank released the draft Foreign Exchange Management (Foreign Investment) Rules, 2026 for public consultation on Tuesday, seeking to replace the existing Foreign Exchange Management (Non-Debt Instruments) Rules, 2019. Comments on the draft have been invited until August 31. RBI said the proposed norms are aimed at enhancing ease of doing business. “Streamlined procedures, reduced compliance burden and greater operational flexibility through a transparent and investor-friendly regulatory framework,” is among the salient features of the proposed draft rules, the RBI statement noted. The review of the Non-Debt Instruments (NDI) Rules was announced in the Union Budget for 2026-27 as part of the government’s plan to create a more contemporary and user-friendly framework for foreign investment. Following the announcement, the Centre constituted a committee to review the existing regulations, and based on the committee's recommendations, the RBI prepared the draft rules in consultation with the government and other stakeholders.

(Business Standard)

FINANCIAL TERMINOLOGY

BLUE OCEAN STRATEGY

- Blue Ocean Strategy is a strategic framework developed by W. Chan Kim and Renée Mauborgne that encourages firms to create uncontested market space rather than competing in saturated markets.
- Instead of fighting competitors in "Red Oceans" characterized by intense rivalry, firms following a Blue Ocean Strategy pursue value innovation by simultaneously reducing costs and increasing customer value. The strategy focuses on creating new demand through differentiation and innovation. Examples include Cirque du Soleil, which combined theatre and circus, and Nintendo Wii, which targeted casual gamers rather than competing solely on hardware specifications. The framework emphasizes the ERRC Grid—Eliminate, Reduce, Raise, and Create—to redesign industry boundaries.

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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 : 96.2537
INR / 1 GBP : 129.4417
INR / 1 EUR : 109.9147
INR /100 JPY: 59.2300

EQUITY MARKET

Sensex: 77470.11 (-238.41)
NIFTY: 24187.70 (-50.80)
Bnk NIFTY: 57835.35 (-109.65)

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