



# ICMAI

भारतीय लागत लेखाकार संस्थान

THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament  
(Under the jurisdiction of Ministry of Corporate Affairs)



H.Q: CMA Bhawan, 3, Institutional Area, Lodhi  
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Kolkata Office: CMA Bhawan, 12 Sudder Street,  
Kolkata – 700 016

## **DAILY NEWS DIGEST BY BFSI BOARD**

05 October 2026



### **‘Super dangerous’ AI could pose a far greater threat, warns SoftBank’s**

**Masayoshi Son:** SoftBank Group Corp. chief Masayoshi Son, one of AI’s strongest advocates, has voiced concerns over the safety risks posed by increasingly capable artificial intelligence systems, saying countries must work together to control the technology, according to a Bloomberg report. Son said the rapid, exponential rise in AI capabilities makes it essential for countries to build trust and harness the technology together. “We don’t have any more luxury of having human fight against human,” Son said, adding that countries need to work together to control the far greater threat from powerful AI models. Superintelligence in the wrong hands can become “super dangerous,” he said, as quoted by Bloomberg.

**(Moneycontrol)**

### **MPC seen raising rates by 25 bps this week; majority expect 50-75 bps tightening by FY27:**

Bankers expect the Monetary Policy Committee (MPC) to raise the policy repo rate by 25 basis points (bps) on Wednesday, October 7, 2026, with a majority also expecting the MPC to deliver a cumulative 50-75 bps rate hike by the end of FY27, according to a poll of bank economists conducted by businessline. Eleven of the 12 chief economists from major public and private sector banks surveyed expect a 25-bps increase in the repo rate, taking it to 5.50 per cent.

**(Business Line)**

### **Let exchange rate act as shock absorber: IMF on Fed hike impact on India:**

The International Monetary Fund has said the US Federal Reserve's decision to hike interest rates would contribute to tighter global financial conditions and suggested that



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India allow the exchange rate to act as a shock absorber. An IMF spokesperson on Friday said rate hikes by the Federal Reserve have historically created some pressure for emerging markets through capital flows, financing conditions, and exchange rate movements. On September 17, the Federal Reserve raised interest rates for the first time since July 2023 and indicated another hike could follow, to combat inflation.

**(Business Standard)**



**Bol, J&K Bank post strong business growth in Q2:** Bank of India (BoI) and Jammu & Kashmir Bank (J&K Bank) reported strong growth in their loan books in the September quarter, with gross advances rising 20.4% and 23.7% year-on-year (y-o-y), respectively, according to provisional business figures released on Saturday. BoI's global gross advances rose to Rs 8.54 lakh crore as of September-end, while global deposits increased 21.6% to Rs 10.38 lakh crore. Its total global business grew 21.1% to Rs 18.92 lakh crore. Domestic advances increased 17.7% to Rs 7.03 lakh crore, while domestic deposits rose 23.3% to Rs 9 lakh crore. The bank's domestic retail, agriculture and MSME (RAM) advances grew 18.6% to Rs 4.12 lakh crore. J&K Bank recorded a 23.7% y-o-y increase in gross advances to Rs 1.34 lakh crore, ahead of the 16.3% growth in deposits to Rs 1.77 lakh crore. Its total business increased 19.4% to Rs 3.10 lakh crore.

**(Business Line)**

**National Housing Bank set to conduct forensic audit of SRG Housing Finance:**

Amid growing concerns over dubious lending practices, the National Housing Bank has initiated a forensic audit of SRG Housing Finance. This scrutiny will investigate allegations of fictitious loans, including unsupported accounts and discrepancies in repayment records. Auditors will delve into consumer data and loan origination processes to uncover any fraudulent activity, building on earlier findings that flagged possible fictitious loans ranging from Rs.300 to Rs.400 crore.

**(Economic Times)**



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**RBI grants Core Investment Company registration to Indiabulls:** Indiabulls Limited has received a Certificate of Registration as a Core Investment Company from the RBI. This approval adheres to the regulatory guidelines designated for investment-holding organizations. A Core Investment Company primarily manages investments and finances companies within its group. Indiabulls indicated it might relinquish the certificate if deemed unsuitable under the CIC structure, clarifying that this registration does not introduce any new banking or lending activities.

**(Economic Times)**

**Banks likely to report treasury losses in Q2 as bond yields harden:** Banks are set to report treasury losses in the second quarter of 2026-27 (FY27) as bond yields hardened across the curve, leading to mark-to-market (MTM) losses on their investment books, said market participants. The yield on the benchmark 10-year government bond hardened by 43.8 basis points (bps) during the quarter, while that on the 5-year bond rose by 46.8 bps to 6.89 per cent. The 10-year yield closed at 7.19 per cent on September 30, after rising 22 bps in September alone, its highest level since April 2024. The rise more than reversed the fall of around 32 bps in the first quarter. The yield on the 7-year bond, and 15-year bond rose by 50 bps, and 40 bps respectively in Q2FY27.

**(Business Standard)**

**UPI transaction value may drop 10% after Oct 15 MDR rollout: Survey:** Unified Payments Interface (UPI) transactions could see a 10 per cent decline in monthly value and a 4 per cent drop in monthly volumes if the proposed 0.4 per cent merchant discount rate (MDR) on payments above Rs.2,000 takes effect from October 15, LocalCircles CEO Sachin Taparia said in a post on X. A LocalCircles survey released on October 2 found that only 14 per cent of UPI users surveyed would continue making UPI payments above Rs.2,000 and bear the additional amount if a merchant passed the MDR on to them. About 27 per cent said they would switch to cash, 26 per cent to credit cards and 14 per cent to debit cards.

**(Business Standard)**



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**FSSAI orders Everest Food to recall select batches of cumin powder:** The Food Safety and Standards Authority of India (FSSAI) has directed Everest Food Products to recall some batches of its pre-packed cumin powder from the market after sample tests found it unsafe for consumption. In a social media post, the food safety authority said that a regulatory sample of “Pre-packed Cumin Powder” was drawn from the premises of Goa-based Riverside Resorts & Holiday Homes. “The Food Analyst’s report found pesticide residues of Azoxystrobin and Thiamethoxam at levels exceeding the prescribed maximum limits. The analyst declared the sample ‘unsafe’ under the Food Safety and Standards Act, 2006,” it noted.

**(Business Line)**

**SME listings sink as mainboard IPO index delivers over 10% annual return:** Of the 151 small and medium enterprise (SME) initial public offerings (IPOs) listed this year that raised Rs.2,078.55 crore, 70 trade below their issue price and 21 have lost half or more of their value. Investors have little to show in terms of returns. The median SME listing is up 1 per cent, against 27.1 per cent for mainboard issues. Forty-six per cent of SME stocks are under water, against 27 per cent on the mainboard. SME issues listed in July-September returned a median 0.1 per cent as of September 29, with 45 per cent trading below their issue price, Prime Database data showed. The first half of the year looks similar, with 47 per cent of the 76 SME issues listed in January-June trading below their offer price, with a median return of 5.1 per cent.

**(Business Standard)**

**Oil falls \$2 as Europe agrees to release diesel reserves after Trump push:** Oil prices fell \$2 after European leaders agreed on Friday to a request by US President Donald Trump to release diesel from their reserves to lower prices and reduce the need to import fuel from America. Brent was down \$1.80, or 1.76 per cent, at \$100.50 a barrel at 10:49 a.m. CDT (1649 GMT). West Texas Intermediate dropped \$2.02, or



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2.18 per cent, to \$90.85 a barrel. For the week, Brent was down about 2.84 per cent so far, with WTI around 1.54 per cent lower.

**(Business Standard)**



**GST exemption for banks, nominated agencies for gold, silver imports may be withdrawn:** The GST Council is likely to consider a proposal to withdraw Integrated GST (IGST) exemption on gold, silver and platinum imports by banks and nominated agencies, sources said. Currently, imports of gold, silver, and platinum are subject to a 3 per cent IGST. However, this tax is exempt when these precious metals are imported by banks and nominated agencies, which are periodically listed by the government. Sources said that on October 7, the GST Council, comprising Centre and state finance ministers, will consider withdrawing the tax exemption given in 2017 to banks and nominated agencies.

**(Business Line)**

**Irdai's distribution reforms put 1 million livelihoods at risk: IBAI:** The Insurance Regulatory and Development Authority of India's (Irdai's) proposed distribution reforms could put at least one million livelihoods at risk and could bring back unethical business practices addressed by the 2023 expenses regulations, the Insurance Brokers Association of India (IBAI) said. The apex body representing India's 798 licensed insurance brokers raised these concerns in a letter to Prime Minister Narendra Modi and Finance Minister Nirmala Sitharaman. In its letter, IBAI said the proposed one-third cut in expense limits for insurers cannot be achieved through efficiency alone and would instead lead to reductions in sales, servicing and claims staff across private and public sector insurers. "Distribution reach shrinks precisely when Insurance for All by 2047 requires more of it, with penetration at 3.7% of GDP against a global average above 7%," it said.

**(Financial Express)**



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**GST Council likely to ease audits for firms with multi-state operations:** The Goods and Services Tax (GST) Council, the apex GST policymaking body, is likely to consider compliance relief for businesses with operations in multiple states by revamping audits that currently take place independently in each jurisdiction. The proposal to conduct these audits in a more coordinated and centralised manner is likely to be examined at the Council's October 7 meeting in the capital, two people familiar with the development said. The proposal to be taken up by the Council is linked to a broader exercise by the Central Board of Indirect Taxes and Customs (CBIC) to examine centralised administration of taxpayers having multiple GST registrations under the same PAN.

**(Business Standard)**



## FINANCIAL TERMINOLOGY

### CONFIRM SHAMING

- This is a trick of mis-selling using a phrase, video, audio or any other means to create a sense of fear or shame or ridicule or guilt in the mind of the user so as to nudge the user to act in a certain way that results in the user purchasing a product / service from the platform or continuing a subscription of a service, primarily for the purpose of making commercial gains by subverting consumer choice.
- Illustration: Displaying a message like, "Are you sure you want to miss out on exclusive offers and updates?" or "No, I prefer to stay uninformed about great deals," while customer attempts to unsubscribe from marketing emails, implying that opting out is unwise.



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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 : 95.9927

INR / 1 GBP : 127.2214

INR / 1 EUR : 108.6151

INR /100 JPY: 60.6700

## EQUITY MARKET

Sensex: 71909.70 (-570.59)

NIFTY: 22421.95 (-198.50)

Bank NIFTY: 54450.75 (-182.30)



## 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



## Publications by BFSI Board

- ◆ Handbook on Aide Memoire on Infrastructure Financing (3rd enlarged revised edition)
- ◆ Aide Memoire on Lending to MSME Sector (including restructuring of MSME Credit)
- ◆ BFSI Chronicle (quarterly issue of BFSIB)
- ◆ 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
- ◆ Expected Credit Loss (ECL) Framework – A Practical Handbook for Indian Banks
- ◆ Handbook on Restructuring of Bank Loans



For details, please visit the BFSIB portal on the ICMAI website.

**CMA Harshad S. Deshpande, Chairman**  
**Banking, Financial Services & Insurance Board (BFSIB)**  
**The Institute of Cost Accountants of India (ICMAI)**

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