



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,
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DAILY NEWS DIGEST BY BFSI BOARD

06 October 2026



India-US trade talks 'reached a plateau', compromise difficult: FM Sitharaman:

India-US trade deal talks have "reached a plateau" beyond which compromise could be difficult, Finance Minister Nirmala Sitharaman said on Monday. "It's been a hard and very rigorously negotiated agreement. The negotiations are still ongoing. Although we'd like to believe that both sides have reached a plateau beyond which giving or taking might be very very difficult," Sitharaman said while speaking at the Munich Security Conference. "But maybe if there are rooms to operate from both sides would do it." Sitharaman said the US wants to reduce the trade imbalance with India, with the bilateral trade balance currently favouring New Delhi. "The trade balance is very much in our favour. Naturally the deficit is there on their side or the balance is going unfavourably for the US," she said.

(Business Today)

RBI may continue liquidity absorption as it begins rate-hiking cycle: RBI may have to continue absorbing liquidity even as it begins its rate-hiking cycle. The immediate challenge is keeping the weighted average call rate (WACR) aligned with the repo rate amid elevated surplus liquidity, market participants said. Core liquidity surplus is still around Rs.10 trillion, a large part of it in the form of government cash surplus, and could continue to keep overnight rates below the repo rate. The three-day review of the October monetary policy is currently underway, with the outcome due on Wednesday. The rate-setting panel is widely expected to raise the policy repo rate by 25 basis points. After cutting the repo rate by 125 basis points in 2025, the RBI maintained the status quo in the last four meetings.

(Business Standard)



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Gross FDI hits 15-year high, net FDI at five-year peak in Q1 FY27: India just had its strongest quarter for foreign investment in 15 years. Gross foreign direct investment (FDI) hit \$30.66 billion in the first quarter of 2026-27, surpassing the previous peak recorded in the second quarter of 2020-21. However, foreign investors took out about 44 per cent of it through repatriation, such as dividends, royalties, and the sale of equity. Separately, foreign exchange equal to about 31 per cent of gross FDI moved out because Indian companies invested abroad. Even then, net FDI, which is gross inflows minus these two, was at a five-year high of \$7.84 billion in the first quarter of 2026-27. When seen as a proportion of gross FDI, net FDI was just about 25 per cent.

(Business Standard)



NBFCs account for half of new-to-credit originations: Report: Non-banking financial companies (NBFCs) accounted for nearly half (47%) of new-to-credit consumer originations as of June 2026, becoming a major gateway to formal credit in India, showed a joint report by the Finance Industry Development Council (FIDC) and TransUnion CIBIL. Over the last decade, NBFCs have expanded steadily — their base of credit-active consumers has grown almost seven times. Similarly, their share of retail loan originations has climbed from 33% to 43%, it showed. However, the share of first-time borrowers among NBFC originations declined to 16% in June 2026 from 28% in the year-ago period. This indicates that shadow banks are increasingly extending credit to borrowers with established credit history.

(Financial Express)

BFSI tech spend rises, but IT services get smaller share: Banks and financial institutions are increasing their technology spending, but Indian IT services firms are capturing a shrinking share of the incremental wallet as a larger portion of budgets shifts towards AI infrastructure, software, cloud, cybersecurity and in-house engineering capabilities. Technology spending by banks grew 8% year-on-year in the first half of 2026, compared with 4% growth in BFSI revenue for IT services, according



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to data from ICICI Securities. The divergence reflects a structural change in the composition of technology budgets, with a growing share of spending going directly to technology and software providers rather than outsourced services.

(Financial Express)

Bank Q2 updates: HDFC Bank, small finance banks, Bajaj Finance lead credit growth: Indian banks and non-banking financial companies (NBFCs) announced their second-quarter business update on October 4, delivering healthy credit and deposit growth during Q2 FY27. Asset quality metrics remained steady across reporting institutions, with no visible operational disruption from ongoing West Asia geopolitical tensions. Small Finance Banks (SFBs) led the business expansion, outperforming mid-sized and large lenders like HDFC Bank. HDFC Bank posted a 16% year-on-year (YoY) increase in gross advances to Rs 32,135 Bn. Ujjivan Small Finance Bank expanded total disbursements by 33.1% year-on-year to Rs 10,560 Cr, lifting total advances by 31.6% to Rs 45,531 Cr.

(Financial Express)

Finmin to meet heads of banks on Tuesday to review progress of financial inclusion scheme: A meeting involving bank heads is scheduled for Tuesday to assess the progress of financial inclusion schemes. Key initiatives include Pradhan Mantri Jan Dhan Yojana and Pradhan Mantri Mudra Yojana, which support small enterprises. Other schemes such as PM Jeevan Jyoti Bima Yojana and PM Suraksha Bima Yojana offer insurance coverage for different age groups. The StandUp India Scheme focuses on empowering SC, ST, and women borrowers.

(Economic Times)

Private banks' deposit mobilisation outpaces PSU peers in Q2: Deposit mobilisation by private banks outpaced state-owned peers in the second quarter of FY27, indicating higher Foreign Currency Non-Resident Bank deposit mobilisation under the Reserve Bank's concessional swap window. Data compiled by PTI from provisional numbers disclosed by banks for the July-September period shows that private lenders' deposit growth ranged between 17 per cent and 34 per cent year-on-year compared to a 6.87-17.01 per cent rise of state-owned lenders. In the private space, HDFC Bank reported an 18.8 per cent year-on-year deposit growth in Q2, Kotak Mahindra Bank (23.2 per cent), YES Bank (19.5 per cent), Axis Bank (20.7 per



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cent), IDFC First Bank (17 per cent), RBL Bank (34 per cent), and South India Bank (18.70 per cent), according to data. In the PSB space, Bank of Baroda registered the highest growth of 17.01 per cent year-on-year in domestic deposits and 16.75 per cent in global deposits in Q2 FY27, followed by Central Bank of India (14.43 per cent), UCO Bank (14.05 per cent), and Punjab and Sind Bank (12.98 per cent).

(Economic Times)

RBI's panel starts monetary policy deliberations, 0.25 bps rate hike likely: The Reserve Bank's Monetary Policy Committee began its three-day meeting on Monday and is likely to raise rates by 25 basis points, aligning with the central banks' hawkish stance amid escalating conflicts in West Asia that pose risks for domestic inflation. An interest rate hike by the RBI in its upcoming monetary policy would mark a stance reversal, following rate cuts in 2025 and a prolonged pause thereafter, according to a PTI poll of 16 economists and bankers.

(Business Standard)



Airlines need urgent liquidity, but banks delay release of sanctioned funds; FIA writes to Centre: The Federation of Indian Airlines (FIA), which represents Air India, IndiGo and SpiceJet, has urged the Civil Aviation Ministry to intervene after the release of balance amounts sanctioned under the Emergency Credit Line Guarantee Scheme (ECLGS) 5.0 was delayed in several cases. In a letter to Civil Aviation Minister Kinjarapu Ram Mohan Naidu, FIA said airlines that had sought credit under the scheme had received only a portion of the assistance sanctioned, while lending institutions had delayed releasing the remaining amounts. FIA has asked the ministry to provide "appropriate guidance and reassurance" to participating banks so that the balance sanctioned amounts can be released, beginning with the first tranche.

(Business Today)



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Flipkart invests in TravClan to strengthen international travel offerings: E-commerce firm Flipkart has taken a minority stake in TravClan, a global B2B travel tech platform. The investment will strengthen international travel supply and expand the holiday packages available to customers across Cleartrip and Flipkart Travel. The companies didn't reveal the financial details of the deal. TravClan powers outbound leisure travel with direct supplier listings across domestic and international destinations.

(Business Standard)

UltraTech becomes first Indian company with 2 GW green power capacity:

Leading cement maker UltraTech on Monday said it has become the first Indian company to cross 2 GW of captive green power capacity after commissioning a 116.55-MW wind energy project in Barmer, Rajasthan. The Aditya Birla Group flagship company has also commissioned 10 MW of Waste Heat Recovery System (WHRS) capacity at Sarlanagar Cement Works, its integrated manufacturing unit in Karnataka.

(Business Standard)



National Housing Bank likely to double affordable housing outlay for HFCs this fiscal: National Housing Bank plans to double the refinance and affordable housing funds for large housing finance companies. These funds will be available to companies seeking long-term and cheaper financing options. LIC Housing Finance, Bajaj Housing Finance, and others are likely to benefit from this increase. The funding is expected to help reduce reliance on banks while promoting growth in housing loans.

(Economic Times)

Sebi launches nationwide investor campaign, cautions against finfluencers: The Securities and Exchange Board of India (Sebi) Chairman Tuhin Kanta Pandey on Monday launched a nationwide investor-awareness campaign that will run through March 2027, with the regulator planning to take financial literacy to rural areas and



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educational institutions while cautioning investors against anonymous tips, influencers and exaggerated return claims. The campaign, Project Jagrook, will bring Sebi, stock exchanges, depositories, the Association of Mutual Funds in India (AMFI) and the National Institute of Securities Markets (NISM) under a coordinated investor-education framework, propagating investor-awareness messages in several languages.

(Business Standard)

UIDAI sets out fresh rules for Aadhaar name corrections and changes: The Unique Identification Authority of India (UIDAI) has introduced a revised Standard Operating Procedure (SOP) that categorises name updates based on the nature of the change, requiring different documents for each case. The revised rules separately cover surname changes following marriage or divorce. Applicants have to submit the prescribed Annexure D affidavit along with Proof of Identity (PoI). The affidavit confirms that the change is related to marriage or divorce and does not involve a change of identity.

(Business Standard)



FINANCIAL TERMINOLOGY

CROSS CURRENCY BASIS

- Cross-currency basis is the difference between the cost of borrowing a currency directly and the implied cost of obtaining it by borrowing another currency and using a currency swap.
- Under covered interest parity, these costs should broadly align; a persistent difference reflects factors such as strong demand for dollar funding, hedging pressures and constraints on banks' balance sheets. International banks monitor the basis because it affects overseas funding costs, investment returns and the pricing of currency hedges.



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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 : 96.2831

INR / 1 GBP : 127.2182

INR / 1 EUR : 107.7883

INR /100 JPY: 61.0300

EQUITY MARKET

Sensex: 72382.47 (+472.77)

NIFTY: 22555.75 (+133.80)

Bnk NIFTY: 54714.10 (+263.35)



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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