



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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DAILY NEWS DIGEST BY BFSI BOARD

08 October 2026



HIGHLIGHTS OF MONETARY POLICY STATEMENT DT. 07 OCTOBER 2026

The Monetary Policy Committee (MPC) held its 63rd meeting from October 5 to 7, 2026, under the chairmanship Governor, Reserve Bank of India. The highlights of the resolution of MPC are as under;

- ❑ The MPC voted unanimously to **increase repo rate by 25 bps to 5.50 per cent.**
- ❑ Consequently, the **SDF rate** stands adjusted at **5.25 per cent** and the **MSF rate** and the **Bank Rate at 5.75 per cent.**
- ❑ The MPC also decided to change the stance to **calibrated tightening.**

OUTLOOK

- ❑ As per National Statistics Office (NSO) estimates, real GDP growth in Q1:2026-27 was at 7.8 per cent.
- ❑ **Real GDP growth for 2026-27** is projected at **7.1 per cent**, with Q2 at 7.2 per cent; Q3 at 6.9 per cent and Q4 at 6.8 per cent.
- ❑ Real GDP growth for Q1:2027-28 is projected at 7.1 per cent.
- ❑ CPI inflation increased to 4.8 per cent in August 2026 from 4.5 per cent in July.
- ❑ **CPI inflation is projected to be 5.2 per cent for 2026-27** with Q2 at 4.9 per cent; Q3 at 6.0 per cent; and Q4 at 5.7 per cent.

ANNOUNCEMENTS MADE IN STATEMENT OF DEVELOPMENTAL & REGULATORY POLICY DT 07 OCT 2026

The following two announcements made in the Statement of Developmental and Regulatory Policies October 7, 2026;



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- ❑ **Measures to Enhance the Customer Convenience through the Account Aggregator Framework:** It has been decided to implement interoperability among NBFC-Account Aggregators (NBFC-AA). This will enable customers to access and share their financial information, across different Financial Information Providers. Additionally, Depositories are being facilitated to include information related to bank deposit accounts in their Consolidated Account Statement (CAS) through the NBFC-AAs. This will enable demat account holders to view information relating to their demat account holdings and bank deposit accounts at one place in the CAS. (To be implemented by 31st Dec 2026).
- ❑ **Constitution of a Technical Consultative Committee for Financial Markets:** RBI decided to constitute a Technical Consultative Committee for Financial Markets, which will serve as a forum for structured engagement with market participants and stakeholders by the Reserve Bank on policy and operational matters related to money, government securities and foreign exchange markets as well as the respective derivative markets and infrastructure.

India economy can double to \$8 trillion over next decade as reforms lift growth ceiling: KKR: India's economy can double in size to more than \$8 trillion over the next decade as structural reforms, infrastructure investment and formalisation continue to raise the country's growth potential, global investment firm KKR has said. India has already crossed the \$4-trillion mark and remains on track to double again over the next 10 years, KKR said in its Thoughts From the Road — Europe and Asia report for October 2026. "India remains one of the clearest examples of how patient, structural reform can pay off over a decade rather than a quarter," the report said.

(Moneycontrol)

Liquidity surplus expected to get drained out within the current financial year: RBI Guv: RBI Governor Sanjay Malhotra sees the FCNR (B) deposit-related surplus liquidity in the banking system as a temporary phenomenon, with the surplus expected to get drained out within the current financial year. The Governor also emphasised that raising the CRR will be one of the least preferred ways of withdrawing liquidity. He noted that during August and September, system liquidity increased substantially on account of the recent measures undertaken to attract capital inflows. As measured by



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the net position under the LAF, system liquidity stood at an average daily surplus of Rs.5.9 lakh crore since the last MPC meeting in August 2026.

(Business Line)

New RBI data reveals a recast of India's overnight money market numbers:

Private sector banks' share in borrowing through the tri-party repo market fell considerably in the first half of 2026-27, while govt banks increased their presence in the collateralised overnight money market, RBI's monetary policy report released on October 7 showed. According to the data, private lenders accounted for 14% of tri-party repo borrowing during April-September 2026, down from 24% in the preceding six-month period. Public sector banks' contribution to the collateralised overnight money market increased to 35% during the first half of the fiscal from 32% in the previous six months.

(Economic Times)



Kotak Securities rebrands retail arm as Kotak Neo, eyes unified wealth play:

Kotak Securities Ltd on Wednesday rebranded its retail business as Kotak Neo, consolidating its digital trading platform, research services, and relationship-based wealth management under a single customer-facing identity. The rebrand, effective October 7, 2026, does not alter the legal entity, existing customer accounts, or regulatory framework. Kotak Securities Ltd remains the incorporated company; Kotak Neo is the retail brand through which it will now engage customers.

(Business Line)

NBFC services to banks will attract 18% GST: The fitment committee under the Goods and Services Tax (GST) Council has decided that services provided by non-banking finance companies (NBFCs) to banks will be taxable at 18% GST, with their value determined in the manner prescribed by the Reserve Bank of India (RBI), people aware of the development said. The interest on the underlying loan will remain exempt from GST. The 18% levy will apply to the taxable service supplied by the NBFC to the



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bank in the co-lending arrangement. The committee also decided to align the valuation of the NBFC's service with the methodology prescribed by the Reserve Bank of India.

(Economic Times)

Govt asks banks to develop a sector-wide quantum transition along with an AI resilience framework: According to the industry, major concerns in this segment include 'harvest now, decrypt later' threats, where cyber adversaries stockpile encrypted banking data for future quantum decryption. The finance ministry has also asked banks to assess post-quantum vulnerabilities and initiate mitigation measures, said an official, who did not wish to be identified. "Each bank can prepare its internal strategy, but there has to be some common industry parameters," he added.

(Economic Times)

RBI brings new rule for banks to measure risks from derivatives, other such dealings: RBI has set a Rs 25,000 crore threshold for banks required to adopt the Standardised Approach for Counterparty Credit Risk, bringing greater clarity to how lenders must measure risks arising from derivatives and other transactions. The approach will apply to commercial banks that either have an international presence or report derivative outstanding of Rs 25,000 crore or more on a consolidated group-wide basis as of the reporting date. Banks that do not meet these criteria will have the option of using either the Current Exposure Method (CEM) or the Standardised Approach for Counterparty Credit Risk (SA-CCR).

(Economic Times)

S&P projects 12-14% credit growth this fiscal, warns weak monsoon may hit rural lending: S&P Global forecasts a 12-14% increase in financial sector lending despite potential slowdowns in rural areas. Concerns about weak monsoon rains may negatively impact rural incomes and lending. A projected GDP growth of 7% for India in FY27 reflects steady public investment and improved private sector investments. Economic activity remains strong, although headwinds like inflation could constrain momentum.

(Economic Times)



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Repo-rate hike won't derail festive auto growth; protecting affordability could cost Rs.1,000 crore: The Reserve Bank of India's 25-basis-point repo-rate hike, from 5.25 per cent to 5.50 per cent, is unlikely to derail festive auto growth, but protecting buyers from higher borrowing costs could cost automakers and lenders nearly Rs.1,000 crore over four years, according to estimates by auto and BFSI industry experts who spoke to businessline. The calculation assumes manufacturers and financiers absorb around half the incremental financing cost across roughly one crore two-wheeler loans, 20 lakh passenger-vehicle loans and 10 lakh three-wheeler loans. The actual cost will depend on financing penetration, lender pass-through and the extent to which manufacturers subsidise interest rates.

(Business Line)

India's rural economy decoupling from monsoon shocks, says RBI report: India's rural economy is becoming more resilient to weak monsoons as a growing share of non-crop activities, diversification into allied sectors, and rising irrigation coverage reduce the dependence of rural incomes on the rains, the Reserve Bank of India (RBI) said on Wednesday. The findings come as India faces the likely impact of a severely deficient southwest monsoon in 2026. Published in the Monetary Policy Committee's (MPC's) report in a section titled 'Indian Agriculture Sector Amid Weather Shocks', the study provides data and empirical evidence for a trend that policymakers and researchers have highlighted in recent years.

(Business Standard)

'India-US trade breakthrough unlikely soon; narrow interim deal possible': India and the US are unlikely to see a breakthrough in trade negotiations in the near term, as the two sides remain divided over market access, agriculture, purchases of US goods, and India's imports of Russian oil, according to BMI (formerly Business Monitor



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International), a FitchSolutions company. However, the agency said they may eventually conclude only a narrow interim trade deal.

(Business Standard)



SEBI exempts eligible listed issuers from merchant banker requirement for private debt placements: SEBI on Wednesday relaxed the mandatory merchant banker appointment requirement for certain listed issuers raising debt through private placement, in a move aimed at easing fundraising and expanding retail investor access to high-rated securities. Under the revised framework, eligible issuers can privately place debt securities with a face value of Rs 10,000 without appointing a merchant banker, provided they meet conditions prescribed by SEBI. The issuer must be registered with or regulated by a financial sector regulator in India, including SEBI, the RBI, the IRDAI or the PFRDA. The issuer must also have been listed on a recognised stock exchange for at least one year. Further, there should be no pending fines or penalties imposed by SEBI or stock exchanges for non-compliance with applicable provisions of the SEBI Listing Obligations and Disclosure Requirements Regulations.

(Moneycontrol)

Govt bond yields near three-year high after RBI's hawkish policy shift: Government bond yields hardened after the Reserve Bank of India changed its policy stance to withdrawal of accommodation — which came as a surprise — while raising the policy repo rate by 25 basis points (bps) to 5.5 per cent. The yield on the benchmark 10-year government bond settled at 7.24 per cent, the highest since December 13, 2023, against the previous close of 7.19 per cent. “Yields are likely to remain around current levels unless there is some fresh action or commentary from the RBI or elsewhere.

(Business Standard)



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Sebi brings risk-o-meter for debt securities; eases norms for debt-raising: The Securities and Exchange Board of India (Sebi) on Wednesday introduced a mandatory 'Credit Risk-o-Meter' for debt securities to help investors assess credit risk through colour-coded visualisation. The framework will apply to listed and proposed issuances of non-convertible securities, commercial papers, securitised debt instruments, security receipts and structured debt. The meter will map credit ratings from AAA to D across six risk levels.

(Business Standard)



FINANCIAL TERMINOLOGY

DIGITAL CREDIT LINE

- A digital credit line is a flexible loan facility provided by financial institutions that allows consumers or businesses to access funds as needed. Unlike traditional loans, where you receive a lump sum upfront, a digital credit line enables users to borrow varying amounts within a pre-approved limit. This option offers more flexibility and control over finances, especially for those who prefer borrowing in smaller amounts without the commitment of a full loan.
- With the entire process managed digitally, from application to fund withdrawal, users can access funds quickly and easily through an app or online platform.
- Digital credit lines are particularly useful for businesses managing fluctuating cash flows or for individuals facing unexpected expenses.



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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 : 96.6230

INR / 1 GBP : 127.9772

INR / 1 EUR : 108.4503

INR /100 JPY: 61.0100

EQUITY MARKET

Sensex: 72638.70 (-429.11)

NIFTY: 22603.05 (-173.05)

Bnk NIFTY: 55055.55 (-72.85)



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.

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