



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
Road, New Delhi – 110 003

Kolkata Office: CMA Bhawan, 12 Sudder Street,
Kolkata – 700 016

DAILY NEWS DIGEST BY BFSI BOARD

16 October 2026



India's trade with West Asia returns to near-normal levels: A little over six months into the West Asia war, India's trade with the region has returned to near-normal levels. India's exports to West Asia stood at \$5.56 billion in September 2026, only marginally lower than the \$5.94 billion recorded in September last year. India's imports from the region stood at \$13.64 billion last month, broadly in line with the \$13.76 billion recorded in September 2025. India's exports to West Asia in June, July and August this year were higher than in the corresponding months of 2025, while imports were lower.

(Business Today)

World economic growth to slow to 2.6% in 2026, UN trade body says: Global economic growth will likely slow to 2.6% in 2026, down from 2.9% last year, as the energy shock from the crisis in West Asia is putting the global economy to the test, the United Nations agency for trade and development said on Friday. Trade in goods and services is expected to expand by 4% in constant prices, after global trade reached a record \$35 trillion in 2025, but the projected rise is driven by higher energy prices, UNCTAD said in its trade and development report.

(Business Line)

India's September exports jump 23% to \$44.4 billion; trade deficit narrows to \$30.2 billion: India's goods exports surged 23.04 per cent year-on-year in September 2026 to \$44.40 billion, propelled by key sectors such as engineering goods, chemicals, petroleum products and electronics, according to quick estimates shared by the Commerce Department on Thursday. The trade deficit narrowed to \$30.21 billion in September 2026, compared with \$33 billion in the same month last year, as imports



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
Road, New Delhi – 110 003

Kolkata Office: CMA Bhawan, 12 Sudder Street,
Kolkata – 700 016

grew at a slower pace of 8 per cent to \$74.61 billion. However, the deficit was higher than the \$26.86 billion recorded in August 2026.

(Business Line)

RBI ups real GDP, CPI inflation forecasts for FY27 amid repo rate hike: The Reserve Bank of India has revised upwards its real GDP growth projection for FY27 to 7.10 per cent from the earlier 6.70 per cent, as the economy is expected to remain resilient even as it hiked the repo rate by 25 basis points to 5.50 per cent. It also raised its CPI inflation projection for FY27 to 5.2 per cent from the earlier 5 per cent, as the near-term inflation outlook points to continued supply-side pressures due to a deficient Southwest monsoon, El Niño conditions and high volatility in international oil prices.

(Business Line)



Yes Bank 'actively offered' high-risk AT-1 bonds to individual investors in violation of RBI rules: Supreme Court: The Supreme Court on Thursday (October 15) flagged Yes Bank's practice of actively offering high-risk Additional Tier 1 (AT-1) bonds to individual investors, observing that the bank's direct sales to individuals fell outside the purview of SEBI regulations. The court noted that the Reserve Bank of India's (RBI) regulatory framework specified the classes of investors to whom AT-1 instruments could be offered, including mutual funds and insurance companies. Describing the instruments as high-risk securities, it said they were required to be offered only to institutional investors. "However, we find that YES BANK not only permitted but actively offered these instruments to individual investors in violation of the Master Circular," the court observed.

(Moneycontrol)

RBI eases confusion over 20% forex reserve rule, but banks must still park cash with central bank: The Reserve Bank of India (RBI) has clarified the scope and calculation of its 20 per cent Foreign Exchange Risk Reserve (FERR), including exemptions for certain hedges and the treatment of options and rolled-over contracts. It



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
Road, New Delhi – 110 003

Kolkata Office: CMA Bhawan, 12 Sudder Street,
Kolkata – 700 016

has, however, retained the requirement to maintain the reserve in cash, leaving banks' concerns over liquidity and hedging costs unresolved. RBI said FERR would apply to user contracts exceeding \$2 million equivalent in which the user purchases foreign currency against the rupee to hedge current-account transactions. Contracts involving the sale of foreign currency against the rupee, as well as those hedging capital-account transactions, are excluded. The central bank also clarified the treatment of interest on external commercial borrowings (ECBs), coupons on debt instruments held by non-residents, and dividends payable to non-resident investors. Although these are current-account payments, they arise from underlying capital-account transactions. "Accordingly, foreign exchange derivative contracts undertaken by users to hedge such flows shall be excluded from the requirement of FERR," the RBI said.

(Moneycontrol)

IDBI Bank employees and pensioners have nothing to fear: DIPAM Secretary:

The service conditions of all existing employees of IDBI Bank will be fully protected in the proposed strategic restructuring of the lender, said Arunish Chawla, Secretary, Department of Investment and Public Asset Management. "The service conditions will be fully protected. The bank also has pensioners. Their pension benefits will be protected, there is a dedicated pension fund set aside for the purpose," Chawla told BT in an interview.

(Business Today)

Fairfax gets 15 years to reduce stake in IDBI Bank to 26%: Fairfax Financial Holdings will acquire a 60.72% stake in IDBI Bank and reduce its ownership over 15 years. The Reserve Bank of India has allowed Fairfax to decrease its stake to 26% eventually. Fairfax has two years to decide the future of CSB Bank, including merger or sale options. The group aims to transform IDBI Bank into a comprehensive financial services entity.

(Economic Times)

Demand for bank loans rises amid hardening yields: Canara Bank and Indian Bank reported a total corporate loan pipeline of Rs.1.10 lakh crore between them. The banks are experiencing steady credit demand from corporate clients amid rising bond yields. Canara Bank expects to maintain around 19% credit growth, while Indian Bank targets



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
Road, New Delhi – 110 003
Kolkata Office: CMA Bhawan, 12 Sudder Street,
Kolkata – 700 016

a 14-15% growth rate. Both banks highlighted the importance of improving deposit growth to narrow the credit-deposit gap.

(Economic Times)



US sanctions Cuban Bank among 10 entities, 16 individuals over alleged ties to Iran: The United States has imposed sanctions on Cuba's Banco Internacional de Comercio S.A. (BICSA) over its alleged financial links to Iran, placing the bank among 10 entities and 16 individuals targeted in Washington's latest measures aimed at intensifying economic pressure on Tehran. According to news agency AFP, the US Treasury Department announced the sanctions on Thursday, accusing BICSA of maintaining ties with Iran's Karafarin Bank, which has been under US sanctions since 2020. Washington alleges that the Cuban bank maintained these links from at least 2022.

(Moneycontrol)

No more input tax credit block for companies buying insurance cover: Businesses will now be able to claim input tax credit (ITC) on health and life insurance bought for employees, as the GST Council has recommended easing several restrictions on blocked credits. The changes are aimed at ensuring that taxes paid on genuine business expenses do not become an additional cost. Under the current rules, a business cannot claim credit for GST paid on insurance cover provided to its employees. Now, only individuals buying health or life insurance for themselves and their families will continue to get no such credit, since they are consumers, and not businesses.

(Business Line)

India-US trade deal nearing finish line, but tariff clarity remains key: The first tranche of the India-US bilateral trade agreement has been finalised and is undergoing legal drafting, Union Commerce and Industry Minister Piyush Goyal said on Thursday. He added that it would be operationalised once India secures a comparable tariff



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
Road, New Delhi – 110 003
Kolkata Office: CMA Bhawan, 12 Sudder Street,
Kolkata – 700 016

advantage. “The first tranche of the US bilateral trade agreement has been finalised. It is going through the final contours and legal drafting, and we hope to finalise it soon and operationalise it once we secure a comparable or competitive advantage over our peer countries... These remarks are consistent with exactly what I said yesterday, a week ago and three months ago. So, there is nothing new in that,” Goyal said.

(Business Today)



SEBI retains 30-minute VWAP for derivatives expiry settlement, revises closing auction timings: SEBI issued final framework on Closing Auction Session (CAS). SEBI has retained the 30-minute volume-weighted average price (VWAP) methodology for determining expiry-day settlement prices of index and stock derivatives, while revising the timings and operational framework of the CAS in the equity cash market. For expiry settlement, index derivatives will use the underlying index value calculated from constituent stocks' VWAPs during the last 30 minutes of the cash market's continuous trading session. Stock derivatives will use the underlying stock's VWAP over the same period across all exchanges. Exchanges will disseminate indicative values in real time.

(Moneycontrol)

Govt withdraws tax benefit for banks on gold, silver, platinum imports: The Indian government did not extend a tax benefit for banks on imports of gold and other precious metals and they have been paying a 3 per cent integrated goods and services tax since April, local media reported on Friday, citing the revenue secretary. The government informed the Goods and Services Tax Council, a body of federal and state government officials, about the change on Thursday.

(Business Today)



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
Road, New Delhi – 110 003

Kolkata Office: CMA Bhawan, 12 Sudder Street,
Kolkata – 700 016

Centre's net direct tax collection rises 13.2% to Rs.13.38 trn till Oct 14: The Centre's net direct tax collection rose 13.21 per cent annually to Rs.13.38 trillion as of October 14, supported by strong corporate tax collection growth and a sharp jump in Securities Transaction Tax (STT), even as refunds accelerated, provisional data released by the income-tax department on Thursday showed. Gross direct tax collections stood at Rs.16.03 trillion during the period, registering an annual growth of 14.89 per cent. Refunds increased 24.22 per cent to Rs.2.65 trillion, compared with Rs.2.13 trillion in the corresponding period last year. Corporate tax collections remained robust, with gross collections rising 17 per cent to Rs.7.53 trillion, while net collections increased 20.6 per cent to Rs.5.99 trillion after refunds.

(Business Standard)



FINANCIAL TERMINOLOGY

CROWDING OUT EFFECT

- A situation when increased interest rates lead to a reduction in private investment spending such that it dampens the initial increase of total investment spending is called crowding out effect.
- Sometimes, government adopts an expansionary fiscal policy stance and increases its spending to boost the economic activity. This leads to an increase in interest rates. Increased interest rates affect private investment decisions. A high magnitude of the crowding out effect may even lead to lesser income in the economy.
- With higher interest rates, the cost for funds to be invested increases and affects their accessibility to debt financing mechanisms. This leads to lesser investment ultimately and crowds out the impact of the initial rise in the total investment spending. Usually the initial increase in government spending is funded using higher taxes or borrowing on part of the government.



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
Road, New Delhi – 110 003

Kolkata Office: CMA Bhawan, 12 Sudder Street,
Kolkata – 700 016

RBI KEY RATES

Repo Rate: 5.50%

SDF: 5.25%

MSF & Bank Rate: 5.75%

CRR: 3.00%

SLR: 18.00%

Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 95.0691

INR / 1 GBP : 125.8715

INR / 1 EUR : 106.5655

INR /100 JPY: 60.1900

EQUITY MARKET

Sensex: 74315.61 (+1533.72)

NIFTY: 22997.35 (+374.65)

Bnk NIFTY: 55810.50 (+494.50)



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)

Disclaimer: Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICMAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICMAI. For Restricted Circulation only. A Compilation of News in this regard from Secondary Sources.