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)

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DAILY NEWS DIGEST BY BFSI BOARD

18 September 2026

Auto exports rise 22% in August led by two-wheelers: India's automobile exports rose 22.2 per cent year-on-year to 6,81,338 units in August 2026, compared with 5,57,446 units in the same month last year, according to data released by the Society of Indian Automobile Manufacturers (SIAM). Two-wheelers led the growth with 28.5 per cent growth. Passenger-vehicle exports were more subdued, declining 17 per cent to 68,230 units from 82,246 units in August 2025. In the segment, passenger car exports declined by 51.5 per cent in August over the same period last year. The geopolitical disruptions led to the decline, say industry sources. However, PV data does not include data for BMW, Mercedes, JLR, Tata Motors and Volvo Auto, SIAM notes.
(Business Line)

PM pitches India as 'new & trusted' chip manufacturing hub: Prime Minister Narendra Modi on Thursday pitched India as a "new and trusted" semiconductor manufacturing destination, and highlighted the government's policy measures and regulatory reforms for the growth of the industry. "India is taking every step needed to become a preferred destination for the semiconductor industry," he said, inaugurating the fifth edition of the Semicon India conclave here. The Prime Minister bracketed the chip push with the country's broader economic growth momentum: "On one hand, India's economy is growing, and on the other hand, the world's trust in India is also increasing."
(Financial Express)

World Bank mobilises $112 billion in private capital for developing nations: The World Bank mobilised $112 billion in private capital for developing nations last year. This significant increase reflects a strategic shift due to donor funding limitations. Private capital mobilisation now nearly matches the World Bank Group's own lending efforts. The bank employs various methods to de-risk and incentivise private investment. These efforts aim to bridge development financing gaps and foster job creation.

(Economic Times)

Costlier ECBs may drive corporates towards domestic loans: The US Federal Reserve's first rate hike in three years could change the borrowing calculus for Indian companies, prompting them to increasingly weigh domestic funding against external commercial borrowings (ECBs) as overseas borrowing costs rise. The Fed raised its target rate by 25 basis points to 3.75-4% and signalled that inflation remains elevated. US Treasury yields edged higher after the announcement, with markets factoring in further rate increases and the possibility of rates remaining "higher for longer". Industry experts said abundant liquidity in the Indian banking system could make domestic borrowing relatively more attractive for companies, particularly if the Fed tightens more aggressively than the Reserve Bank of India.

(Financial Express)

'NaBFID aims to expand loan book to Rs 5 lakh crore by 2030': The National Bank for Financing Infrastructure and Development (NaBFID) aims to add at least Rs 1 lakh crore to its loan book annually through 2030, taking the portfolio to around Rs 5 lakh crore, MD & CEO Rajkiran Rai said. In an interaction with Christina Titus, Rai said urban infrastructure and ports will be key focus areas, while demand is also emerging from sectors such as railways, data centres and healthcare.

(Financial Express)

MDR rollout will be monitored to protect users: The government would closely monitor the rollout of Merchant Discount Rate (MDR) from October 15 to ensure that merchants do not pass these charges to customers, officials said. "We are in touch with payment aggregators. The rollout would be closely monitored," an official said, adding that MDR is necessary to help the fintech ecosystem sustain and grow. The official said any issue with regard to levy of goods and services tax on MDR can be taken up by the GST Council. He said input tax credit can be used by merchants to offset their tax liability.

(Economic Times)

RBI cancels licences of 5 NBFCs, 8 others surrender registrations: The Reserve Bank of India cancelled five NBFC registration certificates on Thursday. Eight other NBFCs surrendered their registrations for various business reasons. Some companies ceased to be legal entities due to mergers and dissolutions. Anagram Industries and CDN Finance surrendered registrations after meeting specific criteria. These actions reflect regulatory adjustments within the financial sector.

(Economic Times)

Govt considers mechanism to check pass-through of MDR to customers: The government is considering setting up a mechanism to monitor and ensure that the Merchant Discount Rate (MDR) charges, applicable on some UPI transactions starting October 15, are not transferred to the consumer, a finance ministry official said. Starting October 15, UPI transactions over Rs. 2,000 to specific merchants will attract an MDR of 0.4 per cent, capped at Rs. 300 for transactions of Rs. 75,000 or more. Small merchants that transact up to Rs. 100,000 per month through UPI will remain fully exempt from the charges. Person-to-merchant (P2M) transactions up to Rs. 2,000 will remain free of MDR. Peer-to-peer (P2P) transactions, such as transfers among family and friends, will also remain free.

(Business Standard)

Tata Trusts proposes Rs.25,000 crore plan for SP Group, says Tata Sons listing is not an option: Tata Trusts Chairman Noel N Tata has proposed a plan to provide liquidity to the Shapoorji Pallonji (SP) Group by facilitating the monetisation of a portion of its stake in Tata Sons, even as the Trusts reiterated their opposition to a public listing of the Tata Group holding company. At the Tata Sons board meeting on September 17, Noel Tata tabled a proposal received from the SP Group to sell a portion of the Tata Sons shares held by Sterling Investments Corporation Private Limited (SICPL) and Cyrus Investments Private Limited (CIPL). The proposed transaction would generate gross proceeds of at least Rs.25,000 crore, based on the minimum valuation determined under Rule 11UA of the Income Tax Rules, 1962.
(Business Today)

US sanctions Bill: India says energy security for 1.4 bn people a priority: The Ministry of External Affairs (MEA) on Thursday said India cannot be pressured on its energy sourcing, flagging the potential damage of a Bill passed by the US Congress hours earlier. The Bill authorises President Donald Trump to impose sanctions on Russia and steep tariffs up to 100 per cent on countries that buy oil and gas from it, including India. The MEA reiterated that India remains firmly committed to ensuring energy security for its 1.4 billion people. “It will continue to do so through diversified sourcing and on the basis of evolving market dynamics,” the statement read. The government will work closely with Indian trade and industry bodies to deal with the implications of these developments, it said.
(Business Standard)

RBI absorbs Rs.50,000 crore through bond sale amid liquidity surge: The Reserve Bank of India on Thursday sold Rs.50,000 crore worth of government securities through an open market operation (OMO) sale auction as it makes efforts to drain durable liquidity from the banking system. Market participants said demand was robust despite the cut-off price being higher than expected. This was the first of the three OMO tranches announced last week to suck out Rs.1 trillion this month. Some banks preferred buying bonds at current levels over parking funds through the central bank's variable rate reverse repo auctions, they said.

(Business Standard)

DFS Launches Nationwide Swachhata Hi Seva 2026 Campaign: The Department of Financial Services (DFS), Ministry of Finance, launched the nationwide Swachhata Hi Seva (SHS) 2026 campaign today. Marking the formal commencement of the campaign, Shri Sanjay Lohiya, Secretary (DFS), led the Swachhata Pledge ceremony. The Swachhata Hi Seva 2026 campaign is being observed across the country from 17th September to 2nd October 2026, guided by the central theme "Swachhata Mein Sahbhag, Swachh Bharat, Viksit Bharat". During the campaign, the Department will primarily focus on; Transformation of Cleanliness Target Units (CTUs) & Clean Public Spaces, SafaiMitra Suraksha Evam Samman Shivirs, Mass Cleanliness Drive — "Ek Din, Ek Ghanta, EkSaath", Jan Bhagidari & Sustainable Waste Management and Plantation Drive ('Ek Ped Maa Ke Naam').

(PiB)

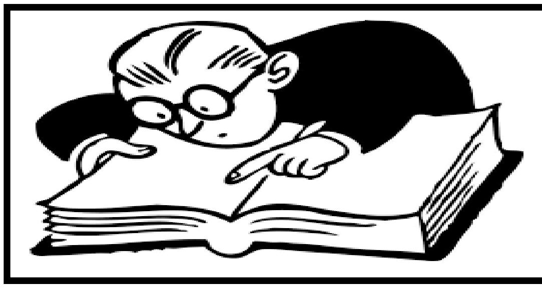
GST on UPI MDR: Government rejects 'tax on UPI' rumours, says MDR will be set off through input tax credit: The government has rejected reports of a separate GST being imposed on UPI transactions following the introduction of Merchant Discount Rate (MDR) on select merchant payments. Government sources said the new framework does not amount to a GST on UPI payments and that the applicable MDR will be treated within the existing tax framework. "GST on UPI is a false rumour. It will be set off in Input tax credit," government sources told news agency ANI, adding that any issue arising from the implementation would be considered by the GST Council. The clarification comes amid a wider debate over the proposed MDR, which will apply to eligible person-to-merchant (P2M) UPI transactions above Rs.2,000 from October

15. Under the framework, such transactions will attract an MDR of 0.4%, subject to an overall cap of Rs.300.

(Business Today)

Liquidity normalisation key before RBI embarks on interest rate hikes: With global central banks such as the European Central Bank (ECB) and US Federal Reserve raising interest rates, RBI may feel compelled to do its bit at the next monetary policy review scheduled for October 5-7. In the minutes of the August review meeting, members of the domestic rate-setting panel had indicated the need to recalibrate rates as inflation was becoming generalised. On Wednesday, the US Federal Reserve raised interest rates for the first time since 2023, while the European Central Bank raised rates last week for the second time in 2026. The Bank of Japan is widely expected to raise rates to a 31-year high on Friday.

(Business Standard)



FINANCIAL TERMINOLOGY

NEOLIBERALISM

- Neoliberalism is a policy model that encompasses both politics and economics. It favors private enterprise and seeks to transfer the control of economic factors from the government to the private sector.
- Many neoliberal policies concern the efficient functioning of free market capitalism and focus on limiting government spending, government regulation, and public ownership.
- More recently, neoliberalism has been associated with austerity policies and attempts to cut government spending on social programs.

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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 : 95.8855
INR / 1 GBP : 128.4083
INR / 1 EUR : 110.0452
INR /100 JPY: 61.6200

EQUITY MARKET

Sensex: 74314.59 (-21.86)
NIFTY: 23270.60 (+53.00)
Bnk NIFTY: 56055.75 (-236.70)

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