



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

19 October 2026



Europe refused US call to impose tariffs on India, China over Russian oil: Scott Bessent: US Treasury Secretary Scott Bessent has said European countries refused Washington's request to impose secondary tariffs on India and China for buying Russian oil, questioning why the United States should bear the economic burden of pressuring Moscow alone. In an interview with NBC, Bessent said the Trump administration had approached European allies in the spring to seek coordinated action against countries importing Russian energy. "So we have asked in the spring, I asked our European allies to join us in putting secondary tariffs on China, on India. They refused. So why should the US bear the burden?" Bessent said.

(Moneycontrol)

India gets tariff reprieve as Trump waives Russian oil penalties, but the threat lingers: US President Donald Trump's decision to waive punitive tariffs on countries buying Russian oil and gas gives India relief from the threat of additional duties of up to 100 per cent on its exports to the US. But it leaves Washington with the option of reviving the penalties, potentially using them as leverage in ongoing bilateral trade agreement (BTA) negotiations, experts noted. New Delhi's position on sourcing crude oil from Moscow and other countries will continue to be guided by its national interest and energy security, even as the order provides for continued US monitoring of Russian oil purchases and allows the US administration to withdraw the waiver and reimpose punitive tariffs, sources tracking the matter told businessline.

(Business Line)



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Services exports decline marginally in September amid AI-led muted growth of IT and software services: India's services exports in September fell marginally by about 0.87 per cent year-on-year to \$36.4 billion signalling slowdown in IT and IT-enabled services, which make up a chunk of the country's services exports. Analysts predict that slowing demand for IT services in the Western world, advancements in AI and the impact of geopolitical shifts on travel and logistics services, could be among key reasons. India's services exports, however, grew 8.7 per cent YoY to \$216.3 billion in April–September 2026

(Business Line)



Farm loans lose share in banks' credit books as lenders turn cautious on rural exposure: Banks and non-banking financial companies (NBFCs) are slowing the growth of their agriculture, rural and farm-loan portfolios, reflecting a risk-off approach amid concerns over deficient rainfall and potential fallout from El Nino conditions. Results announced so far for the quarter ended September 2026 show agriculture and rural lending losing share in banks' loan portfolios, with agri loans either contracting or growing more slowly than overall advances.

(Business Line)

Credit growth likely to see addition up to 2% in the ongoing quarter, says PNB MD Chandra: In an interview with BusinessLine, Ashok Chandra, MD and CEO of Punjab National Bank, noted that this surge, along with other key factors, is projected to add up to 2 percentage points to the quarter's growth. He added that the bank has deployed its entire FCNR(B) deposits to pay down high-cost bulk deposits and certificates of deposit, which will improve net interest margins.

(Business Line)

Banks eye margin recovery in H2 as rate cycle turns: Banks expect net interest margins (NIMs) to recover gradually in the second half of FY27 as the recent policy rate hike begins to reverse the pressure on lending yields seen during the earlier

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easing cycle. However, the recovery is likely to be uneven, with changes in balance sheet composition, higher funding costs and the deployment of foreign currency non-resident (FCNR-B) deposits expected to weigh on margins at some lenders in the December quarter. The Reserve Bank of India's 25-basis-point repo rate hike in October is expected to benefit banks with a higher proportion of floating-rate loans, as lending rates reprice upwards. At the same time, comfortable liquidity conditions could allow lenders to defer raising deposit rates, providing some support to spreads.

(Financial Express)

HDFC Bank Q2 net rises 5%, misses estimates: HDFC Bank's net profit for the quarter ended September increased by nearly 5% on year to Rs 19,510 crore. The bank missed the analyst estimate of Rs 19,606 crore as per Bloomberg for the bottom line. Explaining the relatively muted profit growth despite strong business expansion, the management pointed to lower treasury gains compared with the year-ago quarter. "Normalised for the treasury trading gains, you see the year-on-year profit growth is 12.6%," the management said. The net interest income was up 9.7% on year to Rs 34,619 crore for the reporting quarter. Other income was also lower by 3.6% on year due to lower treasury gains. Net interest margin stood at 3.16% for the July-September quarter, lower as against 3.30% a quarter ago. Analysts had pegged the net interest margins at 3.37% for the reporting quarter.

(Financial Express)

ICICI Bank Q2 results: Net profit rises 20.1% to Rs 14,843 crore, NII up 17.7%: ICICI Bank on Saturday reported a 20.1% year-on-year increase in standalone net profit to Rs 14,843 crore for the July-September quarter of FY27, supported by strong net interest income growth, lower provisions and an improvement in asset quality. The bank's loan portfolio grew 30% year-on-year during the quarter, while its net interest margin (NIM) contracted by 0.12 percentage points to 4.18%. The bank also reported an improvement in asset quality. Its gross NPA ratio fell to 1.20% at the end of September 2026, compared with 1.38% in the preceding quarter and 1.58% a year earlier.

(Financial Express)



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Axis Bank Q2 results: Net profit rises 37.6%, net interest income up 11.8%: Axis Bank reported a 37.6% year-on-year rise in net profit to Rs 7,003.3 crore for the second quarter of FY27 on Saturday (October 17), supported by lower provisions and higher net interest income. The private sector lender's net interest income, the difference between interest earned and interest paid, increased 11.8% year-on-year to Rs 15,371.4 crore. The private sector lender also reported an improvement in bad-loan ratios as advances and deposits expanded. Profit stood at Rs 5,089.64 crore a year earlier. However, earnings slipped 1.6% from Rs 7,113.92 crore in the June quarter. The gross non-performing asset ratio declined to 1.16% at September-end from 1.28% in June and 1.46% a year earlier. The net NPA ratio improved to 0.35%, against 0.39% and 0.44%, respectively.

(Financial Express)



Public sector banks' Rs 7.8 lakh core corporate loan pipeline signals capex revival: Public sector banks have revealed a corporate loan pipeline of approximately Rs.7.8 lakh crore signaling increased credit demand. Companies are stepping up their investment, particularly in sectors like renewable energy and semiconductor manufacturing. Banks report varied corporate credit growth, with some institutions witnessing over 50% increase year-on-year. Mid-sized and large companies are leading the way in capital expenditure, while smaller ones are also finding opportunities.

(Economic Times)

Private banks' margins fall as FCNR deposits raise funding costs: In the second quarter, leading private sector banks in India reported a drop in net interest margins. This decline was primarily caused by the costs associated with foreign currency non-resident deposits. Analysts noted that the leveraged nature of these deposits significantly impacted profitability. Additionally, banks faced pressure from faster repricing of assets as interest rates declined.

(Economic Times)



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PSUs tap GIFT City for overseas mineral hunt amid critical supply push: State-owned NMDC Ltd and Steel Authority of India Ltd (SAIL) have incorporated subsidiaries at the International Financial Services Centre (IFSC) in GIFT City, according to Ministry of Corporate Affairs (MCA) records. The move assumes significance amid India's quest to secure critical mineral supplies, including through ventures to tap exploration and mining opportunities overseas. NMDC Global IFSC Limited is proposed as a strategic investment and financial platform for overseas mineral projects, particularly critical and strategic minerals, the company said in response to a query from Business Standard. SAIL Global IFSC Limited is primarily set up as a group treasury centre to manage cash, intra-group lending, currency and trade finance, according to its memorandum of association accessed from the MCA website.

(Business Standard)



Banks also count cost of insurance payout curbs: Banks are assessing the impact of the proposed insurance commission curbs. Central Bank of India is expecting a 33% drop in bancassurance fees while Canara Bank is estimating a Rs.145-crore hit to fee income, according to top executives of these lenders. The changes proposed by the Insurance Regulatory and Development Authority of India (Irdai) to insurance commissions seek to rein in distribution costs and improve transparency in sales. For banks, which earn commissions by selling policies through their branches and other channels, lower payouts could put pressure on a key source of non-interest income.

(Economic Times)

RBI broadens rupee-support measures through tighter monetary conditions: RBI was combining interest-rate action, liquidity absorption and foreign-exchange measures to address pressure on the rupee. The report cited sources indicating that further tightening remained possible, depending on economic conditions. The policy challenge is to support currency stability while limiting damage to growth and borrowers. Reuters noted that higher rates can transmit quickly to externally



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benchmarked loans. Expectations of another rate increase were attributed to sources and analysts; they were not an announced Monetary Policy Committee decision.

(Reuters)

SEBI approaches IRDAI to explore insurance details in consolidated account statements: SEBI Chairman Tuhin Kanta Pandey said the regulator had written to IRDAI to explore including insurance-policy information in investors' Consolidated Account Statements. The initiative would expand the statement's coverage beyond securities investments. The broader aim is a more comprehensive financial record covering investments, deposits, pension savings and insurance. Such consolidation could help investors review their financial holdings together. However, the reported development concerns discussions between regulators; it should not be treated as a fully implemented facility or a mandatory inclusion requirement.

(PTI)



FINANCIAL TERMINOLOGY

DEBT DEFLATION

- Debt deflation is an economic situation where falling prices increase the real burden of existing debt. As asset prices and incomes decline, borrowers may find it harder to repay loans, leading to reduced spending, investment and further economic contraction.
- For banks, prolonged debt deflation can result in higher defaults, deterioration in asset quality and increased NPAs.



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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 : 95.0194

INR / 1 GBP : 126.4081

INR / 1 EUR : 106.6995

INR /100 JPY: 60.1800

EQUITY MARKET

Sensex: 74729.27 (+413.66)

NIFTY: 23146.15 (+148.80)

Bank NIFTY: 55844.00 (+33.50)



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- ◆ 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



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

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