DAILY NEWS DIGEST BY BFSI BOARD

21 September 2026

India's exports to China surge 39% in April-August 2026-27, core BRICS shipments up 34%: India's exports to China, South Africa, Brazil and Russia rose 34 per cent to USD 19.9 billion during April-August 2026-27, led by a 39 per cent surge in shipments to China, highlighting the growing importance of the BRICS bloc for India's export growth, as reported by news agency PTI. Among the four core BRICS countries, China was the biggest contributor, with Indian exports rising 39 per cent to $9.6 billion during the first five months of 2026-27. According to commerce ministry data, exports to the four core BRICS economies increased from USD 14.9 billion in April-August 2025-26 to USD 19.9 billion in the first five months of 2026-27.
(Moneycontrol)

India plans to release back-series GDP data for years before FY23 by year-end, says MoSPI Secretary Garg: The government is planning to release back-series for years prior to 2022-23 by the end of this year, said Saurabh Garg, Secretary in the Ministry of Statistics and Programme Implementation (MoSPI). The key issue in the GDP debate is the use of double deflation and the use of producer/input prices. The DPIIT had initiated the exercise for compilation of the Output Producer Price Index and hence, the base revision of GDP was an opportune time to introduce double deflation. Since output PPI was not released by February 27, 2026, double deflation was carried out by using available item-level WPI (2011-12 series). Later, on the release of Output PPI in June 2026, following Output PPI-based double deflation, was implemented and updated estimates were released on August 31, 2026.
(Business Line)

100% US tariff a threat but Indian exporters bet on new markets: Indian exporters are facing a new source of uncertainty after US President Donald Trump signed on Friday a legislation meant to impose tariffs of up to 100 per cent on imports from Russia's trade partners, including India, but they are betting on new markets being opened up under various trade deals.The actual impact of the Lindsey O Graham Sanctioning Russia Act of 2026 will depend on the tariff rate, product coverage and timing of any duties, industry representatives and experts said. "Uncertainty over exports to the US has persisted for nearly two years now. It has only fluctuated in intensity over the past few months. The situation remains fluid currently too unless Trump actually imposes tariffs," Federation of India Export Organizations (FIEO) Director General Ajay Sahai said.

(Business Standard)

Few takers for microfinance credit guarantee scheme: The credit-guarantee scheme for microfinance companies has failed to gain traction. Banks have sanctioned around Rs 8,500 crore under the scheme, well short of the Rs 20,000 crore, according to sources. "Smaller MFIs struggled to raise funds, securing only about Rs 300 crore, while small and medium-sized lenders together received Rs 1,800 crore. Larger institutions, however, either did not take sanctions, as the scheme offered them little advantage," said an industry official. Despite the 80% default guarantee, banks remained cautious about lending to low-rated and smaller institutions, citing concerns over their creditworthiness.

(Financial Express)

ICAI mandates peer review for PSB branch auditors: The Institute of Chartered Accountants of India (ICAI) will extend the mandatory peer review requirement to all component auditors undertaking public sector bank (PSB) branch audits starting in January 2027. The institute is also planning to bring down the time taken to dispose of disciplinary cases against chartered accountants (CAs) to 365 days from the current

two to three years, ICAI president Prasanna Kumar D said. The peer review requirement will now cover component auditors of PSBs, while principal auditors of PSBs are already covered under the existing framework. The peer review process is already mandatory for firms doing statutory audits of listed entities, specified large unlisted public companies, entities that have raised over Rs 50 crore from the public or from banks/financial institutions, and public-interest entities. The requirement also applies to firms rendering attestation services with three or more partners.
(Economic Times)

Banks plan to align norms for project finance lending: Banks are developing a common framework for project finance lending. This initiative aims to curb regulatory arbitrage and operational misalignment among lenders. Discussions will involve state-run and private banks to establish common parameters. Such alignment will enhance risk mitigation and avoid divergent audit observations. Final guidelines by bank boards are expected to reduce regulatory arbitrage scope.
(Economic Times)

Amid strike threat, Fin Secy Sanjay Lohia calls bank chiefs' meet to ensure services: Financial services secretary Sanjay Lohia has called a meeting Monday with the heads of public sector banks, regional rural banks or RRBs and NABARD to ensure uninterrupted banking operations and essential customer services during a proposed strike by employee unions. The unions have called for a three-day strike from September 28. The Centre has set up a crisis management group to deal with the proposed nationwide strikes by staff of public sector banks. Apart from managing exigencies of strikes lasting three days or more, the group works with banks to strengthen their standard operating procedures (SOPs) for ensuring business continuity.
(Economic Times)

Bank credit growth hits 8-quarter high, widens funding gap as deposits lag: Report: Bank credit growth accelerated to an eight-quarter high of 16.5 per cent in the first quarter of FY27, but deposits grew at a much slower 11.3 per cent, widening the credit-deposit gap and increasing funding pressure on banks, CareEdge Ratings said in a report. Credit outstanding rose to Rs 213.6 lakh crore as of June 30, 2026, while deposits stood at Rs 256.5 lakh crore. The 512-basis-point gap between credit and deposit growth was the widest in eight quarters, pushing the system's loan-to-deposit ratio (LDR) to a record 83.3 per cent.

(Economic Times)

RBI orders removal of Maharashtra minister, 7 others from Latur DCC Bank: The Reserve Bank of India (RBI) has ordered removal of Maharashtra Cooperation minister Babasaheb Patil and seven other directors of the Latur District Central Cooperative Bank for exceeding the 10-year tenure limit. Patil belongs to the Nationalist Congress Party (NCP) led by Deputy Chief Minister Sunetra Pawar. Reacting to the development, he told PTI that he would not challenge the RBI's order, but the ten-year rule came into force in 2021 and it should be examined if it could be applied for appointments prior to that year. The central bank's order followed directions passed by the Aurangabad bench of the Bombay High Court in response to a petition filed by bank member Satish Sheshrao Jadhav.

(Business Standard)

Saudi Arabia exits China-backed mBridge platform amid governance and compliance concerns: The Saudi Central Bank (SAMA) has ended its participation in mBridge, a cross-border payment platform developed by multiple central banks alongside China, following the completion of its proof-of-concept trial. SAMA had joined the project as a full participant in June 2024 to study wholesale central bank digital currencies (CBDCs) and assess their potential to improve international payments and commercial bank settlements. The mBridge initiative uses distributed-ledger technology to allow financial institutions to conduct cross-border transactions directly using digital versions of participating currencies. Its primary objective is making international payments faster, more efficient, and less costly. Developed initially by the People's Bank of China, the Hong Kong Monetary Authority, the Bank of Thailand, and the Central Bank of the United Arab Emirates, the platform previously involved the Bank for International Settlements (BIS).

(Business Today)

Bankers face EU privacy wall in race to stem evolving credit risk: Banks under pressure from European regulators to manage extreme weather risks are bumping up against client data-privacy barriers that are complicating efforts to guard against losses. In countries at the epicenter of Europe’s latest heat waves, banks are now privately voicing their frustrations. That’s as regulators declare their intention to step up scrutiny of the sector’s exposure to wildfires, droughts and floods, with credit risk and pricing models in particular focus.To meet regulators’ demands, banks say they’d need access to more granular data on clients’ insurance coverage as well as data on the physical condition of properties insured. For now, though, such information is often off-limits due to both the EU’s General Data Protection Regulation and national laws. A representative from one major European lender, said that given the restrictions, they can’t accurately assess the loss risks they face.

(Business Standard)

India's GDP will rise to $38 trillion in 20 years, says Ajit Doval: National Security Advisor (NSA) Ajit Doval said on Saturday that India's GDP would increase from the current USD 4.015 trillion to USD 38 trillion in the next 20 years. Addressing the convocation ceremony of the Indian Institute of Technology (IIT) Roorkee as the chief guest, Doval said that the students are fortunate to be living in a transformative era where their future holds great promise.

(Business Standard)

ICAI working out assurance standards for sustainability reporting by India Inc: The Institute of Chartered Accountants of India has issued the Standard on Sustainability Assurance (SSA 5000) that will provide assurance professionals with clear guidelines to assess reporting of sustainability and ESG disclosures by India Inc. The standards are expected to come into effect from April 1, 2027 and will bring

greater rigour into ESG disclosures. The move will help establish a comprehensive and consistent approach for sustainability assurance across the country and is designed to strengthen the overall credibility and improve transparency of ESG reporting.
(Business Today)

ICAI plans further reforms to scale up homegrown accounting firms: In the next step towards creating domestic accounting firms of scale, the Institute of Chartered Accountants of India is planning on further measures that are likely to take shape over the next two months. One of the proposals under consideration is to open networking guidelines to firms of other professions that would help in setting up multidisciplinary firms. The move would mean that CA firms can tie up with Company Secretaries, lawyers and even consulting firms to open a multidisciplinary firm that would be able to provide comprehensive and holistic advice to companies and be at par with global consulting giants.
(Business Today)

Sebi may take up PMS regulation overhaul at September 24 board meeting: SEBI may clear at its board meeting scheduled for September 24, the overhaul of regulations governing portfolio management services (PMS), allowing a new mutual fund-only PMS with lower entry barriers, reforms for the debt market, and measures to promote foreign portfolio participation in exchange-traded commodity derivatives. According to sources, the regulator just may remove the mandatory requirement to appoint a merchant banker for small-value debt raised through private placements. It may also introduce a credit risk-o-meter for disclosure for debt securities, and consider reforms for real estate investment trusts (Reits) and infrastructure investment trusts (InvITs). However, sources said the proposal to allow gift cards for mutual fund investments may not sail through amid misuse concerns.
(Business Standard)

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H.Q: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi – 110 003
Kolkata Office: CMA Bhawan, 12 Sudder Street, Kolkata – 700 016

FINANCIAL TERMINOLOGY

Transmission Mechanism of Monetary Policy

- The monetary policy transmission mechanism refers to the process through which changes in a central bank's policy stance influence financial conditions and ultimately affect economic activity and inflation. A change in the policy rate can influence money-market rates, bank lending and deposit rates, bond yields, exchange rates and broader financial conditions.
- For commercial banks, transmission is particularly important because changes in policy rates can affect the cost of funds, lending rates, credit demand and net interest margins. The speed and strength of transmission depend on factors such as banking-system liquidity, competition, loan repricing mechanisms and borrowers' demand for credit.

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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 : 95.7910
INR / 1 GBP : 128.0882
INR / 1 EUR : 109.9885
INR /100 JPY: 60.9900

EQUITY MARKET

Sensex: 74294.96 (-19.63)
NIFTY: 23346.40 (+75.80)
Bnk NIFTY: 56358.70 (+302.95)

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

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