



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

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DAILY NEWS DIGEST BY BFSI BOARD

21 October 2026



'Not easy to do overnight': Marco Rubio praises India's progress in diversifying Russian oil imports: US Secretary of State Marco Rubio on Tuesday said India has made substantial progress in diversifying its energy imports, including reducing its dependence on Russian oil, as Washington looks to expand energy cooperation with New Delhi and explore opportunities involving Reliance Industries' operations in Venezuela. Speaking to reporters in Mumbai, Rubio said New Delhi had repeatedly expressed its intention to diversify its energy portfolio, describing the move as a sensible approach amid global energy market disruptions. "Obviously it's not easy to do that from one day to the next, you know. So I think they've made substantial progress in that regard and we're happy to see that," Rubio said, responding to a question on India's purchases of Russian oil.

(Moneycontrol)

Fresh market borrowings for the govt getting pricier amid a tightening cycle: With the secondary market yield of the benchmark 10-year G-Sec (6.94 per cent GS 2036) spiking to 7.40 per cent levels, and cut-offs at the weekly G-Secs auctions also rising in tandem since July 2026, fresh market borrowings for the government is getting pricier amid a tightening cycle. Going by the prevailing secondary market yield (of 7.39 per cent) of the benchmark 10-year G-Sec and taking into account factors such as rising crude oil prices, US sovereign bond yields, geopolitical tensions, and possibility of more rate hikes by RBI's rate-setting panel, it is likely the new 10-year G-Sec issuance will be at a coupon rate of 7.35 per cent to 7.50 per cent against 6.94 per cent on the on-the-run 10-year benchmark G-Sec, say bond market experts.

(Business Line)



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GST-driven sales surge in 2025 may weigh on Navratri auto sales this year:

Automobile retail sales during the Navratri-to-Dussehra period may fall marginally this year, with passenger vehicle sales being the worst hit during the first nine days of the festive season, down 14 per cent from last year, according to data shared by the Federation of Automobile Dealers Associations (FADA). The dip is largely owing to the pent-up demand that the industry witnessed last year after the GST 2.0 reforms. According to FADA data, overall automobile retail sales for the October 11-19 period this year were up 2 per cent to 1.032 million, while the first nine days of the season last year (September 22-30) witnessed overall sales of 1.012 million.

(Business Standard)



Rising bond yields add to banks' ECL transition burden: Rising government bond yields are threatening to increase the cost of banks' transition to new accounting norms from April 2027. While most banks have a fair idea of the provisions they will need under the expected credit loss (ECL) framework, the potential hit from revised valuation norms for held-to-maturity (HTM) securities remains a moving target. Much will depend on where bond yields stand when the new rules kick in on April 1, 2027. Canara Bank has already raised its estimate of the combined one-time provisioning requirement to Rs 12,000-15,000 crore from Rs 10,000-12,000 crore earlier, factoring in potential mark-to-market (MTM) losses on its HTM portfolio as yields harden.

(Financial Express)

Yes Bank's evaluating capital actions to back growth plans: Yes Bank expects its Common Equity Tier 1 (CET1), or core loss-absorbing capital, to shrink more than two percentage points to 11.4% as of September after India's top court voided the 2020 write-down of additional Tier 1 bonds, prompting a 17% stock hemorrhage since Thursday. The bank is assessing its capital options and legal responses to the judgment. Despite the challenges, Yes Bank's growth priorities remain intact, with notable year-on-year advances. **(Economic Times)**



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PNB cautions customers of AI-led cyberattacks amid cyber fraud surge: State-run Punjab National Bank (PNB) has cautioned its customers about AI-enabled cyberattacks, especially AI voice cloning, deepfakes, and phishing, amid surging incidents of fraud, and has advised them to remain vigilant. Highlighting that October is observed as National Cyber Security Awareness Month every year, the bank informed customers that fraudsters are using increasingly sophisticated methods to make their attempts more convincing.

(Business Standard)

Axis Bank, Visa offer up to 20% off on festive purchases across 100+ brands: Axis Bank has partnered with Visa to offer discounts of up to 20 per cent on eligible credit card purchases and equated monthly instalment (EMI) transactions during the festive season. The campaign covers more than 100 offers across electronics, mobile phones, travel, fashion and lifestyle categories, according to the bank's October 19 announcement. The offers are available to eligible Axis Bank Visa credit cardholders and include discounts and EMI benefits.

(Business Standard)

PFRDA launches new NPS Central: The Pension Fund Regulatory and Development Authority (PFRDA) has launched NPS Central, a unified digital platform that allows National Pension System (NPS) subscribers to manage their pension accounts without having to navigate separate recordkeeping agency portals. Subscribers can log in using their registered mobile number and date of birth, verified through a one-time password (OTP), instead of remembering their Permanent Retirement Account Number (PRAN).

(Business Standard)



Gem, jewellery exporters heave a sigh of relief as the US puts off punitive tax: The gem and jewellery exporters expect fresh orders from the US to revive, with fears of a punitive 100 per cent import duty on India now on the back burner. On September



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18, the US Congress enacted the Lindsey O Graham Sanctioning Russia and Iran Act of 2026 (SRIA), which authorised tariffs of up to 100 per cent on goods from the top five buyers of Russian crude oil or natural gas. The tariffs would apply to India and China, the two largest buyers of Russian oil. However, late last week, US President Donald Trump exercised his waiver authority, putting the proposed 100 per cent punitive duties on hold in the national interest of the US.

(Business Line)

Govt reworked conditions for return of goods in SEZ units from domestic tariff

area: Goods supplied by a unit in a Special Economic Zone (SEZ) and rejected by the domestic buyer on account of change in fashion can now be brought back post fulfilment of certain conditions, as the government has expanded the conditions for return of goods supplied by a unit in SEZ to the Domestic Tariff Area (DTA). “Goods supplied by a Unit into Domestic Tariff Area on payment of duty may be brought back to the Unit where a Domestic Tariff Area buyer fails to take delivery of the goods due to change in fashion, change in market conditions, or default in conditions of agreement relating to the sale,” a notification amending SEZ rules 2006 stated. The goods need to be brought back by the unit within 30 days from the date of clearance from the SEZ Unit. However, some conditions need to be fulfilled. First, the identity of the goods need to be established to the satisfaction of the specified officer. Second, the SEZ unit should provide evidence that no benefits — including input tax credit — have been availed by the DTA buyer who has failed to take delivery of the goods, and third, a separate inventory need to be maintained. Further, the SEZ unit can re-sell the same goods without any alteration of the original condition of the goods, in the DTA either to the same buyer or to different buyer. If there is fresh sale, then duty will be required to be paid.

(Business Line)

Agri-photovoltaics: Centre explores incentives to expand solar capacity on

farmland: The Centre is exploring financial incentives to encourage agri-photovoltaics, a system that combines solar power generation with agricultural activity on the same land, as it seeks to expand renewable energy capacity without compromising food security, reported The Indian Express. India has an estimated agri-photovoltaic potential of 1-2 terawatts (TW), equivalent to 1,000-2,000 gigawatts (GW), against its



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current installed solar capacity of 171 GW, Santosh Kumar Sarangi, Secretary, Ministry of New and Renewable Energy (MNRE), said, according to the report.

(Financial Express)



Resident Indians, FIIs to get income tax exemption on NDB's Maharaja Bonds:

Income Tax Department has notified tax exemption on interest earned from 'Maharaja Bond', issued by New Development Bank. Meanwhile, the department has also introduced a new form for exemption on government securities for Foreign Institutional Investors (FIIs). In a notification, the department said that "no deduction of tax shall be made under section 393(1) of the Income Tax Act on payment in the nature of interest, made by the New Development Bank to such person being holder of the Maharaja INR Bonds issued by the New Development Bank during the tax year 2026-27 and subsequent tax years." Here, holder means a resident or a Foreign Institutional Investor. The New Development Bank will be required to furnish information.

(Business Line)

CBDT introduces Form 173A for tax exemption claims on government securities:

The Central Board of Direct Taxes (CBDT) has introduced a new reporting requirement for taxpayers seeking specified income-tax exemptions on interest and capital gains earned from government securities, through Form 173A under the Income-tax Rules, 2026. According to a notification issued by the Ministry of Finance on October 19, the Income-tax (Seventh Amendment) Rules, 2026, require taxpayers claiming exemptions under Schedule IV, Table entries 13D and 13E, of the Income-tax Act, 2025, to furnish the prescribed information in Form 173A.

(Business Line)

FinMin gives in-principle nod to scheme for solar polysilicon manufacturing: The Ministry of Finance has given in-principle approval to a proposal by the Ministry of New and Renewable Energy (MNRE) to launch a special scheme to support domestic polysilicon manufacturing. A highly purified form of silicon, polysilicon is the primary



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raw material for more than 95 per cent of solar panels globally. Following the approval, MNRE plans to seek the Cabinet's nod to launch the scheme soon. Polysilicon is the only segment of the domestic solar value chain that is not currently covered by a support mechanism. The government has already introduced measures to support domestic manufacturing across the rest of the value chain, including ingots and wafers, solar cells and modules, through initiatives such as the production-linked incentive (PLI) scheme and the approved list of models and manufacturers (ALMM).

(Business Standard)



FINANCIAL TERMINOLOGY

OPERATING LEVERAGE

- Operating leverage measures how strongly a change in revenue affects operating profit because of the organisation's fixed-cost structure. Businesses with high fixed costs and relatively low variable costs have high operating leverage.
- Once the break-even point is crossed, incremental revenue can generate rapid profit growth. However, revenue decline can also cause a disproportionate fall in profit.
- Example: A bank invests Rs.500 crore in a digital lending platform. The initial technology and compliance costs are high, but the cost of processing each additional loan is relatively low. As loan volumes increase, the average processing cost declines and profitability improves substantially. If revenue increases by 10% while operating profit increases by 20%, the business demonstrates high operating leverage.



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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 : 94.7691

INR / 1 GBP : 126.2928

INR / 1 EUR : 106.3300

INR /100 JPY: 59.9500

EQUITY MARKET

Sensex: 73852.90 (-876.37)

NIFTY: 22888.95 (-257.20)

Bank NIFTY: 55488.10 (-355.90)



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



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