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

30 October 2026

Finance Ministry projects Q2 GDP growth at 7.35%: The Indian economy is estimated to have grown by 7.35% in the second quarter of the fiscal, as per the finance ministry's nowcasting model, and domestic demand, investment activity and structural reforms are expected to support growth through the remainder of the year. "Building on growth of 7.8% in Q1, the Department's nowcasting model estimates real GDP growth at 7.35% in Q2 FY27,"said the finance ministry's Monthly Economic Review (MER), which was released on Thursday.
(Business Today)

IMF flags Super El Niño risks to India's growth, says impact yet to materialise: According to the IMF, India continues to act as a significant growth engine within the global economy. Despite looming threats posed by weather phenomena like Super El Nino, these risks have yet to materialize. Recent adjustments have raised growth forecasts to 7 percent for the fiscal years 2027 and 2028, reflecting robust domestic demand and a thriving service sector.
(Economic Times)

Services growth widens in August; 13 of 19 sectors post double-digit gains: Thirteen of the 19 services sub-sectors recorded double-digit growth in August, up from 10 in July, according to the fifth print of the trial Index of Services Production (ISP) released by the National Statistical Office (NSO) on Thursday. Overall, 17 sub-sectors expanded -- same as the previous month. An upward growth momentum of double digits is shown by the ISP since June 2026, with an average growth of 13.6 per cent during the three months till August 2026. Given the weight of services sector in overall

GDP, these trends indicate the potential of a healthy GDP growth for the second quarter of 2026-27. This is also confirmed by the second quarter IIP growth, which averaged 7.3 per cent.

(Business Standard)

FinMin defends IDBI Bank stake sale valuation, says panel discretion raised deal value by Rs 3,917 crore: The Ministry of Finance on October 29 issued a detailed clarification defending the valuation and bidding process for the strategic restructuring of IDBI Bank, stating that special powers delegated to the Core Group of Secretaries on Disinvestment (CGD) allowed it to determine the "best-round" procedure and boost the overall transaction value by Rs 3,917 crore. The procedure for the "best-offer" round was determined by the CGD itself, the ministry said. "The reserve price was neither decreased, nor increased, and the first round itself became functus officio after the initial bids were not approved." On October 14, the Cabinet Committee on Economic Affairs approved the strategic privatisation and sale of a combined 60.72% stake in IDBI Bank to Canadian investment firm Fairfax Financial Holdings. The total value of the stake sale stood at approximately Rs 53,000 crore, with the approved acquisition bid priced at Rs 81 per share.

(Moneycontrol)

Health insurers seek expense cap tweaks: Standalone health insurers have requested that mandatory insurance products be excluded from expense-of-management calculations. They argue that including these products creates an imbalance for their business model. The Insurance Regulatory and Development Authority of India is considering changes to EoM regulations and limits. Insurers believe that the exclusion would help provide a more equitable competitive landscape. The proposed changes aim to revise expense calculation methods and set product-wise commission caps.

(Economic Times)

West Asia conflict drives 15-20% rise in corporate working-capital demand at banks: Working-capital demand from banks has increased significantly due to the ongoing conflict in West Asia. Higher raw-material costs and elongated shipping timelines have led to greater funding needs for corporates. Mid- and large-sized companies reported a 12-20% increase in working-capital requirements. Several private sector banks have recorded strong growth in corporate lending during the recent quarter. This momentum was driven primarily by working capital needs and refinancing efforts.
(Economic Times)

Fintechs to lay out a code for technology vendors amid rising cyberthreats and security risks: Unified Fintech Forum is developing a framework to encourage best practices among technology service providers. This initiative aims to improve cybersecurity preparedness and operational resilience in the fintech sector. Banks and fintech companies increasingly rely on third-party vendors for various services and their failures can impact regulated entities. Registration with the Forum may provide these vendors with preference during selection by financial institutions.
(Economic Times)

PNB suspends 12 employees, files CBI case over alleged bank fraud involving Rs.10 crore: Punjab National Bank has taken action by suspending twelve staff members linked to unauthorized fund transfers utilizing the branch manager's password. Evidence points to a female employee collaborating with external parties in these transactions. Current estimates of the losses indicate they are below Rs 10 crore, contradicting widespread claims online.
(Economic Times)

Post rate hike, highly rated large companies step up rupee bond issuances: Shrinking liquidity surplus in the banking system, rising Government Securities yields and bank lending rates, and the possibility of further monetary tightening is prompting

highly rated large companies, mainly in the non-banking financial company space, to step up domestic rupee bond issuance for raising funds. Companies that raised more than Rs.1,000 crore via non-convertible debentures since the repo rate hike include SIDBI (Rs.5,176 crore for 38 months at a coupon rate of 8.05 per cent), NABARD (Rs.3,279 crore for 39 months at 8.13 per cent), L&T Finance (Rs.1,500 crore for 35 months at 8 per cent),

(Business Line)

Flipkart, Exim Bank lead $8.13 billion external borrowing proposals in August: Indian companies have sought to raise a total of $8.13 billion in external commercial borrowings. This amount represents a 6% increase from the previous month's $7.70 billion. Notable proposals include Flipkart Internet Pvt Ltd aiming for $1.14 billion through a foreign loan. Additionally, the Power Finance Corporation and several other firms are looking to raise significant amounts for various purposes.

(Economic Times)

Equitas Small Finance Bank chief PN Vasudevan plans exit over perceived conflict involving daughter's NBFC: Equitas Small Finance Bank founder cum managing director PN Vasudevan has announced his plan to step down amid concerns over a perceived conflict of interest related to his daughter who is a co-promoter of a non-banking financial company. The shares tanked 20% to Rs 52.04 as the sudden announcement stumped investors, before recovering to end at Rs 56.99 on BSE, about 12.4% down from yesterday's close of Rs 65.05.

(PiB)

Supreme Court says banks must compensate digital fraud victims for losses caused by negligence: The Supreme Court on Thursday said banks must be made accountable to indemnify losses suffered by digital fraud victims, who should receive compensation of at least the amount lost if an investigation establishes that the offence resulted from a failure of due diligence by the financial institutions.Observing that

despite the fact that cyber crimes fell by 50 per cent, yet victims lost Rs 800 crore so far this year, a bench comprising Chief Justice Surya Kant and justices Joymalya Bagchi and V Mohana said the proposed Reserve Bank of India (RBI) regulatory framework must incorporate enforceable provisions for compensation, preventive intervention and institutional accountability.

(Business Line)

SC acts tough, questions MCA's control over NCLT: The Supreme Court on Thursday questioned the ministry of corporate affairs' (MCA) alleged excessive control over the functioning of the National Company Law Tribunal (NCLT), which is vested with adjudicatory powers under the Companies Act and the Insolvency and Bankruptcy Code. The apex court observed that the NCLT's administration had been "completely hijacked" by the ministry, raising concerns over its autonomy. The court said the power to appoint staff should rest with the NCLT president and issued notice to the Centre on a petition challenging the outsourcing of recruitment to a private company. It also directed the presidents of the NCLT and the National Company Law Appellate Tribunal (NCLAT) to submit detailed proposals within four weeks on their staffing, buildings, land and other infrastructure needs.

(Financial Express)

New RBI forex derivative rules make FCNR(B) hedging costlier for banks: Hedging dollar interest payments on foreign currency non-resident (bank), or FCNR(B), deposits is set to become costlier for banks, with the RBI requiring the lenders to set aside cash equivalent to 20 per cent of the exposure under its Foreign Exchange Risk Reserve (FERR) framework introduced earlier this month. The 12-month dollar-rupee forward premium has risen by 102 basis points in October so far, increasing the cost of hedging future dollar payments. The premium, which reflects the difference between forward and spot exchange rates, rose to 4.38 per cent on Thursday from 3.36 per cent at the end of September. The RBI introduced FERR to curb volatility in the rupee. Under the framework, the reserve is equivalent to 20 per cent of the rupee value of the notional amount of eligible foreign exchange derivative contracts. It applies to specified rupee-linked contracts where users buy foreign currency to hedge current account transactions and the notional value exceeds $2 million. Banks must also maintain the

reserve for eligible contracts undertaken to hedge currency risks on their own assets and liabilities.

(Business Standard)

MERCANTILISM

- Mercantilism was an economic practice from the 16th to 18th century, where nations sought to increase wealth through export surplus and controlled trade.
- The system emphasized accumulating precious metals and often used military force to protect trade interests and enforce monopolistic practices.
- Although considered outdated, elements of mercantilism persist today, with countries like China and Russia controlling trade and imposing tariffs.
- The rise of capitalism offers more consumer choice and less government control in trade compared to the restrictive practices of mercantilism.

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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 : 95.3688
INR / 1 GBP : 126.9581
INR / 1 EUR : 106.2145
INR /100 JPY: 60.4200

EQUITY MARKET

Sensex: 74151.04 (+905.01)
NIFTY: 22936.75 (+237.90)
Bnk NIFTY: 54909.65 (+642.25)

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

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