

## **DAILY NEWS DIGEST BY BFSI BOARD**

13 May 2026



### **ECONOMY**

**Retail inflation rose to 3.48% in April:** Retail inflation, based on consumer price index (CPI) rose a tad to 3.48 per cent in April from 3.4 per cent of March, government reported on Tuesday, According to official data, year-on-year inflation rate based on All India Consumer Food Price Index (CFPI) for the month of April was 4.20 per cent as against 3.87 per cent of March. Year-on-year Housing inflation rate for the month of April, 2026 is 2.15 per cent and the corresponding inflation rates for rural and urban are 2.65% and 1.96%, respectively.

***(Business Line)***

**Moody's slashes 2026 India growth forecast to 6%:** Moody's Ratings on Tuesday slashed India's GDP growth forecast for year 2026 by 0.8 percentage points to 6 per cent on subdued private consumption, capital formation, and industrial activity amid higher energy costs. In its Global Macro Outlook May update, Moody's said over the next six months, the impact from higher energy prices and fuel and fertilizer-related shortages will vary widely across countries, reflecting differences in exposure and resilience. For calendar year 2027, Moody's slashed India's GDP growth estimates by 0.5 percentage points to 6 per cent.

***(Business Line)***

**Uday Kotak warns self-reliant country doesn't need to 'depend on somebody's money or power'; urges companies to reinvest profits:** Market veteran and celebrated banker Uday Kotak said that India needs to reduce its dependence on foreign capital and focus on building a strong domestic pool of long-term risk capital to achieve true economic self-reliance. Speaking at a Confederation of Indian Industry

(CII) event, Kotak said a genuinely self-reliant country is the one that “does not need to depend on somebody else’s money or power.” He urged companies to reinvest profits rather than simply managing large treasury portfolios.

*(Financial Express)*

## **BANKING & FINANCE**



**PSBs post record Rs 1.98 lakh crore profit in FY26:** Public sector banks (PSBs) posted a record aggregate net profit of Rs 1.98 lakh crore in 2025-2, aided by robust credit growth, improved asset quality and stronger operational efficiency, finance ministry said on Tuesday. The combined business of PSBs rose 12.8% on-year to Rs 283.3 lakh crore as on March 31, 2026. Aggregate deposits increased 10.6% to Rs 156.3 lakh crore, while gross advances grew 15.7% to Rs 127 lakh crore, reflecting sustained credit demand across sectors. Retail, agriculture and MSME lending remained the key growth drivers during the year. Retail advances expanded 18.1%, agriculture loans rose 15.5% and MSME credit grew 18.2%. Asset quality of PSBs improved sharply during the year, with the gross non-performing asset (NPA) ratio falling to a historic low of 1.93% and the net NPA ratio declining to 0.39% as of March-end 2026. Total recoveries, including from written-off accounts, stood at Rs 86,971 crore during the year. All PSBs maintained a provisioning coverage ratio above 90%. The capital position PSBs also remained comfortable, with the aggregate capital-to-risk weighted assets ratio (CRAR) improving to 16.6%, well above the regulatory requirement of 11.5%. PSBs raised Rs 50,551 crore during the year to support future lending growth.

*(Financial Express)*

**SBI approves raising \$2 billion via overseas bonds amid decline in India’s forex reserves:** India’s largest domestic lender, State Bank of India has approved its long-term fundraising plans of up to \$2 billion. The funds will be raised via the issuance of long-term bonds during the period of FY26-27. The fund raising would be carried in one or multiple tranches through fixed or floating rate bonds, which will be issued via

public offer or private placement in US Dollars or any other major currencies. The development comes at a crucial time when India's foreign exchange reserves have fallen by \$7.79 billion to \$690.90 for the week ended May 1, 2026, according to the data released by RBI. These reserves provide import cover for around 10 months.

***(Financial Express)***

**Life insurers see strongest growth in over two years:** India's life insurers reported their highest monthly growth in new business premium (NBP) in more than two years in April, driven by robust inflows and sustained momentum following the reduction in GST on retail life insurance policies. The industry's new business premium (NBP) rose 39% YoY to 30,550 crore in April, led by strong growth across both state-owned Life Insurance Corporation of India (LIC) and private insurers. The previous highest monthly growth was recorded in April 2024, when the industry NBP surged 61% YoY to 12,565.31 crore. According to the latest data from the Life Insurance Council, LIC's NBP in April 2026 rose 38% YoY to 18,782 crore, while private life insurers reported a 41% increase in premium income to 11,768 crore.

***(Financial Express)***

**Bajaj Finserv to up mkt share despite competition, aims to serve every Indian household in 10 yrs: CMD:** Seemingly unfazed by the aggressive competition in the landscape, largest private sector non-bank lender Bajaj Finserv is looking to gradually increase its market share and serve every Indian in the next decade, a top company official has said. Speaking on the occasion of the diversified Bajaj group's centenary celebrations, Sanjiv Bajaj, the company's Chairman and Managing Director, said inherent strengths in the ecosystem, including high economic growth and the digital public infrastructure (DPI) platform will make such goals possible.

***(Economic Times)***

**Indian Banks poised for double-digit corporate credit growth on infra, energy, data centre push:** Indian banks foresee robust corporate loan growth this fiscal year. Demand is surging from key sectors including renewable energy, infrastructure, and manufacturing. Major lenders like SBI and Bank of Baroda report strong loan pipelines. This expansion signals a positive outlook for business lending across the country. However, banks face liquidity challenges in sustaining this growth.

***(Economic Times)***

# INDUSTRY OUTLOOK



## **OMC losses mount to Rs1 lakh crore; govt weighs how long firms can absorb**

**hit:** Amid mounting pressure for retail fuel price hikes after the recently concluded assembly elections, Union Petroleum and Natural Gas Minister Hardeep Singh Puri on Tuesday said fuel price revisions were “unrelated” to elections, while acknowledging that the government would eventually have to assess how long state-run oil companies can continue absorbing massive losses caused by elevated crude prices and stagnant retail fuel rates. The remarks come at a time when state-run oil marketing companies (OMCs) are estimated to be incurring under-recoveries of nearly Rs.1.98 lakh crore in the current quarter, while actual losses are projected at around Rs.1 lakh crore as petrol, diesel and LPG prices remain largely unchanged despite the sharp rise in global energy prices following the West Asia conflict.

***(Financial Express)***

**RBI cancels licence of Sarvodaya Co-operative Bank over weak finances:** The Reserve Bank of India (RBI) on Tuesday cancelled the licence of Sarvodaya Co-operative Bank, citing inadequate capital, poor earnings prospects, and non-compliance with provisions of the Banking Regulation Act. RBI said the co-operative bank would cease to carry on banking business effective May 12, 2026. The Commissioner for Cooperation and Registrar of Cooperative Societies, Maharashtra, has also been requested to initiate the process of winding up the bank and appoint a liquidator.

***(Business Standard)***

**Nifty IT tumbles 3.7% to near 3-year low amid AI disruption concerns:** Domestic information technology (IT) stocks slumped on Tuesday, mirroring losses in their US-listed peers, after OpenAI announced the acquisition of consulting and engineering firm Tomoro as part of its push to deepen enterprise adoption of artificial intelligence (AI) software. The Nifty IT index declined 3.73 per cent to close at 28,235 — its lowest

closing level since May 18, 2023. The index has now shed more than a fourth of its value so far this year amid rising concerns over the long-term viability of traditional IT service business models in the age of AI-led automation.

***(Business Standard)***



## **REGULATION & DEVELOPMENT**

**SC refuses to reopen 2021 ruling exempting foreign software payments from royalty tax:** The Supreme Court has once again dismissed the income tax department's review petitions concerning the taxation of software payments to non-residents. The court reiterated its March 2021 ruling that such payments are not royalty, as end-user licenses do not transfer copyright. This decision provides significant tax relief for Indian companies acquiring software.

***(Economic Times)***

**RBI's 3-day VRR auction receives muted demand amid surplus liquidity:** The Reserve Bank of India (RBI) received bids worth Rs.7,091 crore against the notified amount of Rs.50,000 crore at the three-day variable rate repo (VRR) auction on Tuesday. The central bank allotted the bid amount at a weighted average rate of 5.26 per cent. The weak demand at the auction was due to ample liquidity in the banking system, said dealers. Net liquidity in the banking system stood at a surplus of Rs.1.94 trillion on Monday, according to the latest central bank data. The weighted average overnight call rate fell to 5.25 per cent after the VRR auction, against the previous close of 5.31 per cent. The call rate remains elevated as the money market is increasingly pricing in the possibility of a rate hike.

***(Business Standard)***

**Govt links state fiscal incentives with RE adoption to address PPA issue:** Renewable energy (RE) adoption is now being linked to state's fiscal incentives to encourage them to sign power purchase agreements (PPAs), Minister of New and Renewable Energy Pralhad Joshi said at the CII Annual Business Summit on Tuesday. "This is a new policy accepted by finance and power ministries," he said. While he did

not disclose further details, Joshi said renewable energy-related criteria would also be considered while extending interest-free loans to states. The Union minister also said that the government is addressing the quality issue of imported solar modules.

**(Business Standard)**



### **PENT-UP DEMAND**

- Pent-up demand is a situation where there is a sudden, unusually strong increase in demand for a product or service that has been suppressed, or "held back," for some time.
- This often occurs after a period of economic uncertainty, like a recession, when consumers delay purchases due to factors such as fear of job loss or reduced income. Once economic confidence returns, or restrictions are lifted, the built-up desire to buy is unleashed, leading to a surge in consumption.
- For Example: After a period of decreased spending, consumers may rush to buy durable goods, leading to a sharp rise in sales. Demand for services like resort vacations may surge during the first period of good weather after a long winter or travel restrictions.



### **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 : 95.5564  
INR / 1 GBP : 129.5732  
INR / 1 EUR : 112.3418  
INR /100 JPY: 60.7100

### **EQUITY MARKET**

Sensex: 74559.24 (-1456.04)  
NIFTY: 23379.55 (-436.30)  
Bnk NIFTY: 53555.20 (-884.70)

### **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

For details please visit [BFSIB portal of the ICMAI website](#).

### **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).
- ❖ Guidance Note on the Internal Audit of General Insurance Companies.
- ❖ BFSI Chronicle (quarterly issue of BFSIB)
- ❖ Handbook on Stock & Book Debts Audit (Revised and Enlarged 2<sup>nd</sup> Edition)
- ❖ 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

## **TEAM BFSIB**

### **Banking, Financial Services & Insurance Board The Institute of Cost Accountants of India (ICMAI)**

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