The Institute of Cost Accountants of India (ICMAI)

(Statutory body under an Act of Parliament)

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DAILY NEWS DIGEST BY BFSI BOARD

01 October 2025

ECONOMY

India's fiscal deficit widens to Rs 5.98 trillion in April-August: India's fiscal deficit rose sharply in the first five months of the current financial year, driven by a surge in government capital expenditure and weaker tax collections, according to official data released on Tuesday. The Union government reported a fiscal deficit of Rs 5.98 trillion for April–August 2025, amounting to 38.1% of the full-year target. This compares with Rs 4.35 trillion during the same period in 2024–25, data from the Controller General of Accounts (CGA) showed. Despite the uptick, the Centre remains committed to fiscal consolidation. The deficit for FY26 is projected at Rs 15.69 trillion, or 4.4% of GDP, lower than the Rs 16.85 trillion recorded in FY25. Finance Minister Nirmala Sitharaman reiterated this glide path in her Union Budget speech earlier this year.
(Business Today)

ADB retains growth forecast for FY26 at 6.5%, but cuts projection for FY27 to 6.5%: Asian Development Bank (ADB), on Tuesday retained India's economic growth forecast at 6.5 per cent for the current fiscal (FY26). However, it cut the projection for the next fiscal (FY 27) by 20 basis points to 6.5 per cent. However, the multilateral agency is optimistic about India's long-term growth trajectory.
(Business Line)

RBI keeps call rate as policy anchor in liquidity framework: RBI on Tuesday said it will continue to use the overnight weighted average call rate (WACR) as the operating target of the monetary policy under the revised liquidity management framework. "The RBI will, however, continue to keep track of rates in other overnight money market segments to ensure orderly evolution of money market rates and smoothen transmission," the regulator said in a release. The framework also retained the existing symmetric corridor system, where standing deposit facility (SDF) and marginal standing facility (MSF) are 25 bps on either side of the repo rate, acting as the lower bound (floor) and upper bound (ceiling) of the corridor, respectively. Under the new framework, the RBI has discontinued the 14-day variable rate repo (VRR) and variable rate reverse repo (VRRR) auctions as main operations for managing short-term liquidity. Instead, the same will be managed though seven-day auctions. On the other hand, the regulator will continue to use instruments such as open market operations, long-term variable rate repo/reverse repo operations and forex swap auctions to manage durable liquidity.

(Financial Express)

BANKING & FINANCE

RBI launches 'Scheme for Facilitating Accelerated Payout – Inoperative Accounts and Unclaimed Deposits': To encourage the banks to actively pursue customers/ depositors for re-activation of their inoperative accounts and return of their unclaimed amounts lying with Depositor Education and Awareness (DEA) Fund, the Reserve Bank of India today announced a 'Scheme for Facilitating Accelerated Payout - Inoperative Accounts and Unclaimed Deposits'. The Scheme aims to reduce both the stock of existing unclaimed deposits and fresh accretion of flows to the DEA Fund. It will run for a period of one year, viz., October 01, 2025 to September 30, 2026. The scheme offers pay-out to Banks up to Rs.25000/-

(RBI Press Release)

Bank credit to MSMEs, NBFCs rises in August: The bank credit to non-banking finance companies and micro, small and medium enterprises increased in August, data released by RBI on Tuesday showed. Loans to micro and small businesses increased by 1.8% on month and 21% on a year-on-year basis to `8.99 lakh crore. Credit to large businesses increased 1.8% on year to `27.4 lakh crore. Loans to medium businesses saw a growth of over 13% to `3.7 lakh crore.

(Financial Express)

RBI takes a step towards daily credit reporting: In a move to modernise the credit ecosystem, the Reserve Bank of India (RBI) on Monday released a draft amendment to the Credit Information Reporting Directions, 2025, proposing a shift from fortnightly to weekly credit reporting. Effective April 1, 2026, this mandate requires all credit institutions (CIs) and credit information companies (CICs) to submit full monthly files along with incremental weekly updates covering account closures, repayments, and reclassifications. The circular also introduces CKYC number reporting, uniform data validation protocols, and monthly data quality index (DQI) scores, laying the groundwork for a more accurate and responsive credit infrastructure. This regulatory push is expected to be a step in the right direction toward daily credit reporting, which has gained a significant traction among bankers and policymakers.

(Financial Express)

Asheesh Pandey appointed MD & CEO of Union Bank of India; Kalyan Kumar to lead Central Bank of India: The government has appointed Asheesh Pandey as managing director (MD) and CEO of Union Bank of India and Kalyan Kumar as head of Central Bank of India for a period of three years. The Appointments Committee of the Cabinet headed by the Prime Minister approved these appointments for an initial period of three years, sources said. Pandey, currently Executive Director of Bank of Maharashtra, has been appointed as MD and CEO of Union Bank of India for a period of three years with effect from date of assumption of charge of the officeKumar, Executive Director of Punjab National Bank (PNB), will succeed M V Rao as MD and CEO of Central Bank of India after his superannuation in July..

(Financial Express)

ICICI Bank gets Rs 216 crore GST demand notice: ICICI Bank has received a GST demand notice of Rs 216.27 crore from tax authorities for alleged short payment on services provided to customers maintaining specified minimum balances. The bank, which is already in litigation over similar issues, will file a reply to the Show Cause Notice. This matter is being reported as the amount crosses its materiality threshold.

(Economic Times)

RBI imposes Rs 32 lakh penalty on Indian Overseas Bank: The RBI on Tuesday said it has imposed a penalty of Rs 31.8 lakh on Indian Overseas Bank for non-compliance with certain directions on 'Priority Sector Lending (PSL) - Targets and Classification'. Indian Overseas Bank collected loan-related charges in certain PSL accounts, each having sanctioned loan of up to Rs 25,000.
(Economic Times)

FinMin urges RBI to push rollout of digital fraud detection platform: The finance ministry has raised concerns with the Reserve Bank of India (RBI) over delays in rolling out the Digital Payments Intelligence Platform (DPIP), a flagship project designed to curb fraudulent digital transactions and enhance payment security, said a government official who did not wish to be named. “In a communication, the finance ministry has urged the central bank to expedite the rollout, citing a rise in instances of online payment fraud and the urgent need for a coordinated, real-time monitoring system,” said the official.
(Business Standard)

INDUSTRY OUTLOOK

Bank credit growth to industry slows to 6.5% in Aug: Bank credit to industry grew at a slower pace of 6.5 per cent in August as against 9.7 per cent in the corresponding period last year, according to Reserve Bank data released on Tuesday. On a year-on-year (y-o-y) basis, non-food bank credit grew 9.9 per cent as on the fortnight ended August 22, 2025, compared to 13.6 per cent in the year-ago period, RBI said.
(Economic Times)

RBL Bank enters into bancassurance tie-up with LIC: RBL Bank has partnered with LIC to offer its customers a full range of life insurance products through the bank’s branches and digital channels. The collaboration leverages LIC’s 3,600+ branches and RBL’s 2,000+ touchpoints to expand insurance access nationwide, supporting the goal of 'Insurance for All by 2047'.
(Economic Times)

Govt puts ecommerce players under vigilance over GST pass-through: The government has placed ecommerce platforms under vigilance to ensure that recent goods and services tax (GST) rate cuts on essential items and fast-moving consumer goods (FMCG) are passed on to consumers. Sources said authorities had received complaints that prices of some items went up on ecommerce platforms even after the GST rate cuts took effect on September 22. Tax officers are checking if these cuts are being passed on to customers by comparing prices before and after the new rates kicked in, said a source familiar with the matter.
(Business Standard)

REGULATION & DEVELOPMENT

Sebi extends timeline to rollout algo trading framework for retail, with a glide path for brokers: Capital market regulator Sebi has extended the timeline for the implementation of its framework on “Safer participation of retail investors in algorithmic trading”, giving stock brokers more time to comply with the new guidelines, a circular said on September 30. The framework, initially scheduled to take effect from August 1, 2025, was first deferred to October 1, 2025. Now, Sebi has provided a phased glide path after brokers and algo vendors sought additional time to make system-related changes based on clarifications issued by stock exchanges in September. As per the new milestones, stock brokers must apply for registration of at least one retail algo strategy through an API by October 31, 2025. Registration of retail algo products and a few strategies must be completed by November 30, 2025, and participation in at least one full-fledged mock trading session is mandatory by January 3, 2026.
(Moneycontrol)

Small savings schemes’ rates announced for Oct-Dec 2025: The Finance Ministry on Tuesday left interest rates unchanged for Public Provident Fund (PPF), National Savings Certificate (NSC), Senior Citizen Savings Scheme (SCSS) and various other small savings schemes. The rates have been kept unchanged for the seventh straight quarter now. Public Provident Fund (PPF) currently earns interest rate of 7.1%. Senior

Citizen Savings Scheme (SCSS) which currently offers interest rate of 8.2%.Sukanya Samriddhi Yojana (SSY), which offers one of the highest returns among small savings schemes, is a savings plan to build a secure future for the girl child. It currently carries an interest rate of 8.2%.

(Financial Express)

Govt extends export benefits under RoDTEP scheme till Mar 2026: The government on Tuesday announced the extension of fiscal benefits under the RoDTEP scheme for exports for six more months till March 2026. The scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) provides for the refund of taxes, duties and levies, which incurred by exporters in the process of manufacturing and distribution of goods and not being reimbursed under any other mechanism at the Centre, state, or local level. Launched in January 2021, the scheme was valid till September 30. The rates of refund of taxes range from 0.3 per cent to 3.9 per cent.

(Business Line)

DFS, Meity secys among 3 external members of Payments Regulatory Board: In a major overhaul of the payments ecosystem, the new six-member Payments Regulatory Board (PRB), which focuses on regulatory oversight of payment systems to enhance monitoring and promote accountability, will include secretaries of the Department of Financial Services (DFS) and Ministry of Electronics and IT (MeitY), and retired IAS officer Aruna Sundararajan as its three external members nominated by the government. The governor of RBI will be the chairperson of the PRB, which was meant to have greater government representation and will replace the RBI’s Board for Regulation and Supervision of Payment and Settlement Systems (BPSS). It will have the central bank’s deputy governor and executive director in charge of payments and settlement systems as members. Additionally, the principal legal adviser of RBI will be a permanent invitee to the meetings of the PRB. In a notification back in May, the government said that PRB will replace the BPSS, which was a committee of the central board of the RBI that exercised powers on its behalf, to regulate and supervise the payment and settlement systems in the country.

(Business Standard)

FINANCIAL TERMINOLOGY

CONSUMER CONFIDENCE SURVEY

- A consumer confidence survey is a questionnaire used to gauge how optimistic consumers feel about the current and future state of the economy, essentially measuring their sentiment regarding their personal financial situation and buying intentions, which is often used as an indicator of potential economic activity and consumer spending.
- It measures consumer attitudes towards current economic conditions, future economic expectations, employment prospects, and personal income.
- A high consumer confidence index indicates that consumers are optimistic about the economy and are likely to spend more, while a low index suggests pessimism and potential decreased spending.

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RBI KEY RATES

Repo Rate: 5.50%
SDF: 5.25%
MSF & Bank Rate: 5.75%
CRR: 3.75%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 88.7928
INR / 1 GBP : 119.3540
INR / 1 EUR : 104.2220
INR /100 JPY: 59.9100

EQUITY MARKET

Sensex: 80267.62 (-97.32)
NIFTY: 24611.10 (-23.80)
Bnk NIFTY: 54635.85 (+174.85)

Courses conducted by BFSI Board

- Certificate Course on Concurrent Audit of Banks
- Certificate Course on Credit Management of Banks
- Certificate Course on Treasury and International Banking
- Certificate Course on Investment Management
- Certificate Course on General Insurance.
- Advance Certificate Course on FinTech

For details please visit BFSIB portal of the ICMAI

Publications by BFSI Board

- Aide Memoire on Infrastructure Financing.
- 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 2nd Edition)

TEAM BFSIB

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