



The Institute of Cost Accountants of India (ICMAI)

(Statutory body under an Act of Parliament)

H.Q: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi – 110 003

Kolkata Office: CMA Bhawan, 12 Sudder Street, Kolkata – 700 016

DAILY NEWS DIGEST BY BFSI BOARD

02 October 2025



ECONOMY

RESOLUTION OF MONETARY POLICY COMMITTEE SEPTEMBER 29 TO OCTOBER 1, 2025

The Monetary Policy Committee (MPC) held its **57th** meeting from September 29 to October 1, 2025, under the chairmanship of Shri Sanjay Malhotra, Governor, RBI. The major decisions and the key figures are as under;

- The MPC voted unanimously to keep the policy **repo rate unchanged at 5.50 per cent**.
- Consequently, the SDF rate remains at 5.25 per cent while the MSF rate and the Bank Rate remains at 5.75 per cent.
- The MPC also decided to continue with the neutral stance.

GLOBAL OUTLOOK:

- The US dollar strengthened after the upward revision of US growth numbers for the second quarter, and treasury yields hardened recently tracking changes in policy rate expectations.
- Equities have remained buoyant across several advanced and emerging market economies.

GROSS DOMESTIC PRODUCT:

- In India, **real GDP**, driven by strong private consumption and fixed investment, recorded a robust growth of **7.8 per cent in Q1:2025-26**. On the supply side, growth in gross value added (GVA) at 7.6 per cent was led by a revival in manufacturing and steady expansion in services.



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- **GDP Growth forecast:** Real GDP growth for 2025-26 is now projected at **6.8 per cent**, with Q2 at 7.0 per cent, Q3 at 6.4 per cent, and Q4 at 6.2 per cent. Real GDP growth for Q1:2026-27 is projected at 6.4 per cent.

INFLATION:

- Headline CPI inflation declined to its eight-year low of 1.6 per cent (y-o-y) in July 2025 before rising to **2.1 per cent** in **August**, its first increase after nine months.
- Benign inflation conditions during 2025-26 so far have been primarily driven by a sharp decline in food inflation from its peak of October 2024.
- **CPI inflation for 2025-26** is now projected at **2.6 per cent** with Q2 at 1.8 per cent; Q3 at 1.8 per cent; and Q4 at 4.0 per cent. CPI inflation for Q1:2026-27 is projected at 4.5 per cent.

The next meeting of the MPC is scheduled during December 3 to 5, 2025.

HIGHLIGHTS OF STATEMENT ON DEVELOPMENTAL AND REGULATORY POLICIES DT. OCTOBER 1, 2025

The highlights of the Statement of Developmental and Regulatory Policies announced relating to (i) Regulations; (ii) Foreign Exchange Management; (iii) Consumer Protection and (iv) Financial Markets are summarized as under;

- **Draft guidelines on Expected Credit Loss (ECL) framework** for provisioning is proposed to be issued for Scheduled Commercial Banks (excluding SFBs, Payments Banks, and RRBs) to replace the extant framework based on incurred loss with an ECL approach.
- It is proposed to issue the **draft guidelines on implementation of the revised Basel framework on Standardized Approach for Credit Risk** for Scheduled Commercial Banks (excluding SFBs, Payments Banks, and RRBs).
- The proposed bar (in the draft guidelines of October 2024) on overlap in the businesses undertaken by a bank and its group entity is being removed.
- Introduction of **Risk Based Premium Framework for Deposit Insurance** in India.
- Draft guidelines on Review of Capital Market Exposures Guidelines for banks to be issued.
- The Guidelines on Enhancing Credit Supply for Large Borrowers through Market



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Mechanism introduced in August 2016 is proposed to be withdrawn.

- Risk Weights on infrastructure lending by NBFCs to be reviewed.
- A discussion paper on licensing of new Urban Co-operative Banks (UCBs) will be issued shortly.
- Reserve Bank has undertaken an exercise of consolidating the regulatory instructions administered by the Department of Regulation of the Reserve Bank into a set of Master Directions on an 'as is' basis. The drafts of about 250 Master Directions consolidating extant instructions on up to 30 areas for 11 types of regulated entities shall be placed on the website shortly for comments on their completeness and accuracy.
- Draft guidelines on operation of Current Accounts (CA), Cash Credit Accounts (CC) and Overdraft Accounts (OD) ("Transaction Accounts") offered by banks to be issued reviewing the existing norms.
- In January 2025, RBI had permitted Indian exporters to open **foreign currency accounts with a bank outside India for realisation of export proceeds**. Funds in these accounts can be used for making import payment or have to be repatriated by the end of next month from the date of receipt of the funds. It has now been decided to **extend the time period for repatriation, from one month to three months**, in case of such foreign currency accounts maintained in IFSC in India.
- **Merchanting Trade Transactions (MTT):** In terms of extant guidelines on MTT, outlay of foreign exchange is allowed upto four months. It has now been decided to increase the period for the forex outlay from four months to six months, in case of MTT.
- **Relaxation in compliance requirements for Small Value Exporters/Importers:** As per the revised guidelines, bills can be reconciled and closed by an AD bank in EDPMS or IDPMS, based on a declaration by the concerned exporter or importer, as the case may be, that the amount has been realised, for a shipping bill, or paid against a Bill of Entry, for entries (including outstanding entries) in EDPMS/IDPMS of value equivalent to **INR 10 lakh per bill, or less**. The revised procedure will also enable reduction in the realisable value of bills by AD banks based on such declaration. This measure is expected to reduce compliance burden on small value exporters and importers and enhance ease of doing business.



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- Review of External Commercial Borrowing Framework; The draft Framework will be issued shortly.
- Review of instructions on Basic Savings Bank Deposit (BSBD) Account is proposed.
- **Measures for strengthening the Internal Ombudsman mechanism in REs:** To further improve upon the efficacy of this mechanism, it is proposed that the IOs be equipped with compensation powers and be allowed access to the complainant, aligning the role of IOs more closely with that of the RBI Ombudsman. Additionally, a two-tiered structure may be introduced within REs for grievance redress prior to escalation to the IO.
- **Review of the Reserve Bank – Integrated Ombudsman Scheme, 2021:** To enable the customers of the rural co-operative banks to access the mechanism of RBI Ombudsman, it has been decided to bring State Co-operative Banks and District Central Cooperative Banks, hitherto with NABARD, within the scope of the RBI Ombudsman Scheme.
- **Lending in INR by Authorised Dealer (AD) banks to Persons Resident Outside India:** It has been decided that AD banks in India and their overseas branches may be permitted to lend in INR to persons resident in Bhutan, Nepal, and Sri Lanka, including a bank in these jurisdictions, to facilitate cross border trade transactions.
- Additional Reference Rates (apart from reference rates for USD, EUR, GBP and JPY against INR) to be published by Financial Benchmarks India Limited.
- **Expanding the bouquet of investments for Special Rupee Vostro Accounts (SRVA) holders:** To promote exports from India and to support increasing interest of global trading community in INR, RBI had permitted Special Rupee Vostro Accounts (SRVA) in July 2022 to facilitate invoicing, payment, and settlement of exports / imports in INR. The arrangement permitted, inter alia, Rupee surplus balances in SRVA to be invested in government securities including treasury bills. To expand investment opportunities in India for SRVA holders, it has now been decided to permit balances of these accounts to be invested in corporate bonds and commercial papers.



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GST collections rise 9.1% to Rs 1.89 lakh crore in September: GST collections climbed to Rs 1.89 lakh crore in September, marking a 9.1 percent increase from the year-ago period, government data released on October 1 showed. The pickup is the fastest in four months, compared with 6.5 percent growth in August. September also extended the run of high inflows, making it the ninth consecutive month that revenues remained above the Rs 1.8 lakh crore mark.

(Moneycontrol)

India-EFTA trade pact comes into force, set to unlock \$100 bn investments and 1 million jobs: The landmark Trade and Economic Partnership Agreement (TEPA) between India and the European Free Trade Association (EFTA) bloc, comprising Iceland, Liechtenstein, Norway and Switzerland, officially entered into force on October 1, 2025, according to the official joint statement. Together, India and the EFTA States represent a combined GDP of about \$5.4 trillion. India, the world's fastest-growing large economy, and EFTA, a global leader in high-value goods and services trade, are positioning themselves as trusted partners in reshaping global supply chains. The deal, signed in March 2024, aims to mobilise \$100 billion of investments in India over the next 15 years and create one million direct jobs.

(Moneycontrol)

Sensex snaps 8-day losing run, Nifty tops 24,800 as RBI keeps policy rates unchanged: After eight straight sessions of losses, domestic equities finally staged a rebound on Wednesday. Both Sensex and Nifty closed higher as the Reserve Bank of India's Monetary Policy Committee (MPC) left the repo rate unchanged at 5.5 per cent for the second time in a row, while retaining its policy stance at 'Neutral'. At the closing bell, the Sensex climbed 715.69 points, or 0.89 per cent, to settle at 80,983.31, while the Nifty50 rose 225.20 points, or 0.92 per cent, to end at 24,836.30.

(Business Today)



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BANKING & FINANCE



RBI to remove ₹10,000 crore ceiling for bank loans to corporates: RBI has decided to remove the ₹10,000 crore ceiling imposed on bank loans to each corporate entity and said if concentration risk increases, the regulator will take macro-prudential measures to tackle the same. “The Guidelines on Enhancing Credit Supply for Large Borrowers through Market Mechanism were introduced in August 2016 with an objective to address the concentration risk arising from the aggregate credit exposure of the banking system to a single large corporate and encourage such large corporates to diversify their sources of funding. Upon review, it is proposed to withdraw the guidelines,” the RBI said.

(Business Line)

RBI may reopen licensing window for Urban Cooperative Banks after 20 years: After a hiatus of more than two decades, the RBI may consider giving licenses for setting up new Urban Cooperative Banks (UCBs). “Since 2004, issuance of fresh licenses for UCBs has been paused following the weak financial health of the UCB Sector.

(Business Line)

RBI eases lending norms for IPO & LAS: RBI has proposed significant adjustments to lending norms for IPO financing and loans against shares (LAS), a move that will increase the availability of credit to capital market participants. The RBI has increased the IPO financing limit from Rs 10 lakh to Rs 25 lakh per person, while increasing the cap for LAS fivefold – from Rs 20 lakh to Rs 1 crore per person. Meanwhile, the regulatory ceiling on lending against listed debt securities has also been removed. The proposed changes will undergo public consultation.

(Financial Express)

RBI's Digital Payments Intelligence Platform to flag risky transactions: The RBI is developing a Digital Payments Intelligence Platform (DPIP) using AI to detect risky transactions and prevent fraud. The system will analyze data from multiple sources to



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issue pre-transaction alerts, helping banks and customers decide whether to proceed. DPIIP aims to enhance real-time fraud risk management, addressing digital frauds, which totaled Rs 520 crore across 13,516 cases in FY25.

(Economic Times)

RBI working on platform to lock phones bought on default loans: The Reserve Bank of India is working on the matter of a phone security platform that allows lenders to remotely lock mobile phones bought on credit if the borrowers default on those loans. In a move to curb bad assets, the central bank is working on the framework of platform, RBI Governor Sanjay Malhotra said during the MPC press briefing on Wednesday.

(Economic Times)

FACE appoints ex-RBI executive Manoranjan Mishra as independent director: Fintech Association for Consumer Empowerment (FACE), a self-regulatory body for fintechs in the country, on Wednesday said former executive director of the Reserve Bank of India (RBI), Manoranjan Mishra, has joined its board as an independent director.

(Business Standard)

INDUSTRY OUTLOOK



Tata Group to manufacture Airbus H125 helicopters from Karnataka: Tata Advanced Systems Limited (TASL) will set up India's first private-sector helicopter Final Assembly Line (FAL) in Vemagal (Kolar district), Karnataka, to manufacture Airbus' H125 helicopters. The project, expected to deliver its first 'Made in India' H125 in early 2027, is being positioned as a game-changer for both the civil and defence rotorcraft market in South Asia. The new facility will assemble, integrate, test and deliver H125 helicopters for domestic and export markets. Plans also include production of the military variant, H125M, with a high level of indigenous components and technologies.

(Moneycontrol)



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'Chennai boy' Aravind Srinivas becomes India's youngest billionaire with Perplexity AI's global surge: Aravind Srinivas, the 31-year-old co-founder and CEO of Perplexity AI, has just rewritten India's wealth rankings. The Chennai-born entrepreneur has debuted on the M3M Hurun India Rich List 2025 with a net worth of Rs 21,190 crore, making him the country's youngest billionaire.

(Moneycontrol)

Shah Rukh Khan enters the billionaire club in Hurun India Rich List 2025 with wealth of Rs 12,490 crore: Bollywood superstar has now officially entered the billionaire club, topping the M3M Hurun India Rich List for Bollywood stars with a staggering wealth of Rs 12,490 crore. This is the first time SRK has been recognized as a billionaire by Hurun.

(Moneycontrol)

India's September manufacturing growth cools as price rises soar to 12-year high, PMI shows: HSBC's India Manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, fell to 57.7 in September from August's more robust 59.3 and lower than a preliminary reading of 58.5, reflecting the slowest improvement in operating conditions since May. PMI readings above 50.0 indicate growth in activity on a monthly basis.

(Business Line)

Mukesh Ambani tops Hurun India Rich List 2025, Roshni Nadar leads among women: Reliance Industries Ltd (RIL) chairman Mukesh Ambani and family regained their top position from Gautam Adani and family to be India's richest despite a 6 per cent decline in their overall wealth to ₹9.55 trillion, according to M3M Hurun India Rich List 2025, which has featured 358 billionaires. At the second position, Gautam Adani and family saw a decline of 30 per cent in their overall wealth to ₹8.15 trillion. This comes after the average wealth of people featured in the report declined to ₹9,850 crore in 2025 from ₹10,320 crore due to tariff headwinds and geopolitical tensions, the report noted. At the third spot came Roshni Nadar Malhotra and family with wealth of ₹2.84 trillion. This year, for the first time in 14 years, Malhotra became the first businesswoman to be featured on Hurun's top 10 rich list, and also became India's richest woman.

(Business Standard)



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REGULATION & DEVELOPMENT

NPS opens full equity option, FM flags inflation protection: The National Pension System (NPS) from October 1 has allowed subscribers to allocate up to 100 percent of their portfolio to equities, compared with the earlier ceiling of 75 percent, under a new multiple scheme framework. Announcing the move at NPS Diwas in New Delhi, Finance Minister Nirmala Sitharaman suggested that pension products must also offer inflation-linked benefits to remain fiscally sustainable and meaningful for retirement security.

(Moneycontrol)

FIU-IND to block URLs of 25 offshore crypto exchanges for non-compliance to local anti-money laundering laws: The Financial Intelligence Unit – India (FIU-IND) on October 1 issued notices to 25 offshore cryptocurrency exchanges for not registering in the country and being non-compliant to local anti-money laundering law. Some of the names on the new list include Huione, Paxful, CEX.IO, Coinex, BitMex, Bittrue, CoinCola among many others. This is a second list coming nearly two years after the regulators had sent out show cause notices to nine prominent offshore exchanges on similar grounds including Binance, KuCoin, OKX, Bybit and others.

(Moneycontrol)

Cabinet approves 3% DA hike for central govt employees and pensioners: The Union Cabinet has approved 3% dearness allowance (DA) hike for 49.2 lakh central govt employees, 68.7 lakh pensioners, I&B Minister Ashwini Vaishnaw said. The big decision is being taken ahead of Diwali, following the government's usual practice of announcing the second tranche of DA increases before major festivals. The DA hike is announced twice a year – for the January-June cycle before Holi and the July-December cycle before Diwali. The DA/DR hike was 3%, which raised the total dearness allowance to 58% of basic pay.

(Financial Express)



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Cabinet approves MSP for Rabi Crops for Marketing Season 2026-27: The Cabinet Committee on Economic Affairs (CCEA) chaired by the Prime Minister Shri Narendra Modi, has approved the increase in the Minimum Support Prices (MSP) for all mandated Rabi Crops for Marketing Season 2026-27. The absolute highest increase in MSP has been announced for Safflower at Rs.600 per quintal followed by Lentil (Masur) at Rs.300 per quintal. For Rapeseed & Mustard, gram, barley, and wheat, there is an increase of Rs.250 per quintal, Rs.225 per quintal, Rs.170 per quintal and Rs.160 per quintal respectively. The revised MSP per quintal for wheat will be Rs.2425, Barley at Rs.1980, Gram at Rs.5650, Lentil (Masur) at Rs.6700, Rapeseed & Mustard at Rs.5950 and Safflower at Rs.5940. The increase in MSP for mandated Rabi Crops is at a level of at least 1.5 times of the All-India weighted average Cost of Production.

(PiB)



FINANCIAL TERMINOLOGY

PERFORMANCE BOND

- A performance bond is a financial guarantee to one party in a contract against the failure of the other party to meet its obligations. It is also referred to as a contract bond. A performance bond is usually provided by a bank or an insurance company to make sure a contractor completes designated projects.
- Performance bonds can also be used in commodity trades as a guarantee of delivery.
- In commodity markets, a seller is asked to provide a performance bond to reassure the buyer if the commodity being sold is not delivered.



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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 : 88.6778

INR / 1 GBP : 119.4851

INR / 1 EUR : 104.3649

INR /100 JPY: 60.2300

EQUITY MARKET

Sensex: 80983.31 (+715.69)

NIFTY: 24836.30 (+225.20)

Bank NIFTY: 55347.95 (+712.10)

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TEAM BFSIB

Banking, Financial Services & Insurance Board
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