

DAILY NEWS DIGEST BY BESI BOARD

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ECONOMY

Moody's retains India's Baa3 rating; flags Middle East conflict as emerging risk:

Moody's Ratings has maintained India's sovereign credit rating at Baa3 with a stable outlook, while warning that the ongoing Middle East conflict could moderate growth and raise inflation risks. "The stable outlook incorporates India's gradually improving fiscal metrics since emerging from the pandemic and resilient growth prospects compared with peers. However, fiscal accommodation in the context of the uncertain global macroeconomic outlook including revenue-eroding measures, could impede progress towards debt reduction and exacerbate already weak debt affordability," the ratings agency said in its report dated March 31.

(Moneycontrol)

PMI Services slips to 14-month low of 57.5 in March: Services sector in India faced the impact of the first full month of war in March, as Purchasing Managers' Index (PMI) slipped to 14 months low of 57.5. The worst aspect was input price inflation, which climbed to a 45 months high, S&P Global reported on Monday. However, the good news is that job creation increased. The fall in the services PMI is in line with manufacturing. On April 2, S&P Global published a report saying manufacturing PMI dropped to 53.9 in March, which is lowest since June 2022.

(Business Line)

Strong dollar pounds gold, silver: Precious metal prices lost sheen in March on strengthening U.S. Dollar and concerns over a likely rise in interest rates. The rise in the prices of crude oil stoked inflation-related concerns that may warrant an increase in interest rates. As a result, Comex gold closed well below the psychological \$5,000-

mark and settled at \$4,678.6 by end March, representing a 10.85% fall last month. The damage to Comex silver was even more pronounced closing 19.69% lower at \$74.92 at the end of March. Mirroring the trend in global markets, the precious metals closed on a weak note in the local markets. However, the fall was cushioned to some extent by the weakening of the Rupee.

(Business Line)

BANKING & FINANCE



Steady Q4 expected for banks on strong metrics: Based on provisional data released by banks so far, they are expected to report a steady fourth quarter (Q4FY26) on the back of healthy loan and deposit growth, controlled slippages and a decent rise in profit, according to analysts. Loan growth has been sound as hardening yields in the bond market led India Inc to turn to banks for funds, going by provisional numbers shared by the banks. Similarly, deposit growth is up, with investors preferring safety at a time when equities are taking a beating, feeling the ripple effect of the West Asia war.

(Business Line)

RBI proposes rehaul of business correspondent framework: The Reserve Bank of India (RBI) on Monday proposed a comprehensive restructuring of the Business Correspondent (BC) framework, introducing a differentiated structure for BC outlets, tightening governance norms and formalising remuneration standards to strengthen financial inclusion and oversight. The amendments, once finalised, will come into force from July 1. The RBI has invited comments on the draft by May 5. The central bank had set up a committee comprising officials from the RBI, the Department of Financial Services, the Indian Banks' Association (IBA) and NABARD to review BC operations and recommend measures to enhance efficiency. The draft proposes to define three types of delivery points which are branch, Business Correspondent- Banking Outlet (BC-BO) and Business Correspondent- Banking Touchpoint (BC-BT).

(Financial Express)

UCO Bank records 19% rise in loan growth in Q4: UCO Bank announced strong financial results for the January-March quarter of FY26. The state-owned lender saw its credit grow by 19 percent to Rs 2.62 lakh crore. Total deposits also rose by 11 percent, reaching Rs 3.27 lakh crore. Low-cost CASA deposits saw an improvement. The bank's total business expanded by 15 percent. During the period under review, low-cost CASA deposits improved to 38.48 per cent as compared to 37.91 per cent of total deposits in the fourth quarter of the preceding financial year, it said. The bank's total business (advances and deposits) increased by 15 per cent to Rs 5.89 lakh crore from Rs 5.14 lakh crore at the end of March 2025.

(Economic Times)

Small finance banks make it big on micro revival: Small finance banks in India have concluded fiscal year 2026 with robust business growth. These lenders experienced higher-than-average loan portfolio expansion, exceeding 20%. This positive trend was significantly supported by a revival in microfinance lending. Asset quality also saw notable improvement across these banking entities. This indicates a healthy recovery in the bottom of the pyramid borrower segment.

(Economic Times)

INDUSTRY OUTLOOK



M Pallonji Group gets IRDAI's R1 nod for general insurance venture: The Insurance Regulatory and Development Authority of India, has granted R1 approval to the M Pallonji Group for its proposed general insurance venture, in partnership with Divya Sehgal and Federal Bank, according to people familiar with the matter. The M Pallonji Group is expected to hold a 51% stake, with additional capital support from Federal Bank and a clutch of family offices.

(Economic Times)

Mkts rise over 1% on truce hopes; bank stocks lead rally as oil prices ease: Indian equity markets advanced on Monday as oil prices softened amid reports that regional mediators are pushing for a ceasefire between the US and Iran. The

benchmark Sensex ended at 74,107, up 787 points, or 1.07 per cent. The Nifty closed at 22,968, gaining 255 points, or 1.1 per cent. Both indices fell over 0.7 per cent intraday. The total market capitalisation (mcap) of BSE-listed firms rose by ₹5 trillion to ₹428 trillion. Gains were led by banking stocks, which rallied following positive quarterly business updates ahead of the earnings season.

(Business Standard)

Plan to focus on capacity building for independent directors: Sebi chief: The Securities and Exchange Board of India (Sebi) will undertake a joint initiative with professional bodies, businesses, and academia for capacity building of independent directors to improve corporate governance, Chairman Tuhin Kanta Pandey said on Monday. Speaking at the CII Corporate Governance Summit, Pandey highlighted gaps in effective governance. “What we are increasingly observing is a gap — not in intent, not in regulation — but in translation. Boards are well constituted, but not always equally effective. Information is available, but not always interrogated deeply. Independence exists in form, but may not always translate into (an) independent perspective,” the Sebi chairman said.

(Business Standard)



REGULATION & DEVELOPMENT

RBI keeps FPI debt investment limits unchanged for FY26-27: The Reserve Bank of India (RBI) on Monday has kept the percentage limits for foreign portfolio investor (FPI) investment in government securities (G-Sec), state government securities (SGS) and corporate bonds unchanged for the financial year 2026-27. The FPI limits in G-Sec, SGS and corporate bonds will continue to remain at 6%, 2% and 15%, respectively. The RBI has also retained the 50:50 allocation of incremental G-Sec limits between the general and long-term sub-categories. Alongside the unchanged percentage caps, the RBI has released revised absolute limits FY26-27. For April–September 2026, the total permissible FPI debt investment stands at Rs 15,51,646 crore, rising to Rs 16,32,640 crore for October 2026–March 2027. The aggregate limit

of the notional amount credit default swaps sold by FPIs shall be 5% of the outstanding stock of corporate bond, translating into an additional limit of Rs 3,30,464 crore for FY26-27.

(Financial Express)

New highway rules from April 10: Payments at toll plazas only via FASTag or UPI: The Union Ministry of Road Transport and Highways has announced that from April 10, 2026, cash payments will no longer be accepted at any national highway toll booth. Under the new rule, toll payments will be accepted only through FASTag or UPI. Under the new rule, toll payments will be accepted only through FASTag or UPI as cash will no longer be accepted. Reports further stated that if you are commuting and don't have a FASTag and choose to pay through UPI instead, you will be charged an extra 25% on top of the regular fee.

(Financial Express)

Launch of the first ever Annual Survey of Incorporated Services Sector Enterprises (ASISSE): NSO launches the first ever Annual Survey of Incorporated Services Sector Enterprises (ASISSE) covering incorporated services sector enterprises across India with the reference period being the financial year 2024-25. The survey is aimed at developing a comprehensive database of the incorporated services sector of the country. The survey uses GSTN database as sampling frame. More than 1.21 lakh enterprises will be surveyed in ASISSE.

(PiB)



FINANCIAL TERMINOLOGY

EQUATION OF EXCHANGE

- The equation of exchange is an economic identity that shows the relationship between the money supply, the velocity of money, the price level, and an index of expenditures.
- It says that the total amount of money that changes hands in the economy will always equal the total money value of the goods and services that change hands in the economy.
- In its basic form, the equation says that the total amount of money that changes hands in an economy equals the total money value of goods that change hands, or that nominal spending equals nominal income.
- The equation of exchange has been used to argue that inflation will be proportional to changes in the money supply and that total demand for money can be broken down into demand for use in transactions and demand to hold money for its liquidity.



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 : 93.0591
INR / 1 GBP : 122.9919
INR / 1 EUR : 107.2568
INR /100 JPY: 58.3200

EQUITY MARKET

Sensex: 74106.85 (+787.30)
NIFTY: 22968.25 (+255.15)
Bnk NIFTY: 52609.10 (+1060.35)

Courses conducted by BFSI Board

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- ❖ Handbook on Aide Memoire on Infrastructure Financing (3rd enlarged revised edition).
- ❖ Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).
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- ❖ BFSI Chronicle (quarterly issue of BFSIB)
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- ❖ 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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