

## **DAILY NEWS DIGEST BY BESI BOARD**

08 October 2025



### **ECONOMY**

**World Bank raises India's growth estimates for FY26, but lowers forecast for FY27:** The World Bank on Tuesday upped India's growth estimates for the current fiscal (FY26) by 20 basis points to 6.5 per cent from its June projection of 6.3 per cent. However, considering the US's tariff action, the multilateral agency has cut the forecast for the next fiscal (FY27) by 20 basis points to 6.3 per cent. In its the latest South Asia Development Update (SADU) titled 'Jobs, AI, and Trade', the multilateral agency said India is expected to remain the world's fastest growing major economy, underpinned by continued strength in consumption growth. Domestic conditions, particularly agricultural output and rural wage growth, have been better than expected. The government's reforms to the GST, reducing the number of tax brackets and simplifying compliance are expected to support activity.

**(Business Line)**

**Trump tariff opens opportunity for India, says World Bank's Ohnsorge:** Tariff action by the US is an opportunity to India to open trade agreements with other nations/blocks, said Franziska Ohnsorge, World Bank Chief Economist for South Asia. In an interview to businessline, she highlighted the importance of AI in the job market, saying that labour with AI skill in South Asia commands 30 per cent wage premium.

**(Business Line)**

**WTO revises upwards its global goods trade growth forecast for 2025 to 2.4%:** World trade in goods is expected to grow at a higher rate of 2.4 per cent in 2025, than the earlier-projected 0.9 per cent, due to frontloading of imports in the US to avoid reciprocal tariffs and a rise in spending on AI-related products, per the WTO's latest

estimates. The tariff impact, however, is expected to shift to 2026, with projections for the year lowered to 0.5 per cent from the earlier 1.8 per cent, the latest update of the Global Trade & Outlook released on Tuesday noted.

**(Business Line)**

## **BANKING & FINANCE**



**NPCI rolls out UPI payments with fingerprint and face authentication instead of PIN:** NPCI has launched biometric authentication for UPI payments at the Global Fintech Fest on October 7 in Mumbai. The biometric authentication will be performed on-device and can be used in place of the PIN that has been in use since the popular digital payments system was launched in April 2016. The biometric authentication can be used for setting or resetting the UPI PIN apart from using it for cash withdrawal at ATMs using UPI. The facility will be made available to customers who choose to opt in, giving them control over their preferred mode of authentication, the announcement said. “Each transaction is independently verified by the issuing bank using robust cryptographic checks, ensuring the highest level of safety while keeping the experience simple and seamless,” the NPCI release said.

**(Moneycontrol)**

**FM Nirmala Sitharaman launches foreign currency settlement system at GIFT IFSC to enable real-time settlements:** Finance Minister Nirmala Sitharaman on Tuesday launched the foreign currency settlement system in GIFT IFSC, which will facilitate seamless transactions on real-time basis, enhance liquidity management, and ensure compliance. Currently foreign currency transactions usually get settled with a lag of 36 to 48 hours. Speaking at the Global Fintech Fest 2025, the finance minister said with the operationalisation of the foreign currency settlement system, GIFT City joins a select list of financial centres that include Hong Kong, Tokyo, Manila, and some other centres which have the infrastructure to settle foreign currency transactions locally.

**(Financial Express)**

**RBI supersedes Irinjalakuda Town Co-operative Bank's board:** The Reserve Bank of India has taken over the board of Irinjalakuda Town Co-operative Bank. This action is due to the bank's ongoing poor financial health and governance problems. An administrator and advisors will now manage the bank for a year. Similar restrictions have been placed on Sadbhav Nagrik Sahakari Bank and Samarth Urban Co-operative Bank.

**(Economic Times)**

**PhonePe launches next-gen SmartSpeaker with integrated card payments:** PhonePe has launched its new SmartPOD, a device merging POS and smart speaker functions, enabling small merchants to accept both UPI and card payments. Designed in India, it supports major card networks and offers features like dual displays and celebrity voice confirmations. This move aims to boost digital payment adoption for businesses of all sizes across India.

**(Economic Times)**

**RBI announces draft norms for transition to expected credit loss framework:** RBI released draft norms on Expected Credit Loss (ECL)-based provisioning for commercial banks' stressed loans and securities. This will replace the current incurred loss-based norms banks use to make provisions. The RBI intends to roll out a new provisioning regime from April 1, 2027. Banks will get till March 31, 2031, to make additional provision on the existing book. "Determining ECL requires a bank to make an assessment, at each reporting date, if the credit risk on a financial instrument has increased significantly since initial recognition," the draft norms said. If risk has increased then the bank is required to make a loss allowance, estimated based on lifetime expected credit losses. RBI has said a bank shall use a general approach consisting of three key functions; Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD). The transitional adjustment amount, i.e., the difference between the ECL required as on April 1, 2027 (computed based on the balance sheet position as on March 31, 2027), and the provisions held as per the current norms as on March 31, 2027 be added back to the Common Equity Tier 1 capital, the RBI said.

**(Business Standard)**

## INDUSTRY OUTLOOK



### **Global Fintech Fest 2025: Mumbai to become financial capital with intelligence:**

**Nvidia MD:** Emphasising the rapid evolution of Generative AI into Agentic AI models that are now autonomously addressing complex challenges in the financial sector, Vishal Dhupar, Managing Director of US-based Nvidia, remarked on that Mumbai is poised to be recognised not just as the financial capital, but as the ‘financial capital with intelligence’.

**(Business Line)**

### **Senior Tata Group executives meet Amit Shah, Nirmala Sitharaman amid rising**

**Tata Trusts governance tensions:** Senior Tata Group executives, including Tata Trusts Chairman Noel Tata and Tata Sons Chairman N. Chandrasekaran, met Union Home Minister Amit Shah and Finance Minister Nirmala Sitharaman on Tuesday, as internal disputes among trustees over board appointments and governance intensified. Noel Tata and Chandrasekaran were joined by Tata Trusts Vice Chairman Venu Srinivasan and trustee Darius Khambata when they arrived at Shah’s residence in the evening. Finance Minister Sitharaman also participated in the discussions at the home minister’s residence. According to multiple reports, the Trust is currently divided into two factions. One group aligns with Noel Tata, who assumed the chairmanship of the Trusts following Ratan Tata’s passing. The opposing faction, comprising four trustees, is reportedly led by Mehli Mistry. The reports claim that Mistry feels sidelined and excluded from key decision-making processes, fueling tensions within the Trust.

**(Financial Express)**

### **Bajaj Finserv rebrands insurance businesses as Bajaj General Insurance, Bajaj**

**Life Insurance:** Bajaj Finserv has rebranded its insurance arms to Bajaj General Insurance and Bajaj Life Insurance, marking a significant shift after acquiring Allianz SE’s stake for full ownership. This move signifies a renewed commitment to India’s



insurance sector, emphasizing trust and national growth. The company aims to empower Indians financially while upholding core values.

**(Economic Times)**

**Sebi to deploy AI tool to track misleading ads, influencer content:** SEBI is developing an artificial intelligence-powered system to detect and review illegal or misleading advertisements and social media content. The tool, called Regulatory AI-Driven Advertisement Reviewer — R(AI)DAR — is aimed at bolstering the market regulator's monitoring of investor-facing communications, according to people familiar with the matter. In recent years, Sebi has steadily expanded its use of in-house AI tools to oversee trading activities, process IPO documents, analyse market behaviour, and scrutinise investment advisors and research analysts.

**(Business Standard)**



## REGULATION & DEVELOPMENT

**Over 5 Lakh Loan Applications amounting to ₹10,907 crore Sanctioned by PSBs under PM Surya Ghar Muft Bijli Yojana:** The PM Surya Ghar Muft Bijli Yojana (PMSGMBY) scheme has achieved a significant milestone in empowering households with clean and affordable solar energy. As of September, 2025, PSBs have sanctioned over 5.79 lakh loan applications, amounting to ₹10,907 crore, augmenting the financial support to the beneficiaries in installing rooftop solar systems.

**(PiB)**

**CBIC introduces system-based auto-approval for IFSC code registration to enhance Ease of Doing Business:** In another step towards streamlining Customs procedures and enhancing trade facilitation, the Central Board of Indirect Taxes and Customs (CBIC) has introduced system-based auto-approval for IFSC code registration to enhance Ease of Doing Business. As per the new initiative, the system will automatically approve requests for registration of the same incentive bank account and IFSC code for a particular Importer Exporter Code (IEC) at multiple Customs locations, provided the same combination has already been approved at any one

location. Thus, manual intervention by the Port officer will be eliminated, and the system will directly approve such requests.

**(PiB)**

**RBI plans to empower ombudsman to award up to ₹30 lakh compensation to aggrieved bank customers:** The Reserve Bank of India has proposed that the banking ombudsman may pay a compensation up to Rs 30 lakh to aggrieved bank customers for any consequential loss they suffer. This is part of the central bank's effort to strengthen the ombudsman scheme and raise customer satisfaction. In addition, the ombudsman shall also have the power to provide up to Rs 3 lakh for harassment suffered and time spent for taking up their grievances with the f any, by the complainant. Separately, RBI said that customers of state co-operative banks and central co-operative banks can raise their grievances with banking ombudsman from November 1

**(Economic Times)**



# FINANCIAL TERMINOLOGY

## NULL HYPOTHESIS

- A null hypothesis is a type of statistical hypothesis that proposes that no statistical significance exists in a set of given observations. Hypothesis testing is used to assess the credibility of a hypothesis by using sample data. Sometimes referred to simply as the “null,” it is represented as  $H_0$ .
- The null hypothesis, also known as “the conjecture,” is used in quantitative analysis to test theories about markets, investing strategies, and economies to decide if an idea is true or false.
- The null hypothesis assumes that any kind of difference between the chosen characteristics that you see in a set of data is due to chance. For example, if the expected earnings for the gambling game are truly equal to zero, then any difference between the average earnings in the data and zero is due to chance.



### **RBI KEY RATES**

Repo Rate: 5.50%  
SDF: 5.25%  
MSF & Bank Rate: 5.75%  
CRR: 3.50%  
SLR: 18.00%  
Fixed Reverse Repo: 3.35%

### **FOREX (FBIL 1.30 PM)**

INR / 1 USD : 88.7319  
INR / 1 GBP : 119.3752  
INR / 1 EUR : 103.7063  
INR /100 JPY: 58.9000

### **EQUITY MARKET**

Sensex: 81926.75 (+136.63)  
NIFTY: 25108.30 (+30.65)  
Bnk NIFTY: 56239.35 (+134.50)

### **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  
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### **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 2<sup>nd</sup> Edition)**

## **TEAM BFSIB**

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

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