

DAILY NEWS DIGEST BY BFSI BOARD

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ECONOMY

India-UK trade ministers discuss roadmap to implement historic free trade agreement: India's Minister of Commerce and Industry, Piyush Goyal and UK's Secretary of State for Business and Trade, Peter Kyle held a bilateral meeting in Mumbai on October 8 to chart an implementation roadmap for the India–UK trade and investment partnership. "The meeting marked a significant step towards operationalising the India–UK Comprehensive Economic and Trade Agreement (CETA), with both Ministers agreeing to reposition the Joint Economic and Trade Committee (JETCO) to oversee its implementation and delivery. Both sides underlined their commitment to ensuring swift, coordinated, and results-oriented implementation of the CETA, aimed at realising its full potential for businesses and consumers in both countries," read a statement issued by India's commerce ministry.

(Moneycontrol)

India stands out as global growth driver while China decelerates, says IMF chief: India has emerged as a key growth engine, Kristalina Georgieva, Managing Director of the International Monetary Fund (IMF), said on Wednesday. She also noted the high US tariffs applied to India. "Global growth patterns have been changing over the years, notably with China decelerating steadily while India develops into a key growth engine," Georgieva said in her curtain-raiser speech for the Annual Meetings. This remark comes at a time when almost all agencies have revised India's growth estimates to a range of 6.5–6.9 per cent for the current fiscal year, although some have lowered the growth projection to between 6.3–6.5 per cent for the next fiscal year.

(Business Line)

Gold and silver ETF assets top ₹1 trillion amid red-hot price rally: The gold and silver holdings of domestic mutual funds (MFs) crossed the ₹1 trillion mark for the first time in September, powered by a blistering commodity rally that lifted precious metal prices and drew fresh inflows into dedicated MF schemes. The assets under management (AUM) of gold exchange-traded funds (ETFs) alone have crossed \$10 billion. Gold and silver prices have been scaling new highs for several months, driven by central bank buying and surging investor demand amid global uncertainties. Mounting concerns over the US economy and an ongoing government shutdown have added further impetus to the rally. As of September 30, gold prices were up 53 per cent over the past year, while silver prices had surged nearly 60 per cent during the same period.

(Business Standard)

BANKING & FINANCE



Axis Bank may enter M&A financing in a big way: MD: Axis Bank MD and CEO Amitabh Chaudhry has said that the bank plans to enter the merger and acquisition financing in a big way following the Reserve Bank of India's (RBI) proposal for a framework for domestic banks to finance acquisitions. "We are the biggest players in bond and loan syndication. We will give all the foreign banks a run for their money who have been financing these acquisitions for the last several years," he said on the sidelines of the Global Fintech Fest. "We want to bank with all the major corporates in India," he added.

(Financial Express)

Fintech must deepen inclusion, build trust and think global: RBI Governor: Reserve Bank of India (RBI) Governor, Sanjay Malhotra, urged fintechs to leverage India's digital public infrastructure to serve the underserved, innovate responsibly, and shape global digital finance. In his address at the Global Fintech Fest 2025 in Mumbai on Wednesday, he emphasised designing intuitive, assistive services that eliminate the

need for customer support, especially for vulnerable groups like senior citizens and the digitally less literate to help India achieve its goal of becoming a developed nation by 2047.

(Financial Express)

KYC a challenge, have to simplify norms: SBI chief: State Bank of India chairman CS Setty called upon policymakers, fintech developers and technology developers to think about ways to simplify the know your customer (KYC) process, which he termed one of the biggest challenges for banks as well as customers. Banks employ KYC to onboard customers and simplifying the process is important for a large number of people who are joining mainstream banking. "I think one (of the) biggest subjects both on the customer side and the bank side... it's about KYC. We are working on the simplification of KYC processes. Even if it means that we need to engage with the regulators and the government, we are taking that initiative from the SBI side to simplify the whole process of KYC," Setty said Wednesday.

(Economic Times)

Shift to new provisioning ways to have little impact: SBI chairman CS Setty: New banking rules for credit loss provisions will have limited impact. The Reserve Bank of India has proposed a phased implementation starting April 2027. Banks will have four years to adjust existing loans. State Bank of India chairman CS Setty confirmed the bank is technologically prepared for these upcoming changes.

(Economic Times)

RBI launches four UPI initiatives at Global Fintech Festival 2025: The RBI launched four new digital payment initiatives — Internet-of-Things (IoT)-based UPI Payments, an interoperable net banking solution, UPI Reserve Pay, and AI-based UPI Help powered by NPCI's Small Language Model (SLM) at the Global Fintech Festival. It also introduced biometric authentication for approving UPI payments without PINs, and a face authentication feature using UIDAI's app-based biometrics to simplify onboarding and remove the need for debit cards to set UPI PINs.

IoT payments with UPI: Users can make UPI payments for services like fuel, EV charging, or other services via connected cars, smart glasses, or smart TVs Banking

Connect: Allows interoperability between banks and payment aggregators. PAs gain access to all participating banks with a single integration.

UPI Reserve Pay: Users can block part of credit cards or pre-sanctioned credit limits to simplify repeat purchases across e-commerce platforms, food delivery apps, cab aggregators
AI-based UPI Help: AI-powered support system addressing complaint resolution and mandate management.

(Business Standard)

INDUSTRY OUTLOOK



SoftBank-owned Graphcore to invest \$1.3 billion in India, set up AI research hub in Bengaluru: Graphcore, the British chip designer owned by SoftBank Group Corp., is planning to announce a £1 billion (\$1.3 billion) investment package in India that includes a new research hub. The announcement is scheduled as part of a delegation of UK businesses joining Prime Minister Keir Starmer on a trip to India this week, people familiar with the plans said. Graphcore, which is based in Bristol, plans to open the research facility in Bengaluru and share plans to hire as many as 500 people over the next five years.

(Business Line)

Govt to launch ₹7,350 cr plan to boost production of rare-earth magnets: The government is in final stages of launching a ₹7,350 crore scheme to spur domestic production of sintered rare earth permanent magnets (REPMs) and cut import dependence, Business Standard has learnt. This comes months after China imposed restrictions on exports of REPMs in April, squeezing supplies to India's automobile and electronics industries. The initiative — likely to be called the Scheme to Promote Sintered Rare Earth Permanent Magnet Manufacturing in India — aims to establish a fully indigenous manufacturing ecosystem with an annual production capacity of up to

6,000 tonnes. The scheme is expected to run for seven years, according to official documents.

(Business Standard)

Gold loan market to hit ₹15 trn in FY26, a year ahead of forecast: ICRA: With gold prices scaling new highs, credit rating agency ICRA on Wednesday said the organised gold loan (GL) market is likely to reach the ₹15 trillion mark in the current financial year (FY26) — a year earlier than previously estimated. ICRA now expects the market size to rise further to ₹18 trillion by FY27, supported by strong demand trends and an expanding lender base. The gold loan book of NBFCs is projected to grow at 30–35 per cent in FY26, driven by elevated gold prices and a slower growth trend in unsecured loan products, which typically target similar borrower segments.

(Business Standard)



REGULATION & DEVELOPMENT

Sebi issues circular on revised block deal norms: 3% price range and Rs 25 crore block deal size: The Securities and Exchange Board of India (Sebi) has issued circular for implementation revised block deal framework for stock exchanges, aiming to make the execution of large trades more transparent and efficient. The block deal mechanism allows pre-negotiated deals between parties to be executed on the exchange within designated windows and under strict rules to prevent price manipulation. The price range will be ± 3 percent of the reference price and the minimum order size of Rs 25 crore. As per existing norms the price range is ± 1 percent and the minimum order size is Rs 10 crore. Sebi had last tweaked the order size in October 2017. The higher threshold is expected to bring liquidity, as the orders below Rs 25 crore will take place in the normal market. Block deals operate in two specific windows: a morning session from 8:45 AM to 9:00 AM and an afternoon session from 2:05 PM to 2:20 PM. Sebi circular says, in the morning window, the reference price for executing block deals will be the previous day's closing price of the stock. For the afternoon window, the reference price will be based on the volume-weighted average

price (VWAP) of trades executed in the stock on the cash segment between 1:45 PM and 2:00 PM.

(Moneycontrol)

Startup founders reclaim ‘promoter’ tag ahead of IPOs to signal long-term commitment, governance maturity: As India’s new-age companies gear up for the public markets, a growing number of founders are reclaiming an old-school title — promoter. From Lenskart and Urban Company to Groww, PhysicsWallah, Ather Energy and Bluestone, several startup founders are now formally identifying themselves as promoters in their draft prospectuses and corporate filings. This move marks a significant shift in India’s startup landscape—from venture-backed, professionally managed firms to founder-led companies asserting long-term control and accountability. Experts say this signals a phase of institutional maturity, as public market investors increasingly seek clarity on who steers the business.

(Business Line)

PFRDA to expand NPS coverage to include agri sector and gig workers: PFRDA is aiming to grow pension coverage in the country by focusing on the agriculture sector, self-help groups and gig workers, Chairman S Ramann said on Wednesday at the Global Fintech Fest 2025. The pension regulator is also looking to allow investments in commodities like gold and silver for pension funds, post discussions with its internal committee. “We have been very conservative regarding investment guidelines. We have now got a request from pension funds — including from other regulators — to allow commodities to be brought within the fold of these investment guidelines,” Ramann said.

(Business Standard)



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Statutory Body under an Act of Parliament
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H.Q: CMA Bhawan, 3, Institutional Area, Lodhi
Road, New Delhi – 110 003
Kolkata Office: CMA Bhawan, 12 Sudder Street,
Kolkata – 700 016



FINANCIAL TERMINOLOGY

SHADOW PRICING

- A shadow price is the estimated cost of something that is not normally sold in the market. Businesses use shadow prices to quantify the costs and benefits associated with a project, but these estimates rely on subjective assumptions.
- Shadow pricing is often used to value intangible assets or abstract commodities for cost-benefit analysis. It is also used to estimate the actual value of a money market fund, even if its stated value is \$1 per share.
- Shadow pricing is crucial in cost-benefit analysis, assigning value to intangible assets and externalities that lack market prices, helping businesses and policymakers make informed decisions. While it aids in understanding complex projects' true value, shadow pricing is inherently subjective and relies on assumptions, which can introduce bias and inaccuracies.



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 : 88.7903
INR / 1 GBP : 118.8760
INR / 1 EUR : 103.0820
INR /100 JPY: 58.2400

EQUITY MARKET

Sensex: 81773.66 (-153.09)
NIFTY: 25046.15 (-62.15)
Bnk NIFTY: 56018.25 (-221.10)

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TEAM BFSIB

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

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