

DAILY NEWS DIGEST BY BFSI BOARD

20 October 2025



ECONOMY

Goldman Sachs forecasts year-end rate cut as RBI policy hints at easing credit path: Report: India may be nearing the end of its fiscal tightening phase, with another rate cut likely before the year ends, according to a report by Goldman Sachs. Alongside recent GST simplifications and signs of regulatory easing, these moves are expected to support a steady revival in credit demand, ANI reported quoting the firm. Goldman Sachs noted that the Reserve Bank of India's recent policy steps should ease supply-side credit conditions, though the scale of incremental lending will depend on broader economic demand. The Monetary Policy Committee (MPC) of the RBI had unanimously decided to keep the policy repo rate unchanged at 5.5 per cent in its latest review.

(Business Today)

Retail inflation expected to decline on high base and GST reform impact in October: Report: India's retail inflation is expected to decline further in October 2025, driven by a high base effect, delayed seasonality in food prices, and the full impact of recent GST reforms, according to a report by Union Bank of India. The report anticipates only a gradual pickup in price pressures in the months ahead. "Our projection for Oct CPI is tracking below 0.50 per cent as on date. Food inflation too is expected to fall sharply in Oct and continue to be in negative zone during the coming winter months with impact of floods muted," the report added.

(Business Line)

Retail inflation for farm, rural workers eases: Retail inflation for farm and rural workers eased to -0.07 per cent and 0.31 per cent, respectively, in September from

1.07 per cent and 1.26 per cent in August, respectively, according to the Labour Ministry data released on Saturday. For the month of September 2025, the All-India Consumer Price Index for Agricultural Labourers decreased by 0.11 points to 136.23, while the index for Rural Labourers decreased by 0.18 points, reaching 136.42, the labour ministry said. The CPI-AL and CPI-RL were 136.34 points and 136.60 points, respectively, in August 2025.

(Business Line)

BANKING & FINANCE



RBL Bank aims to enter big banks league; expand wealth, international biz:

Private sector lender RBL Bank is aiming to enter the big banks league after capital infusion from Emirates NBD Bank, which has proposed to acquire 60 per cent stake in RBL through a primary infusion of ₹26,850 crore, MD & CEO R Subramaniakumar told businessline. “We want to exit the mid-, small-size bank league and enter the big banks league. Further, we cannot precisely tell timeline as it depends on multiple approvals. We are trying to secure shareholders’ approval first on November 12.,” the CEO said. The lender is looking to further scale up its business across retail, corporate, trade finance, digital, cards and micro loans segments. It sees major synergies with ENBD in the export-import and international businesses.

(Business Line)

Digital-footprint loans by PSBs may touch Rs 1 lakh crore in FY26:

Enthused by the initial round of digital-footprint-based lending, the government is nudging public sector banks (PSBs) to increase the threshold for such loans to around Rs 1-2 crore from Rs 50 lakh. The enhanced thresholds could enable them to collectively achieve around Rs 1 lakh crore loan disbursement through this new model in 2025-26. It was announced in the Union Budget 2024-25 that PSBs will build their in-house capability to assess MSMEs for credit, based on the scoring of digital footprints of MSMEs, such as PAN, Goods and Service Tax and Income Tax data, electricity bills, etc. The new

model is an alternative to relying on the traditional assessment of credit eligibility based only on asset or turnover criteria.

(Financial Express)

HDFC Bank Q2 PAT rises 11% y-o-y: HDFC Bank, India's largest private sector lender, reported a net profit of 10.8% on year to Rs 18,641 crore for the quarter ended September, beating analyst estimates. As per Bloomberg estimates, analysts had expected the net profit at Rs 17,345 crore for the reporting quarter. In the September quarter, the net interest income inched up by 5% on year to Rs 31,552 crore, higher than the analyst estimate of Rs 31,423 crore. In terms of asset quality, the gross non-performing asset (NPA) ratio improved to 1.24% as on September 30 from 1.40% a quarter ago and the net NPA ratio improved to 0.42% from 0.47% a quarter ago.

(Financial Express)

IndusInd Bank slips into loss of Rs 437 crore in Q2 as MFI provisions spike: IndusInd Bank has reported a net loss of Rs 437 crore for the quarter ended September 2025 mainly due to higher provisions made in the microfinance segment. In the corresponding quarter a year ago, the bank reported a net profit of Rs 1,331 crore. According to Bloomberg estimates, analysts had expected the net profit at Rs 469 crore and net interest income at Rs 4,424 crore for the reporting quarter. "The financial performance of this quarter was impacted due to sharp reduction in the microfinance business and lack of treasury gains. This is partly offset by improvement in cost of funds as well as containing operating expenses," Rajiv Anand, MD and CEO of IndusInd Bank, said.

(Financial Express)

INDUSTRY OUTLOOK



Reliance to start solar power generation from Kutch project in H1 FY27: Reliance Industries will commence solar power generation in the first half of the next financial year from its mega renewable energy project in Kutch, Gujarat, a site spread over an

area nearly three times the size of Singapore. The project is part of the oil-to-telecom conglomerate's broader push towards clean energy and achieving net-zero carbon emissions by 2035. In an investor presentation post announcement of its second quarter earnings, Reliance said project development across the 5,50,000-acre site in Kutch is progressing well, with engineering and feasibility studies completed, and the site is currently in various stages of land development.

(Moneycontrol)

Emirates NBD to invest \$3 billion in RBL Bank for 60% stake; largest FDI in financial services: Emirates NBD Bank PJSC, the second-largest bank in the UAE, has agreed to put in Rs 26,580 crore (\$3 billion) to acquire a majority stake in RBL Bank. The equity infusion via a preferential allotment of primary capital into the bank at Rs 280/share will give the Dubai headquartered bank a 60% stake of the expanded equity capital base of the bank, formerly known as Ratnakar Bank. The infusion will also lead to an open offer if an additional 26% stake in the bank.

(Economic Times)

Exports post growth in 24 nations in Apr-Sep, show market diversification: Reflecting a clear trend of market diversification, Indian exporters registered positive growth in 24 countries during the first half of the current fiscal year, even as shipments to the US declined due to high tariffs in September, official data showed. These 24 countries include Korea, UAE, Germany, Togo, Egypt, Vietnam, Iraq, Mexico, Russia, Kenya, Nigeria, Canada, Poland, Sri Lanka, Oman, Thailand, Bangladesh, Brazil, Belgium, Italy and Tanzania. "24 countries with a total export of \$129.3 billion recorded positive growth in export in April-September 2025-26 as against the same period last fiscal, amounting to a share of 59 per cent of India's exports," an official said.

(Business Standard)



REGULATION & DEVELOPMENT

Govt mulls \$50-billion sovereign wealth fund: The government has started examining the feasibility of establishing a large sovereign wealth fund (SWF) for India. The idea is to create a robust and permanent stream of revenue to the exchequer other than tax receipts, by way of returns from SWF's diversified investments abroad. Though the discussions are at an early stage, there is consensus that in order to serve the purpose, the initial size of such a fund could be in the region of \$50 billion at least.

(Financial Express)

ICAI adds new norms to track frauds: The Institute of Chartered Accountants of India (ICAI) will make its review of financial statements of companies for detection of potential misdeeds of frauds more focussed, with a new set of parameters, according to official sources. The Financial Reporting Review Board (FRRB), the monitoring arm of the institute that rechecks financial statements of listed and unlisted companies, will give precedence to firms that are highly leveraged, pay low audit fees and have negative reserves. Companies under insolvency resolution process will also be taken up for scrutiny on a priority basis.

(Financial Express)

FinMin steps in PSBs asked to tackle employee stress, draw up action plans: Government is urging public sector banks to tackle employee stress. This follows concerns over work pressure, targets, and staff shortages. Banks must now identify issues and create clear action plans. These efforts will be part of the EASE 8.0 reforms agenda. The focus is on building a resilient and engaged workforce. Banks are launching well-being initiatives and health index surveys.

(Economic Times)



MUHURAT TRADING

- Muhurat trading is the trading activity in the Indian stock market on the occasion of Diwali (Deepawali). Usually, it is held during evening hour and is announced by the stock market exchanges notifying traders and investors of the non-scheduled trading hour.
- The schedule of the muhurat trading is announced by the stock exchange and the Sensex closes on a higher note at the ending of the trading hour.



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 : 87.9097
INR / 1 GBP : 118.2749
INR / 1 EUR : 102.9827
INR /100 JPY: 58.6600

EQUITY MARKET

Sensex: 83952.19 (+484.53)
NIFTY: 25709.85 (+124.55)
Bnk NIFTY: 57713.35 (+290.80)

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

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