



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

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ECONOMY

For the first time in decades, gold is beating US Treasuries in central banks' vaults: For the first time since the 1990s, central banks, that's the 'big banks of countries,' now hold more gold than US government bonds (called Treasuries). Think of it like this: every country keeps a treasure chest for safety. In it, they store different things, mostly US dollars, some euros, some government bonds, and a bit of gold. Recently, they've been filling that chest with more gold than US bonds. The European Central Bank's International Role of the Euro 2025 report says central banks together hold around 36,000 tonnes of gold. At today's prices, that stash is worth over 3.6 trillion dollars, more than what they hold in US Treasuries.

(Moneycontrol)

Private capex likely to rise 21.5% to Rs 2.67 lakh crore in FY26: RBI article: Capital investment by the private sector is likely to rise 21.5 per cent to Rs 2.67 lakh crore in 2025-26 aided by robust macroeconomic fundamentals, and a 100-bps policy rate cut, according to an RBI article. Despite global uncertainties, Indian firms entered the 2025-26 fiscal year with healthier balance sheets, higher cash buffer, improved profitability, and greater access to diversified funding sources, said the article 'Private Corporate Investment: Growth in 2024-25 and Outlook for 2025-26' published in the Reserve Bank of India's (RBI's) August bulletin.

(Moneycontrol)

Modi, Xi agree on need for 'dragon and elephant' to come together amidst Trump tariffs: Attempting to shake off over five years of mistrust and strained ties following the Galwan valley clashes, Prime Minister Narendra Modi and Chinese President Xi Jinping reinforced the need for the two countries to be "good friends" and advance relations, including trade and investment, based on "mutual trust" amidst tariff woes unleashed by US President Donald Trump. "The Kailash Mansarovar Yatra has resumed. Direct flights are also being resumed between the two countries. Our cooperation is linked to the interests of 2.8 billion people of our two countries," Modi said during his bilateral meeting with Xi in Tianjin on Sunday, his first visit to China in seven years as relations soured after the Galwan confrontation in 2020. In his speech, Xi pointed out that the world was undergoing



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transformation and China and India were two of the most civilizational countries, populous nations and key members of the Global South.

(Business Line)

Nominal GDP growth hits 3-quarter low; Flat WPI pushes deflator to 23-quarter low: Even as the real growth rate hit a five-quarter high in April-June quarter this fiscal, nominal growth rate has dipped to a three-quarter low. Fiscal deficit could be impacted if it is lower at an annualised basis. Meanwhile, a dip in inflation impacted the GDP deflator which is now 0.9 per cent compared to 3.1 per cent in Q4. GDP deflator is at its lowest in 23 quarters. According to data from the Statistics Ministry, the nominal GDP growth rate for April-June quarter stood at a three-quarter low of 8.8 per cent compared to 9.7 per cent in the corresponding quarter of the last fiscal. Even on a sequential basis, it is lower than 10.8 per cent in the January-March quarter. Nominal GDP growth rate takes into account value of goods and services at current price. In absolute term, value of nominal GDP was over ₹86.05 lakh crore in the April-June quarter of FY26, compared to over ₹88 lakh crore in the January-March quarter of FY25 and over ₹79 lakh crore in the April-June quarter of FY25. Key fiscal ratios, such as fiscal deficit are measured at nominal GDP. For the current financial year, fiscal deficit has been pegged at ₹15.69 lakh crore or 4.4 per cent of the estimated GDP value of around ₹357 lakh crore for FY26. The growth rate of nominal GDP has been projected at 10.1 per cent. Any dip in nominal GDP will impact the fiscal deficit.

(Business Line)

BANKING & FINANCE



FinMin proposes removing condition of Indian residents holding key positions in insurance companies for investment: The Finance Ministry has proposed to erase provisions related to the condition of Indian residents holding majority of directors and key managerial positions in insurance companies with foreign investment. Draft for Changes in Indian Insurance Companies (Foreign Investment) Rules, 2015, is being considered as a precursor for amending the law of 100 per cent foreign direct investment (FDI). However, a senior government official told businessline, "Once the draft is converted into final rules, it will be applicable for existing companies as well." As on date, FDI of up to 74 per cent is permitted in the insurance sector. Finance Minister Nirmala Sitharaman, in her Budget speech for FY26, proposed 100 per cent FDI for the sector.

(Business Line)

CMS Info Systems to replace 1,000 ATMs for India Post Payments Bank: "One of the big wins we had was with the department of post. This was a former customer of AGS, and when they shut down, the department decided to close their sites and relaunch," said Anush Raghavan, chief business



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officer, CMS, in an interaction with ET. "We helped evacuate the old ATMs, won the contract, and are now deploying 1,000 new machines across post office locations."

(Economic Times)

Operational creditors trail financial lenders in spurring insolvency cases: Data reveals a shift in insolvency case initiations, with operational creditors now trailing financial creditors for the first time since fiscal 2017, suggesting a growing preference for out-of-court settlements. While financial creditors initiated slightly more cases overall, operational creditors dominated resolutions for smaller defaults, indicating a strategic approach to debt recovery. Cumulatively, creditors recovered ₹3.96 lakh crore in resolved cases.

(Economic Times)

Net ECB inflows rise to \$4.6 billion in Apr-Jun 2025, shows RBI data: The net inflows of foreign resources via External Commercial Borrowings (ECBs) rose to \$4.6 billion in April-June period of the financial year 2025-26 (Q1FY26) from \$ 2.8 billion in the same period previous year, the Reserve Bank of India data showed. RBI, in its monthly August bulletin, said the registrations of ECBs moderated in Q1FY26, although inflows continued to outpace outflows, resulting in positive net inflows. The ECB registrations slowed to \$9.1 billion in Q1FY26, down from \$11.1 billion in Q1FY25. Funds raised through ECBs and initial public offering for capex purposes were slightly lower than in the previous quarter, it added.

(Business Standard)

INDUSTRY OUTLOOK



US tariffs: Govt to provide short, medium, long-term support to industry: The Commerce Department has framed a three-tiered action plan, focusing on short, medium and long-term measures, to respond to the fallout of tariff escalation by the US, official sources said. "The measures focus on providing immediate liquidity and compliance relief to exporters, including SEZ flexibility, maintaining order levels and employment in vulnerable sectors, building resilience in supply chains through structural reforms and leveraging existing trade agreements and new market access opportunities," an official source told.

(Business Line)

Govt may bet on MSMEs to power silicon dreams with fresh incentives: The upcoming \$15 billion (around ₹1.3 trillion) second phase of the India Semiconductor Mission (ISM) is expected to carve out special incentives for micro, small, and medium enterprises (MSMEs), encouraging them to



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become suppliers of critical raw materials for global chipmakers, according to senior government officials. “Our focus now is to help build homegrown raw material suppliers for semiconductor companies. That will be one of the focus areas of ISM 2. The overall priority remains on building a complete ecosystem for semiconductors,” one official said.

(Business Standard)

OMCs cut commercial LPG cylinder prices by ₹51.50 from September 1: Oil marketing companies (OMCs) have reduced the price of 19 kg commercial liquefied petroleum gas (LPG) cylinders by ₹51.50, effective September 1, 2025. In Delhi, the revised price now stands at ₹1,580. However, the prices of 14.2 kg domestic cylinders remain unchanged. This marks the latest in a series of price cuts in recent months. On August 1, OMCs reduced LPG cylinder prices by ₹33.50, following a cut of ₹58.50 on July 1. Earlier, prices were lowered by about ₹24 in June, ₹41 in April, and ₹7 in February. In March, however, cylinder prices increased slightly by around ₹6.

(Business Standard)



REGULATION & DEVELOPMENT

India Post announces suspension of all US-bound mail bookings amid regulatory uncertainty:

The Department of Posts, in a statement issued on Sunday, said that it has suspended the booking of all categories of mail destined for the United States, including letters, documents, and gift items valued up to \$100, citing the carriers' inability to transport consignments and the absence of defined regulatory mechanisms. The decision follows an earlier public notice issued on August 22, which had allowed the booking of certain low-value postal items despite a broader suspension. That relaxation has now been withdrawn, bringing all categories of US-bound mail under suspension.

(Moneycontrol)

PRYMA Aerospace gets DGCA nod for Arjuna drone to aid agriculture: Drone manufacturer PRYMA Aerospace has received the Directorate General of Civil Aviation's (DGCA) certification for its Arjuna drone, which will enable the company to deploy the machine for agriculture-related activities. The development comes close on the heels of the aviation safety regulator recently approving the group's Drone School of Excellence as a Remote Pilot Training Organisation (RPTO) and making it India's first end-to-end pathway for drone manufacturing, pilot training, and large-scale deployment through Salam Kisan's nationwide platform, PRYM Group's founder and CEO, Dhanashree Mandhani said.

(Business Standard)



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Govt set to roll out 'Adi Vaani', AI translator for tribal languages: The Tribal Affairs Ministry will soon launch "Adi Vaani", India's first artificial intelligence (AI)-powered translator for tribal languages, in a move aimed at preserving the country's rich linguistic diversity and empowering tribal communities. Developed by IIT Delhi, BITS Pilani, IIIT Hyderabad and IIIT Nava Raipur, in collaboration with Tribal Research Institutes (TRIs), the initiative combines advanced AI tools with community participation to bridge communication gaps and safeguard endangered tribal languages. The app will be available on the Play Store with an iOS version coming soon. It will initially support Santali (Odisha), Bhili (Madhya Pradesh), Mundari (Jharkhand) and Gondi (Chhattisgarh). Languages such as Kui and Garo will be added in the next phase.

(Business Standard)



FINANCIAL TERMINOLOGY

INDIFFERENCE CURVE

- ❖ An indifference curve is a chart that tracks various combinations of two goods or commodities that consumers can choose. Points along the curve represent combinations that will leave the consumer equally well off. A consumer is indifferent to changes in a combination as long as it falls somewhere along the curve.
- ❖ Standard indifference curve analysis uses a simple two-dimensional chart. Each axis represents one type of economic good. A consumer will have no preference between any of the combinations of goods represented by points on the curve because the combination of goods on an indifference curve provides the same level of utility to the consumer.



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RBI KEY RATES

Repo Rate: 5.50%

SDF: 5.25%

MSF & Bank Rate: 5.75%

CRR: 4.00%

SLR: 18.00%

Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 87.8514

INR / 1 GBP : 118.5760

INR / 1 EUR : 102.4728

INR /100 JPY: 59.7600

EQUITY MARKET

Sensex: 79809.65 (-270.92)

NIFTY: 24426.85 (-74.05)

Bnk NIFTY: 53655.65 (-164.70)

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