



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

02 September 2025



ECONOMY

GST growth slows to Rs 1.86 lakh crore in August, but collections remain above Rs 1.8 lakh crore: Goods and Services Tax (GST) collections rose a tad slower at 6.5 percent in August to Rs 1.86 lakh crore compared with 7.6 percent in the previous month, according to government data released on September 1. The collections were lower than the Rs 1.96 lakh crore garnered in July, but remained above the Rs 1.8 lakh crore mark for the eighth consecutive month, underscoring steady consumption trends despite signs of moderation.

(Moneycontrol)

PMI manufacturing inched up to 59.3 in August: With frontloading of production to complete the pre-50 per cent tariff exports, Purchasing Managers Index (PMI) for manufacturing sector rose to 59.3 in August as against 59.1 of July, S&P Global reported on Monday. Good news is that fresh job creation rose for 18 successive months, though pace was slow. The PMI is based on responses from purchasing managers of 400 companies. Index above 50 means contraction, while below 50 index indicates contraction.

India's CAD slips into deficit in Q1 FY26 from surplus in Q4 FY25: India's current account deficit (CAD) slipped in the first quarter (Q1FY26) from a surplus recorded in the preceding quarter (Q4FY25). However, it narrowed in the reporting quarter as against the year-ago quarter. CAD is a measure of a country's trade where the value of goods and services it imports exceeds the value of the products it exports. The current account balance in Q1 FY26 recorded a deficit of 0.2 per cent of GDP as against a surplus of 1.3 per cent of the GDP in Q4 of FY25.

(Business Line)

India's current account deficit narrowed to 0.2% of GDP in Q1 FY26: India's current account balance slipped into a deficit of \$2.4 billion, or 0.2 per cent of gross domestic product (GDP), in the April–June quarter (Q1) of 2025–26 (FY26). In contrast, it had posted a surplus of \$13.5 billion (1.3 per cent of GDP) in the January–March quarter (Q4) of 2024–25 (FY25), the Reserve Bank of India (RBI) said in a statement. The current account deficit (CAD) stood at \$8.6 billion (0.9 per cent of



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GDP) in Q1FY25, the central bank observed. According to RBI data, the year-on-year (Y-o-Y) decline in CAD was driven by a higher services trade surplus, which rose to \$47.9 billion in Q1FY26 from \$39.7 billion a year ago. Services exports grew across major categories, including computer and business services. However, the merchandise trade deficit widened to \$68.5 billion from \$63.8 billion in the same period.

(Business Standard)

BANKING & FINANCE



Deutsche Bank puts its India retail franchise on block: Nearly four years after Citibank decided to exit retail operations in India, Deutsche Bank appears to be going down the same road. “As part of the bank’s global strategy, Deutsche Bank has decided to exit retail operations in India,” said top bankers. An invitation for a non-binding bid was shared with top four Indian private bank last Friday (August 29), said one of the bankers cited above. “For now, the response seems to be quite muted. Though it’s too soon to say, at least the top three private banks don’t seem to have shown much interest in the proposition,” he added. The sale of the India retail business would encompass retail assets, Liabilities and Wealth management business.

(Moneycontrol)

PSBs fall behind on governance as key board positions remain vacant for years: RTI: India’s public sector banks (PSBs) are yet to deliver on sound corporate governance standards as majority of lenders have not filled up important positions on their boards and have been lying vacant for years, according to responses received to RTI filed by businessline. Bank of Baroda, which should have 16 directors, currently has only 10 — leaving six key board positions vacant, including those of Chairman and CA Director. Central Bank of India has eight directors on its board, but does not have a Chairman, MD & CEO, and five other vacancies on its board. Union Bank of India, too, currently does not have a MD & CEO. Indian Bank and Punjab & Sind Bank each have the positions of CA Director and Chairman vacant.

(Business Line)

UPI transaction volumes breaches 20 billion mark in August: In a first, Unified Payments Interface (UPI) transaction volume breached the 20 billion mark in August 2025, according to National Payments Corporation of India (NPCI) data. A total of 20.01 billion transactions, amounting to ₹24.85 lakh crore, were registered in August. Transaction volume rose 34 per cent on a year-on-year (y-o-y) basis, while UPI transaction value was up 21 per cent y-o-y in August. On an average, 645 million UPI transactions were conducted daily in August.

(Business Line)



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₹2000 notes worth ₹5,956 crore remain in circulation in 2025: RBI: The high-value Rs 2000 notes worth Rs 5,956 crore are still in circulation, more than two years after the Reserve Bank's withdrawal of the currency notes, according to official data released on Monday. The Reserve Bank of India (RBI) had announced the withdrawal of Rs 2000 denomination banknotes from circulation on May 19, 2023. Rs 2000 banknotes continue to be legal tender. In a statement, the central bank said the total value of Rs 2000 banknotes in circulation, which was Rs 3.56 lakh crore at the close of business on May 19, 2023, has declined to Rs 5,956 crore on August 31, 2025.

(Business Standard)

PSBs' share in household deposits falls to 63%, private banks gain ground: Public sector banks (PSBs) have seen a sharp drop in household deposits from 70.6 per cent to 63 per cent in contrast with private banks, which witnessed a surge from 27.1 per cent to 34.1 per cent, data sourced by Business Standard showed. Even the household deposit base for PSBs has been eroding. PSBs accounted for only 50.3 per cent of incremental household deposits in FY25, a loss in market share of around 706 basis points (bps). This shows a trend of savers diversifying towards private banks and other alternative channels.

(Business Standard)

INDUSTRY OUTLOOK



Flipkart announces acquisition of majority stake in Pinkvilla: E-commerce major Flipkart has announced the acquisition of a majority stake in digital infotainment platform Pinkvilla India Private Limited. This acquisition is part of Flipkart's broader strategy to expand its content footprint and enhance engagement with Gen Z and millennial audiences, leveraging Pinkvilla's established brand, capabilities, and loyal audience base. Flipkart did not disclose the size or the valuation of the deal. The deal has been finalized and is subject to customary closing conditions. The companies expect to close the transaction shortly.

(Business Line)

India offered to cut tariffs on US goods to 'nothing', says Donald Trump: Amid the ongoing trade tensions, United States (US) President Donald Trump has said that India has offered to cut tariffs on US goods to 'nothing'. Trump posted on Truth Social about the status of India's tariffs on US goods and said, "They have now offered to cut their Tariffs to nothing, but it's getting late. They should have done so years ago. Just some simple facts for people to ponder!!!" Trump said that India does a tremendous amount of business with the US, while the US does very little with India. He added, "In other words, they (India) sell us massive amounts of goods, their biggest "client," but we sell them



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very little - Until now a totally one sided relationship, and it has been for many decades. The reason is that India has charged us, until now, such high Tariffs, the most of any country, that our businesses are unable to sell into India.

(Business Standard)

India to implement OECD's crypto reporting framework from April 2027: India will implement the Organisation for Economic Co-operation and Development's (OECD's) Crypto-Asset Reporting Framework (CARF) from April 1, 2027, bringing offshore cryptocurrency holdings of its residents under the tax net, according to a senior finance ministry official. India is expected to sign the Multilateral Competent Authority Agreement (MCAA), a global framework for automatic exchange of tax information next year, he said. India had signed an MCAA for financial account information in 2015, but a separate pact under CARF will be required to cover crypto assets.

(Business Standard)



REGULATION & DEVELOPMENT

Centre unlikely to extend 'compensation-cess framework' to make up for revenue loss to states: Several states agree with the Centre's GST-rate-rationalisation proposal, and are willing to take a short-term revenue hit as a consequence, two government officials told. The Centre is of course mulling ways to allay their revenue-loss concerns, but the "compensation-cess framework" is unlikely to be extended or re-introduced, they said. The GST Council is meeting on September 3-4 to discuss the issues related to rate rationalisation. "Many states are on board, barring a few. There's a high chance the Centre's GST rate-revamp proposal in the upcoming GST Council meeting will be accepted," said one of the official.

(Moneycontrol)

Prime Minister participates in the 25th SCO Summit in Tianjin, China: Prime Minister Shri Narendra Modi participated in the 25th Meeting of the Council of Heads of State of the Shanghai Cooperation Organization (SCO), held in Tianjin, China, from 31 August to 1 September 2025. The Summit witnessed productive discussions on SCO Development Strategy, Reform of Global Governance, Counter-Terrorism, Peace and Security, Economic and Financial Cooperation, and Sustainable Development..

(Business Line)

IEPFA Launches "Niveshak Didi- Phase II": An initiative accelerated for Financial Literacy of Women by Women: The Investor Education and Protection Fund Authority (IEPFA), under the aegis of the Ministry of Corporate Affairs, successfully launched Phase II of its flagship financial literacy



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initiative – Niveshak Didi at Hyderabad. The initiative is aimed at deepening financial awareness and empowering rural communities, particularly women.

(Business Line)

Ms. T.C.A. Kalyani assumes charge as Controller General of Accounts (CGA): The government has appointed TCA Kalyani, a 1991-batch officer of the Indian Civil Accounts Service, as the country's new Controller General of Accounts, the finance ministry said in a statement on Monday. Kalyani is the 29th officer to hold the post. Kalyani succeeds SS Dubey, a 1989-batch officer of the Indian Civil Accounts Service, who was appointed to the post in March 2023..

(Mint)

Former DEA secy Ajay Seth takes charge as Irdai chairman for 3-year tenure: "Ajay Seth has assumed charge as chairman, Insurance Regulatory and Development Authority of India, on September 1, 2025," the insurance regulator said in a notification. The central government had appointed Seth, former secretary of the Department of Economic Affairs (DEA), as chairman on July 24, 2025, after the three-year tenure of Debasish Panda ended in March 2025. Seth is a 1987-batch IAS officer from the Karnataka cadre...

(Business Standard)



FINANCIAL TERMINOLOGY

JOINT STOCK COMPANY

- ❖ A joint-stock company is a business structure where investors own shares proportional to their investment and share in the profits. It was an early form of business organization used to fund large ventures before modern corporations existed.
- ❖ The shares of a joint-stock company are transferable. If the joint-stock company is public, its shares are traded on registered stock exchanges. Shares of a private joint-stock company are transferable between parties, but the transfer process can be limited by agreement.



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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 : 88.2576

INR / 1 GBP : 119.3784

INR / 1 EUR : 103.4579

INR /100 JPY: 60.0800

EQUITY MARKET

Sensex: 80364.49 (+554.84)

NIFTY: 24625.05 (+198.20)

Bnk NIFTY: 54002.45 (+346.80)

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TEAM BFSIB

Banking, Financial Services & Insurance Board
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