



# 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**

*04 September 2025*



### **ECONOMY**

**In China, Putin hails India as 'economic giant'; says multipolar world has no hegemon:** Calling India an “economic giant,” Russian President Vladimir Putin on Wednesday stressed that a truly multipolar system means no single country can dominate others and that all participants enjoy “equal rights.” Speaking to reporters after wrapping up his trip to Beijing for the Shanghai Cooperation Organization summit, where he met Chinese President Xi Jinping and Prime Minister Narendra Modi, Putin underlined that even forums with powerful members like India and China are not about seeking control. “The multipolar world has no hegemon, everyone has equal rights. Despite having economic giants like India and China as members, groupings like BRICS do not talk about the idea of domination of politics or global security,” he said.

**(Moneycontrol)**

**Services PMI hit 15-year high of 62.9 in August but inflation intensifies:** Following the strong show in manufacturing, India’s services sector also performed well, as S&P Global on Wednesday reported a surge in Purchasing Managers’ Index (PMI) to a 15-year high of 62.9 in August. Demand buoyancy, efficiency gains and greater inflows of new business were some of the reasons firms gave for the upturn. The services sector holds the maximum share in Gross Value Added (GVA), with around 53 per cent. “India’s services PMI Business Activity Index reached a fifteen-year high last month, from 60.5 in July to 62.9 in August, on the back of surging new orders. The broad-based expansion in international sales bolstered overall demand, which prompted Indian services firms to hire additional workers,” Pranjul Bhandari, Chief India Economist at HSBC said. The PMI is based on the responses from purchasing managers of 400 companies. An index above 50 indicates expansion, while below 50 signals contraction.

**(Business Line)**

**India’s CAD may surpass 1% of GDP in FY26 against 0.6% in FY25: ICRA:** India’s current account deficit (CAD) may surpass 1.0 per cent of GDP in FY2026, if the 50 per cent US tariff rate prevails till end-March 2026, which would lead to a year-on-year (y-o-y) contraction in exports, according to ICRA. India’s CAD was at 0.6 per cent of GDP in FY25, marginally lower than 0.7 per



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cent of GDP in FY24, primarily due to higher net invisibles receipts. The rating agency has projected India's CAD to enlarge considerably to \$13-15 billion (-1.5 per cent of GDP) in Q2 FY2026 vis-à-vis Q1 FY26 (-0.2 per cent of GDP), led by a significant widening in the merchandise trade deficit.

**(Business Line)**

## BANKING & FINANCE



### **Banks turn to alternate data sources than credit score for loans to first time borrowers:**

Following the government and Reserve Bank of India's (RBI) fresh push for banks to sanction loans to new-to-credit (NTC) customers without established credit bureau scores, lenders have started turning to alternate data sources for sanctioning loans to first-time borrowers. "Alternate data sources like payment of utility bills, mobile, telecom bills, UPI channels, e-commerce usage of customers (are being used to sanction loans to NTC customers)," said Rajneesh Karnatak, MD & CEO, Bank of India.

**(Business Line)**

**SBI to focus on mid-corporates:** Amid tepid demand from large companies, the State Bank of India is targeting mid-sized businesses to boost its corporate loan book. "Last year, our mid-corporate loan portfolio grew by 18% to Rs 1 lakh crore. The potential has encouraged us to further grow loans to this segment," a senior official of the bank told FE. The segment has been doing well, with the asset quality not deteriorating significantly. "Moreover, borrowers are not very price-sensitive," the official added. At SBI, the mid-corporate portfolio is housed in the commercial client group (CCG), which caters to the credit needs of both mid and large-sized corporate. The advances under CCG stood at Rs 6.68 lakh crore as of March, registering a growth of 16% over FY24.

**(Financial Express)**

**More trouble at IndusInd Bank, ex-CFO seeks removal of board chairman:** In a letter to the Prime Minister dated August 26, a copy reviewed by ET, Jain claimed that he uncovered serious issues in treasury operations that had persisted for more than a decade. Jain said he was the only executive to detect the lapses and had fought a "lone battle" to highlight them. According to him, Mehta and his close aides created an "atmosphere of fear" within the bank, targeted him for exposing the problems.

**(Economic Times)**

### **Axis Max Life partners with India Post Payments Bank for distribution of insurance products:**

Axis Max Life Insurance Ltd and India Post Payments Bank (IPPB) have announced a partnership aimed at delivering affordable life insurance solutions beyond Tier 1 into emerging regional markets



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across rural India. This partnership leverages IPPB's robust network of 650 banking outlets and over 1.64 lakh access points through post offices to deliver a comprehensive suite of need-based life insurance solutions to customers across Tier 3, Tier 4 and rural markets, a joint statement said on Wednesday.

**(Economic Times)**

**RBI to conduct 8-day VRRR auction to absorb ₹1.5 trn from banking system:** The Reserve Bank of India (RBI) plans to conduct an eight-day variable rate reverse repo (VRRR) auction on Thursday aimed to drain ₹1.5 trillion from the banking system. The net liquidity in the banking system was in a surplus of ₹3.03 trillion on Tuesday, latest data by the central bank showed. Meanwhile, the cut-off yield on 182-day, and 364-day treasury bills was set at 2 basis points, and 3 basis points higher, respectively, at the weekly auction. The cut-off yield on 91-day treasury bills was the same as the previous week at 5.51 per cent. VRRRs are aimed at absorbing surplus liquidity from the system and anchoring short-term rates closer to the policy repo rate. The WACR, the operating target of monetary policy, settled at 5.35 per cent on Wednesday, against previous close of 5.39 per cent.

**(Business Standard)**

## INDUSTRY OUTLOOK



**IndiGo emerges as India's largest international airline by number of destinations:** Airline major IndiGo has emerged as India's largest international carrier by the number of destinations served, with operations now spanning 43 overseas cities. According to industry data, this makes IndiGo the Indian airline with the broadest global footprint, surpassing Air India (standalone), which currently serves 42 international destinations. However, IndiGo is behind the Air India Group (Air India and Air India Express) which operates to over 50 destinations.

**(Business Line)**

**Govt sets up committee to examine tax, export clearance issues of manufacturing sector:** The government has set up a committee to examine the tax and export clearance issues being faced by manufacturing units and suggest measures to further streamline the system amid high tariffs imposed by the US, an official has said. The committee includes representatives from the finance ministry, Department for Promotion of Industry and Internal Trade (DPIIT), Department of Commerce, Directorate General of Foreign Trade (DGFT) and the RBI..

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## Government approves Rs 1,500 crore recycling scheme for critical minerals, aims to generate 70,000 jobs:

The Union Cabinet, chaired by Prime Minister Narendra Modi, on Wednesday approved a Rs 1,500 crore Incentive Scheme to develop recycling capacity in the country for the separation and production of critical minerals from secondary sources. This scheme is part of the National Critical Mineral Mission (NCMM), which is aimed at building the domestic capacity of and supply chain resilience in critical minerals. Eligible feedstock is e-waste, Lithium Ion Battery (LIB) scrap, and scrap other than e-waste and LIB scrap e.g. catalytic converters in end-of-life vehicles. Expected beneficiaries will be both large, established recyclers, as well as small, new recyclers (including start-ups), for whom one-third of the scheme outlay has been earmarked.

*(Financial Express)*



## REGULATION & DEVELOPMENT

## Big tax reform: GST slabs reduced to two; hundreds of items set to get cheaper from September 22:

The 56th meeting of the GST Council on Wednesday, chaired by Finance Minister Nirmala Sitharaman and comprising state ministers, approved a two-tier rate structure of 5 percent and 18 percent.

- Items on which **GST has been reduced to 5 percent**: Hair oil, toilet soap, soap bars, shampoos, toothbrushes, toothpaste, bicycles, tableware, kitchenware, and other household articles.
- Items on which GST has been **reduced to zero from 5 percent**: Ultra-high temperature milk, chena and paneer and Indian breads will see a nil rate. So roti or paratha or whatever it is, they all come to nil.
- Items that will see a reduction of GST **from 12 percent or from 18 percent to 5 percent**: Food items - namkeen, bhujia, sauces, pasta, instant noodles, chocolates, coffee, preserved meat, cornflakes, butter, ghee.
- **Reduction from 28 percent to 18 percent**: Air conditioning machines, TVs which are over 32 inches, all TVs now at 18 percent, dishwashing machines, small cars, motorcycles equal to or less than 350 cc are all now coming to 18 percent.
- GST on life-saving drugs and medicines has been cut to zero.
- There are several drugs and medicines coming down to 5 percent from 12 percent. Similarly, spectacles and goggles for correcting vision are also coming down to 5 percent from 28 percent.
- Agriculture goods such as tractors, agricultural, horticultural and forestry machines for soil preparation or cultivation, harvesting or threshing machines, including straw or fodder balers, grass or hay movers, composting machines etc. are all coming down from 12 percent to 5 percent. Reduction of GST from 12 percent to 5 percent on 12 specified bio-pesticides.



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- Handicrafts, marble, travertine blocks, granite blocks, and intermediate leather goods. Reduction of GST on cement from 28 percent to 18 percent.
- Reduction of GST from 12 percent to 5 percent on renewable energy devices and parts for their manufacture such as biogas plants, windmills etc.
- **GST on Insurance Premium:** GST has been exempted on all individual life insurance policies; term life, ULIP, or endowment policies, and reinsurance. Exemption of GST on all individual health insurance policies, including family floater policies and policies for senior citizens, and reinsurance thereof.
- Also, a special 40 percent tax was announced on a select few items, including tobacco and ultra-luxury goods, that are classified as 'sin goods'.
- Mid-size and large cars, motorcycles of engine capacity exceeding 350 cc, aircrafts- helicopters and aeroplanes for personal use, yachts and other vessels for pleasure or sports, are all under 40%.

## **(Moneycontrol)**

**Process reforms in GST announced:** Alongside rate cuts, the government has announced procedural reforms including automatic registration within three working days, provisional refunds through system-based risk evaluation, and simplification of tax credits. The government emphasised that the new “Next-Gen GST” structure aims to simplify compliance, lower the tax burden, and fuel growth across sectors.

## **(Moneycontrol)**

**Jane Street files appeal in SAT, says SEBI withheld key documents:** US-based high-frequency trading firm Jane Street Group has filed an appeal before the Securities Appellate Tribunal (SAT) against the Securities and Exchange Board of India (SEBI) in an ongoing market manipulation case, according to documents reviewed by businessline. The appeal, filed on Wednesday, said SEBI had refused access to “crucial and relevant documents” for the firm’s defence. Jane Street has sought directions for full inspection of records, including the complete report of SEBI’s Integrated Surveillance Department (ISD) and all correspondence between the National Stock Exchange (NSE) and SEBI in relation to its trades.

## **(Business Line)**





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## FINANCIAL TERMINOLOGY

### **BACK LEVERAGE**

- ❖ The debt incurred by a project sponsor at a holding company level to finance its equity contributions to a project, which is often structurally subordinated, or “back-levered,” to another financing. In Renewable Energy projects it has become common for the term Loans to be back levered to a tax equity financing.
- ❖ Also referred to as a holdco loan or mezzanine financing, this is a transaction in which a project sponsor or a project developer finances all or a portion of its equity contribution in the project company or holding company with third party loans.
- ❖ A back leveraged transaction allows the sponsor to: Access cheaper capital. Equity is typically the most expensive source of capital. Being able to finance the sponsor's contribution to the project is an effective way to lower the project's overall cost of capital and obtain financing outside the project debt structure which may make the project more bankable.



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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 : 88.1070

INR / 1 GBP : 117.7826

INR / 1 EUR : 102.4814

INR /100 JPY: 59.2800

## EQUITY MARKET

Sensex: 80567.71 (+409.83)

NIFTY: 24715.05 (+135.45)

Bnk NIFTY: 54067.55 (+406.55)

## 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  
BFSIB portal of the ICMAI

## 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**  
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