



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

08 August 2025



ECONOMY

PM Modi says ready to pay 'heavy price' to protect interests of farmers as Trump doubles tariff: Prime Minister Narendra Modi on August 7 said he "won't compromise on farmers' interests and is ready to pay heavy price" hours after the US imposed an extra 25% tariff on Indian exports, stoking concerns over the economic impact of worsening bilateral ties. Speaking at the MS Swaminathan Centenary International Conference, Modi said he's "ready to pay heavy price to protect interests of farmers". "For us, the interest of our farmers is our top priority. India will never compromise on the interests of farmers, fishermen and dairy farmers. I know we will have to pay a heavy price for it and I am ready for it. India is ready for it," he said. On Wednesday, the US announced an additional 25% tariff on India over its import of Russian oil, taking the total to 50%.

(Moneycontrol)

New tariff duty may dent India's GDP by another 0.3 pp annually: Goldman Sachs: Goldman Sachs has estimated a potential incremental drag of around another 0.3 percentage point (pp) annualised drag on real GDP growth if US tariffs are fully enforced. In a significant escalation of trade tensions, US President Donald Trump announced an additional 25 per cent ad valorem duty on Indian imports, taking the total tariff levy to 50 per cent, with effect from August 27. The move, citing India's continued energy purchases from Russia has sparked concerns about economic repercussion. The MEA has said it would "take all actions necessary to protect its national interests". The brokerage firm lowered India's real GDP growth projection marginally by 0.1 pp for CY25 to 6.5 per cent and by 0.2 pp for CY26 to 6.4 per cent year-on-year.

(Business Line)

Govt may focus on extending support measures to sectors hit hard by US tariffs: Govt may extend export support to sectors like textiles and chemicals hit by new US tariffs, under a ₹2,250 crore export promotion mission. Commerce ministry held consultations with exporters, who sought fiscal incentives and trade facilitation. With a 50% US duty starting August 27, exporters are exploring new markets, while the ministry works on easing compliance and boosting domestic demand.

(Economic Times)



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BANKING & FINANCE



AU becomes first SFB to receive RBI nod for universal bank transition: AU Small Finance Bank (SFB) has become the first lender in its category to have received an in-principle approval by the Reserve Bank of India (RBI) for transitioning into a universal bank, according to a statement. The SFB had, in September 2024, filed formal application with the RBI for conversion into a universal bank. Apart from AU, Jana SFB and Ujjivan SFB have also filed applications with the RBI for conversion to universal banks. Fino Payments Bank, meanwhile, has applied for a SFB application with the RBI. The RBI had earlier rejected Annapurna Finance's application to convert into a universal bank. The RBI had in April 2024 launched guidelines for voluntary conversion of SFBs into universal banks. According to the norms, the SFBs are allowed to apply for a universal bank licence after successful completion of five years of operations, but subject to fulfilling minimum paid-up voting equity capital, net worth requirement as applicable to universal banks.

(Business Line)

Corporates to raise cheaper funds on new RBI non-fund based credit facilities: The new RBI directives will help corporates to raise cheaper funds and gain more efficient access to capital markets. The RBI's non-fund based credit facilities directions, 2025, particularly the provisions around partial credit enhancement (PCE), aim to improve the credit ratings of corporate bonds. This enhancement enables corporates/special purpose vehicles (SPVs) and even municipal bodies to tap into the bond market at more favorable terms, effectively lowering their cost of borrowing. The final directive, issued on August 6, will come into effect from April 1, 2026. These directions consolidate and harmonise the regulatory framework for non-fund based (NFB) instruments such as guarantees, letters of credit, and co-acceptances across regulated entities (REs), including banks, cooperative banks, All India Financial Institutions (AIFIs), and NBFCs/HFCs in the middle layer and above.

(Financial Express)

Rs 4.48 lakh cr NPAs written off by PSBs; SBI tops, PNB close behind: Public sector banks (PSBs) in India have written off non-performing assets (NPAs) worth over Rs 4.48 lakh crore in the last four financial years, Minister of State for Finance Pankaj Chaudhary told the Rajya Sabha. The big write-off has raised questions on accountability and transparency in public banking, says a report by The Tribune. According to The Tribune, SBI has written off Rs 80,197 crore from FY22 to FY25. It is followed by Union Bank of India at Rs 68,557 crore, PNB at Rs 65,366 crore and Bank of Baroda at Rs 55,279 crore.

(Financial Express)



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Banks must settle a/cs, lockers and articles in safe custody of deceased customer within 15 days of claim: RBI Draft guidelines: RBI has said banks must settle deposit accounts, safe deposit lockers and articles in safe custody of a deceased customer within 15 days of claim, proposing hefty penalties for non-compliance. In a draft circular, the central bank suggested banks pay the customer's kin the bank rate plus 4% per year interest for the period of delay on settling deposits, and Rs 5000 per day for delay in settlement of lockers. The bank rate currently is at 5.75%.

(Economic Times)

LIC Q1 Results: PAT rises 5% YoY to Rs 10,987 crore, NPI up 5% as well: Life Insurance Corp (LIC) on Thursday reported 5% year-on-year (YoY) growth in its standalone net profit at Rs 10,987 crore in the first quarter. Net premium income during the same period increased 5% YoY to Rs 1.19 lakh crore. The net premium income growth was led by an increase in both individual and group business premiums. In terms of market dominance, LIC maintained its leadership with a 63.51% share in First Year Premium Income (FYPI), as per IRDAI data.

(Economic Times)

INDUSTRY OUTLOOK



Paytm cuts 4,600 jobs, slashes Rs 650 crore in costs amid shift to leaner operations: Paytm has trimmed its workforce by over 10% in the current financial year (FY25), reducing employee expenses by Rs 650 crore as part of a broader restructuring effort. According to its latest annual report, the fintech major brought down its on-roll headcount from 43,960 in FY24 to 39,368 in FY25, marking a reduction of 4,600 employees. The company noted that out of the remaining workforce, a substantial 32,614 employees are now focused on sales. This aligns with Paytm's stated strategy to streamline operations while intensifying its distribution efforts.

(Business Today)

Led by mobile phones, India's electronics exports grow 47% to \$12.4 billion in Q1FY26: Led by a strong performance in mobile phone exports, India's electronics exports have witnessed a sharp rise in the first quarter (Q1) of FY26, with a 47 per cent year-on-year (y-o-y) growth to \$12.4 billion. The country saw electronics exports amounting to \$8.43 billion in the same period last year. According to data compiled by the India Cellular and Electronics Association (ICEA), the mobile phone segment grew 55 per cent to an estimated \$7.6 billion in Q1 FY26 against \$4.9 billion in Q1 FY25.

(Business Line)



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Mukesh Ambani draws ₹0 salary again: Mukesh Ambani, Reliance Industries' chairman, continues to forgo his salary for the fifth year, a decision dating back to the COVID-19 pandemic. While Ambani's children, Isha, Akash, and Anant, earned ₹2.31 crore each as non-executive directors, other executives saw steady compensation. Despite Ambani's nil salary, the family earned ₹3,322.

(Economic Times)



REGULATION & DEVELOPMENT

Sebi proposes relaxing educational qualification criteria for IAs, RAs: The Securities and Exchange Board of India (Sebi) on Thursday proposed a slew of relaxations for investment advisors (IAs) and research analysts (RAs), including those relating to educational qualifications, provision of past performance data, and details sought during registration. IAs and RAs may be allowed to share past performance data along with relevant disclaimers, only with clients who specifically request it, and on a one-on-one basis. The market regulator had earlier introduced a performance verification agency to validate such claims amid concerns of misleading information.

(Business Standard)

LIC to explore composite insurance model once allowed, says MD & CEO: State-owned Life Insurance Corporation of India (LIC) will explore the possibility of becoming a composite insurance company offering not only life insurance products but also general insurance, including health insurance once the composite licensing policy gets a go-ahead in Parliament. "What is in the public domain is that composite insurance may be allowed as a concept. If it is allowed, the LIC board as well as the shareholders will have to take a call as to whether we are going to continue as a life insurance company or whether we would like to modify or change ourselves into a composite company.

(Business Standard)

Sebi proposes separate unit of RTAs for service to unlisted companies: The market regulator on Thursday proposed hiving off activities of registrars and share transfer agents (RTAs) based on the services offered to listed and unlisted companies. The services provided by RTAs to listed companies and mutual funds will fall under the purview of the Securities and Exchange Board of India (Sebi), while those for unlisted firms will come under the Ministry of Corporate Affairs (MCA). The regulator said the need for this segregation arose due to the increasing importance of dematerialisation across the spectrum.

(Business Standard)



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FINANCIAL TERMINOLOGY

HIT THE BID

- ❖ "Hit the bid" is a term used when a trader agrees to sell at the bid price, the highest price a buyer is willing to pay for a security or asset.
- ❖ The "bid-ask" spread is the difference between the highest price that a buyer is willing to pay and the lowest price that a seller is willing to accept. An individual looking to sell will hit the bid if they wish to transact immediately at that price.
- ❖ To hit the bid, the most effective method is to enter a market order to sell, although a sell limit order set at the current bid price is also possible to avoid selling lower than the prevailing bid.



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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 : 87.6945

INR / 1 GBP : 117.2668

INR / 1 EUR : 102.3763

INR /100 JPY: 59.5900

EQUITY MARKET

Sensex: 80623.26 (+79.27)

NIFTY: 24596.15 (+21.95)

Bnk NIFTY: 55521.15 (+110.00)

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- ❖ BFSI Chronicle (quarterly issue of BFSIB)
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TEAM BFSIB

Banking, Financial Services & Insurance Board
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