



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

15 September 2025



ECONOMY

Trump tariffs: With key sectors insulated, mutual funds stay bullish on India's growth story:

India's mutual fund managers remain largely unshaken by President Donald Trump's renewed tariff push, even as global markets react with caution. With key export-heavy sectors like IT and pharmaceuticals remaining outside the tariff line, fund managers see little reason to reshuffle portfolios. "The bulk of India's export market capitalisation comes from IT and pharma, and both remain largely insulated from tariff action," said Soman H. Udasi, Fund Manager at Tata Mutual Fund. "Allocations here continue to be stock-specific rather than policy-driven." Far from turning defensive, fund managers say they are staying fully invested, with only minor liquidity buffers of 2-5% for tactical shifts. Their focus remains on earnings visibility and India's domestic growth narrative. Fund houses advise selectivity in mid- and small-cap exposure due to higher volatility. For many, the real investment story is unfolding within India. Udasi sees the current cycle as "Make in India 2.0," driven by new capacity expansions in auto ancillaries, defence, agrochemicals, and specialty chemicals.

(Business Today)

FinMin not keen on exporters' demand for interest subsidy, duty credit scrips: Despite demand from exporters struggling under the weight of US tariffs of 50 per cent, the Finance Ministry is not yet convinced about reinstating the interest equalisation scheme (IES) or providing export incentives in the form of duty credit scrips, sources said. "The Finance Ministry is not convinced that the IES or duty credit scrips would directly result in increased exports. It is still in discussion on the matter with exporters and the Commerce Department, but it is questioning the efficacy of the schemes and is weighing alternatives to help exporters," the source told businessline. Also, there is no agreement yet on increasing allocation under the export promotion mission announced in the budget for FY26 with an annual outlay of ₹2,250 crore, the source added.

(Business Line)

Banks step up focus on fee-based income; treasury gains come under pressure: Banks are shifting focus to fee-based services, product offerings, and recoveries as treasury income in the July–September quarter (Q2) is expected to stay weak. This comes amid declining net interest income



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(NII) and net interest margins following the recent policy rate cut. Bankers said priority areas include selling priority sector lending (PSL) certificates and expanding wealth management services. Executives also pointed out that there is still room to cut term deposit rates, while bulk deposit rates have already fallen. Together, these measures should help ease pressure on interest income.

(Business Standard)

BANKING & FINANCE



Insurance Amendment Bill likely to be introduced in Winter session: FM Sitharaman: Insurance Amendment Bill, which proposes 100 per cent FDI in the insurance sector, is likely to be introduced in Parliament in the upcoming Winter session, Finance Minister Nirmala Sitharaman has said. The winter session of Parliament generally commences in the second half of November and concludes before Christmas. "I hope to", she told PTI when asked if the bill to further liberalise FDI in the insurance sector can be introduced in Parliament in the upcoming Winter session. The finance minister, in this year's Budget speech, proposed to raise the foreign investment limit to 100 per cent from the existing 74 per cent in the insurance sector as part of new-generation financial sector reforms.

(Business Line)

The General Insurance Council affirms support to Star Health in insurer's standoff with AHPI: The General Insurance Council (GIC) has announced its support to Star Health and Allied Insurance following what it called a "unilateral and unwarranted action" taken by the Association of Healthcare Providers India (AHPI). The GIC also urged AHPI to immediately withdraw its warning and engage constructively with insurers. GIC's statement in favour of Star Health follows AHPI's warnings on Friday that major hospital-chains have been dropped from Star Health's cashless insurance service over tariff related issues, leaving policyholders in a lurch. AHPI had urged the insurer to restore services and dialogue with the hospitals and had warned that, if differences were not resolved, AHPI would advise member hospitals to withdraw Star Health's cashless services from September 22.

(Business Line)

Satya Srinivas appointed India's executive director at ADB: L Satya Srinivas from the commerce ministry is now India's executive director at the Asian Development Bank. He will take over from Vikas Sheel. Srinivas will also represent other nations like Bangladesh and Bhutan. This appointment occurs as India urges multilateral banks to monitor funds to Pakistan. India is also pushing for reforms at lenders to address development financing.

(Economic Times)



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PSU banks to drive Viksit Bharat 2047: Financial Services Secretary M Nagaraju urged PSBs to strive for global competitiveness and strengthen governance at the PSB Manthan 2025. Discussions centered on modernizing technology, adopting AI governance, and collaborating with fintechs. The event emphasized PSBs' crucial role in financial inclusion, national priorities, and emerging sectors, aiming for a developed India by 2047.

(Economic Times)

Fintechs offer secured lending with instant loans against mutual funds: With refined technology stacks, fintechs are venturing into secured lending such as loans against mutual funds (LAMFs), after building a presence in gold and property-backed credit. The latest product for fintechs is LAMF, enabled by the fully digital nature of securities in India. Companies are using in-house technology stacks to facilitate such transactions in real time, which only a few years ago would have taken weeks. Users can pledge their mutual funds as collateral to get instant credit while continuing to stay invested through systematic investment plans (SIPs).

(Economic Times)

INDUSTRY OUTLOOK



India's reliance on US software, cloud services, social media platforms poses eco vulnerability: GTRI: India's reliance on US software, cloud services, and social media platforms poses a major economic and security vulnerability in times of geopolitical tensions, think tank GTRI said on Sunday. Washington is in a position to cut off services or access to data, disrupting banking, governance, and defence systems, while controlling public discourse through foreign platforms, it said. "India's economy and security are deeply reliant on US software, cloud, and social media platforms, creating a major vulnerability in times of geopolitical tension," the Global Trade Research Initiative (GTRI) said. To address this, the government should launch a "Digital Swaraj Mission", with sovereign cloud, indigenous OS (operating system), homegrown cybersecurity, and data-driven AI leadership at its core," GTRI founder Ajay Srivastava said.

(Moneycontrol)

Government reopens application window for ACs, LED lights under PLI scheme: The government has reopened the application window for the PLI scheme for white goods (ACs and LED Lights) for 30 days, according to an official statement released on Sunday. The window will remain open from September 15 to October 14. "The application window for the PLI (production-linked



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incentive) Scheme for White Goods is being reopened based on the appetite of the industry to invest more under the scheme," the commerce and industry ministry said.

(Business Line)

PSBs outperform private peers again, but sector challenges remain: Public sector banks (PSBs) seem to have made it a habit of putting up a better show than their private peers. After a good performance in the March quarter, they have outshone again in the first quarter of the current financial year (April-June). Barring Punjab National Bank, year-on-year, every PSB has recorded an increase in net profit in the June quarter. The rise varies between 75.57 per cent (Indian Overseas Bank) and 1.87 per cent (Bank of Baroda). In contrast, net profit has dipped for at least eight private banks.

(Business Standard)



REGULATION & DEVELOPMENT

CBIC's clarification for GST on post-sale discounts likely to boost festive demand: The government has brought much-needed clarity and a dose of festive cheer with a new GST circular, stating that post-sale discounts are not taxable as services. This is a big win for companies, especially those in fast-moving consumer goods, as it settles a long-running dispute with tax authorities. For years, the tax treatment of these secondary discounts—given by manufacturers to distributors and retailers to boost sales—was a grey area, often leading to legal battles. According to the new clarification from the CBIC, the relationship between a supplier and a dealer is fundamentally a single sale transaction. When a manufacturer offers a discount after the initial sale, it is considered a price adjustment for the goods, not a payment for a separate service. The circular also clarifies a related issue regarding Input Tax Credit (ITC). It confirms that a business receiving a discount via a commercial or financial credit note does not need to reverse the ITC they originally claimed.

(Business Line)

India to host 89th IEC General Meeting, over 2,000 global experts to attend: India will host the 89th General Meeting of the International Electrotechnical Commission in the national capital from September 15-19, bringing together over 2,000 experts from more than 100 countries to deliberate on international electrotechnical standards. Food and Consumer Affairs Minister Pralhad Joshi will inaugurate the opening ceremony at Bharat Mandapam, and Commerce and Industry Minister Piyush Goyal will unveil the IEC GM Exhibition. This marks the fourth time India is hosting the prestigious International Electrotechnical Commission (IEC) General Meeting, having previously held it in 1960, 1997 and 2013, the Bureau of Indian Standards (BIS) said in a statement.

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FINANCIAL TERMINOLOGY

UNEARNED INCOME

- ❖ The term unearned income refers to any income that is not acquired through work. Put simply, unearned income is any money you earn by doing nothing. This is in contrast to earned income, which is any compensation received for performing a service like work.
- ❖ There are many types of unearned or passive income, including interest from savings accounts, bond interest, alimony, and dividends from stocks.
- ❖ Unearned income, which can serve as a supplement to earned income before retirement, is often the only source of income in post-retirement years.



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RBI KEY RATES

Repo Rate: 5.50%

SDF: 5.25%

MSF & Bank Rate: 5.75%

CRR: 3.75%

SLR: 18.00%

Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 88.2806

INR / 1 GBP : 119.6555

INR / 1 EUR : 103.5961

INR /100 JPY: 59.8700

EQUITY MARKET

Sensex: 81904.70 (+355.97)

NIFTY: 25114.00 (+108.50)

Bnk NIFTY: 54809.30 (+139.70)

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- ❖ Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).
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- ❖ BFSI Chronicle (quarterly issue of BFSIB)
- ❖ Handbook on Stock & Book Debts Audit (Revised and Enlarged 2nd Edition)

TEAM BFSIB

Banking, Financial Services & Insurance Board
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