



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

India, ASEAN to hold next round of FTA review in October: India and the ten-member ASEAN will hold the next round of negotiations for the ASEAN-India trade in goods agreement (AITIGA) in October in Jakarta, the Commerce Department has said. Indian negotiators continued to push for greater market access under the pact in the review meeting with the ASEAN this week in New Delhi; a demand aimed at bridging its ballooning trade deficit with the bloc, but there was limited success, sources said. India's trade deficit with the ASEAN increased to \$45.2 billion in FY25 from about \$7 billion in 2010 when the AITIGA was implemented. Lower tariff reduction commitments given by some members such as Thailand and Vietnam and poor utilisation of the FTA by Indian exporters, at 30-40 per cent or less, are among the main reasons for the deficit.

(Business Line)

Gold, silver outshine equity markets amid global uncertainty: Gold and silver have outshined returns from the equity markets since last year's Independence Day and have once again established themselves as safe-haven bets during troubled times. Gold prices on MCX rallied 53 per cent on Thursday to ₹1,00,389 per 10 grams, up from ₹70,152 logged on August 14, 2024, supported by a firm trend in international markets. Similarly, silver has jumped 41 per cent to ₹1,13,342 per kg. In contrast, the bellwether Sensex in the same period was up 2 per cent at 80,597 points against Rs 79,106 points, while the broader BSE-500 was down at 35,604 points against 35,810 points logged on August 14, 2024.

(Business Line)

Trump says semiconductor tariffs coming soon, could reach 300%: President Donald Trump said he would set levies on semiconductors in the coming two weeks, the latest indication he's readying a substantial expansion of his tariff regime. "I'll be setting tariffs next week and the week after, on steel and on, I would, say chips - chips and semiconductors, we'll be setting sometime next week, week after," Trump told reporters Friday aboard Air Force One en route to Alaska for a summit with Russian President Vladimir Putin. It wasn't clear if Trump misspoke about steel tariffs.

(Business Line)



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BANKING & FINANCE



S&P upgrades ratings of 7 Indian banks and 3 NBFCs: The long-term issuer credit ratings on seven Indian banks - State Bank of India, HDFC Bank, ICICI Bank, Axis Bank, Union Bank of India, Indian Bank, and Kotak Mahindra Bank, and three finance companies - Bajaj Finance, Tata Capital and L&T Finance, has been raised by S&P Global Ratings following similar action on the sovereign credit rating on India. The ratings of the 10 aforementioned financial institutions have been upgraded from “BBB-/Positive/A-3” to “BBB/Stable/A-2”. S&P Global Ratings noted that India’s financial institutions will continue to benefit from the country’s strong economic growth momentum. These entities will benefit from their domestic focus and structural improvements in the system, such as in the recovery of bad loans..

(Business Line)

UPI powers half of world’s real-time transactions: Prime Minister Narendra Modi on Friday said India’s Unified Payments Interface (UPI) now accounts for 50 per cent of all real-time transactions globally. Speaking from the Red Fort on the 79th Independence Day, he said, “Our UPI platform feels like a wonder to the world today... we have the capability (to become self-reliant).” Launched in 2016, UPI has grown rapidly in both transaction volume and value. In FY25, it recorded 18,587 crore transactions worth ₹261 lakh crore. In July 2025 alone, it processed 1,947 crore transactions. UPI is currently operational in seven countries — the UAE, Singapore, Bhutan, Nepal, Sri Lanka, France, and Mauritius. Its entry into France marks its first presence in Europe, enabling Indians there to make payments without the usual challenges of foreign transactions.

(Economic Times)

RBI considers reducing risk weights for auto loans: The Reserve Bank of India (RBI) is considering reducing the risk weights for auto loans and has initiated an internal study for the same, a senior official close to the matter said. Currently, even though auto loans fall under secured lending, the risk weightage applied for the loans is 100% whereas for a home loan it is between 35% to 50%, depending on the loan-to-value ratio. In a recent meeting between senior officials of the RBI, including Governor Sanjay Malhotra, and the Federation of Automobile Dealers Association (FADA), the latter has requested the apex bank to conduct a review of the transmission of repo rate cuts in auto loans. “The discussion also involved how to ease things for the auto industry. One of the points that was discussed was higher risk weights for auto loans,” said a senior FADA official.

(Financial Express)



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IRCTC harbours fintech ambitions with new payment aggregator entity: Indian Railway Catering and Tourism Corporation (IRCTC), India's largest online ticketing platform, is gearing up to foray into the country's fintech space. The Reserve Bank of India (RBI) has already granted an in-principle nod to its wholly-owned arm, IRCTC Payments, to operate as a payments aggregator. The move is significant for one reason — scale. With about 100 million registered users and more than 1.4 million transactions daily, IRCTC sits on a payments goldmine. Until now, this volume has been routed through multiple third-party payment aggregators along with iPay; its own digital payments gateway.

(Business Standard)

INDUSTRY OUTLOOK



First 'Made in India' chips to hit market this year: PM Modi: The first 'made in India' semiconductor chip will be launched soon, said Prime Minister Narendra Modi in his Independence Day speech on Friday. The PM also stressed that India will have its own artificial intelligence (AI) ecosystem. This is the era of information technology, he said, adding, "We want to have our own AI ecosystem." Addressing the nation on the 79th Independence Day, Modi said that six semiconductor units are already operational, and four new units have been given the green signal recently.

(Business Line)

India's Russian crude imports climb to 2 million bpd in August: India's purchase of Russian crude oil has risen to 2 million barrels per day (bpd) in August, as refiners continue to prioritise economic considerations in their sourcing decisions. As much as 38 per cent out of an estimated 5.2 million barrels per day of crude oil imported in the first half of August came from Russia, according to global real-time data and analytics provider Kpler. Imports from Russia at 2 million bpd were up from 1.6 million bpd in July. The increase in Russian flow was at the cost of purchases from Iraq, which declined to 730,000 bpd in August from 907 bpd in July, and Saudi Arabia which fell to 526,000 bpd from 700,000 bpd last month.

(Business Line)

SEBI eyes global integration with GIFT City reforms, but experts flag misuse concerns: India's market regulator has taken a decisive step toward integrating the country's capital markets with the global financial system, proposing to expand the avenues through which resident Indians can invest in foreign portfolio assets via GIFT City. Experts say the move could boost diversification and bolster India's cross-border investing credentials, but caution that the opportunity will suit only high-net-worth and market-savvy investors, and must be backed by safeguards to prevent misuse through round-tripping or regulatory arbitrage.

(Business Today)



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REGULATION & DEVELOPMENT

Centre proposes new GST rates of 5 and 18% under revamped regime; sin goods to attract 40% tax: Sources: The government has proposed two rates under the new Goods and Services Tax (GST) regime - 5 and 18 per cent, sources said on Friday. In the revamped regime, majority of the items in the existing 28% tax bracket will come under the 18% slab, and those in 12% slab will fall under the 5% tax slab. While common man items and daily-use products will be taxed at 5 per cent, GST of 40 per cent will be levied on tobacco products now. In the current GST structure, the sale of goods and rendering of services are taxed in four different brackets - 5, 12, 18 and 28 per cent. According to sources, only 7-8 items are likely to attract 40% GST and all remaining items in 28% slab now will attract 18% GST.

(Moneycontrol)

PM Modi's 8 big announcements in Independence Day speech: Marking his 12th Independence Day address, Prime Minister Narendra Modi on Friday turned the Red Fort into a launchpad for the next chapter of India's rise. On the 79th Independence Day, he made a series of bold announcements as under;

- **Semiconductors: From lost decades to mission mode:** Recalling how attempts to set up semiconductor factories 50–60 years ago were “killed at birth” while other nations prospered, PM Modi announced that India is now on mission mode. By the end of this year, the nation will roll out its first Made in India chip.
- **Nuclear energy capacity to grow tenfold by 2047:** Work is underway on 10 new nuclear reactors as part of India's mission to increase nuclear power generation capacity by over ten times in the next two decades.
- **GST Reforms:** Next-generation GST reforms will be unveiled on Diwali, reducing taxes on essential goods and providing relief to MSMEs, local vendors, and consumers.
- **Reform task force for a \$10 trillion Bharat:** PM Modi announced the creation of a dedicated Reform Task Force to drive next-generation reforms. Its mandate: accelerate economic growth, cut red tape, modernise governance, and prepare Bharat for the demands of a \$10 trillion economy by 2047.
- **Rs 1 lakh crore PM Viksit Bharat Rozgar Yojana:** PM Modi launched a major employment scheme worth Rs 1 lakh crore, under which newly employed youth will receive Rs 15,000 per month. The scheme aims to benefit 3 crore young Indians, strengthening the bridge from Swatantra Bharat to Samriddha Bharat.



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- **High-powered demography mission:** PM Modi highlighted the dangers of demographic imbalance due to infiltration and illegal migration in border areas. He announced the launch of a High-Powered Demography Mission to address this national security challenge, ensuring the unity, integrity, and rights of India's citizens are safeguarded.
- **Energy Independence – Samudra Manthan begins:** PM Modi pointed out that a large share of India's budget still goes toward importing petrol, diesel, and gas. He announced the launch of the National Deepwater Exploration Mission to tap ocean resources, alongside major expansions in solar, hydrogen, hydro and nuclear power.
- **Made in India Jet Engines; A national challenge:** PM Modi made a dramatic announcement that just like how we made vaccines during COVID, and UPI for digital payments, we should build our own jet engines too for our jet engines and asked our scientists and youth to take it up as a direct challenge.

(Moneycontrol)



FINANCIAL TERMINOLOGY

MANUFACTURING RESOURCE PLANNING

- ❖ Manufacturing resource planning (MRP II) is a process used by businesses to determine and allocate the resources needed for efficient manufacturing.
- ❖ It combines the data gathering and input efforts of a company's personnel with the processing advantage of a computer system.
- ❖ MRP II is designed to centralize, integrate, and process information for effective decision-making related to the scheduling, design engineering, inventory management, and cost control required for manufacturing.



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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 : 87.4852

INR / 1 GBP : 118.8195

INR / 1 EUR : 102.3775

INR /100 JPY: 59.8100

EQUITY MARKET

Sensex: 80597.66 (+57.75)

NIFTY: 24631.30 (+11.95)

Bank NIFTY: 55341.85 (+160.40)

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TEAM BFSIB

Banking, Financial Services & Insurance Board
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