



# 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**

23 August 2025



### **ECONOMY**

**Jerome Powell hints at rate cuts amid weak US job market, says 'impact of tariffs clearly visible on prices':** Federal Reserve Chair Jerome Powell said Friday that the weak job market may soon force the Fed to cut interest rates. He noted that lower rates could help the labour market, after the Fed kept them unchanged for the past eight months. In a key Friday speech, Powell warned that risks of higher inflation and a weakening jobs market created a "challenging situation." "Downside risks to employment are rising," according to Powell's prepared remarks at the Jackson Hole Economic Policy Symposium. He added that "the effects of tariffs on consumer prices are now clearly visible," with high uncertainty in the coming months. "Downside risks to employment are rising," Powell said, according to a copy of his prepared remarks at the Jackson Hole Economic Policy Symposium.

**(Moneycontrol)**

**US may double tariffs on India to 50% as planned, says Navarro:** The US is likely to proceed with plans to double India's tariffs to 50 per cent on August 27, as New Delhi imposes 'Maharaj' tariffs that harm American businesses and is helping perpetuate Russia's war on Ukraine by refining its oil, White House Trade Advisor Peter Navarro has said. "I see that (doubling of India's tariffs on August 27) taking place. India does not appear to want to recognise its role in the bloodshed. The argument that they need Russian oil to cool their homes and drive their cars is nonsense," Navarro told reporters on Thursday, lashing out against India the second time this week.

**(Business Line)**

**I-T Department revises instruction to ensure no prosecution for undisclosed foreign account worth up to ₹20 lakh:** The Income Tax Department has instructed its officials not to initiate prosecution in cases where aggregate value of undisclosed foreign assets (other than immovable property) is up to ₹20 lakh. Earlier, this threshold was ₹5 lakh. New threshold will be effective from October 1, 2024. According to the law, the penalty can be up to ₹10 lakh.

**(Business Line)**



# 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

## BANKING & FINANCE



**GST exemption could take a toll on insurers' health:** Exempting life and health insurance premiums from the Goods and Services Tax (GST) could leave policyholders paying less, but the move may also squeeze insurers' margins. In protection products, commissions initially range between 35% and 40% before tapering off, averaging about 5-6% over time. On top of this, insurers incur about 10% in other expenses. Currently, service tax of around 2% on such costs is offset through input tax credits. If GST exemptions remove that credit, insurers will have to bear the additional expense.

*(Economic Times)*

**RBI approves Indranil Bhattacharya's nomination as MPC ex-officio member:** The RBI's Central Board has approved the nomination of Executive Director Indranil Bhattacharyya as an ex-officio member of the Monetary Policy Committee (MPC). During the 618th meeting, the board reviewed the global and domestic economic environment, including geopolitical developments and financial market challenges. The board also assessed the functioning of select central office departments, board committees, and the Ombudsman Scheme.

*(Economic Times)*

**Banks bad loans decline sharply 9.5% YoY in Q1FY26, asset quality improves: Care Edge Report:** Care Edge Ratings reports a significant improvement in Indian banks' asset quality for Q1FY26. Gross NPAs fell to 2.3%, driven by better asset management and recoveries, though microfinance and unsecured loans showed some stress. Despite a slight sequential increase in NPAs, the overall structural improvement is evident, with NNPA ratios at a post-AQR low of 0.5%.

*(Economic Times)*

**15K hospitals to suspend cashless services for Bajaj Allianz policyholders:** Citing low reimbursement rates and arbitrary payment deductions, the Association of Healthcare Providers-India (AHPI) on Friday said that it has advised member hospitals in north India to stop providing cashless treatment facilities for policyholders of Bajaj Allianz General Insurance Company with effect from September 1, 2025. There are over 15,000 member hospitals, including Max Healthcare and Medanta, which would now stop cashless treatment by the insurer. The decision came in the wake of AHPI member hospitals raising repeated complaints of unilateral deductions by the company, delay in payments and unduly high time taken for issuing pre-auth and pre-discharge approvals.

*(Business Standard)*



# 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

**AMFI inks pact with Dept of Posts to train 100K postmen to distribute MFs:** Mutual fund industry body AMFI on Friday signed a pact with the Department of Posts to train one lakh postmen across India, enabling them to distribute mutual funds in remote areas. A memorandum of understanding in this regard was signed between AMFI and the postal department at an event here to mark AMFI's 30th foundation day. On this occasion, AMFI also announced a host of other initiatives to deepen financial literacy and expand reach of mutual fund products across the country. These measures include 'Nivesh Ka Sahi Kadam' an engaging multi-lingual content in 13+ regional languages, distributed through various channels including 30 on-ground investor camps across the country as well as 'Bharat Nivesh Rail Yatra' -- a first-of-its-kind initiative to bring investor education onboard Vande Bharat trains, making financial literacy accessible on the move.

**(Business Standard)**

## INDUSTRY OUTLOOK



**Russia must import more pharma, agri, textiles from India to address ballooning deficit:**

**Jaishankar:** Russia must import much more from India, including items such as pharmaceuticals, agriculture and textiles, to address the glaring trade imbalance between the two countries, Minister of External Affairs S Jaishankar has said. It must also remove non-tariff barriers and other impediments. "We reaffirmed our shared ambition to expand bilateral trade in a balanced and sustainable manner, including by increasing India's exports to Russia," Jaishankar said at a joint press conference with his Russian counterpart Sergey Lavrov in Moscow following their bilateral meeting on Thursday.

**(Business Line)**

**Persistent Systems CEO Sandeep Kalra tops India Inc remuneration charts:** Sandeep Kalra, CEO of mid-size IT services company Persistent Systems, topped the remuneration chart of India Inc's top brass with ₹148 crore, nearly double the previous year. Hero MotoCorp Promoter and Chairman Pawan Munjal followed at ₹109 crore, while Swiggy Cofounder Lakshmi Nandan Reddy Obul's remuneration surged almost 14 times to ₹90 crore. The compensation continued to rise in FY25 despite a slowdown in corporate revenues and profits. The overall remuneration of CEOs and board members grew 8.7 per cent YoY.

**(Business Line)**

**Govt commits 97% of chip manufacturing fund, scope for new projects:** The government has committed around ₹62,900 crore, or 97 per cent, of the ₹65,000 crore fund earmarked as incentives for semiconductor production in the country, a top official said on Friday. While briefing on the



# 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

Semicon India 2025 event, Electronics and IT Secretary S Krishnan said the funds left can accommodate only small projects. He said that under the ₹76,000 crore India Semiconductor Mission, ₹65,000 crore was allocated for chip production, ₹10,000 crore for the modernisation of the Semiconductor Laboratory in Mohali and ₹1,000 crore for the design-linked incentive scheme. "Out of this ₹65,000 crore, I think we have committed close to ₹62,900 crore or so already. We have limited funding, which we have available; we might be able to just accommodate two or three small projects," Krishnan said.

**(Business Standard)**

**India's outward FDI inches up to \$3.51 billion in July, shows RBI data:** India's outward foreign direct investment (FDI) commitments rose marginally to \$3.51 billion in July 2025, up from \$3.31 billion in July 2024. However, sequentially, they declined sharply compared to \$5.13 billion in June 2025, according to data from the Reserve Bank of India (RBI). Outbound FDI, expressed as a financial commitment, comprises three components: equity, loans, and guarantees. Equity commitments fell to \$1.6 billion in July 2025, compared with \$2.04 billion a year ago and \$2.09 billion in June 2025. Debt commitments rose to \$305.9 million in July 2025, from \$283.9 million in July 2024. However, they were lower than the \$592.4 million recorded in June 2025.

**(Business Standard)**



## REGULATION & DEVELOPMENT

**SEBI proposes to revamp block deal norms, increase order size and price range:** Securities and Exchange Board of India (SEBI) has proposed tweaking the reference price range and increasing the minimum order size for block deals. The block deal mechanism allows pre-negotiated deals between parties to be executed on the exchange within designated windows and under strict rules to prevent price manipulation. SEBI, in a draft circular issued on Friday, proposed that stocks which are available for trading in the Futures & Options (F&O) segment will remain within the plus and minus 1 percent price range of the applicable reference price. Non-F&O segment stocks will be placed under the plus and minus 3 percent price range of the reference price. Similarly, SEBI has proposed the minimum order size is to be revised to Rs 25 crore instead of the current Rs 10 crore.

**(Moneycontrol)**

**Government notifies Income-tax Act, 2025; law to come into effect from April 1, 2026:** The government on Friday formally notified the Income-tax Act, 2025. The legislation was passed in the Parliament last week and is aimed at consolidating and updating India's income tax framework. The Act received the President's assent on Thursday (August 21) and was notified by the Ministry of Law



# 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

and Justice through a gazette order. According to the notification, the law will come into effect next year on April 1, unless specified otherwise.

**(Financial Express)**

## **Additional incentives likely for first-time women investors in mutual funds, says SEBI chief:**

Securities and Exchange Board of India (SEBI) Chairman Tuhin Kanta Pandey on Friday said that additional incentives could be given to women investing in mutual funds for the first time. He said that financial inclusion will be complete only when equal participation of women is ensured. “We are proposing to give additional incentives to distributors of mutual funds for first-time women investors,” Pandey said at an AMFI event. AMFI launched the ‘Investment Ka Sahi Kadam’ campaign, under which content in 13 languages and more than 30 on-ground camps will be organized. Apart from this, a unique initiative like ‘Bharat Nivesh Rail Yatra’ has also started, under which information related to investor education will be delivered to the passengers on Vande Bharat trains. Also, the Mutual Funds Sahi Hai website has been launched in a new format, with features like multi-language support and easy navigation.

**(Financial Express)**





# 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



## FINANCIAL TERMINOLOGY

### CREDIT DEFAULT SWAPS

- ❖ Credit default swaps (CDS) are a type of insurance against default risk by a particular company. The company is called the reference entity and the default is called credit event. It is a contract between two parties, called protection buyer and protection seller. Under the contract, the protection buyer is compensated for any loss emanating from a credit event in a reference instrument. In return, the protection buyer makes periodic payments to the protection seller.
- ❖ In the event of a default, the buyer receives the face value of the bond or loan from the protection seller. From the seller's perspective, CDS provides a source of easy money if there is no credit event. CDS was introduced by JP Morgan.
- ❖ Assume that two parties A and B enter in a five-year CDS. In this, A is the protection buyer and B is the protection seller. Let's assume that the notional principal is Rs 50 crore and the protection buyer agrees to pay 100 basis points annually to the protection seller. If the reference entity does not default, the protection buyer keeps on paying 100bps of Rs 50 crore, which is Rs 50 lakh, to the protection seller every year. On the contrary, if a credit event occurs, the protection buyer will be compensated fully by the protection seller. The settlement of the CDS takes place either through cash settlement or physical settlement. For cash settlement, the price is set by polling the dealers and a mid-market value of the reference obligation is used for settlement. If the credit event does not occur before the maturity of the loan, the protection seller does not make any payment to the buyer.



# 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

## 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 : 87.4375

INR / 1 GBP : 117.1313

INR / 1 EUR : 101.3389

INR /100 JPY: 58.8400

## EQUITY MARKET

Sensex: 81306.85 (-693.86)

NIFTY: 24870.10 (-213.65)

Bnk NIFTY: 55149.40 (-606.05)

## 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**  
**The Institute of Cost Accountants of India (ICMAI)**

**Disclaimer:** Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICMAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICMAI. For Restricted Circulation only. A Compilation of News in this regard from Secondary Sources.