



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's outbound investments surge 67% in FY25, driven by ESG, GIFT City, global tax reforms: **EY:** India's outbound investments has jumped by 67.74 per cent to USD 41.6 billion in FY2024-25 from USD 24.8 billion in FY2023-24, as per a new EY report. The number of transactions also rose by 15 per cent, signalling a sharp uptick in global confidence, states the report titled "India abroad: Navigating the global landscape for overseas investment - 2025". It highlights that Indian companies are focusing on diversification, prioritising environmental, social, and governance (ESG) aspects, and leveraging technology-led growth to drive their global expansion strategies. The EY report highlights sectoral impacts across IT, energy, pharma, automotive, and hospitality.

(Business Line)

India's pharma exports rise 5.21% to \$7.57 billion in Q1 FY26: Pharmaceutical exports rose 5.21 per cent to \$7.57 billion in the first quarter of the current financial year compared to the corresponding quarter of previous fiscal. The growth in exports during the quarter was led by formulations and biologics, according to pharmexcil data. "Indian pharmaceutical continues to solidify its pivotal role in the global healthcare landscape," Namit Joshi, Chairman, Pharmaceutical Exports Promotion Council (Pharmexcil), said. Apart from the NAFTA region, the growth in exports was also registered in Oceania, Latin American countries and Africa.

(Business Line)

States rejig policies, seek Centre's help to counter Trump tariffs: The government of Tamil Nadu, which exported 31 per cent of its total shipments worth \$52.1 billion to the US in FY25, fears massive job losses once the additional 25 per cent tariff takes effect on August 27. The state has sought the Centre's help, as have several other states, including Andhra Pradesh. From Uttar Pradesh to Telangana, Kerala to Rajasthan, Gujarat to Tamil Nadu, state governments are reworking their export promotion policies and exploring ways to quickly look for newer markets. State governments have requested the Centre for export incentives, lifting of import duty in the case of cotton.

(Business Standard)



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BANKING & FINANCE



First-time borrowers can get bank loans without minimum CIBIL score, clarifies Finance Ministry: The Ministry of Finance has clarified that first-time borrowers will not be denied loans solely for lacking a CIBIL score. Responding in the Lok Sabha during the monsoon session, Minister of State for Finance Pankaj Chaudhary said the Reserve Bank of India (RBI) has instructed banks and credit institutions that loan applications from new borrowers cannot be rejected simply because they have no prior credit history. "As part of best practices for credit institutions, RBI has advised that first-time borrowers' loan applications should not be rejected just because they have no credit history," Chaudhary said.

(Moneycontrol)

LIC's IDBI stake gets SEBI nod for public reclassification, but with tight post-sale conditions: IDBI Bank informed the stock exchanges that market regulator SEBI has approved the reclassification of Life Insurance Corporation of India (LIC) as a public shareholder once the bank's strategic disinvestment concludes. The approval, however, is conditional. The Cabinet Committee on Economic Affairs had approved the disinvestment of IDBI Bank on May 5, 2021. Following this, the Department of Investment and Public Asset Management (DIPAM) conveyed SEBI's approval for LIC's reclassification, provided key conditions are met. According to the disclosure, LIC's voting rights in IDBI Bank will be capped at 10%, and it will not exercise control over the bank's affairs either directly or indirectly. LIC will also not enjoy any special rights or board representation and must bring down its residual stake to 15% or below within two years of the transaction closure, as directed by the Reserve Bank of India.

(Business Today)

After SBI, Bank of India calls RCom loan a 'fraud': Bank of India has declared Reliance Communications' (RCom) loan account as fraudulent and named former director Anil Ambani, citing alleged fund diversion in 2016, according to a regulatory filing. The move comes after a similar step by the State Bank of India (SBI) earlier this year. In its August 8 letter, disclosed by RCom to the stock exchange on August 23, Bank of India said it decided "to classify the loan accounts of the company, Anil Dhirajlal Ambani (promoter and erstwhile director of the company), and Manjari Ashok Kacker (erstwhile director of the company), as Fraud." Bank of India had sanctioned a Rs 700 crore loan to RCom in August 2016 for capital and operational expenses as well as repayment of liabilities.

(Economic Times)



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Japan's SMBC gets RBI approval to buy up to 24.99% of Yes Bank: Sumitomo Mitsui Banking Corporation (SMBC) has secured approval from the Reserve Bank of India to acquire up to 24.99% of Yes Bank. The deal, initially set at a 20% stake for \$1.6 billion, marks a significant cross-border M&A transaction in India's financial sector. The RBI has also decided that SMBC will not be considered a "promoter" of Yes Bank post-acquisition.

(Economic Times)

NPA provisioning at a three-quarter high; private banks take the brunt: The banking sector's loan loss provisioning surged to a three-year high in the June quarter, driven by increased provisioning from private sector banks. While private banks saw a significant rise, public sector banks reported a decline in provisioning. This increase was influenced by one-off provisioning events and policy changes at certain banks. For a sample of 29 banks, NPA provisioning rose by 12% year-on-year and 16.2% from the previous quarter to ₹28,883.6 crore.

(Economic Times)

INDUSTRY OUTLOOK



Chinese airlines apply for slots at Delhi, initiate steps to resume flights: Chinese carriers have applied for slots at Delhi airport and have initiated steps to resume flights after a gap of five years. While IndiGo is preparing to relaunch flights to Chengdu and Guangzhou, four Chinese carriers have shown interest to restore the air connectivity. These include Air China (from Beijing), China Eastern Airlines (from Shanghai), China Southern Airlines (from Guangzhou) and Shandong Airlines (from Kunming). China Eastern Airlines is also keen to relaunch flights between Kunming and Kolkata, it is learnt.

(Business Line)

Govt considering support measures worth ₹25,000 cr for exporters for 6 years under EPM: The government is considering support measures worth about ₹25,000 crore for exporters under the Export Promotion Mission, announced in the Budget, for six financial years (2025-2031), according to sources. "The main focus is on providing easy and affordable credit to the exporter community," they said. The measures, if approved, can help insulate domestic exporters from global trade uncertainties arising from Trump tariffs. The US has imposed a hefty 50 per cent tariff on Indian goods, starting August 27. At present, a 25 per cent duty is in place.

(Business Line)



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PM Modi to flag off Suzuki's 1st global battery EV from Gujarat plant: Prime Minister Narendra Modi who will be on a two-day visit to Gujarat on August-25-26 will flag off Suzuki's first global battery electric vehicle 'e-Vitara' for export to over 100 countries from the company's manufacturing plant at Hansalpur near Ahmedabad. The Made-in-India BEVs will be exported to more than one hundred countries, including advanced markets such as Europe and Japan, the government stated in a release.

(Business Line)



REGULATION & DEVELOPMENT

Govt braces for Rs 40,000 crore revenue shortfall amid GST overhaul, new rates expected by Dussehra: The Central government is preparing for a potential revenue shortfall of Rs 40,000 crore due to a proposed overhaul of the Goods and Services Tax (GST) structure, according to Finance Ministry sources. The Fitment committee which is a panel of officers from the GST secretariat have worked out draft details on the deficit that both centre and states will brace for. The new GST framework aims to simplify the current tax system by introducing a two-rate structure, 5% and 18%, along with 40% on sin goods. This restructuring is expected to significantly impact the Centre's and state's revenue. In addition to this, the Centre is set to lose approximately Rs 20,000 crore in GST and TDS collections from online gaming platforms, following a recent decision that appears to effectively ban such activities in the country. For most services, no significant changes are expected, except for the proposed removal of GST on health and life insurance premiums for individuals.

(Business Today)

Temporary Suspension of Postal Services to the United States of America: The Department of Posts has taken note of the Executive Order No. 14324 issued by the U.S. Administration on 30th July, 2025, under which the duty-free de minimis exemption for goods valued up to USD 800 will be withdrawn with effect from 29th August, 2025. Consequently, all international postal items destined for the USA, regardless of their value, shall be subject to customs duties as per the country-specific International Emergency Economic Power Act (IEEPA) tariff framework. However, gift items up to the value of USD 100 shall continue to remain exempt from duties. As per the Executive Order, transport carriers delivering shipments through the international postal network, or other "qualified parties" approved by the U.S. Customs and Border Protection (CBP), are required to collect and remit duties on postal shipments. While CBP issued certain guidelines on 15th August, 2025, several critical processes relating to the designation of "qualified parties" and mechanisms for duty collection and remittance remain undefined. Consequently, U.S. bound air carriers have expressed their inability to accept postal consignments after 25th August, 2025, citing lack of operational and technical



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readiness. In view of the above, the Department of Posts has decided to temporarily suspend booking of all types of postal articles, destined for the USA with effect from 25th August, 2025 except letters/documents and gift items up to USD100 in value.

(PiB)



FINANCIAL TERMINOLOGY

ACTIVIST INVESTOR

- ❖ An activist investor, typically a specialized hedge fund, buys a significant minority stake in a publicly traded company in order to change how it is run.
- ❖ The activist investor's goals may be as modest as advising company management or as ambitious as forcing the sale of the company, divestitures or restructuring, or replacing the board of directors.
- ❖ Unlike private equity firms that buy and restructure companies in order to profit when they are resold, activist investors seldom acquire full or majority stakes. Instead, they use public communications and private discussions to win over other shareholders and company insiders. When such efforts fail, an activist investor may pursue a proxy contest to elect new directors in order to force the company to meet their demands.
- ❖ Activist investors are sometimes called shareholder activists, a term also used to describe those lobbying companies to improve working conditions for the overseas employees of their contractors, or backers of a dissident board slate elected to fight climate change.



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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 : 87.4375

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)

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TEAM BFSIB

Banking, Financial Services & Insurance Board
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