



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

27 August 2025



ECONOMY

US tariffs on India from August 27: Exports worth \$48 bn to be hit, says Commerce Ministry:

The United States is set to impose additional tariffs on Indian merchandise exports, with the total levies reaching 50% for several products, starting from August 27, 2025. This development follows the initial 25% tariff imposed earlier in the month, which was part of measures against India's purchase of Russian oil and military equipment. According to India's Commerce Ministry, these tariffs will impact about \$48.2 billion worth of exports. Around 3.8% of India's exports to the US (\$3.4 billion), primarily auto components, will also face a 25 per cent tariff. Over 30 per cent of exports (\$27.6 billion), however, will continue to enter the US market duty-free. The tariffs are expected to severely undermine these sectors' competitiveness in the US market, which has been India's largest trading partner since 2021-22. A significant portion—66% or approximately \$60.2 billion—of India's exports, including textiles, gems and jewellery, and shrimp, are affected, as per think tank GTRI.

(Business Today)

Trump threatens 200% tariff on China, singles out Beijing's rare earths policy:

US President Donald Trump on Monday said the United States and China – the world's two largest economies – “are going to have a great relationship”, even as he warned that he could “destroy China” if he decided to use the “incredible cards” available to him. Adding to it, Trump singled out China's rare earths policy, warning that unless Beijing continued to supply the US with magnets, “we have to charge them 200% tariff or something,” Reuters reported him as saying. Speaking in the Oval Office ahead of a bilateral meeting with South Korean President Lee Jae Myung, Trump observed that Washington's position was stronger than Beijing's in the ongoing trade dispute. “We are going to have a great relationship with China...They have some cards. We have incredible cards, but I don't want to play those cards. If I play those cards, that would destroy China. I am not going to play those cards,” Trump told reporters.

(Moneycontrol)

CITI seeks govt aid to help textile exporters cope with 50% US tariffs: The Confederation of Indian Textile Industry (CITI) has sought immediate upfront support from the government to address



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the challenge posed to India's textile and apparel exporters by the 50 per cent US tariff on Indian goods coming into effect from Wednesday. "The government has been discussing with industry on how it can come to our aid during this critical juncture. But given the gravity of the situation, it is our expectation that concrete measures in the form of fiscal support and policy decisions related to raw material availability will be taken immediately," CITI Chairman Rakesh Mehra said.

(Business Standard)

BANKING & FINANCE



RBI asks lenders to step up checks on funds flowing indirectly from Pakistan: The Reserve Bank of India (RBI) has asked the country's lenders to increase scrutiny over funds flowing indirectly from Pakistan, according to a letter seen by Reuters that cited a "high risk" of such money being used to buy arms. Direct flows of funds from Pakistan to India are largely prohibited with every transaction requiring the central bank's approval. The directive, dated August 6, follows investigations by Indian agencies after India and Pakistan engaged in a fierce four-day military conflict in May. It named Pakistan as "high risk" jurisdiction from an arms financing perspective and cited Indian investigations into arms financing but did not go into detail about their findings.

(Business Line)

Retail unsecured lending to new borrowers falls: BCG: Banks have reduced their share of unsecured retail lending to new-to-credit (NTC) customers by 12-17 percentage points between FY19 and FY25, reflecting an increased conservatism and lower risk appetite, according to a BCG report, released on Monday. The retail unsecured book includes personal loans, credit cards, consumer durables loans and two-wheeler loans. In the previous fiscal, 16 million NTC customers were added, the "second lowest in recent years" the report said.

(Financial Express)

Goldman to advise govt on stake sale in four banks: The government has selected Goldman Sachs as the transaction advisor. They will manage the divestment of stakes in Indian Overseas Bank, Central Bank of India, UCO Bank, and Punjab & Sind Bank. Goldman Sachs will identify potential investors. They will structure deals for smooth execution. This move signals the government's commitment to disinvestment.

(Economic Times)

Insurance body asks AHPI to withdraw advisory on Bajaj Allianz, Care Health: The General Insurance Council, the industry body for non-life insurers, has asked the Association of Healthcare Providers–India (AHPI) to withdraw its advisory asking member hospitals in north India to stop



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offering cashless treatment to policyholders of Bajaj Allianz General Insurance and Care Health Insurance. The council has called on AHPI to engage constructively with the insurers while continuing to provide cashless services to all health insurance policyholders. Last week, the AHPI advised its member hospitals in north India to stop providing cashless treatment facilities for policyholders of Bajaj Allianz General Insurance and Care Health Insurance 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.

(Business Standard)

Nabfid, Nabard to tap overseas market by FY26-end amid yield pressure: National Bank for Financing Infrastructure and Development (Nabfid) and the National Bank for Agriculture and Rural Development (Nabard) are preparing to tap overseas markets for the first time by the end of the current financial year. Rajkiran Rai G, Managing Director of Nabfid, said the company plans to raise around \$1 billion through a mix of external commercial borrowings (ECBs) and dollar bonds, with nearly half of its total borrowings expected to come from the overseas route. He added that borrowing costs have risen by 15–20 basis points following the recent increase in yields.

(Economic Times)

INDUSTRY OUTLOOK



Centre proposes overhaul of airline ticket cancellation charges: In a move that could bring relief to passengers, the Centre will put forth a proposal to airlines for revision of their ticket cancellation charges, industry sources told businessline. The sector is deregulated, giving airlines the authority to set their own pricing standards on cancellation charges. The proposal is part of Ministry of Civil Aviation's consultative process with stakeholders. Presently, passengers often end up losing almost the entire booking amount on cancellation, as airlines deduct the base fare along with the fuel surcharge.

(Business Line)

India, US hold 2+2 dialogue on trade, defence after tariff tensions: Indian and US officials held a 2+2 Intersessional Dialogue on Monday where they advanced bilateral initiatives, discussed regional security developments, and exchanged perspectives on shared strategic priorities, India's Ministry of External Affairs (MEA) said on Tuesday evening. The dialogue marks the first official bilateral communication that the MEA and the US Department of State have acknowledged between the two countries after weeks of tensions over Washington's announcement of an additional 25 per cent tariff



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on Indian goods in response to New Delhi's purchase of Russian oil. The tariffs take effect from Wednesday. The MEA said the officials discussed trade and investment, energy security, including strengthening civil-nuclear cooperation; critical minerals exploration; counter-narcotics and counter-terrorism cooperation; and other issues.

(Business Standard)

TCS forms new AI and services transformation unit, Amit Kapur to lead: Tata Consultancy Services (TCS), the country's largest IT services firm, has created a new AI and services transformation unit, underscoring the growing importance of artificial intelligence in its strategy. The unit will be headed globally by Amit Kapur, a TCS veteran who currently leads the company's UK and Ireland business, effective 1 September 2025. He will take charge as Chief AI and services transformation officer, reporting directly to Aarthi Subramanian, Executive Director, President & Chief Operating Officer of TCS.

(Business Standard)



REGULATION & DEVELOPMENT

Capital gains on sale of asset received as gift from spouse is taxable: ITAT: Capital gains arising from the sale of an asset gifted by a husband to his wife are taxable in the hands of the husband, Income Tax Appellate Tribunal (ITAT) has ruled. ITAT emphasised that when the gift is made by the husband to the wife, there is always a good consideration being love and affection which may be assumed, however, the expression "adequate consideration" is distinguishable from good consideration and both are not same. Accordingly, "We hold that income from transfer of the assets which is received by the assessee as a gift from her husband is chargeable to tax in the hands of the husband of the assessee and not the assessee," Bengaluru bench of ITAT said.

(Business Line)

Nabard aims to undertake maiden external commercial borrowing in FY26: The National Bank for Agriculture and Rural Development (Nabard) is looking to raise its maiden external commercial borrowing in FY26, a top official said. Nabard plans its first external commercial borrowing in fiscal year 2026. Reserve Bank has already given its approval. The funds will support climate change projects. Nabard will establish an office in GIFT City for this purpose. The bank is waiting for the right time to borrow. It is avoiding domestic issuances due to high yields.

(Economic Times)



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FINANCIAL TERMINOLOGY

DISINFLATION

- ❖ Disinflation is a temporary slowing of the pace of price inflation and is used to describe instances when the inflation rate has reduced marginally over the short term.
- ❖ Unlike inflation and deflation, which refer to the direction of prices, disinflation refers to the rate of change in the rate of inflation.
- ❖ A healthy amount of disinflation is necessary since it prevents the economy from overheating.
- ❖ Disinflation is not considered problematic because prices do not actually drop, and disinflation does not usually signal the onset of a slowing economy. Deflation is represented as a negative growth rate, such as -1%, while disinflation is shown as a change in the inflation rate - say, from 3% one year to 2% the next. Disinflation is considered the opposite of reflation, which occurs when a government stimulates an economy by increasing the money supply.



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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 : 87.7414

INR / 1 GBP : 118.1081

INR / 1 EUR : 102.0351

INR /100 JPY: 59.4200

EQUITY MARKET

Sensex: 80786.54 (-849.37)

NIFTY: 24712.05 (-255.70)

Bnk NIFTY: 54450.45 (-688.85)

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Banking, Financial Services & Insurance Board
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