



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

Manufacturing sector expansion hits two-year high in FY24, most firms added in 13 years:

India's formal manufacturing sector expanded at its fastest pace in nearly two years in FY24, with the number of factories added rising to a 13-year high, according to data released by the government on August 27. The sector's gross value added (GVA) grew 11.9 percent in 2023–24, the strongest since 2021–22, as the broader economy maintained growth above 8 percent. A key driver of this growth was the rise in the number of factories. India added 6,727 formal sector manufacturing firms in FY24, marking a 2.7 percent increase, the sharpest since FY12. The surge reflects renewed investment activity after two subdued years. Fixed capital formation in the sector grew 12.2 percent, the highest in seven years, signalling capacity expansion by firms.

(Moneycontrol)

“At the end of the day, we will come together”: US Treasury’s Bessent on India-US tariff row:

Describing the India-US relationship as "very complicated", US Treasury Secretary Scott Bessent on Wednesday hoped that "at the end of the day, we will come together." "This is a very complicated relationship. President (Donald) Trump or Prime Minister (Narendra) Modi have very good relationships at that level. And it's not just over the Russian oil," Bessent said in an interview with Fox Business. Stressing that India is the world's largest democracy and the US is the world's largest economy, he said, "I think at the end of the day, we will come together." His comments came hours after the additional 25 per cent tariff imposed by Trump on India for its purchases of Russian oil came into effect, bringing the total amount of levies imposed on New Delhi to 50 per cent.

(Business Line)

India plans outreach in 40 countries to boost textiles exports amid US tariff blow: India is planning dedicated outreach programmes in 40 countries, including the UK, Japan, and South Korea, to push textiles exports amid a 50 per cent tariff imposed by the US on Indian products, an official said on Wednesday. Other nations include Germany, France, Italy, Spain, the Netherlands, Poland, Canada, Mexico, Russia, Belgium, Turkiye, the United Arab Emirates, and Australia.

(Business Line)



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BANKING & FINANCE



IPPB seeks lifting of hiring freeze as it turns profitable: India Post Payments Bank (IPPB) has urged the government to remove the freeze in recruitment as it turns profitable, sources in the ministry told FE. The freeze in fresh recruitment came in in 2020. The bank estimates that it needs at least 1,000 personnel for field operations and corporate office to keep pace with rising demand, sources said. India Post Payments Bank (IPPB) has urged the government to remove the freeze in recruitment as it turns profitable, sources in the ministry told FE. The freeze in fresh recruitment came in in 2020. The bank estimates that it needs at least 1,000 personnel for field operations and corporate office to keep pace with rising demand, sources said.

(Financial Express)

Bank officers' union AIBOC opposes privatisation of IDBI Bank: All-India Bank Officers' Confederation (AIBOC) on Wednesday criticised the government's move to privatise IDBI Bank saying that it would be betrayal of parliamentary assurances given at the time of its transformation in 2003. In December 2003, the then Finance Minister gave an assurance in Parliament that the government would maintain a shareholding of at least 51 per cent in IDBI Bank at all times. Privatisation of IDBI Bank is not just the sale of shares, it is the sale of people's savings, the weakening of India's public banking network, and the betrayal of parliamentary assurances given at the time of its transformation, AIBOC said in a statement.

(Economic Times)

Banks told to fix PM-Kisan glitches: The government is pushing banks to reduce failed transactions under the PM-Kisan scheme due to issues like unmapped Aadhaar numbers and pending KYC. Banks are directed to undertake state-level campaigns for corrective actions. Launched in 2019, PM-Kisan provides ₹6,000 annually to farmers, with over ₹3.90 lakh crore disbursed so far.

(Economic Times)

Nabard aims to undertake maiden external commercial borrowing in FY26: Chairman: The National Bank for Agriculture and Rural Development (Nabard) is looking to raise its maiden external commercial borrowing in FY26, a top official said on Tuesday. The entity has received the Reserve Bank approval to undertake such an issuance and is now gearing up for it, its chairman Shaji KV told reporters. Proceeds of the issue will be deployed for climate change-related financing activities for



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which funds are available at a discount, he said, adding that nearly the entire rural portfolio of the lender will qualify under the category.

(Economic Times)

INDUSTRY OUTLOOK



Akash Tripathi appointed MD of Solar Energy Corporation of India: Akash Tripathi, an IAS officer of the 1998 batch, has been appointed as the Managing Director of state-owned Solar Energy Corporation of India (SECI). His appointment has been approved by the Appointments Committee of the Cabinet (ACC) in the rank and pay of Additional Secretary to the Government of India, SECI said in a statement on Wednesday.

(Business Line)

Union cabinet approves India's 2030 CWG bid, says Ahmedabad ideal host: The union cabinet, headed by Prime Minister Narendra Modi, on Wednesday approved India's bid to host the 2030 Commonwealth Games, naming Ahmedabad as the "ideal" venue because of its "world class stadiums, cutting-edge training facilities, and a passionate sporting culture". The decision comes days after the Indian Olympic Association (IOA) gave its nod to the proposal after a submission of the 'Expression of Interest' in March. "Ahmedabad is an ideal host city offering world class stadiums, cutting-edge training facilities, and a passionate sporting culture. Narendra Modi Stadium, the largest stadium in the world, has already demonstrated its capability by successfully hosting the 2023 ICC Cricket World Cup Final," it said. India is also aiming to conduct the 2036 Olympic Games and for that too, Ahmedabad is a front-runner as the host city.

(Business Standard)

FSSAI to ask restaurants to display sugar, oil info to curb obesity: The Food Safety and Standards Authority of India (FSSAI) is likely to issue an advisory urging restaurants and hotels to display information on food ingredients such as sugar and oil in their dishes, in a move aimed at combating India's obesity crisis, Mint reported on Wednesday, quoting a government official. "FSSAI is likely to put an advisory for hotels and restaurants to display sugar and oil boards at their respective outlets," the official said, adding that the initiative is designed to make consumers more aware of calorie intake and forms part of wider efforts to address obesity.

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REGULATION & DEVELOPMENT

India's personal income tax collections now bigger than corporate tax mop-up: Personal income tax collections have surpassed corporate taxes for the first time in India's history. According to a report by JM Financial Institutional Securities, this is because of formalisation, digitisation and stronger compliance mechanisms. The share of personal income tax in total direct taxes has gone up sharply from 38.1% in FY14 to 53.4% in FY24. Corporate tax collections have come down from 61.9% to 46.6% over the same period.

(Business Line)

Cabinet approves restructuring & extension of lending period beyond 31.12.2024 of PM Street Vendors AtmaNirbhar Nidhi (PM SVANidhi) Scheme: The Union Cabinet, chaired by Prime Minister Shri Narendra Modi, has approved the "Restructuring and extension of the lending period beyond 31.12.2024 of Prime Minister Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) Scheme". The lending period has now been extended until March 31, 2030. The total outlay for the scheme is ₹7,332 crore. The restructured scheme aims to benefit 1.15 crore beneficiaries including 50 lakh new beneficiaries. The key features of the restructured scheme include enhanced loan amount across first & second tranche, provision of UPI-linked RuPay Credit Card for beneficiaries who have repaid the second loan, and digital cashback incentives for retail & wholesale transactions. The scheme's coverage is being expanded beyond statutory towns to census towns, peri-urban areas etc. in graded manner. The enhanced loan structure includes first tranche loans increased up to ₹15,000 (from ₹10,000) and second tranche loans increased up to ₹25,000 (from ₹20,000), while the third tranche remains unchanged at ₹50,000. The introduction of UPI-linked RUPAY Credit Card would provide immediate access of credit to the street vendors in order to meet any emergent business and personal requirements. Further, in order to give boost to digital adoption, the street vendors can avail cashback incentives upto ₹1,600 on making retail & wholesale transactions.

(PiB)



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FINANCIAL TERMINOLOGY

BLACK ECONOMY

- ❖ The black economy is a segment of a country's economic activity that is derived from sources that fall outside of the country's rules and regulations regarding commerce. The activities can be either legal or illegal depending on what goods and/or services are involved.
- ❖ The black economy is related to the concept of the black market. In the same way that an economy is made up of many related markets considered as an integrated whole, the black economy is made up of the collection of various black markets in an economy.
- ❖ Activity in the black economy is often illegal, usually untaxed, and rarely recorded by official economic statistics. In fact, the activity may not consist of formal market transactions at all, making it very difficult to estimate.



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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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- ❖ 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 2nd Edition)

TEAM BFSIB

Banking, Financial Services & Insurance Board
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