



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

29 August 2025



ECONOMY

India's Index of industrial production records growth of 3.5% in July 2025: With strong growth in manufacturing, factory output, the IIP growth rate for the month of July 2025 is 3.5 percent which was 1.5 percent (Quick Estimate) in the month of June 2025. As per the revised calendar, the Quick Estimate of Index of Industrial Production (IIP) will now be released on 28th of every month (or next working day if 28th is a holiday). The index is compiled with data received from source agencies, which in turn receive the data from the producing factories/ establishments. These Quick Estimates will undergo revision in subsequent releases as per the revision policy of IIP. The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of July 2025 are (-) 7.2 percent, 5.4 percent and 0.6 percent respectively.

(PiB)

France's national debt surpasses GDP, finance minister maybe heading for IMF bailout: France is edging closer to potentially seeking a bailout from the International Monetary Fund (IMF) as its government faces mounting pressures, with Finance Minister Eric Lombard acknowledging that the risk of IMF intervention is "in front of us." The country's economic instability has been worsened by a ballooning national debt and a rising budget deficit, expected to hit 5.4% of GDP this year, according to reports. France's debt currently stands at a record €3.3 trillion (£2.85 trillion), surpassing the size of its entire economy, putting significant pressure on the government's ability to maintain fiscal control. On August 26, long-term borrowing costs for France reached their highest level since 2011, with the yield on 30-year French bonds rising to a 14-year high of 4.42%. The 10-year yield also rose to its highest level since March, further highlighting doubts about the country's economic future.

(Business Today)

Markets plunge on Trump's 50% tariff hit; Sensex sheds 706 points: Markets witnessed a sharp decline on Thursday as investors grappled with the impact of the United States imposing an additional 25 per cent tariff on Indian exports, taking the total levy to 50 per cent, which significantly dampened market sentiment across all major indices. The Sensex plummeted 705.97 points or 0.87 per cent to close at 80,080.57, near its intraday low of 80,013.02, while the Nifty 50 fell 211.15 points



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or 0.85 per cent to settle at 24,500.90 after hitting a low of 24,481.60. The benchmark indices extended their losing streak on the monthly expiry day, with both closing deep in the red territory.

(Business Line)

BANKING & FINANCE



Jan Dhan account deposits surge 3.7 times between 2015 and 2025: Average deposit in Pradhan Mantri Jan Dhan (PMJDY) account has increased 3.7 times during a 10-year period, Finance Ministry said on Thursday. PMJDY has completed 11 years of existence. The Finance Ministry said that average deposit per account rose to ₹4,768 as on August 13, 2025 from ₹1,065 in March 2015. “Increase in average deposit is another indication of increased usage of accounts and inculcation of saving habits among account holders,” it said. Since the launch in 2014, more than 56 crore Jan Dhan accounts have been opened, with the total deposit balance valued at ₹2.68 lakh crore. 67 per cent of the accounts are opened in rural or semi-urban areas, and 56 per cent of the accounts are opened by women.

(Business Line)

Bank of Baroda cuts interest rates on car, mortgage loans: Bank of Baroda has reduced its interest rates on car loans and loans against property with immediate effect, the bank said on Thursday. The move comes in addition to the rate cuts the bank implemented following the Reserve Bank of India's 100 basis points reduction in the policy repo rate, it said. With the revision, floating interest rates now start from 8.15% per annum, down from 8.40% earlier, the bank said in a statement. Mortgage loans have also been lowered to 9.15% per annum from 9.85%. “Bank of Baroda is pleased to introduce a special offer on car loan rates that makes car ownership more accessible and affordable.

(Financial Express)

Jio Payments Bank to allow customers to invest idle deposits in overnight MFs: Jio Payments Bank plans to introduce 'Savings Pro,' an innovative savings account that auto-invests idle cash in overnight mutual funds for higher returns. The bank, serving over 25 lakh customers, aims to diversify revenue streams through various services and strategic tie-ups. Jio Financial Services focuses on unit economics and responsible growth, leveraging AI and analytics to enhance financial services.

(Economic Times)

Mastercard partners with Infosys to scale cross-border payments: Infosys has partnered with Mastercard to integrate Mastercard Move's cross-border payment capabilities into Infosys Finacle. This collaboration aims to provide financial institutions with faster and more secure access to global



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money movement, reaching over 200 countries and 150+ currencies. The integration will enable seamless digital payment experiences for customers, enhancing loyalty and improving financial experiences.

(Economic Times)

INDUSTRY OUTLOOK



Centre considering 'direct-income support' for MSME workers impacted by Trump's tariffs:

The Centre is considering a 'direct-income support' for the employees of micro, small & medium enterprises (MSMEs) impacted by Trump's tariffs, a senior government official has told. "The idea is being considered right now, we have to do an assessment of the incentive how it roll-out...what amount would be provided," one government official told Moneycontrol, adding that the support may be implemented in the coming months. "Indirect support through credit-guarantees and raising collateral-free loan limit may be rolled out first," the official said. The central government has lined up a support package worth Rs 25,000 crore under the Export Promotion Mission, announced in Union Budget 2025-26, aimed at providing affordable credit, better market access for exports, and to cushion from the adverse impact of high tariffs

(Moneycontrol)

India's first Made-in-India chip will come from CG Semi's semiconductor pilot line in Gujarat,

says Ashwini Vaishnaw: India's first Made-in-India chip will be produced at CG Semi's outsourced semiconductor assembly and testing (OSAT) pilot facility in Sanand, Minister for Electronics and Information Technology (MeitY) Ashwini Vaishnaw said. "This pilot line (G1 facility) will produce 0.5 million chips per day, and our first Made-in-India chip will come from here," Vaishnaw said at a press conference, after the inauguration of the OSAT facility inaugurated on August 28, adding that the production in the plant will begin soon.

(Moneycontrol)

Covid-like credit guarantee, regulatory relief for MSMEs soon: With key employment-intensive industries grappling with the high tariffs in the lucrative US market, the Union government is formulating a support package for them, with micro small and medium enterprises (MSMEs) being at the core of the beneficiary pool. According to government sources, as part of the package, a scheme may be launched to extend 100% credit guarantee on loans to MSMEs on the lines of a similar one that ran through the Covid-19 period.

(Financial Express)



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REGULATION & DEVELOPMENT

India and Bhutan Sign MoU on Technical Cooperation in Agriculture and Allied Sectors:

Government of India and Royal Government of Bhutan signed a Memorandum of Understanding (MoU) in Thimpu to further strengthen cooperation in the fields of agriculture and allied sectors. In order to implement the MoU, the first session of Joint Technical Working Group (JTWG) was convened following the signing wherein the two countries agreed on the Terms of Reference for JTWG and priority areas of collaboration for immediate actions. Both sides underscored the significance of the meeting as a key milestone in deepening bilateral cooperation in the fields of agriculture and allied sectors.

(PiB)

Central Government extends import duty exemption on cotton till 31st December 2025:

To augment availability of cotton for the Indian textile sector, the Central Government had temporarily exempted the import duty on cotton from 19th August 2025 till 30th September, 2025. In order to support exporters further, the Central Government has decided to extend the import duty exemption on cotton (HS 5201) from 30th September 2025 till 31st December 2025.

(PiB)

Most essential manufactured items likely to attract 5% GST, fertilizer cos may get relief from IDS:

From readymade garments to movie tickets, all items below a certain threshold are set to cost less as the GST Council is expected to discuss a proposal for rate rationalisation in its meeting on September 3-4. The Council is also expected to discuss the long-pending demand of the fertiliser industry for correcting inverted duty structure. After Prime Minister Narendra Modi's Independence Day announcement about GST 2.0, the Centre proposed two rates (5 and 18 per cent) along with special rate of 40 per cent and continuation of special rates (0.25 per cent, 1 per cent and 3 per cent). The Group of Ministers (GoM) has endorsed this proposal and now it will be placed before the Council meeting. New rates are expected to be in place as early as possible to boost festive buying which is likely to pick up from September 22 (beginning of Navratri)

(Business Line)



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FINANCIAL TERMINOLOGY

FACTORING

- ❖ Factoring is an arrangement between a financial institution and a business concern selling goods or services to trade customers, wherein the financial institution purchases the accounts receivables / book debts of the business concern, controls the credit extended to the customers of the business concern and also administers its sales ledger.
- ❖ The financial institution that purchases the receivables is called as a factor and the business organization whose receivables is called its client.
- ❖ A factor may purchase the receivables with or without recourse to its client. In a with recourse factoring, the Factor has a right to recover the dues from the business entity / assignor if the factor is unable to recover the receivables from the debtors of the client/business entity. In a without recourse factoring, the assignor of receivables makes an absolute transfer of all rights in favour of the factor. In without recourse factoring, the factor assumes credit risk relating to the debtors of its client.
- ❖ The client / seller sells the goods to its customers and sends the invoices to the factoring company and releases the advance to the client after deducting stipulated margin. Factoring in India is governed by the Factoring Regulation Act 2011.



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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 : 87.6559

INR / 1 GBP : 118.3822

INR / 1 EUR : 102.0087

INR /100 JPY: 59.5300

EQUITY MARKET

Sensex: 80080.57 (-705.97)

NIFTY: 24500.90 (-211.95)

Bnk NIFTY: 53820.35 (-630.10)

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- ❖ 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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