



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

30 August 2025



ECONOMY

India's GDP growth surges to five quarter high of 7.8 percent in Q1FY26, beating estimates:

India's economy grew 7.8 percent in the June quarter, its fastest pace in five quarters, beating economists estimates and dimming hopes of a policy rate cut in October by the Reserve Bank of India. India's GDP growth accelerated to a robust five-quarter high 7.8 percent in Q1 FY2026 from 7.4 percent in Q4 FY2025, contrary to the expectations of a sequential slowdown as signalled by high frequency indicators. The 7.6 percent growth in GVA was boosted by a sharper than anticipated expansion in manufacturing and the services sector, even as agriculture and mining.

(Moneycontrol)

Japan to invest 10 trillion yen in India over next ten years, says PM Modi in Tokyo:

Prime Minister Narendra Modi said on Friday India and Japan have set an investment target of 10 trillion yen (approximately \$68 billion) in India over a decade. Both the countries firmed up a mega roadmap to bolster cooperation in several key areas such as critical minerals, defence and technology, in decisions that came amid economic turbulence by the Trump administration's policies on trade and tariffs. The announcements on expanding India-Japan special strategic and global partnership were made following summit talks between Prime Minister Narendra Modi and his Japanese counterpart Shigeru Ishiba. "We have set a target of 10 trillion yen investment in India from Japan in the next 10 years", Modi, flanked by Ishiba, said in his media statement.

(Moneycontrol)

Rupee hits record low as markets slump amid US tariff concerns:

Markets extended their losing streak for the third consecutive session on Friday, with benchmark indices falling sharply as the rupee plummeted to an all-time low of ₹88.31 against the US dollar amid escalating trade tensions between India and the United States. The BSE Sensex tanked 270.92 points or 0.34 per cent to close at 79,809.65, while the Nifty 50 fell 74.05 points or 0.30 per cent to settle at 24,426.85. The markets opened flat with Sensex at 80,010.83 and Nifty at 24,466.70, but selling pressure intensified during the final hour of trade, dragging indices to near their day's lows.

(Business Line)



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Net FDI falls 21.1% to \$4.91 bn in Q1 FY26 on higher outward flows: The net foreign direct investment (FDI) in India, the difference between gross inflows and outflows, declined 21.1 per cent year-on-year (YoY) to \$4.91 billion in April-June 2025 period (Q1FY26) from \$6.22 billion in April-June 2024, on higher outward investments from the country and repatriation/divestment, the Reserve Bank of India (RBI) data showed. The gross FDI was \$25.17 billion in Q1FY26, higher than \$22.77 billion a year ago. The central bank has maintained high gross FDI indicating that India continues to remain an attractive investment destination. The outward FDI rose sharply to \$7.87 billion in April-June 2025, higher than \$4.38 billion in the first quarter of last year (FY25). Outward FDI reflects overseas investments made by Indian entities.

(Business Standard)

BANKING & FINANCE



Credit card spending in India increases by 5.5% in July, RBI data shows: Data from the Reserve Bank of India (RBI) indicates a notable increase in credit card spending in India for July, with expenditures rising by 5.5% from June, amounting to Rs 1.93 lakh crore. This rise underscores a recovery in consumer demand, as evidenced by the addition of 425,000 new credit cards, bringing the total number in circulation to 111.6 million. This expansion highlights a resurgence in urban consumption.

(Business Today)

RBI imposes Rs 44.70 lakh fine on Bandhan Bank: The Reserve Bank of India (RBI) has levied a penalty of Rs 44.7 lakh on Bandhan Bank due to non-compliance with certain statutory and regulatory norms. An inspection revealed that the bank paid commissions to employees and made manual interventions in account data without proper audit trails. The penalty is based on regulatory deficiencies.

(Economic Times)

Gold loans surge 122% to ₹2.94 lakh crore, while growth in personal loans moderates: Lending against gold jewellery or gold loans continued its surge even as growth in the personal loans category as a whole slowed down to 11.9% year-on-year towards the end of July as compared with 14% a year ago, largely due to moderation in growth of other personal loans, vehicle loans and credit card outstanding. Gold loans outstanding grew 122% year-on-year to Rs 2.94 lakh crore as on July 25

(Economic Times)

NRI deposit inflows dip 10% in April-June, outstanding deposits rise: The flow of money from overseas Indians in non-resident Indian (NRI) deposit schemes moderated by 10.21 per cent to \$3.61



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billion between April-June 2025 (Q1FY26) from \$4.02 billion that they put in a year ago, showed the RBI data. The total outstanding NRI deposits reached \$168.32 billion at the end of June 2025, up from \$155.78 billion a year ago. Sequentially, outstanding deposits were at \$166.72 billion in May 2025. As much as \$774 million flowed into FCNR (bank) accounts in April-June 2025, down from \$1.68 billion in April-June 2024. Outstanding amount in FCNR (B) accounts stood at \$33.58 billion at the end of June 2025. Meanwhile, NRE deposits saw an inflow of \$1.99 billion in April-June 2025, compared to \$1.58 billion in April-June 2024. Outstanding NRE deposits stood at \$102.75 billion in June 2025. NRO deposits also saw inflows of \$850 million in April-June 2025, up from \$762 million a year ago. The total outstanding amount in NRO deposits was \$31.99 billion in June 2025.

(Business Standard)

INDUSTRY OUTLOOK



Ambani outlines new growth drivers for RIL, calls for businesses to unite to build ‘Balwaan Bharat’: Reliance Industries Ltd Chairman Mukesh Ambani laid out a sweeping vision for the company's future, unveiling new steps to unlock value and expand businesses while calling on the Indian industry to unite in building a strong or “Balwaan” Bharat amid rising geopolitical tensions. At the company's 48th annual general meeting, Ambani confirmed that Reliance Jio, the telecom arm that has transformed India's digital economy, is preparing for a public offering. Ambani also announced the launch of Reliance Intelligence, a wholly owned unit focused on artificial intelligence. The unit will build gigawatt-scale, AI-ready data centres in Jamnagar, deliver AI services across education, health and agriculture, and attract top global talent. Partnerships with Google and Meta will support its ambitions. Ambani called AI the “Kamdhenu of our age,” highlighting his belief that it will drive productivity and human potential.

(Moneycontrol)

Akash Ambani unveils JioPC: ‘Turn your TV or any screen into AI-ready computer’: Reliance Jio Infocomm Ltd (RJIL) chairman Akash Ambani on August 29 unveiled JioPC, a virtual desktop service that runs entirely through the cloud and works straight from its Jio set-top box. “Today, we are proud to announce another leap forward – JioPC. JioPC is that revolutionary product that transforms your TV, or any other screen, into a full-feature, AI-ready computer. You can easily get started by connecting a keyboard into your Jio Set-Top Box. Instantly, you get a virtual computer powered from Jio's cloud with no upfront investment.

(Moneycontrol)



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Consumption demand becomes broadbased; govt capex boosts investment: In what could be a sign of recovery in consumption demand, growth in private final consumption expenditure (PFCE), which represents the economy's consumption potential, improved to 7 per cent during April-June (Q1FY26) from a five-quarter low of 6 per cent in Q4FY25. Economists reckon this recovery could be a sign of the broadbasing of consumption in the economy. The latest data released by the National Statistics Office (NSO) on Friday also showed the share of PFCE in nominal gross domestic product (GDP) stood at 60.3 per cent in Q1FY26, up from 58.3 per cent in Q4FY25. Rural areas continued to outpace urban areas in growth in volumes for six consecutive quarters. In addition, the sharp jump in import also points to a pickup in spending by the upper-end income strata. This was facilitated by a significant pickup in the real-wage growth of the formal sector (private non-financial companies), which stood at an eight-quarter high of 7.4 per cent in Q1. Even rural real-wage growth (for agriculture) remained positive for the fourth straight quarter.

(Business Standard)



REGULATION & DEVELOPMENT

ISRO, JAXA to partner for Chandrayaan-5, says PM Modi: In a landmark development for space exploration, India and Japan have announced a partnership for the Chandrayaan-5 mission. The collaboration was confirmed by Prime Minister Narendra Modi during the 15th India-Japan Annual Summit in Tokyo. "For cooperation in Chandrayaan 5 Mission, we welcome the agreement between ISRO and JAXA. Our active cooperation will cross the boundaries of the earth and become a symbol of humanity's progress in space," said PM Modi in his address.

(Business Today)

Income Tax Return deadline AY 2025-26 latest update: Due date extension to depend on 'how next 10-15 days unfold': Income Tax Return filing deadline for AY 2026-27: With just 17 more days to go for the last date to file tax returns for the assessment year 2026-27 (financial year 2024-25), chartered accountants are urging the Income Tax Department to extend the deadline further. The Chandigarh Chartered Taxation Association (CCATAX) has reportedly requested the tax department to give some additional time for ITR filing and tax audit for FY2024-25. The central government in May this year announced extending the tax return filing due date to September 15 from July 31, 2025. Remember, the deadline was extended only for individuals, Hindu Undivided Families (HUFs), and others whose accounts do not need auditing.

(Financial Express)

RBI Bulletin: Mutual funds to bank deposit ratio up 2.5x in 10 years: Mutual funds (MFs) are increasingly becoming a strong alternative to traditional bank deposits as an investment avenue,



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particularly among India's aspirational middle class, according to the latest Bulletin from the Reserve Bank of India (RBI). The ratio of MF assets under management (AUM) to total bank deposits has more than doubled during the 10-year period ending March 2024, rising from 10 per cent to 23.8 per cent, the central bank noted. The MF AUM is now nearly one-third of the bank deposits. In May 2025, MFs had an AUM of ₹72.2 trillion, equivalent to 31.2 per cent of the bank deposits at ₹231.7 trillion, showed a Franklin Templeton MF study. The rising MF penetration, according to an analysis of past RBI data, can be attributed to the growing familiarity with the equity market, lower fixed deposit rates, and optimism about the business environment in the country, which play a significant role in driving flows to equity MFs.

(Business Standard)



FINANCIAL TERMINOLOGY

FIAT CURRENCY

- ❖ A currency declared to be legal tender in a country by a government. Such a currency is not backed by gold or another asset; the government simply issues an order (or fiat) that it is legal tender, and can insist it be used to pay taxes. Most countries have fiat currencies and they achieve widespread acceptance as a medium of exchange because of their convenience.
- ❖ Throughout history, fiat money was quite rare until the 20th century, but there were some situations where banks or governments stopped honoring redeemability of demand notes or credit notes, usually temporarily. In modern times, fiat money is generally authorized by government regulation.
- ❖ Fiat money generally does not have intrinsic value and does not have use value. It has value only because the individuals who use it as a unit of account – or, in the case of currency, a medium of exchange – agree on its value. They trust that it will be accepted by merchants and other people.



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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 : 87.8514

INR / 1 GBP : 118.5760

INR / 1 EUR : 102.4728

INR /100 JPY: 59.7600

EQUITY MARKET

Sensex: 79809.65 (-270.92)

NIFTY: 24426.85 (-74.05)

Bnk NIFTY: 53655.65 (-164.70)

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Banking, Financial Services & Insurance Board
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