



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

05 July 2025



ECONOMY

'No deadlines, just national interest: Piyush Goyal stresses on 'win-win' FTAs as talks continue: Commerce Minister Piyush Goyal on Friday reaffirmed that India refuses to be rushed into signing trade agreements under arbitrary deadlines. He stressed that any Free Trade Agreement (FTA) India pursues will be grounded in mutual benefit and national interest. Addressing reporters, Goyal said that negotiations are actively underway with several global partners, including the United States and the European Union. “An FTA should be a win-win. India never negotiates trade deals based on deadlines. Our focus is always on fairness and what benefits the country,” he said. Goyal noted that India is open to fair and balanced trade agreements with developed nations but will not compromise on its key priorities. Responding to questions about a possible visit to Washington D.C., he clarified that there are no immediate plans for such a trip, particularly with the Parliament session set to commence soon.

(Business Today)

Central banks gold buys up at 20 tonnes in May, says WGC: Gold purchases by central banks across the world increased to 20 tonnes in May from 16 tonnes in April. However, they were lower than the 12 months average of 27 tonnes, the World Gold Council (WGC) said. “Fresh tensions in the Middle East may have reinforced the strategic appeal of gold for central banks looking to safeguard reserves against geopolitical shocks,” said Marissa Salim, Senior Research Lead, APAC. The National Bank of Kazakhstan (NBK) added seven tonnes of gold to its reserves in May, lifting its total holding of the precious metal to 299 tonnes. Since the start of 2025, NBK gold reserves have increased by 15 tonnes.

(Business Line)

India-US interim trade deal not likely by July 9 deadline: In a clear indication that an India-US interim trade deal is unlikely to be struck by July 9, the day the US reciprocal tariff pause period ends, India has hardened its stand, asserting that it does not negotiate under deadlines. The Indian negotiating team returned from Washington DC on Friday after parleying with their US counterparts for over a week, with just five days to go before the reciprocal tariffs deadline comes into play. “India



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discusses on its own terms and we never make a trade deal based on a timeline. When the deal is good, fully matured, and in the national interest, then we accept it,” Commerce Minister Piyush Goyal told the media on Friday when asked about the fate of the trade deal with the United States and the July 9 deadline.

(Business Line)

BANKING & FINANCE



Private banks see deposits outpacing credit growth in Q1; PSBs fare better: A majority of private banks reported faster pace of deposit growth than credit growth in Q1FY26, while most large public sector banks (PSBs) saw credit growth outpacing deposits in the reporting quarter, according to provisional Q1FY25 data shared by lenders. Country’s largest private lender HDFC Bank saw 7 per cent year-on-year (y-o-y) growth in advances in Q1FY26 at ₹26.53 lakh crore, whereas deposits rose 16 per cent y-o-y to ₹27.64 lakh crore. The bank reported slower pace of credit growth in Q1 despite its management saying that the lender’s advances will grow on-par with industry in the current fiscal. HDFC Bank also securitised loans amounting to ₹3,300 crore during the reporting quarter to help reduce its credit-deposit (CD) ratio.

(Business Line)

RBI looks to ensure uniformity in credit bureau data quality: The Reserve Bank of India is reviewing credit bureau operations. This aims to improve data consistency and transparency for customers. A working group is addressing concerns from financial institutions. Suggestions include uniform data standards and a common grievance portal. The RBI also wants quicker complaint resolution and more frequent credit data updates. A unique borrower identifier is also under consideration. The banking regulator is examining suggestions to further streamline credit bureau processes and reduce information asymmetry with lenders, a move aimed at addressing data inconsistency and transparency for customers, said people familiar with the development.

(Economic Times)

High-value personal loans surge as lenders grow cautious: Origination of higher-value personal loans have gained traction while that of mid ticket-sized loans is declining, a trend that suggests increased prudence among lenders amid asset quality worries. Amid rising delinquencies and increased caution from traditional banks following RBI advisories, personal loan originations have seen a shift. High-value loans (Rs 10 lakh+) are gaining traction, while mid-ticket loans (Rs 1-5 lakh) are declining. NBFCs, particularly fintech lenders, are increasing their market share, especially in low-ticket loans, driving transaction volume and financial inclusion.

(Economic Times)



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Number of bank frauds increased threefold in FY25, but amount dipped: The number of fraud cases in the banking sector more than tripled to 23,953 in 2024-2025 (FY25) from 7,359 in FY21. Despite this increase, the amount involved declined by almost 74 per cent to ₹36,014 crore, indicating a more frequent occurrence of low-value frauds. The amount involved in frauds related to loan accounts saw a sharp decline in FY25, according to Reserve Bank of India (RBI) data. At the same time, the number of frauds related to credit/debit cards and internet banking rose over five times in FY25.

(Business Standard)

Banking system liquidity surplus tops ₹4 trillion; strong VRRR demand: The liquidity surplus in the banking system, measured by lenders parking funds in the Reserve Bank of India's (RBI's) liquidity adjustment facility (LAF), surged to ₹4.04 trillion on Thursday, highest since May 19, 2022. The spike is mainly due to increased government spending, following a record ₹2.69 trillion surplus transfer by the central bank in May. During the seven-day Variable Rate Reverse Repo (VRRR) auction conducted on Thursday, the RBI received bids worth around ₹1.7 trillion against a notified amount of ₹1 trillion. The central bank accepted ₹1 trillion at a cut-off rate of 5.47 per cent.

(Business Standard)

INDUSTRY OUTLOOK



India proposes to retaliate against US auto sector tariffs at WTO: India has notified to the WTO that it proposes to impose retaliatory duties on US goods in response to the 25 per cent safeguard duties imposed by the country on the automobiles sector. Indian retaliatory duties on the US would result in duty collection of \$723.75 million, at par with US duty collection on Indian auto sector exports, per a submission made by the country on Friday to WTO Council for Trade in Goods. "The safeguard measures (of the US) would affect \$2895 million imports annually into the US of the relevant products originating in India, on which the duty collection would be \$723.75 million," the notification stated.

(Business Line)

MSME sector accounts for 30.1% of India's GDP, 35.4% of manufacturing and 45.73% of exports in the country: The Union MSME Minister Shri Manjhi addressed a press conference in Mumbai today, following his visit and review meetings at Institute for Design of Electrical Measuring Instruments (IDEMI) and Khadi & Village Industries Commission (KVIC) offices in Mumbai on 3rd July, 2025. Speaking about the progress made in MSME sector which is the second highest contributor to the country's economy, Union Minister Shri Manjhi stated that MSME accounts for



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30.1% of India's GDP. Further MSME accounts for 35.4% of manufacturing and 45.73% of exports in the country. Shri Manjhi informed that Udyam portal, which was launched on July 1, 2020, and offers a free, paperless, and self-declared registration process for MSMEs, has more than 3.80 crore units in its database till date. On the other hand, Udyam Assist Portal, which was launched on January 11, 2023, to support informal micro-enterprises and provide them access to formal benefits like Priority Sector Lending, has above 2.72 crore units in its database. These 6.5 crore MSME units have together provided employment opportunities to 28 crore people till date.

(PiB)



REGULATION & DEVELOPMENT

SEBI bars Jane Street from markets, orders impounding ₹4,844 crore in unlawful gains: The Securities and Exchange Board of India (SEBI) has barred Jane Street, a US-based proprietary trading firm, and its affiliates from accessing the Indian securities markets and directed to impound ₹4,844 crore made in unlawful gains from alleged market manipulation. The 105-page interim order, released early on Friday morning, comes after months of investigation into Jane Street's trades in index derivatives, particularly Bank Nifty options. Until the completion of the investigation, the stock exchanges will closely monitor any future dealings and positions of JS Group on an ongoing basis, to ensure that they do not, either directly or indirectly, indulge in any kind of manipulative activity.

(Business Line)

Govt extends NPS tax benefits to new Unified Pension Scheme for central govt employees: In a significant boost for retirement planning, the government has announced that all tax benefits currently available under the National Pension System (NPS) will apply mutatis mutandis to the newly introduced Unified Pension Scheme (UPS). The Department of Financial Services, Ministry of Finance, through its notification dated 24 January 2025, had earlier introduced the UPS as an option under the NPS framework for new recruits to the Central Government civil service, effective from 1 April 2025. This provides existing Central Government employees covered under NPS a one-time chance to switch to the UPS. By extending NPS tax benefits to UPS, the government ensures parity between the two schemes, offering significant tax relief and incentives for employees considering a transition. Officials highlight that integrating UPS into the tax structure reflects the government's broader commitment to pension reforms aimed at delivering transparent, flexible, and tax-efficient retirement solutions for Central Government employees.

(Business Today)



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GoM flags Rs 2.2 lakh crore GST evasion, eyes sector-specific fixes ahead of council meeting: Ahead of the upcoming GST Council meeting, the Group of Ministers (GoM) on GST Revenue Analysis—chaired by Goa chief minister Pramod Sawant—met on Friday to deliberate on sector-specific tax leakages and potential corrective measures to address GST evasion estimated at over ₹2 lakh crore. Key issues discussed included a comparative analysis of revenue trends before and after the introduction of GST, identification of sector-specific leakages, assessment of compliance enforcement tools, progress in e-invoicing adoption, IT system upgrades for better traceability, and state-wise policy suggestions to boost revenue. Improved coordination between Central and State tax administrations was also emphasised.

(Financial Express)



FINANCIAL TERMINOLOGY

GREEN BANKING

- ❖ Green banking means promoting environmental friendly practices and reducing your carbon footprints from your banking activities.
- ❖ Green banking aims at improving the operations and technology along with making the clients habits environment friendly in the banking business. It is like normal banking along with the consideration for social as well as environmental factors for protecting the environment.
- ❖ Green banking minimizes paperwork to the greatest extent possible and concentrates on electronic transactions such as ATM, mobile banking, and other forms of electronic banking by customers. Electronic transactions not only contribute to sustainability, but they also give convenience to both clients and banks.



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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 : 85.3886

INR / 1 GBP : 116.7769

INR / 1 EUR : 100.5974

INR /100 JPY: 59.1800

EQUITY MARKET

Sensex: 83432.89 (+193.42)

NIFTY: 25461.00 (+55.70)

Bank NIFTY: 57031.90 (+239.95)

Courses conducted by BFSI Board

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Publications by BFSI Board

- ❖ 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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