



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

08 July 2025



ECONOMY

BRICS prepares for a tariff standoff with Donald Trump: The day of reckoning for Donald Trump and his MAGA cohort is finally here. But the climax is one the U.S. President likely did not anticipate. With just two days left before the earlier July 9 tariff deal deadline, Trump’s so-called “Liberation Day” blueprint remains far from final. In the past 90 days, the United States has managed to ink trade deals with just two countries — the United Kingdom and Vietnam. So, Trump is doing what he does best: trying to browbeat his trade partners into submission. The US President is expected to fire off letters on July 7 to several countries, notifying them of higher tariff rates. According to US Commerce Secretary Howard Lutnick, the new tariffs will take effect on August 1. Trump has also renewed his focus on the BRICS nations. On Sunday, he threatened to impose an additional 10% tariff on any country aligning with what he called the “anti-American policies” of the BRICS group of developing nations.

(Business Today)

US making last ditch efforts to seal trade deals with countries by July 9: The US is making last ditch efforts to seal trade deals with some countries by July 9 or “get the date rolled” for those negotiating in good faith such as the EU and India, according to indications from senior officials in the Donald Trump government. New Delhi has already made its offers to the US of extending concessions across sectors in line with some of the free trade pacts it has signed but it wants its sensitivities, including in agriculture and dairy, to be protected.

(Business Line)

BRICS skirts mention of local currency trade in Rio declaration: As the world is still in the midst of the tariff war set off by the US and President Donald Trump is vocal against any undermining of the dollar, the BRICS leaders on Monday avoided any mention of trade in local currencies, let alone de-dollarisation, in the statement issued after their just-concluded summit in Brazil. The BRICS summit in October last year in the Kazan Declaration had said: “ We welcome the use of local currencies in financial transactions between BRICS countries and their trading partners. We encourage strengthening of correspondent banking networks within BRICS and enabling settlements



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in local currencies in line with BRICS Cross-Border Payments Initiative (BCBPI).” BRICS includes Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Indonesia, Iran and the United Arab Emirates as members.

(Business Line)

BANKING & FINANCE



Banks Q1 earning preview| PAT to remain under pressure amid margin pressure: The profitability of banks in the first quarter of the current financial year is expected to remain under pressure due to margin compression, weak fee income and elevated credit costs, according to the brokerage firms. Some brokerages expect banks’ profits to grow modestly, in the range of 3-4 percent on-year, but others believe that on a quarterly basis, a decline is expected. In fact, they feel there could be 4-8 percent on -year decline in profit after tax (PAT). However, the decline in profitability can be offset by the higher treasury gains.

(Moneycontrol)

‘IOB plans to shift 50% of portfolio to MCLR-linked loans’: Indian Overseas Bank (IOB) is gearing up to aggressively expand lending to the 14 sectors identified under the government’s production linked incentive (PLI) scheme. In an interview with Narayanan V, managing director and CEO Ajay Kumar Srivastava outlines the lending focus for the current fiscal, and how the bank aims to cushion margins amid an expected rate-cut cycle. Our entire retail and MSME portfolio is linked to the repo rate. In the last four months, the repo rate has been cut by nearly 1%, and the benefit has been passed on immediately to borrowers. This will have a significant impact on interest income since repo-linked loans make up for about 50% of our portfolio. We are trying to offset this by reducing deposit rates. Secondly, we are increasing the share of marginal cost of funds-based lending rate (MCLR)-linked loans. We are gradually moving corporate and agriculture loans, which form 50% of our credit portfolio, to MCLR. Of course, MCLR loans will also have rate reduction, but it happens with a lag. For new sanctions and renewals, we hold detailed discussions with borrowers and shift them to MCLR, once there’s a consensus. So, margins will remain under stress, he said.

(Financial Express)

NHB asks housing finance companies to pay interest on advance EMIs: The National Housing Bank (NHB) has mandated that housing finance companies (HFCs) must pay interest to borrowers on advance EMI payments held in sundry accounts, aligning with fair lending practices. NHB is also urging HFCs to prioritize borrower quality over advance collections to mitigate default risks.

(Economic Times)



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General insurance premium shows 'healthy' rise in June: The general insurance sector experienced a 5.8% increase in gross premium income in June, reaching ₹23,256 crore, primarily fueled by retail health insurance growth. While some large private insurers like Bajaj Allianz saw significant growth, others like ICICI Lombard faced declines. The industry's overall Q1 performance showed a 9% rise.

(Economic Times)

RRBs' IT integration to be completed by Sep 30: NABARD Chairman: NABARD is spearheading the IT integration of amalgamated Regional Rural Banks, expected to be completed by September 15, to enhance efficiency and cost rationalization. They are also building a common digital infrastructure, digitizing agri value chains, and integrating schemes through Primary Agricultural Credit Societies. NABARD aims to bridge the rural-urban income divide and transform farmers into agribusiness entrepreneurs. The amalgamation of RRBs on the principles of 'One State One RRB' became effective from May 1. This was aimed at improving scale efficiency and cost rationalisation. With this, now, there are 28 RRBs in 26 states and 2 UTs with more than 22,000 branches covering 700 districts.

(Economic Times)

Government tells PSBs to clear education loans within 15 days, streamline approvals: The finance ministry has instructed public sector banks to expedite education loan processing, mandating decisions within 15 days and a centralized credit system. Rejections require higher authority approval and clear communication to students. Banks are aligning with the Vidya Laxmi portal and must clear pending cases, following government concerns about processing delays and documentation issues.

(Economic Times)

INDUSTRY OUTLOOK



Carrier becomes latest global firm to sue India over electronic waste rules: The Indian unit of US air conditioning giant Carrier has become the latest major firm to sue Prime Minister Narendra Modi's government over electronic waste rules that have hiked the fees manufacturers must pay to recyclers. South Korea's Samsung Electronics and LG Electronics as well as Japan's Daikin and Tata's Voltas have also brought suits, which are set to be heard by the High Court of Delhi on Tuesday. All of the companies are seeking to have the rules quashed. India is the third-biggest generator of electronic waste behind China and the US, but the government says only 43 per cent of the country's e-waste last year was recycled.

(Business Line)



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Amazon banks on India's smaller cities ahead of first 3-day Prime Day sale: Amazon is banking on India's smaller cities to fuel its next phase of growth, with non-metropolitan areas now accounting for up to 70 per cent of customer orders as the e-commerce giant prepares for its longest Prime Day sale yet. The shift highlights a dramatic transformation in India's digital commerce landscape and Amazon's Rs 2,000 crore investment strategy to capture market share before rivals cement their positions in the country's emerging digital heartland. Amazon India is launching its first three-day Prime Day sale from 12 to 14 July.

(Business Standard)

India diversifying markets amid trade restrictions: FM Nirmala Sitharaman: India's policy response to trade and financial restrictions has centred on diversifying markets, promoting infrastructure-led growth, and implementing structural reforms aimed at boosting competitiveness and productivity, Finance Minister Nirmala Sitharaman said at the BRICS Finance Ministers and Central Bank Governors (FMCBG) meeting. The meeting was held on 5 July in Rio de Janeiro. A post on the Ministry of Finance's social media platform on Monday said that the Finance Minister underlined India's view that BRICS is a vital platform for advancing inclusive multilateralism.

(Business Standard)



REGULATION & DEVELOPMENT

Sebi's Jane Street crackdown triggers global rethink on India's trading structures: A market manipulation case against US firm Jane Street by the Securities and Exchange Board of India (Sebi) has set off alarm bells in global high-frequency trading (HFT) firms operating in India. The July 3 interim order, one of Sebi's most aggressive actions against an overseas trading firm, has thrown the spotlight on a common playbook used by some of Wall Street's biggest players in India. Several global HFT heavyweights, including Citadel Securities, IMC Financial Markets and Jump Trading, are known to operate through a similar dual-entity model. Typically, these firms route some of the capital through FPI structures registered in tax-efficient jurisdictions such as Singapore or Hong Kong, while also running a domestic trading desk under an Indian-registered entity.

(Moneycontrol)

Expand financial inclusion using AI: DFS secy M Nagaraju to fintechs: Department of Financial Services (DFS) Secretary M Nagaraju on Monday urged financial technology companies (fintechs) to leverage their strengths and innovation by not only extending financial services to the masses but also by developing robust solutions against fraud, hacking, and other cyber threats, making greater use of emerging technologies like artificial intelligence (AI). "There is a critical role of



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fintechs in advancing financial inclusion and consumer protection,” Nagaraju said during the inaugural session of the third Financial Inclusion and Fintech Summit organised by the CII in New Delhi.

(Business Standard)

Sebi proposes relaxation for AMCs opening doors for business expansion: The Securities and Exchange Board of India (Sebi) on Monday proposed relaxations for asset management companies (AMCs) to serve pooled non-broad-based funds, giving an opportunity to fund houses to expand their business. The proposed relaxations of the MF regulations come along with several guardrails to address conflict of interest situations and ring-fencing. Additionally, the market regulator has also proposed AMCs and its subsidiaries to undertake activities which are ancillary to its core fund management operations such as distribution and marketing services.

(Business Standard)



FINANCIAL TERMINOLOGY

PERFECT COMPETITION

- ❖ Perfect competition, also known as pure competition, is an idealized market condition in which many sellers compete to offer the best prices, and large sellers have no advantages over smaller ones. Perfect competition rarely occurs in real-world markets, but it provides a useful framework for understanding how supply and demand influence prices and behavior in a market economy.
- ❖ There are many buyers and sellers in a perfectly competitive market, and prices are determined purely by supply and demand. Companies earn just enough profit to stay in business and no more. Other companies would enter the market and drive profits down if they were to earn excess profits.



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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 : 85.8150

INR / 1 GBP : 116.7622

INR / 1 EUR : 100.8629

INR /100 JPY: 59.1500

EQUITY MARKET

Sensex: 83442.50 (+9.61)

NIFTY: 25461.30 (+0.30)

Bnk NIFTY: 56949.20 (-82.70)

Courses conducted by BFSI Board

- ❖ Certificate Course on Concurrent Audit of Banks
- ❖ Certificate Course on Credit Management of Banks
- ❖ Certificate Course on Treasury and International Banking
- ❖ Certificate Course on Investment Management
- ❖ Certificate Course on General Insurance.
- ❖ Advance Certificate Course on FinTech

For details please visit
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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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