



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

Switzerland clears path for \$100 billion EFTA-India trade pact after 16 years of talks:

Switzerland has officially ratified the Trade and Economic Partnership Agreement (TEPA) between India and the European Free Trade Association (EFTA), clearing the final hurdle in a landmark trade deal. With this move, all four EFTA members, Iceland, Liechtenstein, Norway, and Switzerland, have completed their ratification process, according to a report by PTI. The agreement, in the making for nearly 16 years, is now expected to come into force in October 2025, unlocking \$100 billion in investments and creating 10 lakh jobs in India over the next 15 years, the PTI report added. Swiss Ambassador to India Maya Tissafi called the development a 'significant milestone' in Indo-Swiss relations. Speaking to PTI, she noted that the referendum deadline expired without public opposition, signalling tacit approval from the Swiss population.

(Moneycontrol)

Net direct tax collections fall 1.34% even as gross mop-up, refunds rise in FY26: India's direct tax kitty has shown a mixed picture in the current financial year so far, with gross tax collections inching higher but net collections slipping into negative territory due to a sharp surge in refunds. According to official data released as of July 10, gross direct tax collections for FY26 stood at Rs 6.64 lakh crore, marking a 3.17% increase over the Rs 6.44 lakh crore collected during the same period last year. This growth reflects a steady uptick in economic activity, despite global uncertainties and ongoing domestic challenges. The growth was primarily driven by corporate tax receipts, which rose to Rs 2.89 lakh crore in FY26, up from Rs 2.64 lakh crore in the previous year. However, non-corporate tax collections, comprising taxes paid by individuals, HUFs, firms, and other entities, recorded a marginal dip, moving from Rs 3.61 lakh crore last year to Rs 3.56 lakh crore this year.

(Business Today)

US-India trade deal talks may lower tariffs below 20%: The US is working toward an interim trade deal with India that may reduce its proposed tariffs to below 20%, people familiar with the matter said, putting the South Asian nation in a favorable position against its peers in the region. India doesn't expect to receive a tariff demand letter — unlike many other nations this week — and



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anticipates the trade arrangement will be announced through a statement, the people said, asking not to be identified because the discussions are private. The interim deal would allow for continued talks, giving New Delhi space to resolve outstanding issues ahead of a broader agreement expected this fall, they said..

(Business Line)

BANKING & FINANCE



Mutual funds flood market with new fund offers: Mutual funds are riding on the bullish sentiments in the primary markets, not just by investing in them, but also attracting some investments by launching a spate of new fund offers. Currently, there are 18 new fund offers of MFs waiting to be grabbed by investors, and this trend is likely to gain momentum, with new entrants in the asset management space launching NFOs in the next few months. In fact, in the last 10 days, five mutual fund houses have filed papers with SEBI to launch six NFOs. Interestingly, all of them are on the passive side and returns from these funds are linked to the movement of a particular index with no discretion of fund managers. Amid a volatile equity market and tepid returns from IPOs, investors have been lapping up NFOs.

(Business Line)

Loans given to agri & MSE borrowers against 'voluntary pledge' of gold, silver not violation of norms: RBI: Banks will not be violating RBI regulations on loan classification if they take "voluntary pledge" of gold and silver as collateral from borrowers seeking agriculture and micro & small enterprise (MSE) loans up to a collateral-free limit, according to the Central bank. The RBI appears to have issued the aforementioned clarification as there was differing interpretation among its inspection teams regarding classification of loans for agriculture and MSE borrowers, up to the collateral-free limit, involving pledge of gold and silver as collateral.

(Business Line)

Govt, RBI weigh options on NBFC entry into banking: The government and the Reserve Bank of India are looking at the entry of new banks and merge some of the existing public sector banks to create a financial system that can encourage risk-taking ability to support the pace of growth in a country that is slated to be the third largest economy by 2027-28. India hasn't issued any fresh banking licences for almost a decade. One of the options is to encourage small finance banks and large non-banking finance companies owned by conglomerates to transition into full-fledged banks, subject to the guidelines prescribed by the central bank.

(Financial Express)



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Public sector banks surge to 43% market share in home loans, overtaking private lenders: Public sector banks now lead in home loan financing. They increased their market share significantly in the last four years. Data shows their share rose to 43% in FY25. Private banks saw a decrease in their share during this period. Competitive rates and government initiatives are driving this growth. Overall credit growth of PSU banks has surpassed private banks.

(Economic Times)

INDUSTRY OUTLOOK



Wockhardt to exit its US generics business: Drugmaker Wockhardt is realigning its business in the US by focusing on its innovation-driven business, and exiting its residual generics operation. It has filed for voluntary liquidation for its US step-down subsidiaries. “Wockhardt has filed for voluntary liquidation under Chapter 7 of the US Bankruptcy Code for its US step-down subsidiaries, Morton Grove Pharmaceuticals Inc and Wockhardt USA LLC, both incorporated in Delaware, which are wholly-owned subsidiaries of Wockhardt Bio AG,” the company said, adding that the decision effective July 11 paved the way for a “clean and structured exit from a legacy segment and unlocks management bandwidth and capital for high-impact areas”.

(Business Line)

₹1 trillion RDI Fund: Paving the way for a future-ready Indian economy: Over the past decade, India has quietly but decisively transformed into an emerging tech powerhouse. Under Prime Minister Narendra Modi’s leadership, the country’s innovation ecosystem has matured rapidly, fuelled by bold policies, strategic investments, and a push for technological self-reliance. The goal is now unmistakable: to position India as a future-ready economy, driven by homegrown breakthroughs. On July 1, the Union Cabinet approved a historic and bold initiative to set up a ₹1 trillion Research, Development and Innovation (RDI) Fund aimed at spurring a private sector-driven R&D ecosystem. It’s a long-term support for India’s ability to lead global innovation.

(Business Standard)



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REGULATION & DEVELOPMENT

Govt rolls out Rs 500 crore incentive scheme for e-trucks: The government on Friday launched a Rs 500 crore incentive scheme to promote the adoption of electric trucks, aiming to boost clean mobility in the commercial vehicle segment. Under the PM E-Drive initiative, 5,643 electric trucks in the N2 and N3 categories, ranging from 3.5 to 55 tonnes, will be eligible for financial support, with subsidies between Rs 2.9 lakh and Rs 9.3 lakh per vehicle depending on battery size and ex-factory cost. Union minister for steel and heavy industries, HD Kumaraswamy, unveiled the scheme's portal and said the initiative is part of the larger Rs 10,900-crore programme to support electric mobility. The move comes as the government looks to decarbonise the logistics and industrial transport sectors, where electric truck adoption has so far lagged due to high upfront costs. The scheme requires buyers to present a valid vehicle scrappage certificate to qualify for subsidies, incentivising the phasing out of older, polluting trucks. To ensure long-term reliability, eligibility also hinges on minimum warranty thresholds like, five years or 5,00,000 km for the battery, and five years or 2,50,000 km for both the motor and the vehicle.

(Financial Express)

RBI imposes penalty on HDFC Bank, Shriram Finance: The Reserve Bank on Friday said it has imposed a Rs 4.88 lakh penalty on HDFC Bank for contravention of certain norms relating to foreign investment in India while granting a term loan to its client. The central bank also imposed a penalty of Rs 2.70 lakh on Shriram Finance Limited for non-compliance with certain provisions of the "Reserve Bank of India (Digital Lending) Directions, 2025". The statutory inspection of Shriram Finance was conducted by RBI with reference to its financial position as on March 31, 2024. Based on supervisory findings of non-compliance with RBI directions and related correspondence in that regard, a notice was issued to the company advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions.

(Economic Times)



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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 : 85.8536

INR / 1 GBP : 116.2853

INR / 1 EUR : 100.2850

INR /100 JPY: 58.4500

EQUITY MARKET

Sensex: 82500.47 (-689.81)

NIFTY: 25149.85 (-205.40)

Bnk NIFTY: 56754.70 (-201.30)

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- ❖ 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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