



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

14 June 2025



ECONOMY

India-US trade deal faces hurdle as differences over apple and GM crops emerge: Apple, corn and soybean are emerging as sticking points of competing interests in the trade talks between India and US, possibly prolonging negotiations and delaying a scaled-down version of the proposed Bilateral Trade Agreement (BTA) by July 8, before President Trump's reciprocal tariffs kick in. "US is pushing so hard for market access for agricultural products. But India has to protect the interests of a much larger population, it is more of a livelihood issue than a commercial issue for us," one senior government official told Moneycontrol. When it comes to apples, while America is seeking sweeping tariff cuts, India is keen on granting only limited concession, specifically on a quota basis to protect domestic growers, the official said.

(Moneycontrol)

Gold glitters at a new high in Indian domestic market on Israel-Iran standoff: Gold prices soared to a new high in the Indian domestic market on Friday, both in spot and futures, as investors sought safe haven amidst escalating geopolitical tensions, particularly due to Israel-Iran standoff. In the domestic spot market, gold prices rallied by ₹1,603 per 10 grams or two per cent on Friday to Rs 99,058. In the global market, spot gold was up 1.7 per cent at \$3,439.79 an ounce. It is near the record high of \$3,500.05 witnessed in April. Prices gained over four per cent so far this week and 30 per cent year-to-date. US gold futures increased by 1.7 per cent to \$3,461.

(Business Line)

India's forex reserves rise by \$5.17 billion to \$696.65 billion: RBI: India's forex reserves increased by USD 5.17 billion to USD 696.65 billion for the week ended June 6, the RBI said on Friday. The overall reserves had dropped by USD 1.237 billion to USD 691.485 billion for the week ended May 30. Forex reserves had touched an all-time high of USD 704.885 billion in end-September 2024. For the week ended June 6, foreign currency assets, a major component of the reserves, rose by USD 3.47 billion to USD 587.68 billion, the data released on Friday showed.

(Business Standard)



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BANKING & FINANCE



Air India plane crash: LIC announces relaxations on claim settlements after Ahmedabad incident: LIC on Friday announced relaxations for victims of Air India AI 171 plane crash in Ahmedabad. Expressing its deep grief over the death of on-board passengers and crew members of Air India flight AI 171 and also people on the ground who were killed due to the plane crash in Ahmedabad, LIC of India said it is committed to supporting those affected and will expedite claim settlements to provide financial relief. "LIC of India has announced many concessions to mitigate the hardships of the claimants of LIC Policies. In lieu of death certificates, any evidence in Government Records of death of the policyholder due to the plane crash or any compensation paid by Central/State Government /Airline Authorities will be accepted as proof of death," LIC said in a press release today. LIC said all efforts will be taken to ensure that the claimants are reached out and claims are settled expeditiously to the affected families. In another press release, Bajaj Allianz Life insurance said it has activated special measures to assist families of its policyholders affected by the Ahmedabad crash.

(Business Today)

Yes Bank chief Prashant Kumar gets 6-month extension: Private lender Yes Bank on Friday said that the Reserve Bank of India (RBI) has given an extension to CEO Prashant Kumar until his successor is appointed. The lender in a letter to stock exchanges said that the regulator had approved the extension for an additional six months starting from October 6, 2025. The extension will remain in effect until a new Managing Director and CEO is appointed and assumes charge, whichever is earlier, the bank said.

(Economic Times)

FM Sitharaman to meet PSU bank chiefs on June 27 to review annual growth: Amid rate moderation by the Reserve Bank, Finance Minister Nirmala Sitharaman is scheduled to meet heads of public sector banks (PSBs) on June 27, to discuss host of issues including review of financial performance and implementation of various government schemes. According to sources, the Finance Minister would review the financial performance of public sector banks and their targets for the current financial year. Besides, sources said, the minister may urge public sector banks to increase their lending towards productive sectors to prop up economic growth which hit four-year low of 6.5 per cent in FY25.

(Economic Times)



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SBI cuts EBLR, home loan rates by 50 bps after RBI's policy rate cut: The country's largest lender, State Bank of India (SBI), on Friday reduced its External Benchmark Lending Rate (EBLR) and home loan rate by 50 basis points, keeping with Reserve Bank of India's half per cent cut in policy repo rate. The revised EBLR would be 8.15 per cent as against the old rate of 8.65 per cent. According to revised data on SBI's website, its home loans rate -- which is linked to EBLR -- would be in the range of 7.5-8.45 per cent based on the credit score of the borrowers.

(Business Standard)

INDUSTRY OUTLOOK



Govt considers options to keep Voda Idea afloat: After categorically ruling out any further debt-to-equity conversion of Vodafone Idea's adjusted gross revenue (AGR) dues, the government is now exploring alternative options to support the financially strapped telecom operator if the need arises. The move is part of the government's efforts to prevent the creation of a duopoly in the telecom sector. Communications minister, Jyotiraditya Scindia, has categorically said that there is no further scope for converting Vodafone Idea's dues into equity. He has said that the government had already raised its stake in the company to 49% following the conversion of spectrum debt worth Rs 36,500 crore. "We have taken the equity conversion route to a significant extent. That avenue is now closed," Scindia has said. This leaves the government with limited options to assist the telco, but it is keen to ensure Vodafone Idea's continued operation to preserve competition in the sector and protect consumer interest. Officials say that one of the options on the table is a further deferment of the telco's dues post-September 2025, when the current moratorium period for AGR and spectrum payments ends.

(Financial Express)

FinMin nudges large CPSEs, key agencies to boost capex: The finance ministry is nudging large central public sector enterprises (CPSEs) and key government agencies to boost their capital expenditure (capex) in this financial year, said a senior official, amid scepticism over a broad-based rebound in private investments given the global turmoil. The move comes on top of similar instructions to various ministries and departments earlier this fiscal to front-load their capex, aimed at supporting economic growth.

(Business Standard)

Rupee closes at two-month low amid rising oil prices: The Rupee fell to a two-month low, closing at 86.09 against the US dollar on Friday, driven by a surge in crude oil prices and escalating tensions in West Asia. The currency depreciated by 49 paise compared to its previous close of 85.60,



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marking its weakest point since April 11. The rupee's trading range was predicted to be between 85.70 and 86.25, reflecting market concerns over the geopolitical situation in West Asia. Oil prices saw a dramatic rise, with Brent crude climbing 7.22% to \$74.37 per barrel, marking the largest weekly increase since 2022. West Texas Intermediate (WTI) crude also rose significantly by 7.47% to \$73.12. Meanwhile, the dollar index increased by 0.42% to 98.33.

(Business Standard)



REGULATION & DEVELOPMENT

RBI rejects bids for 30-year green bonds as investors seek high yields: The Reserve Bank of India (RBI) on Friday rejected all bids for 30-year sovereign green bonds at the weekly auction, as investors sought higher yields, according to dealers. Typically, these long-tenure bonds are favoured by insurers and pension funds. During the auction, the RBI sought to raise ₹5,000 crore. It received 90 competitive bids worth ₹10,943.5 crore and three non-competitive bids totalling ₹1.24 crore for the green bond maturing in 2054. The yield on the 30-year government bond increased by 2 basis points to settle at 7.02 per cent on Friday.

(Business Standard)

CBDT sends emails over undisclosed crypto income in latest NUDGE drive: The Central Board of Direct Taxes (CBDT) has sent emails to thousands of individuals who may have under-reported income from crypto transactions, asking them to review and update their income tax returns (ITRs), according to CBDT sources. “The department has recently sent emails to thousands of defaulting persons to review their ITR and update it if any income on account of VDA (virtual digital asset) transactions has not been properly declared. Those who fail to respond to the nudge may be picked for verification or scrutiny,” an official said.

(Business Standard)

Sebi urges CFOs to shorten gap between results and annual reports: Markets regulator Sebi on Friday urged Chief Financial Officers (CFOs) to reduce the time lag between the announcement of financial results and the publication of full annual reports, which is aimed at enhancing investors' confidence. Additionally, CFOs have been encouraged to deepen their engagement with audit committees and auditors, ensuring more collaborative and accountable financial disclosures, Sebi Whole Time Member Ananth Narayan said.

(Business Standard)



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FINANCIAL TERMINOLOGY

MONTE CARLO SIMULATION

- ❖ A Monte Carlo simulation is a model used to predict the probability of a variety of outcomes when the potential for random variables is present.
- ❖ Monte Carlo simulations help to explain the impact of risk and uncertainty in prediction and forecasting models.
- ❖ A Monte Carlo simulation requires assigning multiple values to an uncertain variable to achieve multiple results and then averaging the results to obtain an estimate.
- ❖ They are used to estimate the probability of cost overruns in large projects and the likelihood that an asset price will move in a certain way.
- ❖ Financial analysts use Monte Carlo simulations to assess the risk that an entity will default, and to analyze derivatives such as options.
- ❖ A Monte Carlo simulation takes the variable that has uncertainty and assigns it a random value. The model is then run, and a result is provided. This process is repeated again and again while assigning many different values to the variable in question. Once the simulation is complete, the results are averaged to arrive at an estimate.



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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 : 86.0979

INR / 1 GBP : 116.5593

INR / 1 EUR : 99.3151

INR /100 JPY: 59.9900

EQUITY MARKET

Sensex: 81118.60 (-573.38)

NIFTY: 24718.60 (-169.60)

Bnk NIFTY: 55527.35 (-555.20)

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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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