



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

17 June 2025



ECONOMY

FATF condemns 'brutal' Pahalgam terror attack, says not possible without funds: The Financial Action Task Force (FATF) has condemned the brutal terrorist attack in J&K's Pahalgam for the first time, saying that such an incident would not have been possible without money. In a statement, the global terror financing watchdog said: "Terrorist attacks kill, maim and inspire fear around the world. The FATF notes with grave concern and condemns the brutal terrorist attack in Pahalgam on 22 April 2025." The FATF, which removed Pakistan from its grey list in October 2022, said that attacks like Pahalgam "could not occur without money and that the means to move funds between terrorist supporters." The statement lends weight to India's assertion that Pakistan-based terror groups were behind the Pahalgam attack, reinforcing its longstanding concerns over state-sponsored terrorism in the neighbouring country.

(Moneycontrol)

India's goods exports contract 2.17% in May to \$38.73 bn: India's goods exports contracted 2.17 per cent (year-on-year) in May to \$38.73 billion, following two consecutive months of growth, with sectors including petroleum products, gems & jewellery and engineering posting a decline. Trade deficit narrowed to \$21.88 billion in May 2025, compared to \$22.09 billion in May last year, as imports fell 1.7 per cent (year-on-year) to \$60.61 billion. Petroleum products, gold and coal & coke contributed significantly to the fall in imports, per data released by the Commerce & Industry Ministry on Monday.

(Business Line)

Unemployment rate rose to 5.6% in May: The unemployment rate (UR) rose to 5.6 per cent in May as against 5.1 per cent in April, Statistics Ministry reported on Monday. UR is defined as the percentage of individuals unemployed among persons in the labour force. "The female UR was a touch higher at 5.8 per cent compared to the male UR of 5.6 per cent at the country level during May, 2025," the Monthly Bulletin prepared by National Statistics Office (NSO) said. Further, it emphasised that changes are expected in the monthly PLFS (Periodic Labour Force Survey) ratios due to increased



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frequency and seasonal changes but do not necessarily reflect secular trends. These would be attributable to a combination of seasonal, academic and labour market-related factors.

(Business Line)

India's wholesale inflation drops to 14-month low in May: According to provisional data, India's wholesale price index-based inflation fell to a 14-month low of 0.39% in May, down from 0.85% in the previous month. A favourable base aided the drop in the annual rate of inflation based on the All India Wholesale Price Index (WPI), with the food, non-food manufacturing, minerals, and fuel and power segments contributing to the dip in the headline print. The wholesale price index (WPI), a proxy for producers' prices, stood at 2.25% in March, 2.38% in February and 2.51% in January, data released by the ministry of commerce and industry on Monday said.

(Mint)

BANKING & FINANCE



SBI cuts savings rate to 2.50%; retail TDs rates down by 25 bps: SBI has cut the interest rate on savings bank (SB) deposits across all account balances to 2.50 per cent in the backdrop of surplus liquidity in the banking system, the 100 basis points cut in the repo rate since February 2025 and the 100 basis points cash reserve ratio cut, which will kick-in in four stages from September. The cut, which is likely to prompt other banks to follow suit, is with effect from June 14th. So far, India's largest bank was paying customers 2.70 per cent interest on SB balances below ₹10 crore and 3 per cent on balances of ₹10 crore and above. Simultaneously, SBI has cut interest rates on retail domestic term deposits/ TDs (below ₹3 crore) by 25 basis points across the board with effect from June 15th.

(Business Line)

Number of ATMs with ₹100 or ₹200 notes rises sharply: With more than three months left before the RBI's September 30, 2025 deadline requiring that 75% of ATMs dispense ₹100 or ₹200 denomination notes from at least one cassette, banks have already achieved 73%. Exclusive data from CMS Infosystems, which manages 73,000 of the country's 215,000 ATMs, reveals that the share of ATMs dispensing low-denomination notes has grown from 65% at the end of December 2024 to 73% within the CMS ATM network. "With 60% of consumer expenditure still anchored in cash, enabling availability of ₹100 and ₹200 notes directly addresses day-to-day transactional needs, especially in semi-urban and rural markets,".

(Economic Times)



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RBI approves extension of ICICI Bank ED Sandeep Batra's term by 2 years: The Reserve Bank of India has approved a two-year extension for Sandeep Batra as Executive Director of ICICI Bank, effective from December 23, 2025, to December 22, 2027. This reappointment, covering his responsibilities for Corporate Centre and various key functions, is subject to shareholder approval. Batra's current role includes overseeing Corporate Communications, Finance, Human Resources, and other crucial groups.

(Economic Times)

SBI and SMFG set sights on \$69 bn treasure in Japan's digital wealth boom: Sumitomo Mitsui Financial Group Inc. (SMFG) and SBI Holdings Inc. are planning a new joint venture to offer wealth management services in Japan. The two firms are targeting affluent individuals in the country, with plans to manage assets worth ¥10 trillion (\$69 billion) within five years. According to a statement issued on Monday, the venture will be funded by SMFG and its group companies - Sumitomo Mitsui Banking Corp. and SMBC Nikko Securities Inc.-along with SBI Holdings Inc. and its main domestic brokerage, SBI Securities Co.

(Economic Times)

INDUSTRY OUTLOOK



Ads are coming to WhatsApp as Meta accelerates revenue push: Facebook parent Meta announced on June 16 that it will be introducing ads and subscriptions to WhatsApp in the coming months, as the social networking giant seeks to accelerate its push to monetise its most expensive acquisition. The ads will appear in WhatsApp's Updates tab, which houses Channels, its broadcast feature, and Status, used to share photos, videos, and voice notes that disappear after 24 hours. Ads in Status will be similar to those that already appear in Instagram Stories, inserted between other Status updates. The feature will allow Channels and businesses to show ads that let users send a message and start a conversation about a product or service being promoted.

(Moneycontrol)

India's iPhone exports jump 57% y-o-y to 20.4 million units in January-May 2025: Apple's contract manufacturers in India exported over 20.4 million iPhones from January to May 2025, a steep 57 per cent jump from the same 5-month period in 2024, data from global research firm Canalys (now Omdia) sourced by businessline shows. Interestingly, despite President Donald Trump's calls to Apple to keep production in the US, 77 per cent of these units exported from India were to the US. The share of units exported to the US as of May 2025 is 77 per cent, up from 54 per cent during the same period in 2024.

(Business Line)



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Tata in talks with global consulting giant McKinsey for Air India overhaul: The Tata group is in talks with global consulting giant McKinsey & Co to spearhead a sweeping transformation of Air India (A-I), as the airline grapples with its gravest crisis following last week's fatal crash in Ahmedabad, people familiar with the matter said. Tata Sons Chairman N Chandrasekaran met with Vivek Pandit, a senior partner at McKinsey, in Mumbai over the weekend to chart a revival strategy for the airline, according to a person with direct knowledge. The tragic accident, which marks one of the deadliest in India's aviation history, has placed intense scrutiny on the Tata group's turnaround plans

(Business Standard)



REGULATION & DEVELOPMENT

TRAI Launches Pilot Project for Digital Consent Management in Partnership with RBI and Banks: The Telecom Regulatory Authority of India (TRAI) has observed that a large number of spam complaints are made by the customers against the business entities from whom the consumers have earlier purchased goods or services. On investigation, such business entities often claim that they possess the consent of the consumer for receiving commercial calls and messages. Under the regulatory framework defined by the Telecom Commercial Communications Customer Preference Regulations (TCCCPR), 2018, an entity can make commercial communications to a consumer irrespective of his/her Do Not Disturb (DND) preferences provided the entity has taken explicit consent from the consumer. However, in many cases, these consents were collected through offline or unverifiable means, making it extremely difficult to ascertain their validity and genuineness. In several instances, consumers report that their mobile numbers have been acquired by the entities for this purpose through misrepresentation, deception, or unauthorized data-sharing practices. TRAI has undertaken several innovative regulatory measures in recent years to curb such practices. These include allowing consumers to register complaints against unregistered telemarketers (UTMs) even without prior DND registration, and initiating large-scale disconnection of telecom resources being misused by the entities for spamming activities. However, verification of consent for commercial communication citing offline consent of consumer, remains a formidable challenge.

(PiB)

Credit growth drops to 8.97% in May, lowest level in three years: Systemic credit growth has declined to 8.97 per cent year-on-year (YoY) in the fortnight ended May 30, the lowest in three years. This is owing to lenders becoming more cautious and prioritising asset quality over growth amid higher stress in the microfinance and unsecured segments. The last time credit growth in the



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system was below 9 per cent was in March 2022. Meanwhile, deposit growth in the system at 9.9 per cent Y-o-Y has outpaced credit growth by 100 basis points (bps). system

(Business Standard)



FINANCIAL TERMINOLOGY

ABNORMAL RATE OF RETURN

- ❖ Abnormal rate of return or 'alpha' is the return generated by a given stock or portfolio over a period of time which is higher than the return generated by its benchmark or the expected rate of return. It is a measure of performance on a risk-adjusted basis.
- ❖ The abnormal rate of return on a security or a portfolio is different from the expected rate of return. It is the return generated by a security or a portfolio which is in excess of its benchmark or the return predicted by an equilibrium model such as capital asset pricing model (CAPM). Abnormal rate of return can either be positive or negative depending on how the security or a fund has performed in comparison to its benchmark. The normal rate of return can be a forecasted return based on model or it can be the return on an index, such as S&P BSE Sensex or 50-share Nifty index.
- ❖ The abnormal return on an investment is calculated as follows (1): $R_{\text{Abnormal}} = R_{\text{Actual}} - R_{\text{Normal}}$ An investment's abnormal return could be positive or negative. It essentially measures how the stock or a fund has performed over a given period of time. Abnormal rate of return as a measure of performance is useful to investors as a valuation tool and for comparing returns to market performance



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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 : 86.0242

INR / 1 GBP : 116.7526

INR / 1 EUR : 99.3958

INR /100 JPY: 59.6700

EQUITY MARKET

Sensex: 81796.15 (+677.55)

NIFTY: 24946.50 (+227.90)

Bnk NIFTY: 55944.90 (+417.55)

Courses conducted by BFSI Board

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- ❖ **Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).**
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- ❖ **BFSI Chronicle (quarterly issue of BFSIB)**
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TEAM BFSIB

Banking, Financial Services & Insurance Board

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