



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

Repo rate cut to give a leg-up to private sector investments: MPC minutes: The monetary policy committee (MPC) voted for a 50 basis points repo rate cut in its last meeting to give a leg-up to private sector investments, which have been weak despite high capacity utilisation and improved corporate balance sheets, and revive consumption demand. The six-member MPC, which met from June 4-6, voted by a 5-1 majority for a front-loaded policy repo rate reduction from 6 per cent to 5.5 per cent amid a benign inflationary outlook, even as they changed the monetary policy stance to “neutral” from “accommodative”. The RBI, on its part, had announced a cut in the cash reserve ratio from 4 per cent to 3 per cent in four tranches of 25 bps each from September onwards.

(Business Line)

India's core sector growth slows to 0.7% in May, lowest in 9 months: India's core sector growth – across eight industries – slowed down to a nine-month low of 0.7 per cent in May, indicative of a dip from the 1 per cent in the previous month, according to provisional numbers released by the government on Friday. May 2024 core sector growth stood at 6.9 per cent, while April 2025 growth was revised upward 0.5 per cent to 1 per cent. These eight core industries—coal, crude oil, natural gas, refinery products, fertilisers, steel, cement, and electricity—comprise 40.27 per cent of the weight of items included in the Index of Industrial Production (IIP).

(Business Line)

Retail inflation for farm, rural workers eases to below 3% in May: Retail inflation for farm and rural workers eased to 2.84 per cent and 2.97 per cent in May from 3.48 per cent and 3.53 per cent, respectively, in April this year, according to data released by the Labour Ministry on Friday. According to the data, the All-India Consumer Price Index for Agricultural Labourers (CPI-AL) and Rural Labourers (CPI-RL) decreased by 2 points and 1 point in May 2025 to stand at 1305 and 1319 points, respectively. The CPI-AL and CPI-RL were 1307 points and 1320 points in April 2025. "The year-on-year inflation rates based on CPI-AL and CPI-RL for May 2025 were recorded

(Business Standard)



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BANKING & FINANCE



RBI cuts small finance banks' lending requirement to priority sectors: In terms of the 'Guidelines for Licensing of Small Finance Banks in Private Sector' and the 'Guidelines for 'on-tap' Licensing of Small Finance Banks in Private Sector' a small finance bank (SFB) is required to extend 75 per cent of its Adjusted Net Bank Credit (ANBC) to the sectors eligible for classification as priority sector lending (PSL) by the Reserve Bank. Further, while 40 per cent of its ANBC should be allocated to different sub-sectors under PSL, the bank can allocate the balance 35 per cent to any one or more sub-sectors under the PSL where it has competitive advantage. On a review, it has been decided that financial year 2025-26 onwards, the additional component (35 per cent) of PSL shall be reduced to 20 per cent, thereby making the overall PSL target as 60 per cent of ANBC or Credit Equivalent of Off-Balance Sheet Exposures (CEOBE), whichever is higher. The SFB shall continue to allocate 40 per cent of its ANBC or CEOBE, whichever is higher, to different sub-sectors under PSL as per the extant PSL prescriptions, while the balance 20 per cent shall be allocated to any one or more sub-sectors under the PSL where the bank has competitive advantage.

(RBI Press Release)

Fino Payments Bank fined by RBI for breaking rules: The Reserve Bank of India (RBI) on Friday announced that it has imposed a fine of Rs 29.6 lakh on Fino Payments Bank Limited. The penalty is for not following certain rules related to the Licensing of Payments Banks. The RBI carried out a regular check (called the Statutory Inspection for Supervisory Evaluation or ISE 2024) of the bank's operations as of March 31, 2024. During this inspection, the central bank found that the bank had not followed all its guidelines. After this, the RBI sent a notice to Fino Payments Bank, asking them to explain why a penalty should not be charged for these lapses. The bank gave a written reply and also made a statement in person. However, after reviewing everything, the RBI decided that the bank had indeed broken the rules.

(Economic Times)

Recovery rate under IBC improved to 32.76% in Q4 of FY25: CareEdge: Overall recovery rate under the Insolvency & Bankruptcy Code improved to 32.76% in Q4FY25 from 31.39% in Q3FY25, CareEdge said in a report Tuesday. The ratio of resolution to liquidation improved from 1.89 in Q4FY25 from 0.20 in FY18 even as the average time taken for resolution or liquidation continued to increase for operational creditors (OCs) and financial creditors (FCs), it said. In Q4Y25, the number of cases admitted increased by around 10% YoY even though it is lower than in earlier



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quarters of FY20, with fewer than 1,000 cases admitted for FY25. Aggregate recovery hovered around 30%, indicating that creditors faced a haircut of around 70% on admitted claims, it said.

(Economic Times)

'Let's be alert': Mutual funds now 31% of deposits; Uday Kotak urges balance amid growing investor appetite: Veteran banker Uday Kotak has observed a significant trend in the Indian financial landscape, where households are increasingly shifting from traditional savings to investment in financial markets. In a recent post on X (formerly known as Twitter), Kotak remarked, "India's saver turns investor." This transition, he noted, is particularly evident in the growth of mutual fund assets under management (AUM), especially in equity, which has doubled to "31% of bank deposits." Data shows a gradual increase in the proportion of mutual fund AUM relative to bank deposits from 13% in FY15 to 16% in FY17. A noticeable uptick began in FY21, with the share climbing to 21%, later reaching 26% in FY24 and 29% in FY25. As of May 2025, mutual fund assets constitute 31% of total bank deposits. Analysts attribute this shift to increased awareness, digital access, and higher equity returns.

(Business Today)

India Post Payments Bank honoured with Digital Payments Award by Ministry of Finance: India Post Payments Bank (IPPB), a 100% Government of India-owned entity under the Department of Posts, Ministry of Communications, has been conferred the prestigious Digital Payments Award 2024-25 by the Department of Financial Services (DFS), Ministry of Finance, in recognition of its outstanding contribution to expanding digital payments and financial inclusion across the country. India Post Payments Bank (IPPB) achieved 1st Position among Payments Banks in India in the Performance Index for Financial Year 2024–25 & received 'Special Mention' award for the Financial Year 2023-24. This leap reflects the IPPB's robust capabilities and its unwavering commitment to delivering inclusive, technology-led, citizen-centric banking solutions with a purpose.

(PiB)

INDUSTRY OUTLOOK



HDB Financial's IPO leaves close to 50,000 early investors face up to 48% notional loss:

HDB Financial Services' Rs 12,500 crore initial public offering (IPO), one of the largest public issues in India's NBFC space, is leaving 49,336 early individual investors staring at notional losses of up to 48 percent, as per its latest Red Herring Prospectus (RHP) filed on June 19. According to the latest DRHP, 49,553 individual shareholders held equity in HDB Financial as of June 19, 2025. While the aggregate number of shares held by them is not explicitly broken down, these investors, who acquired shares during earlier transactions, have been bought at prices ranging from Rs 1,200 to Rs 1,350 per



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share, based on previous filings. With the IPO now priced at Rs 700-740 per share, these early investors are staring at notional losses of 38-48 percent, depending on the entry price.

(Moneycontrol)

Tesla set to open first showroom in India by mid-July, Bloomberg reports: ‘Look into the spirit’: Tesla Inc. is set to make its long-awaited debut in India by opening its first showroom in Mumbai as early as mid-July, followed by another in New Delhi, Bloomberg reported quoting sources familiar with the matter. The move signals the beginning of formal operations for the electric vehicle giant in the world’s third-largest automobile market. The Elon Musk-led company has already shipped its first batch of vehicles, Model Y rear-wheel drive SUVs, from its factory in China, the report further said. The Model Y, currently the world’s best-selling electric vehicle, will mark Tesla’s entry into India’s competitive but rapidly growing EV market.

(Financial Express)

GST evasion detection hits all-time high of ₹2.23 trillion in FY25: The Central Board of Indirect Taxes and Customs (CBIC) detected Goods and Services Tax (GST) evasion of ₹2.23 trillion in the financial year 2024-25 (FY25), an all time high figure which was 10 per cent more than the previous year’s ₹2.02 trillion. In FY23, the GST evasion stood at ₹1.01 trillion. In FY25, voluntary payments by taxpayers stood at ₹28,909 crore, according to data shared at the CBIC Conclave held in New Delhi on Thursday.

(Business Standard)



REGULATION & DEVELOPMENT

SEBI calls for responsible, ethical use of AI in securities market; floats consultation paper: The Securities and Exchange Board of India (SEBI) has floated a consultation paper seeking stakeholder views to ensure the responsible use of Artificial Intelligence (AI) and Machine Learning (ML) in the securities market. In the consultation paper, SEBI has proposed guiding principles for the responsible use of AI and ML. “These guiding principles are intended to optimise benefits and minimise potential risks associated with the integration of AI/ML based applications in securities markets to safeguard investor protection, market integrity, and financial stability,” the paper said.

(Moneycontrol)

Over ₹30,000 crore worth of foreign assets, income declared for AY25: I-T Dept: As money parked in Swiss banks by Indians more than tripled in 2024, the Income Tax Department on



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Friday said that over ₹30,000 crore in foreign assets and income have been declared by Indian taxpayers for the Assessment Year 2024-25 (Fiscal Year 2023-24). On Thursday, annual data released by Switzerland's central bank showed that Indian money parked in Swiss banks more than tripled in 2024, to 3.5 billion Swiss francs (nearly ₹37,600 crore) on the back of a surge in funds held through local branches and other financial institutions. However, money in customer accounts of Indian clients rose by only 11 per cent in the year to 346 million Swiss francs (nearly ₹3,675 crore) and accounted for just about one-tenth of overall funds.

(Business Line)

Ramann takes charge as PFRDA chief: Sivasubramanian Ramann took charge as the chairperson of the Pension Fund Regulatory and Development Authority (PFRDA) on Friday. He succeeded Deepak Mohanty. Ramann will be at the helm for a tenure of five years with effect from the date of assumption of charge of the post or till he attains the age of 65 years, or until further orders, whichever is the earliest. He is taking on the responsibility at a critical time, when the regulator is overseeing the transition of central government staff from the National Pension System (NPS) to the Unified Pension System, which guarantees a pension equivalent to 50% of the average pay for the last 12 months.

(Financial Express)



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FINANCIAL TERMINOLOGY

NEOLIBERALISM

- ❖ Neoliberalism is a policy model that encompasses both politics and economics. It favors private enterprise and seeks to transfer the control of economic factors from the government to the private sector.
- ❖ Many neoliberal policies concern the efficient functioning of free market capitalism and focus on limiting government spending, government regulation, and public ownership.
- ❖ More recently, neoliberalism has been associated with austerity policies and attempts to cut government spending on social programs.



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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 : 86.6133

INR / 1 GBP : 116.6774

INR / 1 EUR : 99.7560

INR /100 JPY: 59.5800

EQUITY MARKET

Sensex: 82408.17 (+1046.30)

NIFTY: 25112.40 (+319.15)

Bnk NIFTY: 56252.85 (+675.40)

Courses conducted by BFSI Board

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- ❖ Certificate Course on Credit Management of Banks
- ❖ Certificate Course on Treasury and International Banking
- ❖ Certificate Course on Investment Management
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- ❖ Advance Certificate Course on FinTech

For details please visit
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- ❖ 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)
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TEAM BFSIB

Banking, Financial Services & Insurance Board

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