



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

25 July 2025



ECONOMY

India, UK sign 'historic' free trade deal which will double trade by 2030: India and the UK have signed a 'landmark' free trade pact—the India-UK Comprehensive Economic and Trade Agreement (CETA), which is expected to double bilateral trade by 2030 to \$112 billion, boost services exports, liberalise government procurement and facilitate mobility. The trade deal will especially benefit the youth, farmers, fishers and the MSME sector,” Prime Minister Narendra Modi said in his joint press briefing with UK PM Keir Starmer in London after the CETA was signed on Thursday. Once implemented, the CETA will immediately open up opportunities for Indian industry across sectors such as agriculture, food processing, seafood, textiles, engineering goods, electronics, footwear and gems & jewellery, with the UK agreeing to eliminate tariffs on about 99 per cent of tariff lines for Indian goods.

(Business Line)

India-UK FTA grants duty-free access to 95% of farm exports, eyes 20% export surge in 3 years: India's agricultural exports are set to receive a substantial boost following the signing of the Comprehensive Economic and Trade Agreement (CETA) with the United Kingdom on July 24, which provides duty-free access to 95 percent of Indian farm export tariff lines. The free trade agreement is projected to raise India's agri-exports by over 20 percent over the next three years. The deal opens up preferential access to the UK's \$37.5 billion agri-import market, benefitting a wide range of Indian agricultural and processed food products including basmati rice, spices, fresh grapes, bakery items, nuts, sauces, tea, coffee and millets. Among the traditional exports expected to see a surge are Darjeeling tea from West Bengal and Araku coffee from Andhra Pradesh, which will now enter the UK market duty-free.

(Moneycontrol)

Net ECB inflows rise to \$4.4 billion in April-May 2025, shows RBI data: Net inflows of foreign resources via External Commercial Borrowings (ECBs) grew 158 per cent to \$4.4 billion in April-May 2025 from \$1.7 billion in the year-ago period, according to Reserve Bank of India (RBI) data. However, ECB registrations declined 31.32 per cent to \$5.7 billion during April-May 2025 from \$8.3



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billion in the same period of 2024. In its July monthly bulletin, the RBI said nearly 48 per cent of total ECBs registered during this period were intended for capital expenditure (capex), including on-lending and sub-lending for capex.

(Business Standard)

BANKING & FINANCE



Canara Bank Q1 net rises 22% to Rs 4,752 crore on treasury gains: Public sector lender Canara Bank on Thursday reported a 22% year-on-year increase in net profit for the first quarter of FY26, reaching ₹4,752 crore, driven by robust treasury gains and higher fee-based income. Interest income rose 8% year-on-year to ₹31,003 crore, while other income—which includes treasury and fee income—surged 33% to ₹7,060 crore. Treasury income saw a sharp 296% jump to ₹1,993 crore, largely aided by ₹1,617 crore from the sale of investments, while fee-based income rose 16% to ₹2,223 crore. “Even with pressure on net interest margin (NIM), we managed to post a stronger operating profit and bottom line by controlling operating expenses and leveraging treasury gains,” said Canara Bank MD & CEO K Satyanarayana Raju during the earnings briefing.

(Financial Express)

Banking system flush with funds, consumers yet to make a splash: Banking system funds in liquid demand deposits—often seen as a proxy for cash—more than doubled to ₹3.79 lakh crore at the end of the June quarter, indicating significant liquidity in both the lending mechanism and the real economy. Similarly, currency with the public surged to ₹91,000 crore from ₹31,000 crore, the latest RBI data showed. RBI data reveals a surge in liquid demand deposits and currency with the public, indicating increased liquidity in the banking system and real economy. This rise is attributed to policy measures like liquidity easing, a pickup in rural activity, and higher disposable incomes from tax benefits.

(Economic Times)

Indo-UK trade pact to enable Indian financial services firms to expand their footprint in Britain: The India-UK free trade agreement, officially CETA, signed in London, aims to boost Indian financial services in Britain and attract UK investment to India. It ensures fair treatment for Indian firms, promoting transparency and non-discrimination. The agreement is expected to enhance electronic payments, FinTech, and market integration, benefiting customers and the broader economy while maintaining financial stability.

(Economic Times)



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Credit costs, gross NPA ratio of affordable housing financiers seen going up: A recent report forecasts a rise in credit costs and gross non-performing assets for affordable housing finance companies due to weaker borrower profiles, particularly among the self-employed. While policy initiatives may offer some support, asset under management growth is expected to slow down. Conversely, prime HFCs are projected to experience increased AUM growth and a decrease in gross NPA. According to a joint report by industry body Assocham and rating agency CareEdge. Gross NPA is expected to increase to 1.6% from 1.4% in the previous year, while credit costs are seen rising to 0.4% from 0.3% mainly because of a relatively weaker borrower profile, especially in the self-employed segment.

(Economic Times)

INDUSTRY OUTLOOK



India-UK FTA to steer gains for luxury carmakers, auto part exporters: The India-UK FTA (Free Trade Agreement), which was signed on July 24, 2025, is likely to benefit the luxury segment of the domestic passenger vehicle industry, even as auto component manufacturers look forward to a significant boost in the form of exports. As per the text of the UK-India Comprehensive Economic and Trade Agreement (CETA), the UK's large and varied manufacturing sectors will benefit from tariff cuts on aerospace (as high as 11% reduced to 0%), automotives (up to 110% down to 10% under a quota), and electrical machinery (from up to 22% down to either 0% or a 50% reduction). The FTA will provide access to UK luxury carmakers in India. In calendar year 2024, India's car imports from the UK were valued at around ₹650 crore, with luxury marques like Jaguar Land Rover (JLR), Mercedes-Benz, BMW, Rolls-Royce, Aston Martin, and Bentley contributing over ₹500 crore to the total. Motorcycle imports from the UK amounted to nearly ₹30 crore.

(Business Today)

Air India net loss jumps 48% in FY25 to Rs 10,859 crore: Tata group-controlled Air India's consolidated losses surged 48% year-on-year in FY25 to Rs 10,859 crore, improved seat occupancies and growth in capacity notwithstanding, according to disclosures made by Tata Sons. Revenues, which includes revenues of Air India Express, increased 18% y-o-y to Rs 78,636 crore during the same year While the airline entity was the biggest revenue generator for Tata Sons during FY25 among the unlisted companies, it was also the biggest loss maker within the Tata Group, including the listed entities.

(Business Line)



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Uttar Pradesh govt seeks ₹10 trillion in investment to boost industry: The Uttar Pradesh government is planning to line up projects worth ₹10 trillion in November this year, in a bid to boost its industrial development agenda. Invest UP, the state's investment promotion agency, has already lined up projects worth ₹5 trillion for the proposed ground breaking ceremony (GBC 5.0), and is hopeful that the basket will increase to ₹10 trillion by November. In the run up to the event, the agency will also host roadshows in countries like South Korea, Qatar, China, Singapore, Canada, and UAE.

(Business Standard)



REGULATION & DEVELOPMENT

FM Sitharaman directs CBDT to withdraw all low-value tax cases within 3 months: Union finance minister has directed the CBDT to identify and withdraw all the departmental tax appeals that fall below the revised monetary thresholds announced in the Union Budget 2024–25, setting a firm deadline of three months. The move is part of a broader effort to reduce litigation, ease taxpayer burden, and strengthen service delivery through timely resolution. According to official estimates, 4,605 appeals were withdrawn following the threshold revision in 2024, and in 3,120 cases, no appeals were filed as they fell below the updated limits. Under Budget 2024–25, the monetary thresholds for filing departmental appeals were revised upwards. For cases before the Income Tax Appellate Tribunal (ITAT), the threshold was increased from Rs 50 lakh to Rs 60 lakh; for High Courts, from Rs 1 crore to Rs 2 crore; and for the Supreme Court, from Rs 2 crore to Rs 5 crore.

(Moneycontrol)

Ajay Seth appointed as new IRDAI Chairman: Former Finance Secretary Ajay Seth will be the new Chairman of the Insurance Regulatory and Development Authority of India (IRDAI), the regulator for insurance sector. He will succeed Debasish Panda, whose term ended on March 13 this year. The Appointment Committee of the Cabinet (ACC) said that Seth has been appointed for a term of three years or till he attains the age of 65 years or until further orders, whichever is earlier. A 1987-batch Indian Administrative Service officer of the Karnataka cadre, Seth joined the Ministry on May 1, 2021, and superannuated on June 30, 2025.

(Business Line)

India opens govt procurement for UK firms; experts see it as strategic shift: India's free trade agreement with the UK includes concessions in government procurement, allowing British firms to bid on tenders with just 20% UK content, treated as Class 2 local suppliers. This move, according to experts, signals a strategic shift away from using public procurement for domestic industrial



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development. After the UAE, India has opened its central government procurement (GP) for British companies under the free trade agreement signed on Thursday, subject to certain conditions.

(Economic Times)

Central govt staffers can now take 30-day leave to care for elderly parents: The service rules allow 30 days' leave to Central government employees, which can be availed for any personal reason including that of taking care of elderly parents, Union Minister of State for Personnel Jitendra Singh said in Rajya Sabha on Thursday. The minister was asked whether there is any provision for government employees to avail leave to take care of their elderly parents. "The Central Civil Services (Leave) Rules, 1972 provides for 30 days of earned leave, 20 days of half pay leave, eight days of casual leave and two days of restricted holiday per annum, apart from other eligible leaves.

(Business Standard)



FINANCIAL TERMINOLOGY

DARKWEB

- ❖ The dark web or darknet is a part of the World Wide Web only accessible through special software or tools. This keeps its users and visitors hidden because they often exchange illegal and stolen information, such as people's personally identifiable information. This information may include Social Security numbers, phone numbers, and credit card numbers.
- ❖ The dark web is also used in certain extortion-related processes. It is common to observe data from ransomware attacks on several dark web sites, for example data sales sites or public data repository sites.
- ❖ Commercial darknet markets mediate transactions for illegal goods and typically use Bitcoin as payment. Bitcoin is one of the main cryptocurrencies used in dark web marketplaces.



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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 : 86.3301

INR / 1 GBP : 117.1275

INR / 1 EUR : 101.5582

INR /100 JPY: 59.0200

EQUITY MARKET

Sensex: 82184.17 (-542.47)

NIFTY: 25062.10 (-157.80)

Bnk NIFTY: 57066.05 (-144.40)

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TEAM BFSIB

Banking, Financial Services & Insurance Board
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