



# 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**

29 July 2025



### **ECONOMY**

**Markets fall for third straight day; Sensex slips 572 pts, Nifty below 24,700:** Markets extended their losing streak for the third consecutive session on Monday, with the Sensex settling 572.07 points or 0.70 per cent lower at 80,891.02, and the Nifty 50 falling 156.10 points or 0.63 per cent to close at 24,680.90. The benchmark index slipped below the crucial 24,700 mark amid intensified selling pressure led by banking stocks. Kotak Mahindra Bank emerged as the biggest drag on the Nifty, plummeting 7.34 per cent to ₹1,968.70 after reporting disappointing first-quarter earnings and highlighting stress in its retail commercial vehicle loan segment..

**(Moneycontrol)**

**Subdued core inflation and sub-4% headline inflation leave room for easing, says MER:** Ahead of the Monetary Policy Committee meeting (MPC), a Finance Ministry report said that with comfortably lower inflation, 'affording room for the easing cycle to be sustained.' Meanwhile, the report stated that no decision has yet been made on the trade agreement, and India's external trade is likely to be affected in the coming quarters. It also cautioned about lower credit growth and private investment, which could impact economic momentum. Retail inflation based on Consumer Price Index (CPI) dipped to a 76-month low of 2.1 per cent in June.

**(Business Line)**

**Industrial growth hits 10-month low in June; mining, electricity drag momentum:** With a dip in mining and electricity, growth of factory output slowed to a 10-month low at 1.5 per cent in June, government data released on Monday showed. The growth rate, derived from the Index of Industrial Production (IIP), was 1.9 per cent in May and 4.9 per cent in June last year.

**(Business Line)**

**India's revenue foregone in first year of trade pact with UK estimated at ₹4,060 cr: GTRI:** India is expected to forego customs revenue of ₹4,060 crore in the first year of the free trade agreement with the UK, as tariffs are reduced or eliminated on a wide range of goods, think tank Global Trade Research Initiative (GTRI) said on Monday. The calculation is based on the current import figures



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from the UK. By the tenth year, it said, as tariff elimination phases-in more broadly, the annual loss is projected to rise to ₹6,345 crore or around British Pound 574 million, based on FY2025 trade volumes.

**(Business Line)**

## BANKING & FINANCE



**RBI Digital Payments Index for March 2025:** RBI has been publishing a composite Reserve Bank of India – Digital Payments Index (RBI-DPI) since January 1, 2021 with March 2018 as base to capture the extent of digitisation of payments across the country. The index for March 2025 stands at 493.22 as against 465.33 for September 2024.

**(RBI Press Release)**

**IndusInd Bank Q1 results: Standalone net profit falls 68% to Rs 684 crore:** Private lender IndusInd Bank on July 28 reported 68 percent decline in standalone net profit at Rs 684 crore for the quarter ended June 30, 2025, hurt by decline in loans and rise in provisions for potential bad loans. On a consolidated basis, net profit fell 72 percent on-year to Rs 604 crore, as per investor presentation. The lender's net interest income fell 14 percent year-on-year to Rs 4,640 crore in Q1FY26. Gross NPA were at 3.64 percent of gross advances as on June 30, 2025, as against 3.13 percent as on March 31, 2025. Net NPA were 1.12 percent of net advances as on June 30, 2025, as compared to 0.95 percent as on March 31, 2025.

**(Moneycontrol)**

**Value of gold loans crossed Rs 2.5 lakh crore by May 2025, up 115% YoY:** The value of loans from pledged gold jewellery crossed Rs 2.5 lakh crore by May this year, rising by nearly 115.25% from a year ago. Minister of State for Finance Pankaj Chaudhary on July 28 informed the Lok Sabha that the value of bank loans against gold jewellery increased from ₹1,16,777 crore in May 2024 to ₹2,51,369 crore in May 2025. This reflects “the combined impact of regulatory efforts and shifting borrower preferences to gold loans due to the relatively higher loan to value (LTV) ratio vis-à-vis other types of collateral,” he said.

**(Business Today)**

**RBI to bring out harmonised eligibility criteria for business authorisation for UCBs:** The Reserve Bank of India said on Monday it plans to replace the financially sound and well-managed (FSWM) norms for urban co-operative banks (UCBs) with harmonised eligibility criteria for business authorisation (ECBA) for certain business authorisations and permissions. A bank will be considered fully complying with ECBA if it meets conditions such as regulatory minimum applicable CRAR and



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Net NPAs of not more than 3 per cent, based on the audited financial statements as of 31 March of the immediately preceding financial year, as per the Draft Master Direction – Business Authorisation for Co-operative Banks (Directions), 2025.

**(Business Line)**

**Unclaimed deposits with banks stand at Rs 67,003 cr, SBI and ICICI top list:** Unclaimed deposits in Indian banks reached Rs 67,003 crore by June 2025, with public sector banks holding the majority. The RBI launched the UDGAM portal to help people find these deposits. The government has no plans for Virtual Digital Asset ETFs and is focused on educating depositors and promoting financial inclusion through initiatives like the Bima Sakhi Yojana. According to data from the Reserve Bank of India, public sector banks accounted for ₹58,330.26 crore of the total, while private sector banks held ₹8,673.72 crore in unclaimed deposits. Of the public sector banks, SBI is leading the pack with unclaimed deposits of Rs 19,329.92 crore, followed by Punjab National Bank Rs 6,910.67 crore.

**(Economic Times)**

**Bank of Baroda, Canara Bank let go of ₹54,000 crore loans for margin safety:** Large banks such as Bank of Baroda and Canara Bank collectively shed about ₹54,000 crore of corporate loans in the June quarter to protect their net interest margins from falling sharply. These loans, largely extended to various public sector undertakings, came under pressure for repricing following the 100 basis points (bps) repo rate cut since February. Some of these organisations sought revisions to their existing loans, beyond the already reduced rates, bankers said.

**(Economic Times)**

## INDUSTRY OUTLOOK



**India's IT faces AI shockwave: 1.25 lakh layoffs, exceeding cloud and digital disruption:** IT services giants like TCS initiating layoffs in the era of accelerating AI adoption signals what industry experts describe as a deeper and more rapid structural shift in India's tech landscape, one that surpasses previous transitions, such as digital transformation and cloud migration. During the Digital Transformation phase (2000s–2010s), layoffs were relatively low, at around 10,000 to 15,000, primarily due to performance issues, as demand for tech talent was booming. "Companies hired in bulk, mostly freshers from engineering colleges.

**(Moneycontrol)**

**No immediate plans for national retail trade policy:** The government has no immediate plans of coming out with a national retail trade policy, the draft for which was shared four years ago, as it has



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been taking steps internally to meet retailers' needs and would continue to do so, sources have said. "A policy is a set of actions and those actions are already being taken. Timely interventions are happening on a regular basis such as the setting up of the National Traders Welfare Board and launching of the ONDC platform. There is no need for a separate policy for retail trade right now,"

**(Business Line)**

**Chinese gold demand down 49% since hitting peak in 2013 on surging prices, slowing economic growth:** China's gold demand has dropped by 49 per cent since it hit a peak in 2013 due to surging prices of the precious metal and slowing economic growth. However, gold jewellery consumption is rising in value, according to the World Gold Council (WGC) China research head, Ray Jia. "Demand surged by 362 per cent between 2001 (when the unified purchase and distribution model was suspended) and 2013 (when demand peaked amid the bargain-hunting buying frenzy) ... But consumption, in terms of quantity, entered a sustained decline after 2013, and by 2024 fell 49 per cent, despite periodic rebounds,"

**(Business Line)**

**India's insurance giant LIC turns to Wall Street banks to hedge risk:** Life Insurance Corp. of India is actively hedging its liabilities by engaging with Wall Street banks like JPMorgan Chase & Co. and Bank of America Corp. LIC has entered into \$1 billion in bond forward rate agreements, significantly impacting FRA volumes. This move reflects the increasing sophistication of India's financial market and boosts demand for long-term bonds.

**(Economic Times)**



## REGULATION & DEVELOPMENT

**SEBI and NSE join forces to protect investors from financial frauds:** The Securities and Exchange Board of India (SEBI) has rolled out a nationwide investor awareness campaign — #SEBIvsSCAM — aimed at educating the public about financial scams and how to stay protected. As part of this initiative, the National Stock Exchange of India Ltd (NSE), under SEBI's guidance, has launched a comprehensive investor protection drive to support and amplify the campaign. #SEBIvsSCAM is designed to promote safer investment practices and empower individuals to make informed financial decisions. By spotlighting red flags and offering actionable guidance, the campaign aims to build a secure and transparent investment environment.

**(Business Today)**





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## **New Digital Credit Assessment Model for MSMEs leverages real-time digital data to fast-track loan approvals for MSMEs:**

The New Digital Credit Assessment Model for MSMEs was announced in the Union Budget 2024-25. The model envisioned that the Public sector banks (PSBs) will build their in-house capability to assess MSMEs for credit, instead of relying on external assessment. PSBs would develop a new credit assessment model, based on the scoring of digital footprints of MSMEs in the economy. Subsequently, Union Finance Minister had launched the New Credit Assessment Model for MSMEs on 6th March, 2025. The model leverages the digitally fetched and verifiable data and devises automated journeys for MSME Loan appraisal using objective decisioning for all loan applications and model-based limit assessment for both Existing to Bank (ETB) as well as New to Bank (NTB) MSME borrowers. Between 1st April and 15th July, 2025, a total of 98,995 MSME loan applications have been sanctioned by the Public Sector Banks (PSBs) under New Credit Assessment Model. Bank loans through new digital credit assessment model are decided within maximum of upto one day significantly reducing the turn around time (TAT) as compared to manual methods.

**(PiB)**

**Inflation likely to undershoot RBI's target in FY26: FinMin review:** The inflation rate for the full financial year is likely to undershoot the Reserve Bank of India's (RBI's) target of 3.7 per cent, making room for the easing cycle to be sustained, the finance ministry said in its Monthly Economic Review for June 2025 on Monday. However, the review noted that despite monetary easing and strong bank balance sheets, credit growth has slowed, reflecting cautious borrower sentiment and possibly risk-averse lender behaviour. "The economy has the look and feel of 'steady as she goes' as far as FY26 is concerned," the review said.

**(Business Standard)**

**RBI to conduct 3-day VRRR auction Tuesday to absorb ₹50,000 crore:** The Reserve Bank of India (RBI) on Monday announced a ₹50,000 crore Variable Rate Reverse Repo (VRRR) auction for a three-day tenor, to be conducted on Tuesday. "Given overnight rates have again fallen as liquidity is coming back into the system, the auction was announced," said the treasury head at a private bank. "The notified amount should be absorbed," he added. The overnight Weighted Average Call Rate (WACR) settled at 5.35 per cent, against the previous day's close of 5.39 per cent, while the overnight tri-party repo rate settled at 5.26 per cent, compared to 5.32 per cent on Friday.

**(Business Standard)**



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## FINANCIAL TERMINOLOGY

### ECONOMIC MOAT

- ❖ Some companies seem to have an uncanny ability to fend off rivals and maintain their market dominance year after year. This phenomenon, known as an "economic moat," doesn't just keep rivals at bay but also seems to separate successful firms from those that fail.
- ❖ In the business world, these moats characterize sustainable competitive advantages that shield a company's profits from marauding competitors.
- ❖ A company can create an economic moat by taking advantage of its size, intangibles, lower costs, and high switching costs.



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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 : 86.5510

INR / 1 GBP : 116.0718

INR / 1 EUR : 101.4083

INR /100 JPY: 58.4200

## EQUITY MARKET

Sensex: 80891.02 (-572.07)

NIFTY: 24680.90 (-156.10)

Bnk NIFTY: 56084.90 (-444.00)

## Courses conducted by BFSI Board

- ❖ Certificate Course on Concurrent Audit of Banks
- ❖ Certificate Course on Credit Management of Banks
- ❖ Certificate Course on Treasury and International Banking
- ❖ Certificate Course on Investment Management
- ❖ Certificate Course on General Insurance.
- ❖ Advance Certificate Course on FinTech

For details please visit  
BFSIB portal of the ICMAI

## Publications by BFSI Board

- ❖ 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)
- ❖ Handbook on Stock & Book Debts Audit (Revised and Enlarged 2<sup>nd</sup> Edition)

## TEAM BFSIB

**Banking, Financial Services & Insurance Board**  
**The Institute of Cost Accountants of India (ICMAI)**

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