The Institute of Cost Accountants of India (ICMAI)
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DAILY NEWS DIGEST BY BFSI BOARD

25 June 2025

ECONOMY

Pressure to seal Trump trade deals ramps up with two weeks to go: Two weeks from President Donald Trump's self-imposed deadline to reach deals with the US's major trading partners, some of the most-watched talks aimed at clinching agreements to avoid higher tariffs are struggling to get over the finish line. There's a lot at stake: As of July 9, exporting nations without a bilateral accord in place will face Trump's so-called "Liberation Day" tariffs that are much higher than the current baseline 10% level applied to most countries. Only the UK has secured something on paper, though that pact kept the 10% so-called reciprocal rate in place and left unresolved one of Britain's pain points — 25% steel duties. On a separate track is China, which has a fragile truce with the US that extends into mid-August to give time for negotiations to play out.
(Moneycontrol)

RBI signals policy shift with move to drain excess cash: India's central bank announced a plan to withdraw excess short-term cash from the banking system, signaling a shift in its stance after months of fund infusions that helped lower borrowing costs. The Reserve Bank of India aims to take out Rs 1 trillion ($11.6 billion) from the banking system via a seven-day variable rate reverse repurchase auction on June 27, it said in a statement on Tuesday. This marks the first time since November that the RBI is using this tool, which draws excess funds from banks in exchange for government securities. The move could hamper the positive sentiment in the bond market that saw yields slide on Tuesday, with investors buoyed by easing geopolitical tensions between Israel and Iran. India's benchmark 10-year bond yield dropped six basis points to 6.25%.
(Moneycontrol)

Better monsoon outlook pushes S&P to lift India GDP forecast to 6.5%: A projection of a better monsoon prompted S&P Global on Tuesday to raise India's growth forecast by 20 basis points to 6.5 per cent for the current fiscal year 2025–26. In its report on the economic outlook for Asia Pacific, S&P Global said that many regional economies had a good start to 2025 due to robust

domestic demand. Several got a temporary fillip from frontloading exports to the U.S. ahead of anticipated tariffs. In India, "growth picked up after a soft patch," it said.
(Business Line)

BANKING & FINANCE

CCI okays Bain Capital's proposal to acquire stake in Manappuram Finance: The Competition Commission of India (CCI) on Tuesday approved Bain Capital's proposed acquisition of a stake in Manappuram Finance. Bain Capital through its two affiliates -- BC Asia Investments XXV and BC Asia Investments XIV -- will acquire stakes in Manappuram Finance Ltd (MFL). "The proposed transaction involves four phases, where BC Asia Investments XXV (acquirer 1) will subscribe to 9.29 crore fully paid-up equity shares of MFL through private placement and preferential allotment.
(Economic Times)

Irdai nudged on premiums, grievances: Finmin wants upgrade in claims settlements, corp governance: The finance ministry has urged Irdai to enhance vigilance on claim settlements and grievance redressal amid rising health insurance premiums. Concerns were raised about premium hikes, corporate governance in stand-alone health insurers, and declining insurance penetration.
(Economic Times)

National Housing Bank tightens refinancing rules to check 'misuse' of home loans: The National Housing Bank (NHB) has introduced stricter guidelines for refinancing home loans in under-construction properties. In an order to home financiers, the NHB said it would now provide refinance only for loans where less than half the construction is complete during the first disbursement. This rule specifically applies to loans taken for construction on plots or for building homes on self-owned land, said the order.
(Economic Times)

RBI to conduct seven-day VRRR auction on Friday to mop up liquidity: The Reserve Bank of India (RBI) will conduct a 7-day variable rate reverse repo (VRRR) auction worth ₹1 trillion on Friday to suck excess liquidity in the banking system, due to which the weighted average call rate (WACR) is trading below the policy repo rate. "On a review of the current and evolving liquidity conditions, it has been decided to conduct a variable rate reverse repo (VRRR) auction on Friday,

June 27," the central bank said on Friday. "Further, on a review of evolving liquidity conditions, it has been decided not to conduct the 14-day main operation on Friday.
(Business Standard)

INDUSTRY OUTLOOK

Government Launches 'NAVYA' – A New Skilling Initiative for Adolescent Girls Under Viksit Bharat@2047: In a significant step towards empowering young girls and furthering the vision of Viksit Bharat@2047, the Ministry of Women and Child Development (MWCD), in convergence with the Ministry of Skill Development and Entrepreneurship (MSDE), launched 'NAVYA' (Nurturing Aspirations through Vocational Training for Young Adolescent Girls) today in Sonbhadra, Uttar Pradesh. NAVYA programme aims to equip adolescent girls aged 16 to 18 years with vocational training mainly in non-traditional and emerging job roles. Adolescent girls from across the country participated virtually through webcast, marking their enthusiastic presence from every part of India.
(PiB)

Gold price down nearly 2%, trades around $3,300 as Israel-Iran tensions ease: Gold's safe-haven appeal is waning due to easing tensions between Israel and Iran, and the Federal Reserve's expected neutral monetary policy stance. Gold prices fell significantly in early US trade on Tuesday, as the geopolitical situation in the Middle East took a sudden and unexpected turn toward de-escalation of military conflict, at least for the time being. In the opening hours of trade, Gold fell below $3,300, down by over 2% making a two-week low, as markets assessed the sustainability of the ceasefire between Iran and Israel. Gold is down over 1% in the last 1-month, currently trading at $3,307.
(Financial Express)

UK launches £54 mn Global Talent Taskforce to attract skilled foreigners: Opportunity for skilled Indians! The UK on Monday unveiled a new Global Talent Taskforce backed by a £54 million Global Talent Fund to attract top science and tech professionals from across the world to relocate and strengthen British expertise in critical sectors. The Department for Science, Innovation and Technology (DSIT) said the taskforce would support researchers, entrepreneurs, investors, senior-level engineers and creatives, working closely with the UK's global missions to build a pipeline of talent interested in moving to Britain.
(Business Standard)

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REGULATION & DEVELOPMENT

Indian Railways to hike passenger fares from July 1: Report: The Indian Railways is set implement marginal hike in passenger fares starting July 1 across various classes of long-distance trains, including AC and non-AC Mail and Express services. According to CNBC Awaaz, fares for non-AC Mail and Express trains will increase by 1 paise per kilometre, while AC class fares will see a hike of 2 paise per kilometre. According to the revised fare structure set to take effect on July 1, 2025, there will be no change in fares for suburban trains and monthly season tickets. In Ordinary Second Class, fares will remain unchanged for journeys up to 500 kilometres. However, for distances exceeding 500 kilometres, fares will increase by 0.5 paise per kilometre.
(Moneycontrol)

EPFO increases auto-settlement limit for advance claims to Rs 5 lakh to enable quicker access: In a major relief for lakh of members, the Employees' Provident Fund Organisation (EPFO) has raised the auto-settlement limit for advance claims (ASAC) from Rs 1 lakh to Rs 5 lakh, facilitating quicker fund access, especially in times of urgent need. "The limit for auto settlement of the EPFO claims has been increased to Rs 5 lakh. Such claims will get cleared within three days like the process for auto claims at present," Labour Minister Mansukh Mandaviya told reporters on Tuesday. This move will enable withdrawal of the amount without needing manual verification. EPFO had first introduced auto-settlement of advance claims during the pandemic to provide quick financial assistance to members. With an increase in the auto-settlement limit, the members can automatically withdraw up to Rs 5 lakh instantly.
(Moneycontrol)

India Launches Largest-Ever Tribal Empowerment Campaign — DhartiAabaJanbhagidari Abhiyan (DAJA): As part of the Dharti Aaba Jan bhagidari Abhiyan (DAJA) — the largest tribal outreach and empowerment campaign in the history of independent India, so far in last 9 days, the Tribal Empowerment camps at Village & PVTG Habitation level has delivered impressive outcomes for Tribal Communities. As per available data the campaign has reached as much as 53 lakh+ tribal citizens through 22,000+Tribal Empowerment camps organised organised at various parts of the nation. It facilitates more than 1.38 lakh people for Aadhaar enrolments, more than 1.68 lakh Ayushman Bharat cards has been issued, besides more than 46,000 farmers registered for PM-Kisan and more than 22,000 beneficiaries have enrolled for the PM Ujjwala Yojna alongwith opening up more than 32,000 new PM Jan Dhan accounts. The main target of the campaing is to achieve complete saturation of various welfare schemes of the union government. It is construed as one of the landmark step toward inclusive governance by the Ministry

of Tribal Affairs. From 15 June to 15 July 2025, this month-long national movement is reaching over 5.5 crore tribal citizens across 1 lakh+ tribal villages and PVTG habitations in 550+ districts of 31 States and Union Territories, bringing government services directly to people's doorsteps.
(PiB)

HORIZONTAL ACQUISITION

- A horizontal acquisition is when one company acquires another company in the same industry and works at the same production stage. The new combined entity may be in a better competitive position due to increased market share or scalability than the standalone companies combined to form it.
- During a horizontal acquisition, a company can expand its production of products, but it doesn't mean a pivot for the company. Horizontal acquisitions expand the capacity of the acquirer, but the basic business operations remain the same, unlike an acquisition that creates a wholly different company.
- An example of a horizontal acquisition would be a candy company that purchasing another candy company with different products but a similar production schedule.
- The key difference between a horizontal acquisition and a virtual acquisition is that in the latter, the companies would be in the same industry but would have completely different production cycles.

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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 : 86.1043
INR / 1 GBP : 117.0020
INR / 1 EUR : 100.0308
INR /100 JPY: 59.3300

EQUITY MARKET

Sensex: 82055.11 (+158.32)
NIFTY: 25044.35 (+72.45)
Bnk NIFTY: 56461.90 (+402.55)

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