



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

04 June 2025



ECONOMY

FPIs sell record G-Secs worth ₹25,544 crore since inclusion in global index: Foreign portfolio investors (FPIs) sold government securities (G-Secs) aggregating ₹25,544 crore under FAR (fully accessible route) in the first quarter of FY26, the first such quarterly sale after their inclusion in global indices. A combination of factors, including narrowing spread between 10-year US Treasury (UST) and Indian 10-year G-Sec, conflict between India and Pakistan from May 7 to May 10, and US induced global tariff war, prompted FPIs to sell G-Secs and park the proceeds in safe haven assets such as US Treasuries. The yield spread between 10-year UST yield and the corresponding maturity G-Sec has now compressed to about 180 basis points (bps) from about 400-500 bps a couple of years back, making investment in G-Secs on fully hedged basis less attractive.

(Business Line)

Trump imposes 50% tariffs on foreign steel, aluminum; Sparks inflation fears and global trade tensions: US President Donald Trump has declared a sharp increase in tariffs on foreign steel and aluminium, doubling the current 25% tariffs to 50%, starting from today. The decision is expected to affect a wide range of businesses, from food producers to automakers, and could result in surging consumer costs. Steel and aluminium are utilised in almost everything from appliances used for vehicles and construction materials to canned goods. Trump's announcement on Tuesday mentioned that the new tariff level would help in ensure these imports and "not to threaten to impair the national security" of the United States.

(Financial Express)

Global economic uncertainty to not affect Indian banks' asset quality: Moody's: Despite global uncertainties and trade tensions, asset quality of Indian banks is expected to remain steady as domestic economic conditions remain supportive for growth, global rating agency Moody's said in a report on Tuesday. "Government capital expenditure, tax cuts for middle-class income groups to boost consumption and monetary easing will underpin the Indian economy. Also, a low level of dependency on goods trade will shield it from external risks to an extent," the report said. It expects



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the asset quality of the banking sector to remain at 2-3% in the next 12 months as compared to 2.5% as on December end.

(Financial Express)

BANKING & FINANCE



Yes Bank board approves raising funds worth ₹16,000 crore by issuing equity, debt securities: Yes Bank on Tuesday said its board has approved raising of ₹16,000 crore through a mix of equity and debt to fund business growth. The board approved raising of funds by way of issuance of eligible equity securities through various permissible means, provided that the aggregate amount to be raised by issuance of such securities would not exceed ₹7,500 crore and would not result in an aggregate dilution of more than 10 per cent (including dilution on account of issuance of equity securities in terms of this item and conversion of any convertible debt securities approved by the board).

(Mint)

CCI allows Warburg Pincus to acquire up to 10% in IDFC First Bank: The Competition Commission of India (CCI) on Tuesday approved private equity major Warburg Pincus' proposal to acquire a 9.99% stake in private sector lender IDFC First Bank. Shares will be purchased by Currant Sea Investments BV, an affiliate of Warburg Pincus. The development came after shareholders of IDFC FIRST Bank had rejected the proposal to appoint a board member from Warburg Pincus. "The proposed combination entails the acquisition of up to 9.99% of the paid-up share capital (on a fully diluted basis) of IDFC First Bank by way of subscription to 81,26,94,722 compulsorily convertible cumulative preference shares by Currant Sea Investments BV," the CCI said in a release, adding that it approves the proposed acquisition.

(Financial Express)

Stress riding pillion on two-wheeler loans, may puncture asset quality: Moody's: Moody's Ratings warns of potential asset quality decline in Indian banks' vehicle loan portfolios. The agency cites slowing vehicle sales growth post-pandemic. Two-wheeler loans are particularly vulnerable due to younger, lower-income borrowers. System-wide non-performing loans are expected to remain between 2-3%. Unsecured loan defaults are rising, while housing loans are expected to remain stable.

(Economic Times)

Banks park big money with 'rival' mutual funds: Much of the debate in the banking industry in 2024 revolved around why the deposits growth was extremely muted in relation to the growth in



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credit. Some blamed it on mutual funds, some on gold and others on derivatives trading by individuals. But the truth was a lot more nuanced. In 2025, Indian banks are unusually investing heavily in mutual funds, with investments surging 91% to ₹1.19 lakh crore. This shift is driven by suboptimal credit growth, surplus liquidity, and favorable market conditions. Banks are primarily utilizing liquid and money market schemes for higher short-term returns, rather than direct lending.

(Economic Times)

INDUSTRY OUTLOOK



Reliance Infra eyeing Rs 10,000cr defence exports, becomes first Indian company to develop next gen ammunition: Reliance Infrastructure has become the first private sector company in India to design and develop four types of new generation 155mm artillery ammunition. This marks a major milestone in India's defence manufacturing sector under the 'Make in India' initiative. The ammunition has been developed under the Design-cum-Production Partner programme of the Armament Research and Development Establishment (ARDE), a unit of the Defence Research and Development Organisation (DRDO). All development work is based on fully indigenous technology.

(Financial Express)

'Stop surprise tax demands on businesses': Ex-RBI Governor Raghuram Rajan's warning on govt's arbitrary demands: Former Reserve Bank of India (RBI) Governor Raghuram Rajan on Tuesday highlighted the necessity for the Indian government to exercise better control over its tax authorities to boost business prospects. He asserted that unexpected tax demands can disrupt business operations and urged the government to address these concerns promptly. "Stop having tax demands on business people which come out of the blue, which vitiate all their operations for many years. I mean, have some control," Rajan stated in an exclusive interview with India Today.

(Business Today)

Adani Group faces new US probe over alleged imports of LPG from Iran, company calls report 'baseless': American Secretary of Commerce Howard Lutnick has said a trade deal between India and the United States (US) could be finalised in the "not too distant future" because "we've found a place that really works for both countries". He signalled that the agreement might be concluded before the end of a 90-day pause on American reciprocal tariffs, which expires on July 9.

(Business Standard)



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REGULATION & DEVELOPMENT

Starlink to get licence from government to operate Satcom in next few days: Elon Musk-owned Starlink is finally getting the licence to operate its satellite communications (Satcom) in India. The company's executives will be arriving in India to get the approval from the government, over the next few days. Sources closed to the development told businessline that a team from Starlink is visiting India "very soon", to get the Global Mobile Personal Communication by Satellite (GMPCS) licence, which is a crucial permit to start its operations in India. "All the proposals are in place and the licence is getting signed by both the parties (DoT and Starlink officials) over the next few days," a source privy to the development told businessline.

(Business Line)

PSU banks to set up common platform for debt recovery: Five public sector banks (PSBs), including State Bank of India, Punjab National Bank and Bank of Baroda, are working out the details and workflow for a common collection firm to recover retail and MSME loans below Rs 5 crore. The initiative will be pursued through PSB Alliance Pvt Ltd, which will develop a proof of concept, said people familiar with the development. Other state-run banks will join the project later, they said.

(Economic Times)



FINANCIAL TERMINOLOGY

CARNET

- ❖ A carnet, also known as an ATA Carnet, is a customs document that allows goods to be temporarily imported or exported duty-free and tax-free. It's often called the "Passport for goods".
- ❖ It's used to import commercial samples, professional equipment, and goods for trade shows, fairs, and exhibitions.
- ❖ It helps exporters explore new markets, promote their goods, and attend conferences and trade shows.



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RBI KEY RATES

Repo Rate: 6.00%

SDF: 5.75%

MSF & Bank Rate: 6.25%

CRR: 4.00%

SLR: 18.00%

Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 85.4576

INR / 1 GBP : 115.5586

INR / 1 EUR : 97.5994

INR /100 JPY: 59.7400

EQUITY MARKET

Sensex: 80737.51 (-636.24)

NIFTY: 24542.50 (-174.10)

Bnk NIFTY: 55599.95 (-303.45)

Courses conducted by BFSI Board

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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 2nd Edition)

TEAM BFSIB

Banking, Financial Services & Insurance Board

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