



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

06 June 2025



ECONOMY

China and US agree to revive tariff talks amid rare earth tensions: Trump after Xi call:

China and the United States have agreed to resume tariff negotiations, US President Donald Trump said following a phone call with Chinese President Xi Jinping. The move comes as both sides remain locked in a prolonged trade standoff, with rare earth mineral curbs and high-tech restrictions fuelling tensions. According to reports, Xi told Trump he is “welcome to visit China again” and urged the US to cancel “negative measures” imposed against Beijing. Xi stressed that dialogue and cooperation are the “only right choice” for both nations and called for enhanced exchanges across diplomacy, trade, military, and law enforcement. On Taiwan, Xi urged Washington to “handle the issue carefully,” underlining its strategic sensitivity. Xi said both sides should “strive for a win-win outcome,” amid concerns about economic decoupling and global supply chain disruptions.

(Business Today)

FPIs turn adventurous, focus on high yielding debt: In their quest for higher returns from India’s debt markets, foreign portfolio investors (FPIs) have become adventurous and are turning towards high yield, low rated corporate papers. They are stepping up focus on high yielding debt even as yield on investment from risk-free government securities (G-Secs) has turned less attractive in the backdrop of narrowing of spreads vis-a-vis US Treasuries (USTs). In this regard, debt market players cite the recent example of the Shapoorji Pallonji Group raising \$3.4 billion via issuance of three-year zero-coupon bonds yielding 19.75 per cent from foreign investors, including FPIs.

(Business Line)

Finance ministry meets Moody's execs, makes case for ratings upgrade: Finance ministry officials on Thursday met with analysts from Moody’s Ratings making its case for a ratings, upgrade on the back of macroeconomic stability, fiscal prudence and benign inflation, official sources said. The meeting comes almost a week after India announced its provisional GDP numbers showing a rebound in the growth numbers with the four-quarter high of 7.4 per cent in the January-March period of 2024-25 (FY25). While the discussions with the ratings agency come in the backdrop of



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recent India-Pakistan conflict and global trade tensions, Moody's Ratings had recently said that India is better positioned than many other emerging Economies.

(Business Standard)

BANKING & FINANCE



Flipkart gets RBI nod to lend directly, becomes first Indian e-com giant with NBFC licence: Walmart's Flipkart has successfully secured a lending licence from the Reserve Bank of India (RBI), allowing it to offer loans directly to customers and sellers on its platform. This marks the first instance of a major e-commerce platform in India being granted a non-bank finance company (NBFC) licence, a significant move in the financial services sector, news agency Reuters reported. The licence, awarded on March 13, permits Flipkart to provide loans without the capacity to accept deposits, thus paving the way for a more integrated financial solution directly through its platform. This development is expected to enhance Flipkart's ability to offer tailored financial products to its vast user base, potentially transforming the landscape of e-commerce in India. Currently, most e-commerce companies, including Flipkart, provide personal loans through partnerships with banks such as Axis Bank and IDFC Bank.

(Business Today)

Central Bank of India completes acquisition of stake in two Future Generali India Insurance companies: Central Bank of India (CBoI) on Thursday said it has completed acquisition of 24.91 per cent equity stake in Future Generali India Insurance Company Ltd (FGIICL) and 25.18 per cent equity stake in Future Generali India Life Insurance Company Ltd (FGILICL) This acquisition has been done under the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The cost of acquisition is up to ₹451 crore for the general insurance company (FGIICL) and up to ₹57 crore for the life insurance company (FGILICL), per the public sector bank's regulatory filing.

(Business Line)

ICICI Prudential Life disburses over Rs 900 cr as loan against traditional policies in FY25: ICICI Prudential Life Insurance on Thursday said it disbursed over Rs 900 crore as loans against traditional policies to over 42,700 customers during fiscal year 2024-25. In a release, the insurer said it has seen an increasing adoption of the loan against policy feature among its customers with a 60 per cent year-on-year rise in loan disbursement last fiscal year.

(Economic Times)



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Govt flags bank staff safety, services operations to chief secretaries: The Union finance ministry has requested the chief secretaries of all states and Union Territories in India to safeguard bank staff and maintain uninterrupted banking services for the public. The move comes after recent disturbing incidents of antisocial elements behaving aggressively with bank staff within the bank premises. "News reports and social media coverage in the recent past highlighted disturbing incidents of antisocial elements behaving aggressively with bank staff within bank premises, which include verbal abuse, physical assault, and even disruption of operations. These unlawful actions demoralise bank staff and undermine public trust in the safe delivery of banking services.

(Business Standard)

INDUSTRY OUTLOOK



Dassault Aviation partners with Tata to manufacture Rafale fuselage for India, other markets: Dassault Aviation and Tata Advanced Systems Limited have signed four Production Transfer Agreements to manufacture the Rafale fighter aircraft fuselage in India, "marking a significant step forward in strengthening the country's aerospace manufacturing capabilities and supporting global supply chains", the French planemaker said on June 5. "This facility represents a significant investment in India's aerospace infrastructure and will serve as a critical hub for high-precision manufacturing," said Dassault Aviation in a stock exchange filing. Under the scope of the partnership, Tata Advanced Systems will set up a cutting-edge production facility in Hyderabad for the manufacture of key structural sections of the Rafale, including the lateral shells of the rear fuselage, the complete rear section, the central fuselage, and the front section, added Dassault.

(Moneycontrol)

Govt to sue Amazon, Flipkart, others for selling uncertified products: Report: The Indian government is preparing to take legal action against major e-commerce platforms, including Amazon, Flipkart, Myntra, Meesho, and Bigbasket, for allegedly selling products that lack mandatory certification from the Bureau of Indian Standards (BIS), sources have revealed to NDTV. The crackdown follows a series of raids conducted by BIS in March 2025, during which officials inspected multiple warehouses operated by Flipkart and Amazon. According to sources, the raids uncovered more than 11,000 non-compliant items, all of which lacked the BIS mark.

(Financial Express)



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REGULATION & DEVELOPMENT

Govt targets at least 1,000 hydrogen trucks, buses on roads by 2030: The central government plans to put at least 1,000 hydrogen-powered trucks and buses on the road by 2030, an official said. After electric vehicles (EVs), hydrogen-powered cars have emerged as a viable alternative to conventional internal combustion engine vehicles to curb road transport emissions. “Almost 50 trucks and buses should be running on hydrogen within this year, and from next year, we’ll need to scale up. We expect more than 1,000 trucks or buses to be in commercial use across the country by 2030,” Abhay Bakre, mission director of the National Green Hydrogen Mission (NGHM), said.

(Business Standard)

'mySSC' app enabling mobile Aadhaar-based job applications: Government job aspirants can now apply for Staff Selection Commission (SSC) exams using a newly upgraded mobile app, SSC Chairman S. Gopalakrishnan announced on June 5. The revamped 'mySSC' app aims to make the application process easier, especially for candidates in rural areas. “All candidates applying for recruitment exams conducted by SSC can fill the entire application form through the (mobile) application itself,” he said. He added that candidates no longer need to visit computer centres or depend on cyber cafes to complete and submit their forms.

(Business Standard)



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FINANCIAL TERMINOLOGY

HIGH-LOW METHOD

- ❖ In cost accounting, the high-low method is a way of attempting to separate out fixed and variable costs given a limited amount of data. The high-low method involves taking the highest level of activity and the lowest level of activity and comparing the total costs at each level.
- ❖ If the variable cost is a fixed charge per unit and fixed costs remain the same, it is possible to determine the fixed and variable costs by solving the system of equations. It is worth being cautious when using the high-low method, however, as it can yield more or less accurate results depending on the distribution of values between the highest and lowest dollar amounts or quantities.



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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 : 85.7730

INR / 1 GBP : 116.2653

INR / 1 EUR : 97.8916

INR /100 JPY: 59.9300

EQUITY MARKET

Sensex: 81442.04 (+443.79)

NIFTY: 24750.90 (+130.70)

Bnk NIFTY: 55760.85 (+84.00)

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- ❖ BFSI Chronicle (quarterly issue of BFSIB)
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Banking, Financial Services & Insurance Board

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