



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

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ECONOMY

Tariffs threaten global growth, but India a 'bright spot' for world economy: World Bank's Auguste Kouame: The tariffs and trade related likely shocks will lead to a slower growth in 'Global South', which would subsequently dampen global growth, said Auguste Kouame, country director for India at World Bank on Thursday. Kouame added that the role of Global South in driving global growth has increased significantly in recent years. "India remains a bright spot in the world economy...having strong domestic fundamentals, which will drive investments in the country going forward" said Kouame, at the India Policy Forum 2025, organised by NCAER. The WB executive mentioned that the global economy stands on four pillars – US, China, European Union and Global South, and India plays a major role in the GS. By 2027, the World Bank expects global GDP growth to average 2.5 percent in the 2020s, which would be the slowest rate in any decade since the 1960s. It also predicts that by 2027, the per capita GDP of high-income economies will be approximately where it was in pre-pandemic forecasts, but corresponding levels for developing economies would be 6 percent lower.

(Moneycontrol)

India refuses to sign joint-declaration at SCO Defence Ministers' meeting: Defence Minister Rajnath Singh on Thursday refused to sign a joint-declaration that was to be issued after Shanghai Cooperation Organisation (SCO) Defence Ministers' Meeting got over at Qingdao, China, on Thursday. It is rare not to have a unanimous statement on the outcome of the Defence Ministers' meeting. India wanted reference of the Pahalgam terror attack in the joint-declaration, which was scuttled by Pakistan with the tacit support of China, prompting the Indian Defence Minister to abstain from signing the joint-declaration, said sources.

(Business Line)

After rare earths, China halts specialty fertiliser exports to India: In a development that could disrupt India's agricultural supply chain, China has halted shipments of specialty fertilisers to India for the last two months, top executives of several large importers told Economic Times. These fertilisers, used to increase the yields of fruits, vegetables and other remunerative crops, are still



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exported by China to other countries. “China has been restricting suppliers of specialty fertilisers to India for the last four to five years. However, this time it is a complete halt,” said Rajib Chakraborty, President, Soluble Fertilizer Industry Association (SFIA). Shipments from factories are subject to inspections by the Chinese government. According to the report by the publication that cited people with knowledge of the matter, China has not been inspecting shipments meant for India, using various procedures to block exports without imposing an express ban.

(Financial Express)

BANKING & FINANCE



IDBI Bank disinvestment nears final approval stage, say government sources: The strategic disinvestment of IDBI Bank has entered its final approval phase, with the Share Purchase Agreement (SPA) receiving clearance from the Inter-Ministerial Group (IMG), senior government sources told Business Today TV. “The IMG held two meetings and has recently approved the Share Purchase Agreement. It will now be taken up by the Core Group of Secretaries on Disinvestment. Following that, financial bids are expected to be invited, likely in the first week of September,” a senior official confirmed. A Share Purchase Agreement is a legally binding document that outlines the terms and conditions under which shares of a company will be transferred from the seller to the buyer. In disinvestment deals like this, the SPA plays a crucial role in protecting the interests of both parties and defining key clauses such as pricing, representations, and liabilities. Once the SPA clears the final level of approval, the financial bidding process will formally begin. A reserve price for the sale will be determined, though it will remain confidential and undisclosed to the bidders.

(Business Today)

Finance Ministry may introduce revised bank deposit insurance cover by next year:

The Finance Ministry is currently reviewing the possibility of increasing the insurance cover on bank deposits beyond the existing ceiling of ₹5 lakh, which was introduced less than five years ago. This move is still under consideration, and sources indicate that a revised deposit insurance scheme may only be rolled out by the end of the current calendar year. The Deposit Insurance and Credit Guarantee Corporation (DICGC) is responsible for managing deposit insurance. It collects premiums from banks—currently set at 0.12% per Rs 100 of deposits—to provide this protection. The current insurance cap of Rs 5 lakh came into effect on April 1, 2020. It was a significant increase from the previous limit of Rs 1 lakh, which had remained unchanged for 27 years.

(Business Today)



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India's first maritime NBFC launched: India has launched Sagarmala Finance Corporation Limited (SMFCL), its first maritime sector Non-Banking Financial Company. Registered with the RBI, SMFCL aims to address financing gaps by offering tailored financial solutions to ports, startups, and maritime institutions. With substantial Tier 1 capital, it will support strategic sectors like shipbuilding and cruise tourism.

(Economic Times)

All banks need to swiftly pass on 50-bps rate cut to customers: RBI Bulletin: The Reserve Bank of India has urged all banks to reduce their lending rates to support faster and more efficient transmission of recent policy rate cuts to borrowers, according to an article in its June 2025 Bulletin. The RBI had earlier this month cut the key repo rate by a sharp 50 basis points. The article, titled State of the Economy, stated that financial conditions remained favourable for an effective transmission of rate cuts into the credit market.

(Economic Times)

IBPS allowed to use Aadhaar to verify candidates in bank exams: The Union Finance Ministry on Thursday authorised the Institute of Banking Personnel Selection (IBPS) to use Aadhaar-based authentication for verifying the identity of candidates appearing for exams and recruitment drives. “This initiative aims to promote good governance and strengthen the integrity of the recruitment process in the banking, financial services and insurance (BFSI) sector by preventing impersonation and other malpractices during examination. It will ensure not only a fair and transparent recruitment process but also protect genuine candidates from being disadvantaged due to fraudulent activities. It will also simplify and expedite identity verification, reduce administrative burden and enhance public trust.

(Business Standard)

INDUSTRY OUTLOOK



Govt mulls Rs 13,000-cr package for auto parts makers to boost local manufacturing: India is considering a Rs 13,000-crore incentive package for the auto parts industry as the Central government seeks to cut dependence on imports and boost domestic production. This new scheme will be separate from the existing production-linked incentive (PLI) scheme and will focus on the entire value supply chain, sources aware of the development said. A detailed presentation has been submitted to the Prime Minister's Office where officials from the ministry of heavy industries, and NITI Aayog were present, the sources cited above said. The proposal of this new scheme is currently being finalized by the ministry of heavy industries.

(Moneycontrol)



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Reliance Industries mcap again reaches ₹20 lakh crore-mark as stock jumps: Shares of Reliance Industries climbed nearly 2 per cent on Thursday, with its market valuation again breaching the coveted ₹20 lakh crore mark. The bellwether stock went up by 1.90 per cent to settle at ₹1,495.20 on the BSE. During the day, it climbed 2.14 per cent to ₹1,498.70. At the NSE, it rallied 1.90 per cent to ₹1,495.30. Tracking a rally in the stock, the company's market valuation surged by ₹37,837.9 crore to ₹20,23,375.31 crore.

(Business Line)

Panasonic India to discontinue washing machines, refrigerator categories: Panasonic Life Solutions India said it plans to discontinue washing machines and refrigerators categories in line with global restructuring and evolving market dynamics. Sources said that the company plans to liquidate stocks in these two categories by the end of the fiscal year. The company will continue to have presence in other consumer categories, including residential and commercial air-conditioners, LED TVs, microwaves and electrical products besides a large B2B business in the country.

(Business Line)



REGULATION & DEVELOPMENT

SEBI tightens MF norms for passive breaches: Capital market regulator SEBI has tightened the prudential norms set for mutual funds in terms of portfolio construction and clarified that MFs have to follow the same timelines to fix all types of passive breaches in portfolios, even if the breaches happen due to reasons beyond the control of fund managers. SEBI has provided timelines for rebalancing portfolios of MF schemes in the event of deviation from the mandated asset allocation mentioned in the Scheme Information Document due to passive breaches (occurrence of instances not arising out of omission and commission of AMC's). Subsequently, it prescribed various limits inter alia, including issuer limits, group limits and sector limits. While active breaches of those limits are treated as clear violations of concerned SEBI regulations and suitable actions are taken, passive breaches of these limits do occur due to various reasons such as corporate action, substantial rise/ fall in the price of an underlying scrip, maturity of any underlying security, large redemptions, etc., which may not be out of omission and commission of AMC's, said SEBI.

(Business Line)

Irdai flags issues at 8 insurers over health master circular norms: As part of routine supervision, the Insurance Regulatory and Development Authority of India (Irdai) initiated inspections at some health insurance firms, and flagged concerns with some companies on implementation of certain regulatory norms in the new health insurance master circular, people



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aware of the development said. According to a CNBC TV18 report, eight general insurance companies – New India Assurance, ICICI Lombard General Insurance, HDFC ERGO General Insurance, Tata AIG General Insurance, Star Health and Allied Insurance, Niva Bupa Health Insurance, Care Health Insurance, and ManipalCigna Health Insurance – were under the scanner for violations around claims settlement.

(Business Standard)

CBI busts 850,000 mule accounts in 700 bank branches across five states: The Central Bureau of Investigation (CBI) on Thursday said it had carried out searches at 42 locations across five states, discovering 850,000 mule accounts in more than 700 branches of various banks across India. A mule account, as it is popularly known, is a bank account used by scammers to move the proceeds of financial crimes. The searches, conducted under Operation Chakra-V, took place in Rajasthan, Delhi, Haryana, Uttarakhand and Uttar Pradesh. According to the investigative agency, the operation targeted the extensive use of mule bank accounts by organised cybercriminals to route and withdraw proceeds from fraudulent activities.

(Business Standard)



FINANCIAL TERMINOLOGY

DEPRECIATION RECAPTURE

- ❖ Depreciation recapture is when the Internal Revenue Service (IRS) collects taxes after you sell business assets at a value higher than the book value used to cut your taxable income.
- ❖ Depreciation recapture is a tax clawback: if you previously reduced your taxes through depreciation, you'll need to pay taxes on the difference between the depreciation value and the actual amount you receive when you sell the asset.
- ❖ For most business equipment and machinery, you'll pay your regular income tax rate on any gains up to the amount of total depreciation you claimed since purchasing the asset; any gain in excess of the amount of total depreciation is taxed at lower capital gains rates.



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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 : 85.7528

INR / 1 GBP : 117.5076

INR / 1 EUR : 100.1353

INR /100 JPY: 59.3300

EQUITY MARKET

Sensex: 83755.87 (+1000.36)

NIFTY: 25549.00 (+304.25)

Bnk NIFTY: 57206.70 (+585.55)

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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