

DAILY NEWS DIGEST BY BFSI BOARD

05 May 2025



ECONOMY

Government Prohibits Import of All Goods Originating in or exported from Pakistan to India: The Directorate General of Foreign Trade (DGFT), Ministry of Commerce and Industry, has issued a notification prohibiting import of all goods originating in or exported from Pakistan to India. This will prohibit import of goods from Pakistan directly or through any other trade route. The directive, issued via Notification No. 06/2025-26 dated 2nd May 2025, has come into effect immediately. A new paragraph, Para 2.20A, has been inserted in the FTP 2023 “Direct or indirect import or transit of all goods originating in or exported from Pakistan, whether or not freely importable or otherwise permitted, shall be prohibited with immediate effect, until further orders. This restriction is imposed in the interest of national security and public policy.”

(PiB)

India-US trade pact: Relaxed rules of origin may help Indian exporters gain China’s share: Eyeing gains from the tariff war between US and China, Indian exporters of certain products, such as garments, machinery and engineering goods, have made a case for relaxed rules of origin (ROO) in the proposed India-US bilateral trade agreement (BTA). They want rules that will allow them to add value with ease to items part-manufactured in Beijing and then export to the American market, sources have said. The Commerce Department, however, has asked the Indian industry to be cautious for now and abide by existing non-preferential rules of origin in the US. This includes either fulfilling wholly obtained criteria (where the entire product is manufactured in the source country) or meeting the ‘substantial transformation’ test.

(Business Line)

FPIs infuse ₹4,223 cr in April, turn net buyers for first time in 3 months: Foreign investors have injected ₹4,223 crore in the country's equity market in April as they turned net buyers for the first time in three months amid a blend of favourable global cues and robust domestic fundamentals. The inflow of foreign capital came last month following a back-to-back net outflow of ₹3,973 crore in

March, ₹34,574 crore in February and ₹ 78,027 crore in January. Going ahead, FPI inflows could remain stable, but will be constrained by the modest earnings growth of around 5 per cent in FY25, V K Vijayakumar, Chief Investment Strategist, Geojit Investments, said.

(Business Standard)

BANKING & FINANCE



SBI Q4 results: Net profit falls 10% to Rs 18,643 crore, declares dividend of Rs 15.90 per share: The country's largest lender, State Bank of India Ltd. (SBI), on May 3, announced a 10 % fall in standalone net profit at Rs 18,643 crore during the fourth quarter. SBI had earned a profit of Rs 20,698 crore in the January-March period of 2023-24. The bank's board has declared a dividend of Rs 15.90 per equity share for FY25. The total income increased to Rs 1,43,876 crore in the March quarter from Rs 1,28,412 crore in the same period a year ago. During the quarter, the bank earned an interest income of Rs 1,19,666 crore as against Rs 1,11,043 crore a year ago. The lender saw an improvement in asset quality, with gross non-performing assets (NPAs) declining to 1.82% of the total advances in the fourth quarter from 2.24 % as at March-end 2024. Similarly, net NPAs eased to 0.47 per cent as against 0.57 per cent.

(Moneycontrol)

RBI imposes penalties on ICICI Bank, Bank of Baroda, 2 other lenders: The Reserve Bank on Friday said it has imposed penalties on four banks, including ICICI Bank and Bank of Baroda, for deficiencies in regulatory compliances. Penalty of Rs 97.80 lakh has been imposed on ICICI Bank for non-compliance with certain directions issued by the Reserve Bank of India (RBI) on 'Cyber Security Framework in Banks', 'Know Your Customer (KYC)', and 'Credit Card and Debit Card -- Issuance and Conduct'. In another statement, the RBI said it has imposed a penalty of Rs 61.40 lakh on Bank of Baroda for non-compliance with certain directions on 'Financial Services provided by Banks' and 'Customer Service in Banks'. The central bank has imposed a penalty of Rs 31.8 lakh on IDBI Bank Ltd for non-compliance with certain directions on 'Interest Subvention Scheme for Short Term Loans for Agriculture and Allied Activities availed through Kisan Credit Card (KCC)'.

(Economic Times)

Will ensure RoA over 1 pc in FY26 despite margin pressure due to easing rate cycle: SBI Chairman: The State Bank of India (SBI) will ensure return on assets (RoA) of over 1 per cent during the current financial year despite the challenge of declining rate cycle, the bank's Chairman C S Setty said. RoA is a profitability ratio that shows how much profit a company would generate from its

assets. There would be further repo rate cuts during the year that would put pressure on net interest margin, he said, adding that there would be realignment of rates on the deposit side because without that effective monetary transmission will not happen.

(Economic Times)

Co-lending 2.0 gains ground, but earlier avatar continues to cast a shadow: Almost seven years after it was rolled out, the Reserve Bank of India (RBI) has hit the reset button on co-lending. The new draft framework goes beyond banks and non-banking financial companies (NBFCs) to cover all regulated entities (REs), and segments outside priority-sector loans. The reality is that co-lending did not take off because banks and NBFCs had to dance around issues after blowouts in shadow banking, and iron out the finer aspects of the model. And even now, there's no data from Mint Road on the outstanding loans under this arrangement.

(Business Standard)

INDUSTRY OUTLOOK



SC verdict on Bhushan Steel resolution delivers a big blow to JSW Steel, lenders: The Supreme Court judgment cancelling the Sajjan Jindal-led JSW Steel's acquisition of Bhushan Power & Steel (BPSL) deal is a big blow not only for the company but also a setback for the resolution of stressed assets under the Insolvency and Bankruptcy Code and the banks involved are faced with the prospect of having to make provisions for the amount that was recovered as part of the bankruptcy process. The apex court, while scrapping the deal on Friday, ordered the banks involved to return ₹19,700 crore while JSW Steel will hand over BPSL to the banks for liquidation.

(Business Line)

India unveils 'world's first' genome-edited rice: India unveils the world's first genome-edited rice varieties—Kamala and Pusa DST Rice 1—promising 25–30% higher yields without foreign DNA. These non-GMO crops, exempt from GEAC approval, aim to boost production, cut emissions, and transform Indian agriculture. Agriculture minister Shivraj Singh Chouhan on Sunday unveiled two indigenously developed genome-edited rice varieties which can potentially boost grain yield by 25–30%. The varieties Kamala and Pusa DST Rice 1, developed by Indian Institute of Rice Research, Hyderabad and Indian Agricultural Research Institute, Delhi respectively.

(Financial Express)

Corporate affairs ministry to remove 3,300 firms from official records: The corporate affairs ministry is set to strike off the names of more than 3,300 companies from the official records after receiving applications for removal of their names. Registrar of Companies (RoC) from various states and Union Territories issued public notices regarding striking off the names of these companies in April in accordance with the provisions of the Companies Act, as per the latest data available with the ministry. More than 3,300 companies across states and Union Territories are set to be struck off from the official records, the data showed. Out of the total, there are over 700 such companies in Maharashtra, nearly 500 in Delhi, more than 350 in Karnataka, over 200 each in Gujarat, Uttar Pradesh and West Bengal, among other places.

(Business Standard)



REGULATION & DEVELOPMENT

REGULATORY & DEVELOPMENTAL NEWS

I-T Dept cracks down on RUPPs, recovers ₹1,400 crore from donors: The Income Tax Department has recovered ₹1,400 crore from 63,000 donors who evaded large amounts of tax by making donations to registered unrecognised political parties (RUPPs) over the past two years, from 2022 to 2024. RUPPs are political parties that fail to secure the required percentage of votes in Assembly or Lok Sabha elections to qualify as either state or national parties. Both RUPPs and donors to political parties enjoy tax exemptions — RUPPs on receiving donations and donors on giving them.

(Business Line)

Government cuts short K V Subramanian's term at IMF: Government has cut short the tenure of its nominee Executive Director at International Monetary Fund (IMF), K V Subramanian, with immediate effect. The former Chief Economic Advisor, Subramanian joined the multilateral agency in November, 2022. "The Appointment Committee of the Cabinet (ACC) has approved termination of Dr Krishnamurthy Subramanian as Executive Director (India) at the International Monetary Fund with immediate effect," an order issued by ACC, dated April 30 said. The order has not given any reason for his removal. ACC is headed by the Prime Minister.

(Business Line)



MSME COMPETITIVE (LEAN) SCHEME

- ❖ MSME Competitive (Lean) Scheme is an extensive drive and continuous effort on the part of Ministry of Micro, Small and Medium Enterprises for enhancing the competitiveness of MSME Sectors through implementation of Lean Tools and Techniques. Lean Tools and Techniques are a tested and proven methodology for improving the competitiveness of MSME sector.
- ❖ The financial support, incentives, benefits & other provisions contained in the scheme herein will be valid till March 31, 2026.
- ❖ Every MSME that embarks on the journey of Lean (Basic, Intermediate, Advanced) will have to take a “Lean Pledge” before undertaking the journey of implementation of lean tools and techniques.
- ❖ All MSMEs registered with the UDYAM registration portal (of the MoMSME) will be eligible to participate in MSME Competitive (Lean) Scheme and avail related benefits/incentives.



ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)

www.icmai.in

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

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 : 83.8568
INR / 1 GBP : 111.6134
INR / 1 EUR : 94.9483
INR /100 JPY: 57.7400

EQUITY MARKET

Sensex: 80501.99 (+259.75)
NIFTY: 24346.70 (+12.50)
Bnk NIFTY: 55115.35 (+28.20)

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 2nd Edition)**

**To purchase please visit
BFSIB portal of ICMAI**

TEAM BFSIB

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

Disclaimer: Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICMAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICMAI. For Restricted Circulation only. A Compilation of News in this regard from Secondary Sources.