

DAILY NEWS DIGEST BY BFSI BOARD

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ECONOMY

Israel supports IMEC corridor project, I2U2 partnership': Israel supports connectivity projects such as India-Middle East-Europe Economic Corridor (IMEC) and I2U2 (India, Israel, US, UAE partnership) that promote regional linkages, said Israel's Foreign Minister Gideon Sa'ar. Indian businesses, too, are keen to explore opportunities, especially in sectors such as rail, road and port infrastructure, renewable energy and health in Israel, said External Affairs Minister S Jaishankar in his opening remarks during his meeting with Sa'ar in New Delhi.

(Business Line)

India's top 1% grew its wealth by 62% since 2000: G20 report: India's richest 1 per cent expanded its wealth by 62 per cent between 2000 to 2023, according to a report commissioned by the South African Presidency of the G20. India's richest 1 per cent expanded its wealth by 62 per cent between 2000 to 2023, according to a report commissioned by the South African Presidency of the G20. The study, led by Nobel laureate Joseph Stiglitz, warns that global inequality has reached "emergency" levels, threatening democracy, economic stability, and climate progress.

(Business Line)

Centre to notify Labour Code rules before winter session of Parliament: The Union government has finally decided, after a long delay, to notify the rules under the four Labour Codes before the winter session of Parliament starts on November 25, a government official has said. Labour reforms are one of the government's most challenging tasks, more so than tax reforms, such as the GST rationalisation that happened in September and changes to income tax rates announced in February this

year. To modernise India's labour laws to benefit workers and reduce the arbitrary use of state power against companies, the Centre had combined 29 laws into four Codes, issued in 2019 and

(Business Standard)

BANKING & FINANCE



Privatisation of banks unlikely to hurt financial inclusion drive, national interest:

FM Nirmala Sitharaman: Finance Minister Nirmala Sitharaman on Tuesday allayed apprehension that privatisation of state-owned banks would hurt financial inclusion and national interest. She said the bank nationalisation done in 1969 has not yielded the desired result as far as financial inclusion was concerned. She said that nationalisation did help in pushing priority sector lending and government programmes but government control made public sector banks unprofessional. Despite 50 years of nationalisation, the objectives that were not entirely achieved, she said, adding, "after... we professionalized the banks, those objectives are still being beautifully achieved.

(Moneycontrol)

SBI Q2 net profit rises 10% to ₹20,160 crore, boosted by YES Bank stake sale:

State Bank of India (SBI), on Tuesday reported a 10 per cent year-on-year (y-o-y) rise in net profit for the quarter ended September at ₹20,160 crore. This was led by an one-time gain of ₹4,593 crore following SBI's stake sale in YES Bank. In September, SBI divested its 13.18 per cent stake in Yes Bank to Sumitomo Mitsui Banking Corp (SMBC) for ₹8,889 crore. SBI's net interest income or core income was up 3 per cent y-o-y at ₹42,984 crore, while other income was up 30 per cent to ₹19,919 crore, boosted by the one-time gain of YES Bank stake sale. Net interest margin was also up 2.97 per cent in Q2. The bank's asset quality improved, with gross non-performing assets (NPAs) declining to 1.73% of gross advances as on September 30, from 2.13%

a year ago. Similarly, net NPAs or bad loans also declined to 0.42% of the advances, from 0.53% in the year-ago period.

(Business Line)

State Bank of India embarks on drive to ease KYC process: State Bank of India has embarked on a drive to cut the Know Your Customer (KYC) process to a single one across its branches, a top official said on Tuesday. The bank is targeting to complete the process by end of March 2026, chairman C S Setty said, adding that once its gets a unified KYC, it will start a department within the bank to offer "KYC as a service" to various other functions. The Financial Stability Development Council (FSDC) has also taken note of the challenges, and efforts have also been mounted to have a single KYC process for accessing all the financial services governed by all the regulators.

(Economic Times)

SBI open to collaborate with foreign banks on acquisition finance: Chairman CS Setty: SBI Chairman CS Setty stated the bank is ready to partner with foreign banks for acquisition finance. This follows the Reserve Bank of India's announcement to permit local banks to fund domestic acquisitions. SBI will leverage its in-house expertise and existing corporate finance vertical for these deals. The bank also plans a revamped Yono app launch by December.

(Economic Times)

INDUSTRY OUTLOOK



Mehli Mistry resigns from Tata Trusts, urges Trustees to uphold Ratan Tata's vision: In a significant development, Ratan Tata's close associate and businessman Mehli Mistry has written a letter to Tata Trusts Chairman Noel Tata, informing him of his decision to step down as a trustee. According to sources, Mistry conveyed that his commitment to Ratan N. Tata's vision includes a duty to ensure that the Tata Trusts are not drawn into disputes that could damage their legacy. "My commitment to Ratan

N Tata's vision includes a responsibility to ensure that the Tata Trusts are not plunged into controversy and that precipitating matters would cause irreparable harm to the reputation of the Tata Trusts,” Mistry wrote in his letter.

(Moneycontrol)

Govt launches 3rd round of PLI scheme for speciality steel to attract investment:

Steel Minister HD Kumaraswamy on Tuesday launched the third round of Production Linked Incentive (PLI) Scheme for speciality steel to attract investment in the sector, as part of the government's aim to boost domestic output and reduce imports. The minister launched the third round of the PLI scheme named 'PLI 1.2' for speciality steel. The PLI scheme for speciality steel was approved by the Union Cabinet in July 2021 with an overall outlay of ₹6,322 crore. It aims to transform India into a global hub for the production of high-value and advanced steel grades.

(Business Line)

Sensex tanks 519 points, Nifty slips below 25,600 as FII outflows, weak global cues drag markets: Markets closed sharply lower on Tuesday, with the Sensex falling 519.34 points or 0.62 per cent to 83,459.15 and the Nifty 50 declining 165.70 points or 0.64 per cent to 25,597.65, as persistent foreign institutional investor outflows and weak global cues triggered broad-based selling across key sectors. The Nifty slipped below the crucial 25,600 support level, marking losses in three of the last four trading sessions.

(Business Line)



REGULATION & DEVELOPMENT

Govt brings Ammonium Sulphate under subsidy, pitches it as urea alternative:

The government is planning to market “Ammonium sulphate” as a better alternative to urea, after bringing it under the fertiliser subsidy scheme from this Rabi season. Accordingly, the same subsidy of ₹43.02/kg for nitrogen and ₹2.87/kg for sulphur will also apply to ammonium sulphate. “It has been decided to include Ammonium sulphate

(both domestic as well as imported) under the nutrient based subsidy (NBS) scheme for Rabi 2025-26 (October 2025-March 2026),” the fertiliser ministry said in a notification.

(Business Line)

ICAI proposes optional joint taxation for married couples: With the preparation for the Union Budget 2026-27 under way, the Institute of Chartered Accountants of India (ICAI) has given a set of suggestions to the government that includes decriminalisation of certain prosecution provisions, removal of dual penalty for the same default, and introduction of year-wise e-ledger system for crediting TDS/TCS and advance tax payments. It also recommended mandatory return filing by individuals owning more than specified acres of agricultural land. Further, ICAI has asked for the introduction of optional joint taxation for married couples besides prescribing a time limit for the acceptance or rejection of application for advance ruling.

(Financial Express)

Centre clarifies pension norms: The central government has issued a clarification on how pensions and family pensions will be calculated for employees under the Central Civil Services (Pension) Rules, 2021. The Department of Pension and Pensioners' Welfare (DoPPW) released an office memorandum to remove ambiguity about which day is considered an employee's "last working day" for pension purposes. According to Rule 5 of the CCS (Pension) Rules, 2021, any claim for pension or family pension will be governed by the provisions in force on the date of retirement, discharge, resignation, or death of the employee, whichever occurs first.

(Business Standard)



TWIN BALANCE SHEET PROBLEM

- The twin balance sheet problem is an economic issue where both corporations and banks are under stress: corporations are overleveraged with high debt, and banks are burdened with a high number of non-performing assets (NPAs) (bad loans).
- This creates a negative feedback loop where corporate stress leads to more bad loans, further weakening banks, while weak banks have less capacity to lend, which hurts corporations.
- During an economic boom, banks lend aggressively to corporations for expansion. However, Subsequent issues like a global financial crisis, rising interest rates, or delays in project approvals can cause corporate revenues to fall. Companies are then unable to service their debts, leading to an increase in NPAs on the banks' balance sheets. This stress on bank balance sheets makes them less profitable, potentially lowering their capital adequacy ratios, and they become hesitant to lend new money.



RBI KEY RATES

Repo Rate: 5.50%
SDF: 5.25%
MSF & Bank Rate: 5.75%
CRR: 3.25%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 88.6372
INR / 1 GBP : 116.3168
INR / 1 EUR : 102.1384
INR /100 JPY: 57.7200

EQUITY MARKET

Sensex: 83459.15 (-519.34)
NIFTY: 25597.65 (-165.70)
Bnk NIFTY: 57827.05 (-274.40)

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

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