

DAILY NEWS DIGEST BY BFSI BOARD

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ECONOMY

India-UK finalise landmark FTA slashing tariffs, boosting £4.8 bn to UK economy by 2040: India and the UK on Tuesday confirmed the completion of a "landmark" multi-billion-pound trade deal, which locks in reductions on 90 per cent of tariff lines and is expected to add 4.8 billion pounds annually to the British economy by 2040. Prime Ministers Narendra Modi and Keir Starmer are said to have had a "very warm" phone call to agree the Free Trade Agreement (FTA), which will now go through the process of legal text formalisation to be approved by the British Parliament before it comes into force. For the UK, the biggest wins being highlighted are Scotch whisky tariffs set to be halved from 150 to 75 per cent and automotive tariffs set to fall from 100 to 10 per cent under a quota. According to the UK Department for Business and Trade (DBT), besides whisky and gin, tariff reductions have also been achieved on products such as medical devices, advanced machinery and lamb. The FTA is expected to increase bilateral trade, which stands at 41 billion pounds a year, by an additional 25.5 billion pounds, with UK wages up by 2.2 billion pounds each year in the long run.

(Business Line)

India's services PMI rises to 58.7 in April on export boost: With a rise in export orders, the Purchasing Managers' Index (PMI) for services rose to 58.7 in April, up from 58.5 in March, S&P Global reported on Tuesday. The services sector holds the largest share in the Indian economy, contributing over 54 per cent. "India services activity grew at a faster pace than last month. After taking a breather in March, new export orders gained momentum, accelerating at its fastest pace since July 2024," Pranjul Bhandari, Chief India Economist at HSBC, said.

(Business Line)

BANKING & FINANCE



SBI making employees 'future' ready with new initiatives: State Bank of India (SBI) has launched the largest staff engagement programme in the banking sector to make the employees future-ready and instil a sense of pride for being part of its rich legacy to excel in work. Under the initiative, christened as the 'Next LEAP', SBI Chairman and top management executives engaged with staff across the bank to interact and gather feedback on skill adequacy, training effectiveness and suggestions to further enhance productivity and operational efficiency. The information given to the analysts shows that a mass training programme engaged 1.75 lakh employees in a programme, 'SuPer SBI: Great to Greater', inspiring pride in the bank's legacy and empowering them with knowledge, skills and the right attitude to ensure sustained performance and future readiness.

(Business Line)

Banks led by SBI to sell their stake in YES Bank to Sumitomo Mitsui Banking Corporation; report: Investor-Banks led by State Bank of India (SBI) seem to have finally zeroed in on an investor to sell their investment in YES Bank (YBL). Japanese financial conglomerate Sumitomo Mitsui Banking Corporation (SMBC) has emerged as the successful bidder to buy the banks' 33.71 per cent shareholding in India's sixth largest private sector bank, according to a report by the Mint newspaper. Acquisition of this chunk of shareholding will trigger an open offer. An acquirer has to make open offer under two conditions -- acquisition of 25 per cent or more shares or voting rights; or acquisition of more than 5 per cent shares or voting rights in a financial year.

(Business Line)

Bank of Baroda Q4 Results Highlights: Bank of Baroda, the state-run lender, announced its Q4 results, where it posted a slight improvement of 3% in standalone PAT on a year-on-year (YoY) basis to ₹5,048 crore. However, the net interest income declined 7% to ₹11,020 crore during the quarter under review. Total provisions rose 19% YoY to ₹1,552 crore during the March 2025 quarter. The figure stood at ₹1,302 crore in the same period last year.

(Mint)

Union Bank of India admits lapses in book purchase, says probe underway: State-run Union Bank of India on Tuesday acknowledged lapses in the procurement of the book India@100, authored by former chief economic advisor Krishnamurthy Subramanian, and said it was examining the matter. In a stock exchange notification, the bank said the incident does not have any material impact on the bank's operations or financials at this stage. Last week, the central government

terminated Subramanian's services as executive director of the International Monetary Fund (IMF), six months ahead of the end of his three-year tenure. The IMF said the termination of Subramanian's services was a decision taken by the Indian government.

(Business Standard)

INDUSTRY OUTLOOK



NSE issues standards for safer participation of retail investors in algo trading: The National Stock Exchange (NSE) has issued implementation standards for safer participation of retail investors in algorithmic trading. In a circular issued on Monday, the exchange elaborated on norms for algos provided by stockbrokers, algo providers and those generated by clients. "Stockbrokers may provide their clients with API access to their trading systems. To gain access, clients must mandatorily provide the stockbroker with a static IP address (es) which will be mapped to the API keys from which they will connect to the brokers' trading platform via API," the circular said.

(Business Line)

Tata Motors shareholders approve plan to split into two listed companies: Tata Motors said on Tuesday its shareholders have approved the company's plan to split the automaker into two listed companies, separating its passenger and commercial vehicle arms. Tata Motors had said last March that it would divide its commercial vehicle arm from its passenger business, which houses its cash cow luxury Jaguar Land Rover (JLR) brand, to unlock better growth prospects. The proposal, which would give the shareholders equal stakes in both the listed entities, was approved with 99.9995% of votes, it said in an exchange filing.

(Business Standard)

Sebi comes out with 'investor charter' for KYC registration agencies: Markets regulator Sebi on Tuesday said it has developed an 'investor charter' for KRAs detailing the services provided to investors along with their rights and grievance redressal mechanism. Additionally, the investor charter would provide details about activities of KRAs as well as dos and don'ts for investors. This charter is aimed at facilitating investor awareness about various activities where an investor/client has to deal with KYC (Know Your Client) Registration Agencies (KRAs) for availing investor service requests. In its circular, Sebi asked registered KRAs to bring the investor charter to the notice of existing and new investors by putting it on their websites and displaying it at prominent places in offices.

(Business Standard)



REGULATION & DEVELOPMENT

India ranks 130th on Human Development Index, says UNDP 2025 report: India ranked 130th on the Human Development Index, out of 193 countries and territories, according to the 2025 Human Development Report (HDR) released on Tuesday by the United Nations Development Programme (UNDP). The latest UNDP report noted that India improved its HDI value from 0.676 in 2022 to 0.685 in 2023, with the country remaining in the medium human development category, although moving closer to the threshold for high human development ($HDI \geq 0.700$). It also noted that India's HDI value has increased by over 53 per cent since 1990, growing faster than both the global and South Asian averages.

(Business Standard)

Extended call money trading hours to address liquidity mismatch: RBI paper: The Reserve Bank of India's (RBI's) proposal to extend the trading hours of the call-money market to 7 pm from 5 pm is aimed at having enough liquidity to serve the operational needs of real-time payments systems of banks, according to market participants. The call-money market is a short-term market where financial institutions borrow from one another. There have been instances when banks borrowed heavily from the RBI's liquidity adjustment facility (LAF) and had to park excess funds with the standing deposit facility (SDF) at a lower rate due to a liquidity mismatch.

(Business Standard)

Sebi proposes easier delisting rules for low-float PSUs with 90% govt stake: The Securities and Exchange Board of India (Sebi) on Tuesday proposed a separate carve-out for voluntary delisting of public sector undertakings (PSUs) where the government holding exceeds 90 per cent. Such PSUs may be allowed to delist without complying with the minimum public shareholding (MPS) norms, which mandate 25 per cent public holding in a listed entity. The requirement for two-thirds shareholder approval for delisting may also be removed. In the consultation paper floated on Tuesday, the market regulator said that eligible PSUs may be delisted through a fixed price delisting process, irrespective of whether their shares are frequently traded. However, the fixed delisting price will have to be at least a 15 per cent premium over the floor price.

(Business Standard)



FINANCIAL TERMINOLOGY

Alternative Minimum Tax (AMT)

- ❖ An alternative minimum tax (AMT) places a floor on the percentage of taxes that a filer must pay to the government, no matter how many deductions or credits the filer may claim.
- ❖ The AMT recalculates income tax after adding certain tax preference items back into adjusted gross income. It uses a separate set of rules to calculate taxable income after allowed deductions. Preferential deductions are added back into the taxpayer's income to calculate their alternative minimum taxable income (AMTI), and then the AMT exemption is subtracted to determine the final taxable figure.
- ❖ A taxpayer who has a high income and uses large tax breaks may owe a smaller percentage under the standard rules. If so, the taxpayer is obliged to recalculate the taxes owed under the alternative minimum tax system, which eliminates some of those tax breaks.



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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 : 84.5436
INR / 1 GBP : 112.3596
INR / 1 EUR : 95.6926
INR /100 JPY: 58.7700

EQUITY MARKET

Sensex: 80641.07 (-155.77)
NIFTY: 24379.60 (-81.55)
Bnk NIFTY: 54271.40 (-648.10)

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