

## **DAILY NEWS DIGEST BY BFSI BOARD**

**09 May 2025**



### **ECONOMY**

#### **India thwarts Pakistan's unprovoked overnight offensive, hits Lahore and Islamabad:**

Loud explosions were once again heard in Jammu, triggering emergency sirens throughout the region. In response, a complete blackout was enforced across the city as a precautionary step. Security forces have intensified vigilance, and the situation is being closely monitored by the authorities. India's premier surface-to-air missile systems — the S-400 Triumf, Barak 8 MRSAM (Medium Range Surface to Air Missile), and the indigenous Akash — played a crucial role as the Indian Air Force (IAF) activated its Integrated Counter-Unmanned Aerial Systems (UAS) Grid along with other air defence mechanisms to repel Pakistani attacks targeting 15 military bases and multiple cities on Thursday.

***(Moneycontrol)***

**Indian team to visit Washington to advance trade agreement with US:** A team of officials from India will travel to Washington this month to continue discussions on the proposed bilateral trade agreement (BTA) between India and the United States (US). "A team of officials is again going this month for the talks," a senior government official said. During the previous round of meetings held in Washington from 23–25 April, both sides discussed a pathway for "early mutual wins" or an early tranche of the proposed BTA. The meetings involved "fruitful discussions" on a wide range of issues, covering both tariff and non-tariff matters.

***(Business Standard)***

**Smartphones, electric vehicles off limits in India-UK free trade agreement:** India has not granted market access to the UK in smartphones; small-sized, low-cost electric vehicles (EVs); hybrids; or futuristic cars in the just-concluded free trade agreement (FTA), giving the industry adequate 'protection', a senior government official said on Thursday. India exported smartphones worth \$1.5 billion to the UK in the 2024 calendar year. Other sensitive industrial products for which India will not reduce import duty under the pact include precious metals and optical fibres.

***(Business Standard)***

## BANKING & FINANCE



**Secretary, DFS chairs a review meeting to monitor the progress of Public Sector Banks in clearing pending cases for NCLT:** Shri M. Nagaraju, Secretary, Department of Financial Services (DFS), chaired a review meeting today to monitor the progress of Public Sector Banks in clearing pending cases for admission at National Company Law Tribunal (NCLT). The review entailed a follow up on important issues for improving the effectiveness of insolvency resolution process. The meeting was attended by senior officials of Department of Financial Services, the Ministry of Corporate Affairs, the Insolvency and Bankruptcy Board of India, and the top management of Public Sector Banks. A detailed review on cases pending for admission at NCLT was undertaken. The Banks were advised to expedite the resolution process by minimising delays in filing CIRP applications, avoiding asking for unnecessary adjournments and simultaneously keeping other channels of recovery open. The Advocates of the Banks should oppose any attempts to delay proceedings on frivolous grounds by the opposing parties.

**(PiB)**

**SMBC set to snap up 20% in Yes; bank boards meet today:** State Bank of India and Yes Bank boards are convening Friday to finalize the sale of stakes to Sumitomo Mitsui Banking Corp. SMBC will acquire a 20% stake initially, potentially increasing to a majority, with SBI retaining a 10% share. The deal, subject to regulatory approval, could be India's largest bank M&A, with SMBC possibly gaining two board seats.

**(Economic Times)**

**Banks, REs to furnish details of digital lending apps on RBI's CIMS portal:** The RBI mandates that banks and regulated entities must submit details of their Digital Lending Apps (DLAs) through the Centralised Information Management System (CIMS) portal. This initiative aims to consolidate regulatory instructions and streamline digital lending processes. The CIMS portal will be accessible by May 13, 2025, with an initial data upload deadline of June 15, 2025.

**(Economic Times)**

**Canara Bank Q4 results: Net profit jumps 33% to ₹5,003 crore; declares dividend of ₹4 for FY25:** Canara Bank on Thursday, May 8, reported a 33.15 per cent year-on-year (YoY) rise in its standalone net profit to ₹5,002.66 crore for the March quarter of the last financial year (Q4FY25). The bank's net profit was ₹3,757.23 crore in Q4FY24. During the quarter, the bank's total interest

income was ₹31,002.04 crore, up 7.62 per cent YoY against ₹28,807.35 crore. There was a notable decline in gross non-performing assets (NPA) and net NPA on a year-over-year basis. While gross NPA declined to 2.94 per cent from 4.23 per cent YoY, net NPA decreased to 0.70 per cent from 1.27 per cent YoY.

**(Financial Express)**

**Govt clears revised credit guarantee scheme for startups, max cover ₹20 cr:** The government on Thursday approved a revised Credit Guarantee Scheme for Startups (CGSS), under which the maximum guarantee cover per borrower has been doubled to Rs 20 crore. The broad objective of CGSS is to provide guarantee up to a specified limit against credit instruments extended by member institutions to finance eligible startups. This scheme would help provide the much needed collateral-free debt funding to startups, the department for promotion of industry and internal trade (DPIIT) said in a notification. This notification supersedes the earlier notification dated October 6, 2022 on the scheme and comes into effect from May 8.

**(Business Standard)**

## INDUSTRY OUTLOOK



**Hit by backlash, Reliance opts out of opportunistic race to trademark Operation Sindoor:** Operation Sindoor – with its symbolic resonance of love and bravery – has stirred emotions and hearts in India. Which is why when companies, including Reliance Industries, tried to cash in on the evocative code name of India’s retaliatory strike by trying to trademark it, it met with huge social media backlash. So much so that a red-faced Reliance quickly withdrew its trademark request. The company said the application was “filed inadvertently”, admitting that it was a mistake. Apart from Reliance, there are five other trademark requests still pending on the site. The Reliance statement said: “Jio Studios has withdrawn its trademark application, which was filed inadvertently by a junior person without authorisation.” In India, military operation names are not automatically protected as intellectual property. However, the Trade Marks Act, 1999 empowers the registry to reject trademarks for being misleading, offensive or contrary to public policy.

**(Business Line)**

**Indian FMCG industry grows 11% in March quarter, rural volume up 8.4%: NIQ report:** Indian FMCG industry has garnered 11 per cent value growth in value in March quarter year-on-year (y-o-y) backed by 5.1 per cent rise in volume and a 5.6 per cent increase in prices, as per latest data released by NielsenIQ. The growth was largely driven by rural markets and smaller packs. At the same

time, e-commerce channel's sailence continued to strengthen especially in the top eight metros. However, both rural and urban volume growth in March quarter was lower than December quarter. In March quarter, rural volume growth was pegged at 8.4 per cent y-o-y. Though lower compared to December quarter (9.2 per cent), it was nearly four times faster than urban volume growth (2.6 per cent). In fact, urban demand in March quarter witnessed a further deceleration compared to December quarter (4.2 per cent).

### ***(Business Line)***

**Parag Parikh Flexicap Fund first to reach Rs 1-trillion AUM in India:** Parag Parikh Flexicap Fund on Wednesday beca-me the first actively-managed mutual fund (MF) scheme in India to achieve the ₹1-trillion assets under management (AUM) milestone, said Neil Parikh, chairman and CEO of PPFAS MF. The sche-me, launched in 2013, took around 12 years to achieve this landmark. The scheme has been managed by Rajeev Thakkar since inception in 2013. At present, the scheme also has four other fund managers. The scheme is popular among investors for its consistent performance and a differentiated approach to investing.

### ***(Business Standard)***



## **REGULATION & DEVELOPMENT**

**NSE seeks government intervention in IPO stand-off with SEBI:** The National Stock Exchange (NSE), is asking the finance ministry to intervene in a years-long standoff with the Securities and Exchange Board of India (SEBI), over its planned IPO, three sources with direct knowledge of the matter said. NSE, the world's largest derivatives exchange, has been trying to go public since 2016 but has failed to secure regulatory approval due to pending legal cases and governance shortfalls. Its main domestic rival BSE Ltd is listed. Its decision to ask the government to intervene marks an escalation in the rare standoff between India's largest exchange and its markets regulator. An IPO, if cleared, would help large investors in the exchange including Life Insurance Corporation of India, State Bank of India, Morgan Stanley and Canada Pension Investment Plan Board find an exit after years.

### ***(Business Line)***

**RBI removes short-term investment limits for FPIs in corporate debt:** The Reserve Bank of India (RBI) on Thursday scrapped "short-term investment limit" and "concentration limit" for investments by foreign portfolio investors (FPIs) in corporate debt securities, to provide greater ease





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of investment to FPIs. “On a review, and with a view to providing greater ease of investment to FPIs, it has been decided to withdraw the requirement for investments by FPIs in corporate debt securities to comply with the short-term investment limit and the concentration limit,” the central bank said in a notification. Currently, investments by any FPI, including investments by related FPIs, cannot exceed 50 per cent of any issue of a corporate debt security.

***(Business Standard)***

**Govt sets foodgrain production target for 2025-26 at 354.64 mn tonnes:** India is targeting 354.64 million tonnes of foodgrain production in the 2025-26 crop year starting July on the forecast of better monsoon rains, a senior government official said on Thursday. In the current 2024-25 crop year (July-June), the government had set a target of 341.55 million tonnes of foodgrain production. Foodgrains include paddy, wheat, coarse cereals and pulses. Already, the country's foodgrain production has reached 330.92 million tonnes in the Kharif and rabi seasons of the current 2024-25 crop year. The production estimates for summer (zaid) sowing are yet to be released. The foodgrain production in the summer season (zaid), sown between February and June which is between rabi harvest and kharif sowing season, stood at 16.5 million tonnes in 2023-24.

***(Business Standard)***



# FINANCIAL TERMINOLOGY

## DeFi (decentralized finance)

- ❖ Decentralized Finance (DeFi) is a new financial paradigm that leverages distributed ledger technologies to offer services such as lending, investing, or exchanging crypto assets without relying on a traditional centralized intermediary.
- ❖ The fact that DeFi components can be programmed may open up new possibilities for more competitive financial markets, and could bring efficiency gains. However, DeFi introduces enormous technological and economic complexity that makes it increasingly difficult to assess the risks and potential of DeFi financial products. But financial institutions and regulators dealing with DeFi need just such a systematic evaluation of these factors.
- ❖ DeFi's core premise is that there is no centralized authority to dictate or control operations. It's a different approach than the traditional models of finance for fiat currency or centralized finance (CeFi) within the cryptocurrency markets. With centralized models, there is a core foundational authority that can influence and control the flow of transactions. The central authority often is also responsible for custody of assets.
- ❖ In the DeFi model, all transactions for buying, selling, loans and payments with cryptocurrency can occur without a central authority in a peer-to-peer (P2P) approach.



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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 : 84.8642  
INR / 1 GBP : 112.7574  
INR / 1 EUR : 95.7568  
INR /100 JPY: 58.8000

### **EQUITY MARKET**

Sensex: 80334.81 (-411.97)  
NIFTY: 24273.80 (-140.60)  
Bnk NIFTY: 54365.65 (-245.25)

### **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 2<sup>nd</sup> Edition)**

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