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DAILY NEWS DIGEST BY BFSI BOARD

10 February 2025



ECONOMY

FII exodus continues amid weak Q3 earnings, trade tensions: Foreign Institutional Investors (FIIs) continued their exodus from Indian equities, offloading Rs 10,179 crore so far in February 2025, rattled by weak Q3 earnings and escalating global trade tensions as the US slaps tariffs on Canada, Mexico, and China. January had already seen a massive Rs 87,374 crore selloff. Markets remained under pressure for the third straight session on February 7, with the Sensex shedding 198 points, or 0.3 percent, to close at 77,860, while the Nifty slipped 43 points, or 0.2 percent, to 23,559. Both indices are currently down around 10 percent from their record highs of September 27, 2024.

(Moneycontrol)

Govt looking at procedural easing to further promote FDI: Official: The government is looking at further easing of procedures in certain sectors to attract more foreign direct investments (FDI) into the country, a government official said. The department for promotion of industry and internal trade (DPIIT) has held stakeholder consultations with different government departments, regulators, industry associations, advisory and law firms, pension funds, private equity and venture capitals. The department sought their views on ways to further attract foreign direct investments into the country. "We have completed the consultations. The department has received suggestions on different issues. Things have not yet been finalised...Looking at easing of norms at the procedural front," the official said.

(Economic Times)

New Zealand changes 'Golden Visa' to lure wealthy migrants: New Zealand is simplifying its so-called "golden visa" program, including removing an English language requirement, to attract wealthy immigrants and help spark an economic recovery. From April 1, the Active Investor Plus visa will be narrowed to just two categories, while the scope of acceptable investments will be expanded, Immigration Minister Erica Stanford said Sunday in Auckland. As well as dropping the language test,



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other potential barriers to investment such as the amount of time investors must stay in the country will also be adjusted, she said.

(Economic Times)

BANKING & FINANCE



RBI banning bank business last resort but in public interest says new governor: Barring regulated entities from doing business due to irregularities is in the interest of the public. This policy of the central bank will continue but will only be used as a measure of last resort, governor Sanjay Malhotra said. He said that there are about two banks where the RBI has current “cease and desist” measures. These measures are taken after great consideration and thought after giving opportunity to these entities. “These are measures of last resort. We will not like to use them too often. These are to be used in the rarest of the rare circumstances where and when all other measures have failed. They are again in the interest of the public and we will keep this policy going forward as well,” Malhotra said.

(Economic Times)

Increase in MSME financing right step to boost biogas industry, says IBA: Indian Biogas Association (IBA) on Sunday said the proposed increase in MSME financing in the General Budget 2025 is a right step to boost biogas industry. With a strong push for manufacturing, green energy, and digital transformation, this Budget sets the stage for Aatmanirbhar and Viksit Bharat, an IBA statement said. From the standpoint of the fledgling biogas/CBG (compressed biogas) industry, the announced increase to the MSME Credit Guarantee Scheme will significantly benefit the biogas industry, which often faces challenge in securing credit with reasonable terms, it noted. By expanding the credit guarantee cover from Rs 5-10 crore, the scheme ensures easier access to collateral-free loans, thus reducing financial barriers for the CBG developers, it pointed out.

(Business Standard)

NaBFID to raise Rs 30,000 cr during Q4 for funding infra projects: MD: NaBFID Managing Director and Chief Executive Officer Rajkiran Rai G has said it is planning to raise Rs 30,000 crore during the ongoing quarter for funding infrastructure projects in the country. "We were expected to touch Rs 1 lakh crore of (loan) sanction this year (FY25)... we are very close to that, and we will be crossing that target this year," he told PTI in an interview. On the disbursement side, he said, "We are expected to disburse about Rs 60,000 crore this financial year. That target seems a bit



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challenging because of documentation and other processing." In the infrastructure segment, there is always a gap between sanction and disbursement.

(Business Standard)

RBI will allow ample time for implementing changes regarding ECL, LCR: Guv: The Reserve Bank of India (RBI) Governor Sanjay Malhotra on Saturday said that the central bank is reviewing all suggestions related to the draft norms for project financing and plans to engage in a consultative process. Following this, the RBI will allow adequate time for implementing changes concerning expected credit loss (ECL), liquidity coverage ratio (LCR), and project financing. Malhotra made these comments during a press conference, where he also addressed topics like currency management, liquidity, and the recent repo rate cut aimed at stimulating consumption. He emphasised the RBI's focus on enhancing credit access and advancing the Unified Lending Interface (ULI) to reach the last mile. "We will provide ample time for the rollout of the LCR and will implement changes in phases wherever significant modifications to the guidelines are needed," he noted. The governor also touched on the necessary regulations surrounding cryptocurrency. While he did not disclose many specifics, he mentioned that a discussion paper on cryptocurrency is in the works, adding it was premature to share his views before the paper's release.

(Business Standard)

INDUSTRY OUTLOOK



Trading window norms extended to relatives of designated persons: SEBI has decided to extend the automated implementation of trading window closure to immediate relatives of designated persons during declaration of financial results. This is with the objective to ease compliance and to prevent inadvertent non-compliance of insider trading norms. In the first phase, the framework was made applicable to designated persons of listed companies. This has eliminated inadvertent trading during trading window closure. "Considering the effective implementation of the framework, it is proposed to extend the aforesaid framework to immediate relatives of designated persons," the regulator said.

(Business Line)

Bajaj Auto to ride into e-rickshaw segment by end of FY24: Bajaj Auto is gearing up to enter the domestic e-rickshaw segment by the end of this fiscal to tap a 'sizable opportunity' in a fast-growing but highly unorganised market, according to a top company official. The company expects to



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get regulatory clearances towards the end of the ongoing quarter for its e-rickshaw that will enable it to enter the segment which is about 45,000 units a month, Bajaj Auto Executive Director Rakesh Sharma told analysts. "By the end of this financial year, we also intend to launch a modern 'e-rick', which will set an absolutely new standard in the segment and bring a very high level of satisfaction to both owners and passengers. The e-rick segment is almost as large as the auto segment and the new e-Rick should generate new business, he said.

(Economic Times)



REGULATION & DEVELOPMENT

Tamil Nadu's new rules for real-money games: Blank hours, mandatory KYC norms, ban on minors, more: Tamil Nadu is introducing usage restrictions on real-money gaming platforms as part of the state's broader efforts to regulate the burgeoning sector, marking the latest setback for an industry already grappling with higher GST rates. As per the rules issued by The Tamil Nadu Online Gaming Authority, real-money gaming platforms have to impose 'blank hours' between midnight and 5 am, disabling login during these restricted five hours. The guidelines also prohibit minors from playing real-money games and mandate companies to offer players the ability to set daily, weekly and monthly monetary limits. Additionally, platforms should display pop-up caution messages when a player has been playing for more than one hour, and continue to display them every 30 minutes to remind them of their playtime. Real-money gaming apps should also continuously display caution messages about the addictive nature of these games, with the wordings "ONLINE GAMING IS ADDICTIVE IN NATURE" on their respective login pages.

(Moneycontrol)

SEBI to expand scope of Category II AIF investment: SEBI plans to expand the scope of Category II AIFs that invest 'primarily' (more than 50 per cent of investments) in unlisted securities to listed debt securities as well. The same may be enabled in a manner that such AIFs still assume the due credit risk in the ecosystem. Category II AIFs may be nudged to invest in listed debt securities having credit rating 'A' or below, in line with higher risk appetite of AIFs. "In order to cater to the possible shrinkage in investment opportunities in unlisted debt securities universe, the requirement for Category II AIFs to invest more than 50% of their invisible corpus in unlisted securities may also be met by investments in listed debt securities having credit rating 'A' or below," the regulator said.

(Business Line)



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India hosts first Bimstec youth summit in Gandhinagar on regional ties: India is hosting the first-ever BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) Youth Summit in Gandhinagar, Gujarat, from February 7 to 11, 2025, an official release by the Ministry of External Affairs (MEA) reported. The initiative follows an announcement at the 4th BIMSTEC Summit and is jointly organised by the Ministry of Youth Affairs & Sports and the Ministry of External Affairs, with the Confederation of Indian Industry's Young Indians (CII YI) as the knowledge partner. The Summit provides a platform for young leaders from BIMSTEC nations to engage in discussions on regional cooperation and emerging challenges.

(Business Today)



FINANCIAL TERMINOLOGY

SOVEREIGN WEALTH FUND (SWF)

- ❖ A sovereign wealth fund is a state-owned investment fund comprised of money generated by the government, often derived from a country's surplus reserves. SWFs provide a benefit for a country's economy and its citizens.
- ❖ The funding for a sovereign wealth fund can come from a variety of sources. Popular sources are surplus reserves from state-owned natural resource revenues, trade surpluses, bank reserves that may accumulate from budgeting excesses, foreign currency operations, money from privatizations, and governmental transfer payments.
- ❖ In general, sovereign wealth funds usually have a targeted purpose. Some countries have sovereign wealth funds that can be similar to venture capital for the private sector.



RBI KEY RATES

Repo Rate: 6.25%
SDF: 6.00%
MSF & Bank Rate: 6.50%
CRR: 4.00%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 87.4782
INR / 1 GBP : 108.6858
INR / 1 EUR : 90.9617
INR /100 JPY: 57.6800

EQUITY MARKET

Sensex: 77860.19 (-197.97)
NIFTY: 23559.95 (-43.40)
Bnk NIFTY: 50158.85 (-223.25)

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