

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

**10 May 2025**



### **ECONOMY**

**Rupee falls 1.5% Vs dollar, posting worst one-day decline in a month amid India-Pakistan tensions:** The Indian Rupee is under pressure as the war between India and Pakistan intensifies. India's strike on the terror camps in Pakistan on May 7 led to a 1.5% decline in the Indian Rupee (INR) against the US Dollar (USD). On May 8, INR dropped by Rs 1.30 in a single day, opening at 84.76 and closing at 86.06. This is INR's worst single-day decline in a month due to concerns over an escalating geopolitical conflict between India and Pakistan. Historically, the Indian Rupee (INR) has weakened against the US dollar each year. Over the last year, further weakness was seen and the INR-USD exchange rate peaked at 87.62 on February 2.

**(Financial Express)**

**India's stand in the IMF:** The International Monetary Fund (IMF) today reviewed the Extended Fund Facility (EFF) lending program (\$1 billion) and also considered a fresh Resilience and Sustainability Facility (RSF) lending program (\$1.3 billion) for Pakistan. As an active and responsible member country, India raised concerns over the efficacy of IMF programs in case of Pakistan given its poor track record, and also on the possibility of misuse of debt financing funds for state sponsored cross border terrorism. Pakistan has been a prolonged borrower from the IMF, with a very poor track record of implementation and of adherence to the IMF's program conditions. In the 35 years since 1989, Pakistan has had disbursements from the IMF in 28 years. In the last 5 years since 2019, there have been 4 IMF programs. Had the previous programs succeeded in putting in place a sound macro-economic policy environment, Pakistan would not have approached the Fund for yet another bail-out program. India pointed out that such a track record calls into question either the effectiveness of the IMF program designs in case of Pakistan or their monitoring or their implementation by Pakistan. Pakistan military's deeply entrenched interference in economic affairs poses significant risks of policy slippages and reversal of reforms.

**(PiB)**

**Retail inflation to slid further to 3% in Apr; easing room for RBI rate cut:** Consumer price index (CPI)-based retail inflation is likely to have cooled further in April, remaining below the 4 per cent target of the Reserve Bank of India (RBI) for the third consecutive month. The decline in inflation is expected on account of easing prices across various goods categories, especially food items. This potentially opens another window for the RBI's monetary policy committee (MPC) to consider further repo rate cuts in its upcoming bi-monthly review meeting in June. In March, retail inflation stood at 3.34 per cent — the lowest since August 2019.

*(Business Standard)*

## BANKING & FINANCE



**Sitharaman asks banks to ensure round-the-clock firewalling, prioritise cash in ATMs in review meet on cybersecurity:** Amid escalating security concerns along India's borders, Union Finance Minister Nirmala Sitharaman on Friday directed all public and private sector banks to remain on high alert and ensure uninterrupted banking services — both physical and digital — across the country, especially in vulnerable border regions. Chairing a high-level meeting with Managing Directors and CEOs of public and private sector banks and insurance companies on May 9 in New Delhi, Sitharaman emphasised the urgent need to strengthen cybersecurity infrastructure and institutional preparedness. "Our financial system remains robust and resilient. The government is firmly committed to national security and economic stability," Sitharaman said during the review meet. "Emergency protocols must be updated and tested to handle any arising contingencies," the Finance Minister said, adding that "priority must be given to seamless cash availability at ATMs, uninterrupted UPI and internet banking services, and continued access to essential banking facilities."

*(Moneycontrol)*

**Japan's SMBC to buy 20% stake in Yes Bank for Rs 13,483 crore from SBI, other banks:** Japan's Sumitomo Mitsui Banking Corp (SMBC) has entered into a definitive agreement on May 9, 2025 to acquire 20% stake in Yes Bank through a secondary stake purchase of 13.19% from SBI and 6.81% aggregate stake from other banks for Rs 13,483 crore at Rs 21.5 per share. State Bank of India will sell the 13.19% stake for Rs 8,889 crore while the other banks together will sell the 6.81% stake for Rs 4,594 crore. The other banks include Axis Bank, Bandhan Bank, Federal Bank, HDFC Bank, ICICI Bank, IDFC First Bank and Kotak Mahindra Bank.

*(Moneycontrol)*

**RBI moves to clean up digital lending, mandates transparency in loan offers:** Digital loan service providers (LSPs) which partner with banks and other lenders for loans, shall be unbiased and not directly or indirectly promote or push a product of a particular lender, including the use of dark, deceptive patterns designed to mislead borrowers into choosing a particular loan offer, according to the Reserve Bank of India's new digital lending guidelines (RBI). However, ranking of loan offers based on a publicly pre-disclosed metric shall not be construed as promoting a particular product, the regulator said. "LSP shall provide a digital view of all the loan offers matching the borrower's request on the DLA (digital lending app) which meets the requirement of the borrower. The name of the unmatched lenders shall also be disclosed in the digital view," the regulator said.

**(Business Line)**

**RBI imposes penalties on SBI, Jana Small Finance Bank:** The RBI on Friday said it has imposed penalties on State Bank of India and Jana Small Finance Bank for certain deficiencies in compliance of norms. RBI said a penalty of Rs 1,72,80,000 has been imposed on SBI for non-compliance with certain directions on "Loans and Advances-Statutory and Other Restrictions", "Customer Protection - Limiting Liability of Customers in Unauthorised Electronic Banking Transactions", and "Opening of Current Accounts by Banks - Need for Discipline". In another statement, the central bank said a penalty of Rs 1 crore has been imposed on Jana Small Finance Bank Ltd for contravention of certain provision of of the Banking Regulation Act, 1949.

**(Economic Times)**

**Public sector banks post record ₹1.78 tn profit in FY25, growth up 26%:** Public sector banks' cumulative profit rose to a record level of Rs 1.78 lakh crore in the fiscal year ended March 2025, registering a growth of 26 per cent over the previous year. All 12 public sector banks had earned a total profit of Rs 1.41 lakh crore in FY24. The year-on-year increase in profit in absolute terms rose by about Rs 37,100 crore in FY25. Out of the total profit of Rs 1,78,364 crore earned during the FY25, market leader SBI alone contributed over 40 per cent of the total earnings, as per the published numbers on stock exchanges. SBI logged a net profit of Rs 70,901 crore in FY25, 16 per cent higher than the previous fiscal (Rs 61,077 crore). In percentage terms, Delhi-based Punjab National Bank reported the highest net profit growth of 102 per cent to Rs 16,630 crore, followed by Punjab & Sind Bank with a 71 per cent rise to Rs 1,016 crore.

**(Business Standard)**

## INDUSTRY OUTLOOK



### **India's defence drone industry surges to forefront amid Operation Sindoor response:**

India's swift and precise response under Operation Sindoor, following the brutal terrorist attack in Pahalgam, has thrust the country's fast-growing defence drone manufacturing ecosystem — a dynamic network of homegrown innovation and strategic global collaborations now playing a critical role in counterterror operations— into the spotlight. Leading this transformation are companies such as Tata Advanced Systems Limited, Adani Elbit, Adani Defence, Solar Industries, ZMotion Autonomous Systems, , Raphe mPhibr, and IdeaForge — all of which are actively supporting Indian defence forces with cutting-edge unmanned aerial platforms.

***(Moneycontrol)***

### **Bhutan partners with Binance to launch first tourism crypto payments; All you need to**

**know:** Bhutan has collaborated with Binance Pay and DK Bank to introduce the first-ever national cryptocurrency tourism payment system globally. This initiative allows travelers with Binance accounts to utilize digital assets for nearly all aspects of their journey in Bhutan, including airline tickets, visa fees, hotel accommodations, entry to monuments, tour guides, and even purchasing fresh fruit from roadside vendors.

***(Financial Express)***

**Parag Parikh Flexicap Fund first to reach Rs 1-trillion AUM in India:** Parag Parikh Flexicap Fund on Wednesday became 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 scheme, 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

**Three Jan Suraksha Schemes - Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Atal Pension Yojana (APY) complete 10 years of providing social security cover:** The three Jansuraksha schemes have completed 10 years of providing social security cover today. The three schemes- PMJJBY, PMSBY and APY were launched by Prime Minister Shri Narendra Modi on 9th May 2015. All three schemes were envisioned to extend affordable financial protection to all, particularly the underserved and vulnerable sections of society. These flagship schemes aim to broaden the insurance and pension landscape by shielding citizens against life's uncertainties and fostering long-term financial resilience. Citing data on the 10th anniversaries of the Jan Suraksha Schemes, Smt. Sitharaman said that over 23.6 crore, 51 crore and 7.6 crore enrolments have been done under PMJJBY, PMSBY & APY respectively till April 2025. On PMJJBY scheme, the Finance Minister said that the scheme has settled claims worth ₹18,398 crore for over 9 lakh families. Under PMSBY scheme, the scheme has settled claims worth ₹3,121 crore for over 1.57 lakh families.

**(PiB)**

**India gets upgraded to 'BBB' with a 'Stable' trend in rating by Morningstar DBRS, a global sovereign credit rating agency:** The global sovereign credit rating agency, Morningstar DBRS, upgraded. India's Long-Term Foreign and Local Currency – Issuer Ratings from BBB (low) to BBB with a Stable trend. India's Short-Term Foreign and Local Currency Issuer Ratings were also upgraded to R-2 (high) from R-2 (middle) with a Stable trend. Key drivers for the upgrade include India's structural reforms through infrastructure investments, digitalisation etc., all of which facilitated fiscal consolidation (declining debt and deficit) and sustained high growth (clocking an average GDP growth of 8.2% during FY22-25) with macroeconomic stability (stabilised inflation, range bound exchange rate and sound external balance). A resilient banking system featuring well-capitalised banks with a high capital adequacy ratio and a 13-year low non-performing loans was another significant driver for the upgrade.

**(PiB)**

**Sebi proposes new disclosure norms for governance by HVDLEs in India:** Markets regulator Sebi on Friday proposed tweaking its format for disclosure of corporate governance framework by High Value Debt Listed Entities (HVDLE). An entity having outstanding value of listed non-convertible debt securities of Rs 1,000 crore are referred to as 'High Value Debt Listed Entities'.



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THE INSTITUTE OF  
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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

[www.icmai.in](http://www.icmai.in)

Under the proposal, an HVDLE should submit a secretarial compliance report in such form as specified by Sebi, to stock exchanges, within 60 days from end of each financial year, the regulator said in its consultation paper. Further, the HVDLE should submit a periodic compliance report on corporate governance to the recognized stock exchanges within 21 days from the end of the period along with details of all material transactions with related details of all material transactions with related parties.

***(Business Standard)***



## FINANCIAL TERMINOLOGY

### ACCOUNT IN TRUST

- ❖ The term account in trust refers to a financial account opened by an individual and managed by a designated trustee for the benefit of a third party per agreed-upon terms. The trustee who manages the funds and assets in the account generally acts as a fiduciary, which means they have a legal responsibility to manage the account and assets in the best interests of the beneficiary.
- ❖ Accounts in trust are also called trust accounts. They are created for the benefit of an individual and managed by a trustee. Trusts often come with certain conditions for use. For example, a parent can open a bank account for their minor child and stipulate rules as to when the child can access the funds/assets in the account as well as any income they generate.



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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 : 84.6438  
INR / 1 GBP : 113.3998  
INR / 1 EUR : 96.2882  
INR /100 JPY: 58.9200

### **EQUITY MARKET**

Sensex: 79454.47 (-880.34)  
NIFTY: 24008.00 (-265.80)  
Bnk NIFTY: 53595.25 (-770.40)

### **Courses conducted by BFSI Board**

- ❖ **Certificate Course on Concurrent Audit of Banks**
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- ❖ **Certificate Course on Investment Management**
- ❖ **Certificate Course on General Insurance.**
- ❖ **Advance Certificate Course on FinTech**

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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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