

DAILY NEWS DIGEST BY BFSI BOARD

12 May 2025



ECONOMY

Indian economy likely to grow at 6.5% in FY26: CII: India's GDP is projected to grow at 6.5 per cent in the current fiscal and the country's economy is resilient enough to overcome the short-term impact of geopolitical issues, CII president Sanjiv Puri has said. In an interview with PTI, he asserted that the country must pursue bilateral trade pacts with key trading partners to protect national interests in the backdrop of increasing trade barriers. Highlighting that the private investment is picking up across various sectors like energy, transportation, metals, chemicals and hospitality, Puri said the current geopolitical uncertainties could lead to "some cautiousness" in investment.

(Business Line)

India-Pakistan tension: Impact on energy sector inevitable: Any geo-political tension has an impact on energy market and so is the case with the recent India-Pakistan tensions. Though not immediate, the impact is inevitable, as the developments raise serious concerns about the movement and supply of crude oil and gas given that both countries are dependent on imported energy. "While the tensions have wide-ranging and serious humanitarian implications for the region, it also brings to the forefront the importance of emergency preparedness in the energy sector, as a prolonged conflict would severely impact the ability of both countries to meet their energy needs," according to Rystad Energy's (Independent energy research company) market update report.

(Business Line)

BANKING & FINANCE



Legacy issues behind us, PNB charts new growth path to outdo competition: MD Ashok Chandra:

Leaving legacy issues behind, Punjab National Bank (PNB) has embarked on a new growth path with a distinct focus on operating profit to outdo competition in the current fiscal and subsequent years, its managing director Ashok Chandra has said. Reduction in NPAs, low-cost deposit mobilisation, increasing avenues for fee income enhancement and recovery from bad loans are other priority areas of the bank, which have been showing good improvement in various parameters, including net profit. For the financial year ended March 2025, PNB has emerged as the top bank in terms of profit growth among 12 public sector banks (PSBs) with a 102 per cent rise. The bank's net profit doubled to Rs 16,630 crore compared to Rs 8,245 crore in the previous fiscal.

(Economic Times)

Canara Bank deploys employees to garner deposits, mobilises Rs 16,000 cr in 10 weekst:

Faced with challenges on deposit growth, state-owned Canara Bank asked each of its 82,000-strong staff to go out to garner funds, and mobilised Rs 16,700 crore in ten weeks, a top official has said. Amid the system-wide challenges of deposit accretion, the bank's top management gave a call to every employee to garner deposits, and the drive began on January 26 this year. "We had given a call to each of the 82,000 staff members to canvas, contacting their relations and whatever there is in their circle. Each one should bring Rs 10 lakh as a deposit either in CASA (current and savings account) or retail term deposit," its managing director and chief executive K Satyanarayana Raju told PTI.

(Economic Times)

Canara Bank to grant Rs 50,000 crore corporate loans:

Canara Bank is set to disburse ₹50,000-55,000 crore in corporate loans, aiming for a 10% increase in its corporate lending portfolio. The bank targets 10-11% overall credit growth this fiscal year, focusing on manufacturing, infrastructure, real estate, and green energy sectors.

(Economic Times)

INDUSTRY OUTLOOK



US seeks greater India market access for its data centre companies: The United States is pushing for greater access for its data centre operators eyeing the Indian market and is expected to seek a more streamlined process for establishing both large-scale greenfield data centre parks and smaller greenfield or brownfield facilities, sources told Business Standard. As part of the ongoing discussions around the bilateral trade agreement (BTA), the US is likely to negotiate favourable terms for its companies--ranging from affordable land and uninterrupted electricity supply, tax breaks, and duty exemptions for some of the imported products, such as switches and switchgears, sources said.

(Business Standard)

Govt to hold pre-emption right over oil, gas in emergency: Draft rules: The government will hold pre-emption rights over all oil and natural gas produced in the country in any event of national emergency, according to draft rules being framed under a revamped oilfields legislation. A pre-emption right (or preemptive right) is the legal right of a party - often a government or existing shareholder - to purchase or claim a product, asset, or resource before it is offered to others. The inclusion of such rights over crude oil - extracted from underground or beneath the seabed and refined into fuels like petrol and diesel - as well as natural gas, which is used for power generation, fertilizer production, CNG for vehicles, and piped cooking gas, is intended to help the government prioritize national interests and ensure public welfare during emergencies.

(Business Standard)



REGULATION & DEVELOPMENT

Over 30,000 cases involving Rs 13.78 lakh crore resolved even before IBC intervention:

The Insolvency and Bankruptcy Code (IBC) has improved credit discipline, leading to the settlement of numerous cases before admission. Corporate insolvency resolution processes have resulted in substantial recoveries for creditors. Experts suggest refining the IBC further by focusing on timely liquidations and effective handling of fraudulent transactions, noting its positive impact on FDI inflows. The Insolvency and Bankruptcy Code has brought in improvement in credit discipline, with

more than 30,000 cases covering underlying defaults worth Rs 13.78 lakh crore being settled prior to admission for debt resolution till December last year, Insolvency & Bankruptcy Board of India executive director said Jithesh John said

(Economic Times)

Centre likely to distribute 3 months' ration in one go to clear stocks: With the Food Corporation of India (FCI) sitting on stockpiles of wheat and rice, the Centre may permit states to lift three months of their ration quota in one go and distribute it free among beneficiaries. Permitting states to distribute three months' ration in one go to public distribution system (PDS) beneficiaries is a routine exercise undertaken to clear warehouse stocks ahead of new arrivals.

(Business Standard)

Sebi set to roll out new risk metrics to curb F&O market speculation: Sebi is set to implement a new raft of measures first outlined in February. The goal is to rein in speculative activity in the derivatives market. Despite some pushback from the industry, the regulator will go ahead with key risk metrics while revising parts of the original proposal. Sebi will adopt a new method for calculating open interest (OI), known as the future equivalent or delta-based framework. It will also raise the gross position limit for index options to ₹10,000 crore, according to sources. The February consultation paper had suggested a much lower gross limit of ₹1,500 crore for index options, drawing objections from several market makers, including high-frequency traders, who argued it would stifle legitimate trading. Most of the proposals in Sebi's consultation paper have been cleared, but the plan to impose intraday limits has been shelved following industry feedback. The regulator's Secondary Market Advisory Committee has approved the revised measures, and a formal circular outlining the new rules is expected soon.

(Business Standard)



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FINANCIAL TERMINOLOGY

YEAR TO DATE (YTD)

- ❖ Year to date (YTD) refers to the period beginning on the first day of the current calendar year or fiscal year up to the current date. YTD information is useful for analyzing business trends over time or comparing performance data to competitors or peers in the same industry. The acronym is often seen in references to investment returns, earnings, and net pay.
- ❖ YTD analysis is useful for managers when reviewing interim financial statements in comparison to historical YTD financial statements.



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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 : 84.6438
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)

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