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DAILY NEWS DIGEST BY BFSI BOARD

12 March 2025



ECONOMY

India's retail inflation hits seven-month low of 3.61%, food inflation lowest since May 2023, industrial output quickens: India's retail inflation eased to a seven-month low in February, driven by a slower increase in food prices, according to provisional government data released on Wednesday, fuelling hopes of an interest rate cut. Retail inflation, based on the Consumer Price Index (CPI), was at 3.61% in February, down from 4.26% in January. Interestingly, food inflation eased to 3.75% in February, after reporting a 5.97% increase in January. Meanwhile, industrial output growth picked up in January, after slowing down in the previous month, due to a rise in manufacturing and mining activities. The Index of Industrial Production (IIP) rose at 5% in January, up from 3.2% in the previous month, according to the latest estimates released by MoSPI.

(Mint)

India is the best investment market, says Blackstone CEO: India is Blackstone Inc's best investment market in the world, said the company's Chief Executive Officer Stephen Schwarzman during an interaction with the media in Mumbai on Wednesday. "We have enormous confidence in the country and in our own people," he said, adding, "Blackstone did not have any rigid amount of asset allocation for India, but we're quite open to how much money we would put here." The world's largest alternate asset manager with over \$1 trillion in global assets, is looking to double its India exposure to \$100 billion over the next few years, as it steps up its investments in the country while also seeing appreciation in its investment portfolio.

(Business Line)

India's economic growth to exceed 6.5% in FY26, says Moody's Ratings: Moody's Ratings on Wednesday said India's economic growth will exceed 6.5 per cent in the next fiscal, up from 6.3 per



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cent this year, on higher government capex and consumption boost from tax cuts and interest rate reduction. Projecting a stable outlook for the banking sector, Moody's said although the operating environment of Indian banks will remain favourable in the next fiscal, their asset quality will deteriorate moderately after substantial improvements in recent years, with some stress in unsecured retail loans, microfinance loans and small business loans. Banks' profitability will remain adequate as declines in net interest margins (NIMs) are likely to be marginal amid modest rate cuts, it said.

(Business Standard)

BANKING & FINANCE



Mutual fund industry's AUM contracts 4% in February, the most in nearly three years:

Lower fund mobilisation, coupled with a decline in markets, led to the assets under management of the mutual fund industry contract the most in nearly three years, according to a Moneycontrol analysis of data released by the Association of Mutual Funds in India on March 12. Although the industry is sitting at nearly Rs 10 lakh crore in assets compared with the previous year, the net assets under management declined to 4 percent in February from the previous month, its steepest fall since June 2022. In terms of value, the decline at Rs 2.7 lakh crore is the highest since March 2020, when the industry witnessed a Rs 5 lakh crore decline in assets under management.

(Moneycontrol)

RBI may prefer a public sector banker to helm IndusInd Bank: RBI may prefer a public sector banker as a replacement for IndusInd Bank's current chief Sumant Kathpalia, according to industry sources. RBI recently gave its approval for Kathpalia's re-appointment as MD & CEO only for a year (from March 24, 2025 till March 23, 2026) despite the Bank's Board seeking a three year term. The private sector bank has been in the eye of a storm due to disclosure of an estimated impact of about ₹1,500 crore to its balance sheet due to discrepancies in the accounting of derivatives portfolio, a shorter tenure approved by the regulator to the CEO, and concerns around asset quality of the microfinance portfolio.

(Business Line)

BRISKPE gets RBI in-principle nod for cross-border payments: Global investment firm Prosus-backed BRISKPE on Wednesday said it has received the RBI's in-principle authorisation to operate as a payment aggregator for cross-border (PA-CB) transactions. The authorisation enables BRISKPE to operate as a dedicated PA-CB for both exports and imports under the Payment and



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Settlement Systems Act, 2007, BRISKPE CEO Sanjay Tripathy, said. As one of the first platforms to solely focus exclusively on cross-border payments, BRISKPE aligns with the RBI's updated regulatory framework introduced in October 2023, the company said. "With this approval, BRISKPE is equipped to provide seamless solutions for businesses struggling with inefficient international payment systems," it added.

(Economic Times)

Moody's maintains stable outlook for Indian banking sector amid expected asset quality deterioration: Ratings agency Moody's has kept its outlook on Indian banking sector to be stable, while expecting some deterioration in asset quality, particularly in unsecured retail loans, microfinance loans and small business loans segment. Moody's also expects a system wide growth slowdown to 11% to 13% in FY 26 from a peak of 17% growth seen between March 2022 to March 2024

(Economic Times)

INDUSTRY OUTLOOK



Lok Sabha passes Oilfields Amendment Bill 2024 to encourage investment in E&P projects: With an eye on boosting investment in oil and gas exploration in India, the Lok Sabha has passed the Oilfields (Regulation and Development) Amendment Bill, 2024, on March 12. The bill proposes to introduce 'petroleum lease' to separate oil and gas exploration projects from mining, in an effort to resolve complexities around land and environmental clearances, which has often resulted in project delays. The bill also expands the definition of mineral oils to include crude oil, natural gas, petroleum, condensate, coal bed methane, shale gas and oil, and other varieties, to separate mining operations from petroleum operations.

(Moneycontrol)

Swiggy fleet to be 100% electric by 2030: Food delivery major Swiggy, at an event in New Delhi on Tuesday, announced that it will transition to a 100% electric vehicle (EV) delivery fleet by 2030. The company currently partners with 540,000 delivery partners across India and already delivers some orders using EVs. At the Swiggy Sustainability Summit 2025, the company revealed a new partnership with Sulabh International, which will allow its delivery partners in key cities to use Sulabh Shauchalya free of charge upon showing their registration.

(Financial Express)



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Bharti Airtel transfers 69.94% stake in Airtel Payments bank to Airtel Ltd: Bharti Airtel has transferred its entire 69.94 per cent stake in Airtel Payments Bank to wholly-owned subsidiary Airtel Limited, a regulatory filing said on Tuesday. "The shareholding of 69.94 per cent, held by Bharti Airtel Limited in Airtel Payments Bank Limited, is being transferred to the Company's wholly-owned subsidiary (i.e. Airtel Limited), post receiving requisite regulatory and corporate approvals. The above is an internal reorganisation of shareholding in the Bank and has no impact on the ownership of the Bank," Bharti Airtel said in the filing. According to the filing, the requisite regulatory and corporate approvals with regard to the transaction have been received by the company.

(Business Standard)



REGULATION & DEVELOPMENT

PM's Scheme for Mentoring Young Authors (PM-YUVA 3.0) launched to promote reading, writing and book culture: The Ministry of Education, Department of Higher Education, launched PM-YUVA 3.0 -Prime Minister's Scheme for Mentoring Young Authors, an Author Mentorship programme to train young and budding authors (below 30 years of age) in order to promote reading, writing and book culture in the country, and project India and Indian writings globally on 11th March, 2025. In view of the significant impact of the first two editions of PM-YUVA Scheme with large scale participation from young and budding authors in 22 different Indian languages and English, PM-YUVA 3.0 is now being launched. ***(PiB)***

RBI probing banks' derivatives books amid IndusInd fallout, sources say: India's central bank is scrutinizing derivatives exposures of banks following IndusInd Bank's disclosure of accounting lapses. The Reserve Bank of India seeks details on overseas borrowings, deposits, and forex hedge positions to ensure no systemic issues. Potential external audits may occur if discrepancies arise, aiming to maintain financial stability. IndusInd's situation highlights early deal termination accounting flaws. On Monday, private lender IndusInd Bank flagged a 2.35% hit to its net worth due to an underestimation of hedging costs related to forex transactions.

(Economic Times)

RBI invites applications for self-regulatory body for account aggregators: RBI has invited applications for a self-regulatory organisation (SRO) to oversee the Account Aggregator (AA) ecosystem. Introduced in September 2016, the account aggregator framework enables secure financial data sharing between different entities. According to the RBI's announcement, interested applicants



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must submit their proposals via the PRAVAAH portal by June 15. “The AA ecosystem is distinct in its complexity, involving the exchange of data among a diverse array of regulated entities (REs) operating under varied regulatory environments. This complexity necessitates frequent coordination among these REs to address various operational issues such as dispute resolution, standardised agreements and common services,” the RBI said in a press release.

(Business Line)



FINANCIAL TERMINOLOGY

ADJUSTED NET BANK CREDIT (ANBC)

ANBC is computed for measuring Priority Sector Lending by Banks in India as per RBI guidelines. ANBC denotes the outstanding Bank Credit in India and computed as follows;

1. First of all Net Bank Credit (NBC) is calculated which is equal to Bank Credit in India minus Bills Rediscounted with RBI and other approved Financial Institutions.
2. The following are added to the Net Bank Credit, that are: i) Outstanding Deposits under RIDF and other eligible funds with NABARD, NHB, SIDBI and MUDRA Ltd in lieu of non-achievement of priority sector lending targets/sub-targets + outstanding PSLCs, ii) Other investments eligible to be treated as priority sector (e.g. investments in securitization notes), iii) Bonds/debentures in Non-SLR categories under HTM category.
3. The following items are deducted to Net Bank Credit, that are; i) Eligible amount for exemptions on issuance of long-term bonds for infrastructure and affordable housing, ii) Advances extended in India against the incremental FCNR (B)/NRE deposits, qualifying for exemption from CRR/SLR requirements, iii) Investments made by public sector banks in the Recapitalization Bonds floated by Government of India and iv) Face Value of securities acquired and kept under HTM category under the TLTRO 2.0 and also Extended Regulatory Benefits under SLF-MF Scheme.



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 : 87.2605
INR / 1 GBP : 112.8127
INR / 1 EUR : 95.1355
INR /100 JPY: 58.9200

EQUITY MARKET

Sensex: 74029.76 (-72.56)
NIFTY: 22470.50 (-27.40)
Bnk NIFTY: 48056.65 (+202.70)

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