

DAILY NEWS DIGEST BY BFSI BOARD

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ECONOMY

‘35 by 35’: World Bank’s solutions for tackling air pollution crisis: With toxic air pollution in the National Capital Region, a new World Bank report has highlighted a portfolio of interventions that could help tackle the crisis across the Indo-Gangetic Plains and Himalayan Foothills. The report, titled A Breath of Change: Solutions for Cleaner Air in the Indo-Gangetic Plains and Himalayan Foothills, sets out a road map for reducing annual average PM2.5 concentrations below 35 $\mu\text{g}/\text{m}^3$ by 2035 or ‘35 by 35’ across the region while laying the foundation for progressively cleaner air. International experience shows that rapid and sustained improvements can be achieved when governments commit to ambitious targets and back them with action,” it said, pointing out that China cut PM2.5 concentrations in the Jing-Jin-Ji region (comprising Beijing, Tianjin, and Hebei) by more than 30% in just five years through significant multi-sectoral actions.

(Business Today)

EU to expand carbon levy on high-emission imports, tighten loopholes: The European Union will expand its carbon border levy - a fee charged on imports of high-emission goods - to cover car parts and washing machines, under European Commission proposals published on Wednesday. The plans would also tighten loopholes that the Commission worries could allow foreign firms to dodge the fee, which is currently in a pilot phase and will start imposing costs from January. The EU's Carbon Border Adjustment Mechanism - the world's first carbon border tariff - will impose fees on the CO2 emissions of imported goods including steel, aluminium, cement and fertilisers. The policy, known as CBAM, is designed to shield European industries against cheaper imports from countries with weaker climate rules. But it has

irritated trading partners including China, India and South Africa, which say it unfairly penalises their economies.

(Business Standard)

BANKING & FINANCE



'Only 30% SIPs are crossing 3 years': Fund Manager urges FM Sitharaman to reconsider LTCG tax: Complete Circle Chief Investment Officer (CIO) Gurmeet Chadha on Wednesday urged Finance Minister Nirmala Sitharaman to revisit the long-term capital gains (LTCG) tax on equities, warning that patient risk capital is struggling to stay invested. "Patient long-term risk Capital must be rewarded. Only 30% SIPs are crossing 3 years," the CIO said.

(Business Today)

RBI governor signals rates to stay low for 'long period': RBI governor Sanjay Malhotra expects the country's interest rates to remain low for a "long period", he told the Financial Times in an interview published on Wednesday. The Reserve Bank of India's (RBI) projections suggested rates "should remain low for a long period of time", Malhotra told the newspaper. Malhotra said the RBI's economic forecast had not taken into account the potential effect of trade agreements currently under negotiation, which if sealed would raise India's economic growth.

(Business Line)

Kotak Bank plans 5x stress-test capacity by March 2026: Kotak Mahindra Bank plans to raise its core banking system's stress-tested capacity to 4-5 times by March 2026. Currently operating at 3 times the capacity, the move aims to further strengthen resilience and scalability for future growth. Scale certification is a validation process that demonstrates a bank's ability to handle operations, systems, and workloads at significantly higher levels of demand than usual. "Our core banking system has not been down for a year, not a single outage," says Bhavnish Lathia, Chief Technology Officer at Kotak Mahindra Bank. He added that this success reflects the bank's journey

through the pre- and post-embargo phases imposed by RBI, where the regulatory pause became an opportunity to double down on technology transformation.

(Financial Express)

RBI imposes curbs at Gauhati Co-operative Urban Bank on supervisory concerns: The Reserve Bank of India has imposed strict restrictions on Gauhati Co-operative Urban Bank. New loans are prohibited, and depositors can only withdraw up to 35,000 rupees for six months. These measures are in response to liquidity problems and supervisory concerns. The bank's operations are significantly curtailed to protect depositors' interests. The RBI will continue to monitor the situation closely.

(Economic Times)

Centre reappoints Ashwini Kumar Tewari as SBI MD for two years: State Bank of India's Managing Director Ashwini Kumar Tewari will continue in his role. The Centre has approved an extension of his tenure. He will now serve until December 31, 2027. This follows his current term ending in January 2026. Tewari previously led SBI Card. His reappointment is effective from when he assumes charge.

(Economic Times)

Finance Ministry asks three RRBs to give IPO blueprint by March-end: The Ministry of Finance has asked three regional rural banks (RRBs) to submit their draft initial public offering (IPO) plans to their respective sponsor banks as well as the Department of Financial Services (DFS) by the end of March, according to a senior government official. The DFS on Tuesday convened a meeting to review the IPO plans of three RRBs — Haryana Gramin Bank, Kerala Gramin Bank, and Tamil Nadu Grama Bank.

(Business Standard)

INDUSTRY OUTLOOK



TCS sets up a new subsidiary in Bhutan, expands Asia-Pacific presence: Tata Consultancy Services (TCS) wholly owned subsidiary, Tata Consultancy Services Asia Pacific, has incorporated a wholly-owned subsidiary in Bhutan, Tata Consultancy Services BT. A regulatory filing by TCS said the primary objective is to establish operation in Bhutan and to expand TCS's business presence in Southeast Asia, foster technological innovation, and provide high-quality IT solutions.

(Financial Express)

SC flags bank lapses in cyber fraud cases, seeks alert system: The Supreme Court on Tuesday said laxity by banks resulting in siphoning of money from people's accounts due to cyber fraud, including digital arrests, counts as a deficiency of service and emphasised that govt and regulators must devise a mechanism to ensure that an alarm goes off when scammers attempt to con account holders.

(Economic Times)

Sabka Bima Sabki Raksha Bill passed; way paved for 100% FDI in insurance: Parliament on Wednesday passed a bill to raise FDI in the insurance sector to 100 per cent from the current 74 per cent, which is expected to increase insurance penetration, lower premiums, and boost job creation. The Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Bill, 2025, was cleared by the Rajya Sabha with a voice vote, a day after it was passed by the Lok Sabha. The House also rejected several amendments made by the Opposition to the bill, including the one to send the legislation to a parliamentary panel for further scrutiny. Replying to a debate on the bill, Finance Minister Nirmala Sitharaman said the amendments would allow foreign companies to bring in more capital in the insurance sector.

(Business Standard)



REGULATION & DEVELOPMENT

SEBI board approves changes to IPO lock-in norms, disclosure framework:

SEBI's board approved amendments to IPO regulations to address operational challenges around lock-in requirements. The regulator announced a technology-enabled mechanism to appropriately mark pledged pre-issue shares as locked-in, easing compliance for issuers and intermediaries. The board also cleared a proposal to replace the abridged prospectus with a concise Offer Document Summary, limited to key information, to make IPO disclosures more investor-friendly. IPO-bound companies must give summary of offer documents while filing DRHP, said SEBI. Also, shares pledged by non-promoters of IPO-bound company are "non-transferable". On automatic lock-in for pre-issue capital. Currently, promoters' shares are locked in for six months.

(Moneycontrol)

SEBI board announces overhaul of Mutual Fund regulations, clears fee revamp:

SEBI approved a comprehensive overhaul of mutual fund regulations aimed at improving cost transparency and reducing the expense burden on investors. The board cleared changes to the Total Expense Ratio (TER) framework, including the exclusion of statutory levies such as securities transaction tax (STT), GST, stamp duty and commodities transaction tax from TER calculations. It also approved tighter caps on brokerage and distribution commissions and allowed performance-linked expense structures for certain schemes. SEBI revised its earlier proposal to cap the brokerage that mutual funds pay, raising the limit to 6 basis points from the earlier 2 bps for equity cash transactions. Presently, fund managers pay up to 12 bps as brokerage to buy and sell stocks in their portfolios. SEBI cuts base expense ratio limit for index funds, ETFs to 0.9% from 1.0%; SEBI cuts base expense ratio for liquid-scheme based fund of funds to 0.9%; SEBI cuts base expense ratio for close-ended equity schemes to 1% vs 1.25%.

(Moneycontrol)

House panel moots 3-month deadline for NCLAT to pass orders: Stressing the need for a strict time-bound framework to improve the efficiency and utility of insolvency resolution, a Select Committee of Parliament has proposed a 3-month upper limit for the NCLAT to pass its orders.

(Financial Express)



REVERSE TRIANGULAR MERGER

- A reverse triangular merger is the formation of a new company that occurs when an acquiring company creates a subsidiary, the subsidiary purchases the target company, and the subsidiary is then absorbed by the target company.
- A reverse triangular merger is more easily accomplished than a direct merger because the subsidiary has only one shareholder, the acquiring company and the acquiring company may obtain control of the target's nontransferable assets and contracts.
- At least 50% of the payment in a reverse triangular merger is the stock of the acquirer, and the acquirer gains all assets and liabilities of the seller.



RBI KEY RATES

Repo Rate: 5.25%
SDF: 5.00%
MSF & Bank Rate: 5.50%
CRR: 3.00%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 90.3291
INR / 1 GBP : 120.9025
INR / 1 EUR : 105.9121
INR /100 JPY: 58.1900

EQUITY MARKET

Sensex: 84559.65 (-120.21)
NIFTY: 25818.55 (-41.55)
Bnk NIFTY: 58926.75 (-107.85)

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TEAM BFSIB

**Banking, Financial Services & Insurance Board
The Institute of Cost Accountants of India (ICMAI)**

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