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DAILY NEWS DIGEST BY BFSI BOARD

19 March 2025



ECONOMY

FII's take on massive short covering rally, turn net buyers of Indian equities after one month: The rally in the market on March 18 was fuelled by a wave of massive short covering undertaken by foreign institutional investors, turning them into net buyers of Indian equities after a month of relentless selling. Data on the exchanges showed that 101 stocks out of the 220 in the futures and options segment saw short covering from FIIs. Among the prominent names, index heavyweight Reliance Industries emerged as the biggest beneficiary as FIIs added maximum positions in the counter, taking open positions in the scrip to the highest among all F&O stocks today. Noting that we're currently in the second half of the March derivatives series, Bengaluru-based veteran derivatives trader Rajesh Srivastava, stated that if not completely, FIIs have still rolled over some positions to the next F&O series, triggering the short covering spree seen today.

(Moneycontrol)

FY25 advance taxes grow 14.6%; Q4 rise at just 2.4%: Advance tax collections from the corporate sector, other firms and individuals in the current fiscal stood at Rs 10.45 lakh crore as on Sunday, up 14.6% on year. In the corresponding period of last fiscal, these collections — a proxy of corporate profitability and the state of the economy — stood at Rs 9.11 lakh crore. The last instalment of the advance tax payment was due on March 15, 2025, for FY25. Significantly, advance tax collections growth in Q4 (as on March 16) moderated to about 2.4% on year from 16.8% in Q3. In Q1 and Q2, the growth was 27% and 20.6%, respectively.

(Financial Express)

Rupee hits six-week high; RBI announces fresh OMO to ease liquidity crunch: The rupee appreciated to a six-week high on Tuesday with the dollar index continuing to weaken and dollar sales by exporters sustaining, as the financial year nears its end, said dealers. The domestic currency saw a five-day winning streak after six months, that is, since September 2024. The local currency strengthened by 23 paise to settle at 86.57 per dollar, against the previous close of 86.80 per dollar.



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However, dollar bids by state-owned banks capped gains, said dealers. “The dollar was down, which is positive. Foreign banks and exporters were on the selling side because we are at the end of the financial year,” said a dealer at a private bank.

(Business Standard)

BANKING & FINANCE



LIC confirms plans to foray into health insurance sector, says ‘no binding agreement has been entered into’: Life Insurance Corporation of India (LIC) on Tuesday officially confirmed media reports of its possible foray into the health insurance sector. In a regulatory filing, the life insurance PSU said, “...we hereby clarify that Life Insurance Corporation of India (the Corporation) is in advanced talks with a standalone health insurance company to acquire substantial stake, to broaden Corporation’s footprint in the health insurance market.” LIC further stated that the Corporation is still in advanced talks and no binding agreement has been entered into. “The execution and ultimate consummation of the deal is subject to various factors, including approval of the Board of Directors of the Corporation, regulatory approvals and other approvals, if any, before executing any binding agreements,” it said, while maintaining that there can be no guarantee or assurance of the execution/ consummation of the potential deal.

(Financial Express)

Paytm Money receives SEBI nod to offer research services: Paytm Money received green light from the Securities and Exchange Board of India (Sebi) to offer services as a research analyst. With this registration, Paytm Money will offer SEBI-compliant research services, including investment insights, research reports, and data-driven analysis. In a regulatory filing, Paytm said, “...we wish to inform you that Paytm Money Limited, a wholly owned subsidiary of One 97 Communications Limited, has been granted a Certificate of Registration as a Research Analyst by the Securities and Exchange Board of India (SEBI)

(Financial Express)

President's intervention sought over SBI's 'plan' to shift Global Market Unit from Kolkata: A civil society platform mobilising public opinion against the privatisation of public sector banks has expressed concern over the State Bank of India's proposed relocation of its Global Market Unit (GMU) from Kolkata to Mumbai, and urged President Droupadi Murmu to intervene in the matter. The 'Bank Bachao Desh Bachao Manch' claimed that the planned move by SBI would



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potentially weaken West Bengal's financial ecosystem and lead to significant job losses. In a letter to the President, the civil society platform expressed concern over SBI's decision to transfer key forex operations, including its Centralised Global Back Office (CGBO), forex treasury, derivatives and structured products divisions.

(Economic Times)

RBI Governor wants CEOs to spend time on customer services: RBI Governor Sanjay Malhotra expressed concerns over the rise in customer complaints and urged bank and NBFC management to prioritize grievance redressal. He emphasized the need for timely resolution of issues and advised against repeatedly requesting customer identification documents once submitted.

(Economic Times)

No plan to merge PSBs; recovery from written-off loans improved: Finance Ministry: No merger or amalgamation of Public Sector Banks (PSBs) is on the cards, the Finance Ministry informed Rajya Sabha on Tuesday. It also presented data showing an improvement in PSBs' recovery from written-off loan accounts. "Currently, there is no such proposal under consideration of the Government in this regard," Minister of State in the Finance Ministry Pankaj Chaudhary said in a written response when asked whether the Government has plans to disinvest four PSBs with any foreign or private banks, or to merge with larger banks by 2026. This statement is significant in the backdrop of the Budget announcement in 2021, when Finance Minister Nirmala Sitharaman had proposed to take up the privatisation of two PSBs. She had said that legislative steps would be taken to facilitate privatisation.

(Business Line)

RBI, Bank of Mauritius sign pact to use local currencies in bilateral trade: Reserve Bank and the Bank of Mauritius (BOM) have signed a pact for establishing a framework to promote the use of the Indian Rupee and the Mauritian Rupee (MUR) for cross-border transactions. The Memorandum of Understanding (MoU) was signed by RBI Governor Sanjay Malhotra and BOM Governor Rama Krishna Sithanen G C S K, the central bank said in a statement on Tuesday.

(Business Standard)



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INDUSTRY OUTLOOK



FMCG firms seek separate law for beauty products: Fast-moving consumer goods (FMCG) companies are asking for a separate law to govern beauty and personal care (BPC) products, saying current regulations under the Drugs and Cosmetics Act 1940 impede growth. At present, the making of soaps, skin care, hair care, oral care and cosmetic products, much like drugs, is regulated under a system of inspection and licensing by state licensing authorities. Beauty majors such as Hindustan Unilever (HUL), L'Oreal, Procter & Gamble, Colgate-Palmolive, ITC and Marico, under the Indian Beauty and Hygiene Association (IBHA), an apex body, have pointed to high compliance levels, the need for approval for small changes and the focus on pre-market licensing versus post-market notification and surveillance for the need to separate cosmetics and drugs regulation.

(Financial Express)

IndusInd International Holdings completes acquisition of Reliance Capital; mgmt transfer to take place on Wednesday: IndusInd International Holdings Ltd (IIHL) has completed the transaction to acquire debt-ridden Reliance Capital (RCAP) by transferring the entire bid amount to lenders, IIHL chairman Ashok Hinduja said on Tuesday. The management transfer is likely to take place on Wednesday. "The transaction from our side is over. As we are speaking, money is moving from one escrow to another," Hinduja said while addressing the media here. The journey for value creation would now begin, he said, adding that the value of the Reliance Capital business on a conservative basis would be Rs 20,000 crore.

(Economic Times)

Govt partners with Meta on digital consumer protection initiative: The Ministry of Consumer Affairs on Tuesday announced a partnership with tech company Meta to launch a consumer awareness campaign called "Be an Empowered Consumer" aimed at enhancing digital literacy and protection for online consumers. The initiative, unveiled by Consumer Affairs Minister Pralhad Joshi and Meta's Chief Global Affairs Officer Joel Kaplan, will operate under the government's existing "Jago Grahak Jago" (Wake Up Consumer) campaign framework, an official statement said. "Consumer awareness is key to a sustainable and secure digital experience," Joshi said at the launch event, adding that the collaboration would extend the department's consumer protection efforts to remote areas of the country.

(PiB)



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REGULATION & DEVELOPMENT

SEBI cracks down on stock trading frauds, recovers over Rs 1,083 crore in 5 years: The Securities and Exchange Board of India (SEBI) has recovered over Rs 1,083 crore through disgorgement orders in the last five years as part of its crackdown on stock trading frauds. In a written response to Rajya Sabha, Minister of State for Finance Pankaj Chaudhary disclosed that a total of 6,717 cases of stock trading fraud, including insider trading and market manipulation, were recorded between FY 2019-20 and FY 2023-24. "Over the past five years between FY 2019- 20 to FY 2023-24, SEBI has issued directions to disgorge amounts totalling over Rs. 1083 crores," the response noted.

(Moneycontrol)

Government simplifies family pension rules for divorced, separated women: In a significant move to enhance financial security for women, the government has amended its family pension rules. It is possible for a daughter who is divorced or separated to claim her deceased father's pension directly, without having to wait for a legal decision. The changes, now allow divorced or separated daughters to claim their deceased father's pension without the need for a court verdict. This step is part of a broader strategy to remove bureaucratic hurdles and provide immediate financial relief to women who are navigating challenging personal circumstances. The new rules are designed to ensure that women facing marital separation or divorce are not left struggling for their rightful financial support. The updated regulations allow a woman pensioner to nominate her children for family pension over her husband if she has filed for divorce or initiated proceedings under the laws protecting women from domestic violence or dowry harassment. Additionally, a childless widow can remarry while still receiving her deceased husband's pension, provided her income is below the minimum pension threshold.

(Business Today)

A total of 55.02 crore Jan-Dhan accounts have been opened till 7th March 2025, out of which 36.63 crore accounts are in rural and semi-urban areas: The Government initiated the National Mission for Financial Inclusion (NMFI), namely the Pradhan Mantri Jan Dhan Yojana (PMJDY) in August, 2014 to provide universal banking services for every unbanked adult based on the guiding principles of banking the unbanked, securing the unsecured, funding the unfunded and serving unserved and underserved areas. A total of 55.02 crore Jan-Dhan accounts have been opened till 07.03.2025, out of which, 36.63 crore accounts are in rural and semi-urban areas. In addition to



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the PMJDY, the following schemes have also been launched to provide affordable financial services for all, especially marginalized and underserved populations.

(PiB)



ALGORITHM TRADING

- ❖ Algorithm trading is a system of trading which facilitates transaction decision making in the financial markets using advanced mathematical tools.
- ❖ In this type of a system, the need for a human trader's intervention is minimized and thus the decision making is very quick. This enables the system to take advantage of any profit making opportunities arising in the market much before a human trader can even spot them.
- ❖ As the large institutional investors deal in a large amount of shares, they are the ones who make a large use of algorithmic trading. It is also popular by the terms of algo trading, black box trading, etc. and is highly technology-driven. It has become increasingly popular over the last few years.



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 : 86.6705
INR / 1 GBP : 112.4475
INR / 1 EUR : 94.5523
INR /100 JPY: 57.8700

EQUITY MARKET

Sensex: 75301.26 (+1131.31)
NIFTY: 22834.30 (+325.55)
Bnk NIFTY: 49314.50 (+960.35)

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- ❖ Guidance Note on the Internal Audit of General Insurance Companies.
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