



The Institute of Cost Accountants of India (ICMAI)

(Statutory body under an Act of Parliament)

H.Q: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi – 110 003

Kolkata Office: CMA Bhawan, 12 Sudder Street, Kolkata – 700 016

DAILY NEWS DIGEST BY BFSI BOARD

20 May 2025



ECONOMY

FII's sell Rs 526 crore, DIIs Rs 238 crore on May 19; first joint selloff in over a month:

Foreign and domestic institutional investors turned cautious in tandem on Monday, marking the first simultaneous selloff in over a month. Provisional NSE data showed that Foreign Institutional Investors (FIIs) offloaded Indian equities worth Rs 526 crore on May 19, while Domestic Institutional Investors (DIIs) were net sellers to the tune of Rs 238 crore. During the trading session of May 19, FIIs bought shares worth Rs 10,988 crore and sold shares worth Rs 11,226 crore. DIIs purchased shares worth Rs 11,817 crore and sold shares worth Rs 12,343 crore. For the year so far, FIIs have been net sellers of shares worth Rs 1.09 lakh crore, while DIIs have net bought Rs 2.30 lakh crore worth of shares.

(Moneycontrol)

Mutual Fund assets hit record ₹65.74 lakh crore in FY25, up 23% YoY: Mutual fund assets surged 23 per cent or over Rs 12 lakh crore year-on-year to reach a record of Rs 65.74 lakh crore in FY25, propelled by robust net inflows and mark-to-market gains amid buoyant equity and debt markets. In comparison, the assets under management of the industry stood at Rs 53.40 lakh crore in March 2024. "The asset base expanded partly owing to mark-to-market (MTM) gains, spurred by equity markets clocking positive returns, as reflected in the Nifty 50 TRI and Sensex TRI rising 6 per cent and 5.9 per cent, respectively. Debt markets also contributed positively through MTM gains, supported by favourable yield movements," according to the Association of Mutual Funds in India's (Amfi) annual report released on Monday. Also, the increase in AUM was attributed to net inflows summing up to Rs 8.15 lakh crore during fiscal 2025.

(Business Line)

Trade talks: India to push US to lift non-tariff curbs for goods exporters: India is set to push the United States (US) to remove non-tariff barriers (NTBs) for its goods exporters, in the ongoing negotiations for a bilateral trade agreement (BTA). "While the US has a long list of NTBs it wants to discuss with India, we too will raise a number of those faced by our companies there.



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However, the US side is not keen to discuss non-tariff measures (NTMs) like the sanitary and phytosanitary measures,” a government official said. NTMs generally pertain to health and safety norms for food and agriculture products.

(Business Standard)

BANKING & FINANCE



RBI grants in-principle nod to Emirates NBD Bank PJSC to set up wholly owned unit in India: The Reserve Bank of India (RBI) on May 19 granted in-principle approval to Emirates NBD Bank PJSC for setting up a Wholly Owned Subsidiary (WOS) in India. The approval was given under the Scheme for Setting up of WOS by foreign banks in India, RBI said in a release. The in-principle approval has been granted to the bank for setting up a WOS through conversion of its existing branches in India, RBI added. Currently, Emirates NBD Bank PJSC is carrying on banking business in India in branch mode through its branches located in Chennai, Gurugram and Mumbai.

(Moneycontrol)

CCI rejects allegations of anti-competitive practices against Canara Bank: Fair trade regulator CCI on Monday dismissed a complaint against public sector lender Canara Bank alleging abuse of dominance and anti-competitive conduct in relation to multiple loan transactions. "The commission is of the view that no prima facie case of contravention of sections 3 and 4" of the Competition Act is made out in the present matter, the Competition Commission of India (CCI) said in the order. CCI observed that Tamil Nadu-based KSD Zonne Energie LLP (complainant) had accused Canara Bank of imposing arbitrary interest rates and retrospective charges. The complainant alleged that the public sector bank colluded with property valuers to deliberately undervalue assets for auction under the SARFAESI Act.

(Economic Times)

SBM Bank India, ICICI Prudential Life Insurance forge bancassurance alliance: SBM Bank India and ICICI Prudential Life Insurance Company have entered into a bancassurance partnership to offer an array of life insurance products to the bank's customers. This tie-up will enable the bank to cater to its customers a diverse set of solutions ranging from term insurance, long-term savings and wealth creation products to effectively planning for income on retirement, SBM Bank India said in a statement on Monday.

(Economic Times)

SBI's record USD 9.2 bn profit fuelled by relatively small digital cohort: State Bank of India posted record profits of about USD 9.2 billion in fiscal ending March 2025, becoming only the



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third Indian company, after Reliance Industries and ONGC, to feature in the Global Top 100 companies ranked by net profit. However, bulk of SBI's profits are driven by a relatively small digital cohort, Rajendra Srivastava, who is considered India's Philip Kotler, said in a post on medium.com. The impressive growth in profitability of India's largest lender lies within a bold digital pivot that began several years ago. "The story of SBI's profitability is, in many ways, the story of YONO," he wrote.

(Economic Times)

INDUSTRY OUTLOOK



India plans stricter rules for companies with foreign ownership: Report: India is planning to tighten foreign ownership rules, two sources said, in a move that may have significant implications for businesses ranging from e-commerce to pharmaceuticals. The changes would redefine how India views foreign-owned companies, whether directly or indirectly, making them subject to foreign direct investment (FDI) regulations when it comes to share transfers or restructurings. The discussions are close to being finalised, the sources, both government officials said. They declined to be identified as the discussion was not public. The Finance Ministry and the Reserve Bank of India, which issues the final rules, did not respond to requests for comment.

(Moneycontrol)

Apple supplier Hon Hai commits \$1.5 bn to India as iPhone exports soar: Hon Hai Precision Industry Co., the main assembler of Apple's iPhones, has committed \$1.5 billion to its Indian subsidiary, according to a report by The Economic Times. The investment was made through its Singapore-based unit, according to a stock exchange filing on Monday (May 19). The funds are expected to support Hon Hai's ongoing expansion in southern India, where it is building new facilities and increasing production capacity. The company has not yet provided further details. Apple is accelerating its efforts to move a significant portion of iPhone manufacturing out of China. The goal is to produce most of the iPhones sold in the United States from India by the end of next year.

(Business Standard)

GeM to add global tendering, rate contract features on its portal: The Government e-Marketplace (GeM) is set to soon introduce global tendering and rate contract functionalities on its platform to raise global competition for public procurement orders, a senior official said on Monday. The addition of global tendering will allow international suppliers and vendors to participate in public procurement processes. Officials at the GeM indicated that the India-UK Free Trade Agreement (FTA) is among one of the factors prompting the development of a global tender facility on the portal. However, CEO Mihir Kumar clarified that work on the global tender feature was already underway.



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and would have proceeded regardless of the FTA. "The global tender feature was at work, and the same would have been launched even without the UK treaty," stated Kumar.

(Business Standard)



REGULATION & DEVELOPMENT

Finance Ministry tweaks rules to enhance EODB for stock exchange brokers: The Department of Economic Affairs (DEA) on Monday amended 'Rule 8' of the 'Securities Contracts (Regulation) Rules (SCRR), 1957', in order to give regulatory clarity to enhance ease of doing business for brokers, as per a release by the finance ministry. Rule 8 of the SCRR sets out the qualifications for a person to be elected as, and continue as, a member of a recognized stock exchange. It prohibits brokers from engaging as principal or employee in any business other than that of securities or commodity derivatives, except as a broker or agent in any other business but not involving any personal financial liability. The DEA had released a discussion paper in September 2024, over the need for possible changes in provisions of SCRR Rules. In the paper, DEA had said that "any business" mentioned under Rule 8 is not clearly defined and is subject to interpretation.

(Moneycontrol)

16th Finance Commission will submit report to Centre by Oct 31: Chairman: Chairman of the Sixteenth Finance Commission Dr. Arvind Panagariya on Monday said the commission will submit its report to the central government by October 31. Panagariya said this in a meeting of the commission held here with Chief Minister Pushkar Singh Dhami. The chairman praised Uttarakhand for moving ahead rapidly on the development front and said that in view of the difficult geographical conditions, extensive discussions will be held to find solutions to the challenges being faced by other hill states, including Uttarakhand. Earlier in the meeting, CM Dhami presented his views on the financial situation, challenges and development needs of the state.

(Business Standard)

Sebi revises norms, bars managing directors from MIIs' audit committees: In a bid to strengthen governance at stock exchanges, depositories and clearing corporations, the Securities and Exchange Board of India (Sebi) on Monday revised the norms on internal audit mechanisms and the composition of audit committees at market infrastructure institutions (MIIs). The audit committee of an MII will no longer include any Executive Director, including the Managing Director. While MDs will not be part of the committee, they may be invited to attend meetings with the permission of the committee chairman. However, they will not have voting rights. Similarly, key management personnel



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of the MII will have the right to be heard in audit committee meetings when the auditor's report is under consideration, but they will not have voting rights.

(Business Standard)



FINANCIAL TERMINOLOGY

FREE TRADE AGREEMENT (FTA)

- ❖ A free trade agreement is an arrangement where two or more countries commit to opening up their markets to one another by lowering or removing tariffs, quotas, and other trade barriers, making it easier for goods and services to move between them.
- ❖ Free trade policy is often implemented by a formal and mutual agreement of the nations involved. A free-trade policy may simply be the absence of any trade restrictions, however.
- ❖ Governments with free-trade policies or agreements in place don't necessarily abandon all control of imports and exports or eliminate all protectionist policies. Few free trade agreements (FTAs) result in completely free trade in modern international trade.



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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 : 85.4910

INR / 1 GBP : 113.7720

INR / 1 EUR : 95.6832

INR /100 JPY: 58.8900

EQUITY MARKET

Sensex: 82059.42 (-271.17)

NIFTY: 24945.45 (-74.35)

Bnk NIFTY: 55420.70 (+65.80)

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- ❖ Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).
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- ❖ BFSI Chronicle (quarterly issue of BFSIB)
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TEAM BFSIB

Banking, Financial Services & Insurance Board

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