

## **DAILY NEWS DIGEST BY BFSI BOARD**

**26 April 2025**



### **ECONOMY**

**Formal job creation under ESIC down by 15.3% in February: Payroll Data:** Formal job creation under the Employees' State Insurance Corporation (ESIC) fell by 15.3% month-on-month in February to 1.54 million compared to 1.82 million enrollments in January 2025, shows the provisional payroll data released by the ministry of labour and employment on Friday. As per the provisional payroll data, around 23,526 new establishments have been brought under the social security ambit of the ESI scheme in February compared to 27,805 establishments added in January 2025, a dip of 15.4%. "Out of the total 1.54 million employees added during the month, 0.73 million employees or 47.7% of the total registrations belong to the age group of up to 25 years.

***(Economic Times)***

**Markets tumble as India-Pakistan tensions escalate; IT sector outperforms:** Markets experienced a sharp decline on Friday as heightened geopolitical tensions between India and Pakistan triggered a broad-based sell-off. The BSE Sensex closed 588.90 points or 0.74 per cent lower at 79,212.53, while the Nifty 50 index declined 207.35 points or 0.86 per cent to settle at 24,039.35. Markets witnessed significant volatility, with the Sensex plunging to an intraday low of 78,605.81 and the Nifty touching 23,847.85 before recovering some ground in late afternoon trading. Most sectoral indices, except IT, ended in negative territory, with realty, healthcare, energy, and metals emerging as major laggards.

***(Business Line)***

**Net direct tax mopup in FY25 hit Rs 22.26 trillion, shows govt data:** The provisional net direct tax collection for the financial year 2024-25 marginally fell short of the revised target, growing 13.57 per cent to ₹22.26 trillion, data released by the finance ministry on Friday showed. The net direct tax collection in FY24 was ₹19.60 trillion. The government had set a target of ₹22.07 trillion according to the Budget presented in July 2024, It was revised to ₹22.37 trillion in the Budget

presented this February. The marginal dip in the collections was on the back of decrease in collection of "other taxes" while corporate and non-corporate tax collections were almost on the mark.

**(Business Standard)**

## BANKING & FINANCE



**Canara Bank cuts interest rates on home and vehicle loans:** Canara Bank has reduced its Repo Linked Lending Rate (RLLR) by 25 basis points. The announcement was made following the Reserve Bank of India's Monetary Policy Committee (MPC) decision to lower the repo rate from 6.25 per cent to 6.00 per cent. With the RLLR reduction, the minimum rate of interest for all the loans have been lowered, of which, housing loans have been reduced to 7.90 per cent p.a and vehicle loans to 8.20 per cent p.a. For the quarter that ended on December 2024, the bank saw a 12.26 per cent y-o-y increase in housing loans to ₹1.03 lakh crore and a 17.26 y-o-y increase in vehicle loans.

**(Business Line)**

**RBI imposes penalty on Indian Bank, Mahindra & Mahindra Financial Services:** RBI on Friday said it has imposed penalties on Indian Bank and Mahindra & Mahindra Financial Services for certain deficiencies in regulatory compliance. A penalty of Rs 1.61 crore has been imposed on Indian Bank for contravention of certain provisions of Banking Regulation Act and non-compliance with some directions on 'Interest Rate on Advances', 'Kisan Credit Card (KCC) Scheme' and 'Lending to Micro, Small and Medium Enterprises (MSME) Sector'. In another release, the RBI slapped a fine of Rs 71.30 lakh on Mahindra & Mahindra Financial Services Limited for non-compliance with certain provisions of the 'Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016' and Know Your Customer Directions.

**(Economic Times)**

**RBI imposes monetary penalties on Indian Bank, Indian Overseas Bank:** The RBI has imposed monetary penalties on two banks — Indian Bank (₹1.60 crore) and Indian Overseas Bank (₹63.60 lakh) — and a non-banking finance company, Mahindra & Mahindra Financial Services Ltd (₹71.30 lakh), for non-compliance with various regulatory directions. The monetary penalty on Indian Bank was imposed for failing to benchmark the interest rate on certain floating rate retail loans and loans to certain Micro, Small and Medium Enterprises (MSMEs) to an external benchmark rate. The

bank had also obtained collateral security for certain Kisan Credit Card (KCC) loans up to ₹1.6 lakh and certain loans to Micro and Small Enterprises up to ₹10 lakh, in violation of RBI norms.

**(Business Line)**

**Bank of Maharashtra reports 23% increase in Q4FY25 net profit at ₹1,493 cr:** Bank of Maharashtra (BoM) has reported a 23 per cent year-on-year (y-o-y) increase in fourth quarter standalone net profit at ₹1,493 crore on the back of a healthy growth in net interest income. The profitability comes despite a decline in total non-interest income and rise in bad loans provisions. The Pune-based public sector bank had logged a net profit of ₹1,218 crore in the year ago period. The bank's board recommended a dividend of 15per cent -- ₹1.50 per equity share of ₹10 each to be fully paid out of the net profits for the year ended March 31, 2025.

**(Business Line)**

## INDUSTRY OUTLOOK



**NewGen opts for disease-specific health cover; diabetes plans top the charts:** The health insurance segment is seeing a new trend of disease-specific policies propagated by the younger generation and those who are in their mid-career. The current generation, particularly those in the age group of 30-40 years share the mindset of identifying which diseases they're most likely to contract and are picking up disease-specific covers, especially diabetes-specific cover plans, according to insurers. The drivers for this new trend have been attributed to rapid urbanisation, sedentary lifestyle, stress and poor eating habits. The reason for predilection towards diabetic cover is sedentary lifestyles of young professionals and the possibility of saving on premium costs and a full-body health cover would cost more.

**(Business Line)**

**RIL beats estimates, net profit up 2.4% to Rs 19,407 crore:** Reliance Industries (RIL) on Friday beat estimates on all the fronts in its earnings for the January-March quarter driven by a recovery in its oil-to-chemicals (O2C) business and strong performance of digital and retail arms. Net profit during the quarter 2.4% year-on-year to Rs 19,407 crore, exceeding Bloomberg's consensus estimate of Rs 18,471 crore. The company's revenue from operations increased by 10% to Rs 2.64 lakh crore, also ahead of expectations. Total expenditure rose in tandem, climbing 10% to Rs 2.4 lakh crore for the quarter.

**(Financial Express)**



## REGULATION & DEVELOPMENT

### **CBIC introduces several trade facilitative measures relating to transshipment and air cargo:**

In line with the announcement in the Budget Speech 2025-26 by the Union Minister for Finance and Corporate Affairs, on facilitating upgradation of infrastructure and warehousing for air cargo including high value perishable horticulture produce and streamlining the cargo screening and customs protocols and making it user-friendly, the Central Board of Indirect Taxes and Customs (CBIC) has introduced several trade facilitative measures in Air cargo in particular and transshipment movement in general. For logistical convenience or other business decisions, Logistics operators sometimes undertake movement of imported cargo during the customs clearance between Customs areas (Ports/Container Freight Stations/Inland Container Depots etc.) without payment of duty by following transshipment procedure under The Customs Act, 1962. Since old times, transshipment permit fee is required to be paid for every transshipment permit. With effect from 24th April 2025, CBIC has decided to waive transshipment permit fee henceforth for all the transshipment movements. Further, with increase in the volume of air cargo, need was felt by the trade for temporary removal of Unit Load Devices (ULD) outside Customs Area in certain cases of high-value or perishable cargo. Currently, the cargo is being off-loaded in the Air cargo Complexes from ULD before the clearance. As a first step towards streamlining Customs Protocols, and aligning with the international best practices for movement of Unit Load Devices (ULD) outside Customs Area, CBIC has stipulated simplified and harmonised procedure for temporary import of ULDs on the lines of procedure already stipulated for marine containers being handled through the seaports since 2005.

**(PiB)**

**SC allows RBI to start fresh proceedings against big defaulter:** The Supreme Court on Friday said the Reserve Bank of India and banks can proceed afresh against big defaulters even as it set aside orders of various high courts that quashed criminal proceeding initiated against such borrowers and also stalled actions taken by the lenders for declaring their accounts as frauds. "Setting aside of an administrative action on the grounds of violation of the principles of natural justice does not bar the administrative authorities from proceeding afresh," a Bench comprising M.M.Sundresh and Rajesh Bindal said. It said that high courts across the country exceeded their jurisdiction when they quashed FIRs and the subsequent criminal proceedings initiated against borrowers whose accounts had been declared fraudulent without any challenge being made to such declaration.

**(Economic Times)**



## FINANCIAL TERMINOLOGY

### Alternative Minimum Tax (AMT)

- ❖ An alternative minimum tax (AMT) places a floor on the percentage of taxes that a filer must pay to the government, no matter how many deductions or credits the filer may claim.
- ❖ The AMT recalculates income tax after adding certain tax preference items back into adjusted gross income. It uses a separate set of rules to calculate taxable income after allowed deductions. Preferential deductions are added back into the taxpayer's income to calculate their alternative minimum taxable income (AMTI), and then the AMT exemption is subtracted to determine the final taxable figure.
- ❖ A taxpayer who has a high income and uses large tax breaks may owe a smaller percentage under the standard rules. If so, the taxpayer is obliged to recalculate the taxes owed under the alternative minimum tax system, which eliminates some of those tax breaks.



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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 : 85.4400  
INR / 1 GBP : 113.7225  
INR / 1 EUR : 97.1075  
INR /100 JPY: 59.6100

### **EQUITY MARKET**

Sensex: 79212.53 (-588.90)  
NIFTY: 24039.35 (-207.35)  
Bnk NIFTY: 54664.05 (-537.35)

### **Courses conducted by BFSI Board**

- ❖ **Certificate Course on Concurrent Audit of Banks**
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- ❖ **Certificate Course on Treasury and International Banking**
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- ❖ **Certificate Course on General Insurance.**
- ❖ **Advance Certificate Course on FinTech**

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### **Publications by BFSI Board**

- ❖ **Aide Memoire on Infrastructure Financing.**
- ❖ **Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).**
- ❖ **Guidance Note on the Internal Audit of General Insurance Companies.**
- ❖ **BFSI Chronicle (quarterly issue of BFSIB)**
- ❖ **Handbook on Stock & Book Debts Audit (Revised and Enlarged 2<sup>nd</sup> Edition)**

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