ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)
www.icmai.in

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

# DAILY NEWS DIGEST BY BFSI BOARD

***27 March 2025***

## ECONOMY

**US-India 'fast-track' talks on tariff cuts; parleys begin in Delhi:** India and the US have decided to speed up trade and tariff cut talks ahead of US President Donald Trump's April 2 reciprocal tariff threat through a fast-track mechanism aimed at delivering early results in areas of key market access interests. "It was decided by both sides that a fast-track mechanism was needed for fast results on tariff cuts in some areas to convince Trump to hold back reciprocal tariffs against India on April 2," a source told businessline. The talks, led by Assistant USTR Brendan Lynch and Commerce Additional Secretary Rajesh Agarwal, would be focussed on fast-tracking of key outcomes.
***(Business Line)***

**FIIs return on D-Street with first three-day buying streak since December:** Protectionist US policies, a weakening rupee, and a slowing domestic economy triggered a sharp decline in earnings growth, prompting foreign institutional investors (FIIs) to withdraw capital in the ongoing fiscal year. Data reveals that global investors offloaded shares worth over Rs 1.43 lakh crore between April 1, 2024, and March 25, 2025. However, the trend saw some reversal, with FIIs buying shares worth Rs 14,650 crore over the past three trading sessions between March 21 and March 25, registering the first consecutive three-day buying since December 10-12, 2024. Following the recent correction, the Nifty50's price-to-earnings (P/E) ratio stood at 21.04 times on March 25, compared to its 5-year average of 24.80 times. Despite the market volatility, the 50-share index has gained 6% in FY25 as of March 25.
***(Business Today)***

**Retail credit growth moderated for NTC customers in December qtr: Report:** Retail credit growth moderated further in the quarter ended December 2024 mainly among new-to-credit (NTC) consumers for consumption-led credit products, according to TransUnion CIBIL's latest report.

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

Consumption-led products include credit cards, personal loans, and consumer durable loans. Loan originations dropped 21 per cent year-on-year Y-o-Y in the quarter ended December 2024, compared to a decline of 2 per cent for consumers with existing credit. Originations are a measure of new accounts opened and are driven by both consumer demand and lender supply.

***(Business Standard)***

# BANKING & FINANCE


**HDFC Bank served a Rs 75 lakh penalty by RBI over non-compliance with KYC norms:** The Reserve Bank of India has imposed a monetary penalty of Rs 75 lakh on HDFC Bank for non-compliance with certain directions of the regulator's Know Your Customer (KYC) guidelines, RBI said on March 26. RBI said that HDFC Bank did not categorise certain customers into low, medium or high risk category, based on its assessment and risk perception, and allotted multiple customer identification code to certain customers instead of a Unique Customer ldentification Code (UCIC) for each customer.

***(Moneycontrol)***

**NPCI resolves UPI outage that caused inconvenience to millions of users:** A brief disruption to the Unified Payments Interface (UPI) system caused major inconveniences across the country on March 26. The outage started at around 7:50 PM and continued till around 8:15 PM. "The National Payments Corporation of India (NPCI) had faced intermittent technical issues owing to which UPI had a partial decline. The same has been addressed now and the system has stabilised. Regret the inconvenience," the organisation said in a statement on X (Twitter). NPCI runs UPI. However, the statement did not specify the duration or the cause of the outage. According to a source, NPCI-run BHIM faced the shortest outage among all the major UPI apps. Most apps faced outages of varying degrees and extend but a couple of bankers confirmed that it was between 15 minutes to 30 minutes.

***(Moneycontrol)***

**Insider trading shadow looms over IndusInd Bank:** Sebi is probing potential insider trading by senior IndusInd Bank officials following their derivative losses disclosure. The inquiry focuses on five executives' trades while holding sensitive information. IndusInd's late disclosure of a ₹1,500-crore loss significantly impacted its stock value. Regulatory actions and necessary compliance measures are under scrutiny.

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

***(Economic Times)***

**BoB to double down on retail in growth push:** Bank of Baroda (BoB), India's second largest public sector lender by assets, is stepping up on retail loan growth with renewed focus on home loans, tie-ups with auto companies, and a fresh strategy to target corporate account employees with personal loans as it expects a 20% compound annual growth rate to continue at least for the next 3 years, executive director Sanjay Mudaliar said. The brisk pace in retail loans will mean the proportion of retail in its total loan book could increase to about 32% in the next three years from 27%. Home loans as a percentage of BoB's loan book are relatively lower at 51% compared to 55% for larger peer SBI. Mudaliar said early success in personal and auto loans meant the bank never stepped on the pedal on home loans but that is now changing.

***(Economic Times)***

**RBI imposes ₹75 lakh penalty on HDFC Bank, ₹68.2 lakh on Punjab & Sind Bank:** RBI has imposed monetary penalties on HDFC Bank and Punjab & Sind Bank for non-compliance with its regulatory guidelines, according to the press statement issued by the RBI on Wednesday (March 26). While HDFC Bank is slapped with a ₹75 lakh penalty for violations related to KYC norms, Punjab & Sind Bank was fined ₹68.2 lakh for lapses in reporting large exposures and maintaining basic savings accounts.

***(Business Standard)***

**Parl approves Banking Laws (Amendment) Bill:** Parliament on Wednesday passed the Banking Laws (Amendment) Bill, 2024, which allows bank account holders to have up to four nominees, with the Rajya Sabha approving it by a voice vote. Another change in the bill relates to redefining of term 'substantial interest' of a person in a bank. The limit is sought to be enhanced to Rs 2 crore from the current Rs 5 lakh, which was fixed almost six decades ago. The bill also seeks to increase the tenure of directors (excluding the chairman and whole-time director) in cooperative banks from 8 years to 10 years. Once it comes into effect, the amendment would allow a director of a Central Cooperative Bank to serve on the board of a State Cooperative Bank. It also seeks to give greater freedom to banks in deciding the remuneration to be paid to statutory auditors. The amendment is also aimed at redefining the reporting dates for banks for regulatory compliance to the 15th and last day of every month instead of the second and fourth Fridays.

***(Business Standard)***

ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)
www.icmai.in

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

# INDUSTRY OUTLOOK

**NHAI raises Rs 18,320 crore under latest InvIT round:** The National Highways Authority of India (NHAI) has raised Rs 18,320 crore from monetisation of 11 operational road assets through infrastructure investment trust, with Employee Provident Fund Organisation (EPFO) coming on board as a key investor. This was the fourth round of monetisation of highways through National Highways Infrastructure Trust (NHIT) sponsored by NHAI and the largest monetisation transaction in the history of the Indian roads sectorThe 11 road stretches monetised in this round of InvIT have a combined length of 844 km. In this round, NHIT raised Rs. 8,340 crore in unit capital from domestic and international investors and Rs 10,040 crore debt from domestic lenders..

***(Financial Express)***

**Indian industry seeks shield from US tariff, pushes for trade pact:** Ahead of the implementation of reciprocal tariffs by the US on April 2, the Indian industry has urged the government to protect it from the impact of such levies, according to sources. The industry is worried about the impact of the reciprocal tariffs and how they will adversely affect jobs. As a result, it wants a trade agreement with the US as soon as possible to mitigate the impact of these tariffs, sources said. The US administration has said it will impose reciprocal tariffs from April 2 to match the tariff and non-tariff barriers on imports from America.

***(Business Standard)***

**Sunil Kakkar becomes first homegrown employee to become MSIL director:** Sunil Kakkar, who has been leading the corporate planning division at Maruti Suzuki India Limited (MSIL), has become the first homegrown Indian employee to be nominated to the company's board as a whole-time director. The nomination was made on Wednesday by MSIL’s majority shareholder, Suzuki Motor Corporation (SMC). MSIL’s board currently comprises 11 members—five Indians and six Japanese. Among the Indian members, four are independent directors, while chairman R C Bhargava is the fifth. With Kakkar’s addition, the board will now have equal representation of six Indians and six Japanese. Kakkar's tenure as whole-time director will be from April 1 this year to March 31, 2028.

***(Business Standard)***

ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)
www.icmai.in

CMA

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723


# REGULATION & DEVELOPMENT

**Supreme Court upholds buyers can correct clerical errors in GST filings without penalty, claim ITC:** In a significant ruling that promises ease of compliance to taxpayers under the goods and services tax, the Supreme Court has held that companies can correct human or arithmetical errors in tax filings and should not be penalised for that and must not be denied input tax credit due to these. Further, taking note of the rigid interpretation of rectification deadlines by tax authorities, the Supreme Court has also issued a notice to the Central Board of Indirect Taxes and Customs (CBIC) to address the issue appropriately. The ruling comes in an appeal filed by the CBIC against a Bombay High Court ruling in the case of Aberdare Technologies. The Bombay High Court had allowed the rectification of GST returns either electronically or manually. The Supreme Court, in its ruling, held that the CBIC must re-examine the provisions and timelines fixed for correcting the bonafide errors. “Timelines should be realistic as lapse or defect invariably is realised when input tax credit is denied to the purchaser when benefit of tax paid is denied,” it noted.

***(Business Today)***

**National Housing Bank steps up surprise checks to gauge housing finance companies' health:** The National Housing Bank (NHB) is holding surprise inspections of mortgage financiers to ensure their proper functioning after the recent discovery of fraud at Aviom Housing Finance, said two officials familiar with the matter. These investigations are in addition to two annual credit reviews NHB usually performs of mortgage financiers. The focus is on ensuring proper fund allocation, accurate data reporting on bad loans, and validating investment portfolios. NHB has also tightened regulations on insurance policy sales bundled with housing loans.

***(Economic Times)***

**RBI allows standalone primary dealers to participate in all repo operations:** RBI on Wednesday allowed standalone primary dealers (SPDs) to participate in all repo operations, irrespective of the tenor, conducted by the central bank. “On a review, it has now been decided to allow SPDs to participate in all repo operations, irrespective of the tenor, conducted by the Reserve Bank,” the RBI said in a notification. Earlier, SPDs were permitted to participate in all overnight liquidity management operations, excluding the Marginal Standing Facility. Additionally, SPDs could participate in other operations, such as long-term Variable Rate Repo (VRR) operations and daily VRRs, on a case-by-case basis.

***(Business Standard)***

ICMAI
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)
www.icmai.in

iCMA

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

# FINANCIAL TERMINOLOGY

## CAPITAL ASSET PRICING MODEL (CAPM)

- The capital asset pricing model (CAPM) describes the relationship between systematic risk, or the general perils of investing, and expected return for assets, particularly stocks. It is a finance model that establishes a linear relationship between the required return on an investment and risk.
- CAPM is based on the relationship between an asset's beta, the risk-free rate (typically the Treasury bill rate), and the equity risk premium, or the expected return on the market minus the risk-free rate.

  $ER_i = R_f + \beta_i(ER_m - R_f)$

  **where:**

  $ER_i$=expected return of investment

  $R_f$=risk-free rate

  $\beta_i$=beta of the investment

  $(ER_m - R_f)$=market risk premium

ICMAI
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)
www.icmai.in

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

## 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 : 85.8683
INR / 1 GBP : 111.0706
INR / 1 EUR : 92.6118
INR /100 JPY: 57.0400

## EQUITY MARKET

Sensex: 77288.50 (-728.69)
NIFTY: 23486.85 (-181.80)
Bnk NIFTY: 51209.00 (-398.95)

## Courses conducted by BFSI Board

- Certificate Course on Concurrent Audit of Banks
- Certificate Course on Credit Management of Banks
- Certificate Course on Treasury and International Banking
- Certificate Course on Investment Management
- Certificate Course on General Insurance.
- Advance Certificate Course on FinTech

For details please visit BFSIB portal of the ICMAI

## 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 2nd Edition)

To purchase please visit BFSIB portal of ICMAI

**TEAM BFSIB**

**Banking, Financial Services & Insurance Board**

**The Institute of Cost Accountants of India (ICMAI)**