

DAILY NEWS DIGEST BY BESI BOARD

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ECONOMY

'Handing out borrowed money': Ex-RBI Governor warns freebies can win elections but won't build nations: Former Reserve Bank of India Governor Duvvuri Subbarao has warned against the politics of competitive handouts, saying that the freebie culture may win elections, but it won't build nations. Citing the Bihar election, Subbarao said the campaign had become "a masterclass in competitive populism" as parties raced to outbid one another with increasingly unrealistic cash promises. Subbarao argued that freebies cancel each other out, saying that when every party distributes money or announces larger handouts, their impact diminishes. "The governing party's last-minute cash transfer may still have swayed some votes, but broader competitive promises tend to neutralise each other," he wrote, adding that "when promises stretch credulity, people simply stop believing them." He warned that the deeper problem is that governments elected on guarantees now find themselves struggling to deliver on them.

(Business Today)

Crisil raises GDP growth forecast to 7% during current financial year: Crisil has raised its forecast for the country's GDP growth to 7 per cent from 6.5 per cent for the current financial year, following the first-half growth of 8 per cent that exceeded expectations. Chief economist of Crisil, Dharmakriti Joshi, said that India's real GDP growth stood at 8.2 per cent in the second quarter, exceeding expectations. However, due to easing inflation, the nominal GDP growth was modest at 8.7 per cent.

(Business Line)

Government of India and ADB sign loans worth \$800 million for development projects, and a Technical Assistance grant of \$1 million, in four states: The Government of India's engagement with ADB for the finalisation of the loans was led by Joint Secretary (ADB & Japan), Department of Economic Affairs, under whose guidance the loan signing process was carried out. Accordingly, the loan agreements for the Maharashtra Power Distribution Enhancement Programme for Agricultural Solarization (\$500 million); Indore Metro Rail Project (¥27,147,200,000, equivalent to \$190.6 million), and Gujarat Skills Development Programme (\$109.97 million) were signed by Shri Saurabh Singh, Deputy Secretary, Department of Economic Affairs, Ministry of Finance, on behalf of the Government of India, and Ms. Mio Oka, Country Director, India Resident Mission, on behalf of ADB. In addition, a Technical Assistance (TA) grant of \$1 million was also signed to provide implementation support for the upcoming Sustainable Wetland and Integrated Fisheries Transformation (SWIFT) Project in Assam designed to enhance the state's wetland ecosystems and fisheries.

(PiB)

BANKING & FINANCE



Agri credit to rise by 13% to Rs 32.5 lakh crore in FY26: Credit to the agriculture sector from commercial banks and regional rural banks is set to exceed a record Rs 32.5 lakh crore in FY26, driven by greater formalisation of rural lending and rising credit demand, according to Nabard. Banks disbursed Rs 14.51 lakh crore in farm loans in the first half of FY26. Financial institutions are expected to meet the agriculture credit target of Rs 32.5 lakh crore for 2025–26, the agency said. In FY25, commercial banks, cooperatives and regional rural banks together extended Rs 28.69 lakh crore, with about 60% going to short-term crop loans and the rest to investment credit for agriculture and allied sectors.

(Financial Express)

UPI payments in India register steady growth YoY in November 2025: Unified Payments Interface, or UPI, has seen a significant surge in transactions. In November 2025, UPI recorded over 19 billion transactions valued at Rs 24.58 lakh crore. This marks a substantial increase from previous years, highlighting the growing adoption of digital payments across India. The platform continues its upward trajectory, solidifying its role in the nation's payment ecosystem.

(Economic Times)

Corporate loan growth to hit double digit in FY26, Rs 7 lakh crore credit in pipeline: SBI chairman: With the pick-up in economic activity, State Bank of India (SBI) is seeing a clear revival in corporate credit demand and expects the segment to hit double-digit growth over the remaining two quarters of the current financial year, the bank's Chairman C S Setty said. As far as the pipeline for corporate credit is concerned, he said, "The bank has a strong pipeline. We have about Rs 7 lakh crore loan sanctions, a mix of unutilised working capital limits and term loans that are currently under disbursement."

(Economic Times)

UCO Bank chief stays in office despite CBI's 'fraud' chargesheet: The CEO of a state-owned bank remains in office despite a chargesheet having been filed against him a year ago by the country's top investigative agency alleging fraud. The charges allege fraud and a ₹150 crore loss to a bank when he headed a large corporate branch. The investigation points to a criminal conspiracy between the company and bank officials.

(Economic Times)

INDUSTRY OUTLOOK



NSE, BSE slap ₹5.42-lakh penalty on MTNL for non-compliance: Stock exchanges NSE and BSE have imposed a penalty of ₹5.42 lakh on state-owned debt-ridden telecom firm MTNL for not complying with the norms related to the composition of the

board. MTNL, in a regulatory filing, said it is required to appoint four more independent directors as per the norm, but it has been unable to do so.

(Business Line)

CII urges govt to set up a finance institution, tech fund to promote green economy: The Confederation of Indian Industries (CII), an industry body, on Sunday called for holistic green transition through setting up of a dedicated finance institution and tech expo fund. “As India strides forward on its path of green transition, it is imperative to have a holistic approach to decarbonisation where transition finance, circularity and a robust ESG reporting ecosystem are prioritised, in addition to the focus on renewables and green mobility,” Chandrajit Banerjee, Director General of CII said in pre-budget submission. The budget for Fiscal Year 2026-27 is likely to be presented on February 1, 2026.

(Business Line)

Bills to replace GST compensation cess on tobacco, pan masala likely in LS: The government is likely to introduce two bills in the Lok Sabha to replace GST compensation cess with another levy, to ensure that the tax incidence remains the same on tobacco, pan masala and other sin goods after discontinuation of the cess. The Central Excise Amendment Bill, 2025, and The Health Security se National Security Cess Bill, 2025, are listed for introduction on Monday by Finance Minister Nirmala Sitharaman. According to sources, the Central Excise Amendment Bill, 2025, will replace GST compensation cess on tobacco by levying excise duty on tobacco.

(Business Standard)



REGULATION & DEVELOPMENT

'PoK is part of India, so cross-LoC trade is intra-state': High Court settles GST confusion: The Jammu & Kashmir and Ladakh High Court has ruled that cross-Line of Control (LoC) trade conducted between traders in Jammu & Kashmir and Pakistan-Occupied Kashmir during 2017–2019 amounts to intra-state trade, holding that PoK is

"part of territories of the State of Jammu & Kashmir." The court clarifies the GST treatment of the now-suspended barter-based LoC trade and rejects attempts by traders to classify it as zero-rated or outside the purview of the tax regime. A division bench dismissed a batch of petitions challenging show-cause notices issued under the GST Act. "It is not disputed by learned counsel appearing on either side that the area of the State presently under de-facto control of Pakistan is part of territories of the State of Jammu & Kashmir," the court said.

(Business Today)

Govt to introduce Bill to levy a cess for national security, public health:

Government plans to bring a cess for national security and public health, as Finance Minister Nirmala Sitharaman sets to introduce to a Bill for this purpose on Monday. This is one of two new Bills listed for the introduction on the first day of the Winter Session. According to list of business for Lok Sabha, Sitharaman will move for leave to introduce the 'Health Security and National Security Cess Bill, 2025.' The Bill aims to "augment the resources for meeting expenditure on national security and for public health and to levy a cess for the said purposes on the machines installed or the processes undertaken by which specified goods are manufactured or produced."

(Business Line)

Vivek Chaturvedi appointed new CBIC chairman: Vivek Chaturvedi, a 1990-batch Indian Revenue Service officer, has been appointed as the new chairman of the Central Board of Indirect Taxes and Customs (CBIC), the apex body for administering the goods and services tax (GST), customs, central excise and other indirect taxes. Chaturvedi succeeds Sanjay Kumar Agarwal.

(Financial Express)



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FINANCIAL TERMINOLOGY

EQUIVALENT ANNUAL COST (EAC)

- Equivalent Annual Cost (EAC) provides a financial measure that allows firms to assess the annual cost associated with owning, operating, and maintaining an asset through its lifespan.
- As an essential tool in capital budgeting, EAC enables companies to evaluate and choose the most cost-effective assets, especially those with differing lifespans, thus informing better investment decisions.
- EAC is particularly useful when comparing assets with different lifespans, optimizing asset life, and deciding between leasing or purchasing.



RBI KEY RATES

Repo Rate: 5.50%
SDF: 5.25%
MSF & Bank Rate: 5.75%
CRR: 3.25%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 89.4557
INR / 1 GBP : 118.2694
INR / 1 EUR : 103.6309
INR /100 JPY: 57.2000

EQUITY MARKET

Sensex: 85706.67 (-13.71)
NIFTY: 26202.95 (-12.60)
Bnk NIFTY: 59752.70 (+15.40)

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