



**ICMAI**  
THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA  
(Statutory Body under an Act of Parliament)



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

[www.icmai.in](http://www.icmai.in)

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

**03 February 2025**



## **ECONOMY**

### **KEY POINTS OF UNION BUDGET 2025-2026**

#### **BUDGET ESTIMATES:**

- ❑ The **total expenditure** in Budget Estimates (BE) 2025-26 is estimated at **₹50.65 Lakh crore** of which total **capital expenditure is ₹11.21 Lakh crore** and effective capital expenditure is ₹15,48,282 crore.
- ❑ For the year 2025-26, the **total receipts** other than borrowings is estimated at **₹34.96 lakh crore** and the **total receipts including borrowings is estimated at Rs.50.65 Lakh crores**
- ❑ The **fiscal deficit is estimated at 4.4 per cent of GDP in FY 2025-26 against the Revised Estimate of 4.80 percent in FY 2024-24**. Fiscal Deficit in actual for FY 2023-24 was 5.60 percent of GDP.
- ❑ Total **resources being transferred to the States** including the devolution of State's share, Grants/Loans and releases under Centrally Sponsored Schemes, etc. in BE 2025-26 is **₹25,01,284 crore**, which shows an increase of ₹4,91,668 crore over Actuals of FY 2023-24.
- ❑ The net tax receipts are estimated at ₹ 28.37 lakh crore.
- ❑ The gross market borrowings are estimated at ₹ 14.82 lakh crore.
- ❑ **Capex Expenditure of ₹11.21 lakh crore (3.1% of GDP)** earmarked in FY2025-26.
- ❑ The **GDP for FY 2025-26 is estimated at ₹ 356,97,923 crore**, which is 10.1% over the Revised Estimates for FY 2024-25 of ₹ 324,11,406 crore released by NSO.
- ❑ India's **real and nominal GDP are** expected to grow at **6.4% and 9.7% respectively in FY25** as per 1st Advanced Estimates
- ❑ India's nominal GDP is projected to grow by 10.1% in FY26.



- ❑ India's merchandise exports grew at 1.6 % (YoY basis) while services exports recorded growth of 11.6 % (YoY basis) in April-December 2024.
- ❑ **Current Account Deficit** moderated to **1.2 %** of GDP in Q2 FY25 against 1.3 % in Q2 FY24.

### DEVELOPMENT MEASURES:

- ❑ **Prime Minister Dhan-Dhaanya Krishi Yojana - Developing Agri Districts Programme:** The programme to be launched in partnership with the states, covering 100 districts with low productivity, moderate crop intensity and below-average credit parameters, to benefit 1.7 crore farmers to increase productivity, adopt crop diversification, augment post-harvest storage, improve irrigation facilities, and facilitate availability of long-term and short-term credit.
- ❑ **Enhanced Credit through KCC:** The loan limit under the Modified Interest Subvention Scheme to be enhanced from ₹ 3 lakh to ₹ 5 lakh for loans taken through the KCC.
- ❑ **Urea Plant in Assam:** A plant with annual capacity of 12.7 lakh metric tons to be set up at Namrup, Assam.
- ❑ **Revision in classification criteria for MSMEs:** The investment and turnover limits for classification of all MSMEs to be enhanced to 2.5 and 2 times respectively.
- ❑ **Credit Cards for Micro Enterprises:** Customized Credit Cards with ₹ 5 lakh limit proposed for micro enterprises registered on Udyam portal, 10 lakh cards to be issued in the first year.
- ❑ **Scheme for First-time Entrepreneurs:** The Finance Minister also announced the launch of a new scheme for 5 lakh women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs. This will provide term loans up to Rs. 2 crore during the next 5 years.
- ❑ **Fund of Funds for Startups:** A new Fund of Funds, with expanded scope and a fresh contribution of ₹ 10,000 crore to be set up.
- ❑ **Significant enhancement in credit guarantee cover to Rs.10 cr for MSEs, Rs.20 cr for startups and Rs.20 cr for term loans to exporter MSMEs.**

### TAXATION:

- ❑ **No personal income tax** payable upto **income of Rs 12 lakh** (i.e. average income of Rs 1 lakh per month other than special rate income such as capital gains) under the new regime.
- ❑ This limit will be **Rs 12.75 lakh** for salaried tax payers, due to standard deduction of Rs 75,000.
- ❑ The limit for tax deduction on interest for senior citizens for Term Deposits doubled from the present Rs 50,000 to **Rs 1 lakh**.
- ❑ Annual limit of Rs 2.40 lakh for **TDS on rent increased to 6 lakh**.
- ❑ The threshold to collect tax at source (**TCS**) on remittances under Liberalized Remittance Scheme (LRS) increased from Rs 7 lakh to **Rs 10 lakh**.
- ❑ Extension of time-limit to **file updated returns**, from the current limit of **2 years, to 4 years**.
- ❑ Reduction of compliance burden for small charitable trusts/institutions by increasing their period of registration from 5 years to 10 years.



**ICMAI**  
THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA  
(Statutory Body under an Act of Parliament)



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

[www.icmai.in](http://www.icmai.in)

- ❑ Tax payers to be allowed to claim the annual value of **02 self-occupied properties** (previously 01) without any conditions (previously conditions attached).

**(PiB & Other sources)**

**India reviewing crypto position due to global changes: DEA Secy Ajay Seth:** India is reviewing its stance on cryptocurrencies due to shifting attitudes towards the virtual asset in other countries, a senior government official told Reuters on Sunday. The review, which follows crypto-friendly policy announcements by US President Donald Trump, could further delay publication of a discussion paper on cryptocurrencies that was due for release in September 2024. "More than one or two jurisdictions have changed their stance towards cryptocurrency in terms of the usage, their acceptance, where do they see the importance of crypto assets. In that stride, we are having a look at the discussion paper once again," India's Economic Affairs Secretary Ajay Seth said in an interview.

**(Moneycontrol)**

**India might face US tariffs despite preemptive Budget move:** The global trade war triggered by US president Donald Trump might soon involve India too, while this is the last thing New Delhi would want at this juncture, with its economy witnessing a slowdown. The Budget FY26 contains a preemptive strategy to deflect the threat of tariff increase by the US, its second largest trading partner with which it has a significant trade surplus. However, sources said the Trump administration might still follow through its tariff moves, which started with the targetting of Canada, Mexico and China, and slap duties on certain imports from India in the coming days, notably steel and aluminum products and pharmaceuticals.

**(Financial Express)**

## **BANKING & FINANCE**



**Barclays banking disruption continues, customers face payment issues into Sunday; key things to know:** UK banking giant Barclays has continued to face service disruptions due to an IT glitch, affecting customers with payment issues, according to a report by PA Media. The disruption in banking services is likely to continue today (February 2) following an IT glitch and Barclays has warned that some people may see outdated balance, and payments made or received may not show. The Barclays outage began on Friday (January 31) — salary payday for many British workers, and last day for self-assessed tax returns, causing much uproar and frustration.

**(Mint)**



**ICMAI**  
THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA  
(Statutory Body under an Act of Parliament)



[www.icmai.in](http://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

**Grameen Credit Score likely to restore credit discipline in microfinance, say experts:**

Microfinance leaders anticipate the implementation of a new Grameen credit score framework to restore lending discipline following a decline in repayment culture. The proposed framework by Sitharaman aims to enhance creditworthiness among self-help groups and rural borrowers, potentially benefiting the entire sector and addressing issues of credit discipline.

*(Economic Times)*

**Govt allows 100% FDI in insurance cos in a move that could attract more players, help increase penetration:**

The Centre on Saturday allowed overseas investors to fully own insurance companies, raising the foreign direct investment (FDI) limit from 74% and potentially drawing more funds into the long-gestation, capital-intensive industry. Insurers must invest policyholder premiums within India, aiming for 'Insurance for All' by 2047. The move seeks to improve insurance penetration and bring global best practices to India.

*(Economic Times)*

**India Post to be turned into large logistic body with 1.5 lakh rural post offices:**

India Post will be transformed into a large public logistics organisation, finance minister Nirmala Sitharaman said presenting Budget 2025 Saturday. "India Post, with 1.5 lakh rural post offices, and complemented by India Post payment bank and a vast network of 2.4 lakh dak sevaks, will be repositioned to act as a catalyst for the rural economy," the FM said. A few years ago, India Post had been digitised to provide banking services to the poor in rural regions and boost financial inclusion.

*(Economic Times)*

**RBI likely to cut repo rate by 25 basis points:**

The six-member monetary policy committee (MPC) of the Reserve Bank of India (RBI) is expected to reduce the policy repo rate for the first time in almost five years, according to all respondents except Yes Bank in a Business Standard poll of 10 participants. The respondents anticipate a 25-basis-point (bp) rate cut. The RBI will announce its policy review on February 7. The domestic rate-setting panel has kept the policy repo rate unchanged for the last 11 consecutive meetings after raising it by 250 bps between May 2022 and February 2023. The last rate cut was in May 2020, during the Covid-19 pandemic. A rate cut is likely due to weak growth, expectations of declining inflation, and fiscal prudence demonstrated in the Budget. Gross domestic product (GDP) growth fell to a seven-quarter low of 5.4 per cent in the July-September period of 2024-25. Additionally, recent liquidity measures announced by the RBI have further increased this possibility, according to respondents in the poll.

*(Business Standard)*



**ICMAI**  
THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA  
(Statutory Body under an Act of Parliament)



[www.icmai.in](http://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



**Volkswagen sues Indian government over ‘impossibly enormous’ tax demand of \$1.4 billion:** Volkswagen has sued Indian authorities to quash an “impossibly enormous” tax demand of \$1.4 billion, arguing the ask is contradictory to New Delhi’s import taxation rules for car parts and will hamper the company’s business plans, court papers show. Volkswagen’s unit, Skoda Auto Volkswagen India, also told the High Court in Mumbai the tax dispute puts at risk its investments of \$1.5 billion in India, and is detrimental to the foreign investment climate, according to the 105-page filing which is not public but was reviewed by Reuters. In the biggest ever import tax demand, India in September slapped a \$1.4 billion tax notice on Volkswagen for using a strategy to break down imports of some VW, Skoda and Audi cars into many individual parts to pay a lower duty.

***(Financial Express)***

**Presumptive tax regime likely to draw global talent in electronics:** The government’s budgetary proposal for a new presumptive taxation regime for non-Indian residents providing services to electronics manufacturing companies operating in India is likely to help these companies attract top global talent easily, government sources have said. “This has been a long-standing demand. Although semiconductor and electronics manufacturing companies currently employ a handful of foreign nationals, manufacturing in both sectors are now moving into their next phase, where the number of foreign nationals working directly or employed to train Indian nationals will increase manifold,” a government official said.

***(Business Standard)***

**AI-powered Central KYC announced in Budget 2025:** In a bid to streamline financial transactions and enhance ease of doing business, the Union Budget 2025 has introduced a revamped Central KYC (Know Your Customer) registry, set to roll out this year. The new framework aims to simplify and standardise KYC procedures across the financial sector, reducing bureaucratic hurdles and ensuring greater security and efficiency. Advanced Artificial Intelligence (AI) algorithms and face-matching technology will be used to verify identities and detect duplicate records. CKYC will be integrated with DigiLocker, allowing customers to store and retrieve their KYC documents securely.

***(Business Standard)***



**ICMAI**  
THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA  
(Statutory Body under an Act of Parliament)

[www.icmai.in](http://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



Fax



## REGULATION & DEVELOPMENT

**‘Bharatradenet’ for international trade to be set-up as a unified platform for trade documentation and financing solutions:** A digital public infrastructure, ‘BharatTradeNet’ (BTN) for international trade has been proposed to be set-up as a unified platform for trade documentation and financing solutions. In the budget speech Smt. Sitharaman stated that, “BTN will complement the Unified Logistics Interface Platform and will be aligned with international practices”. The Finance Minister announced in the Union Budget 2025-26 that support will be provided to develop domestic manufacturing capacities for integrating Indian economy with global supply chains. In this direction, the sectors will be identified based on an objective criteria. It is also proposed that facilitation groups with participation of senior officers and industry representatives be formed for select products and supply chains.

**(PiB)**

**Govt expects to bear 8th Pay Commission cost only from FY27, says Expenditure Secy Manoj Govil:** The Budget for 2025-26 has not factored in any expenditure that may arise on account of implementing the 8th Pay Commission’s recommendations, given that the report may take another year to be submitted and subsequently approved, Expenditures Secretary Manoj Govil told Moneycontrol. The finance ministry has written to Ministry of Defence and Home Affairs as well as the Department of Personnel and Training to suggest the terms of reference for the Commission, following which the Centre will approve them. The commission will start functioning once the terms of reference is approved, Govil added.

**(Moneycontrol)**

**Size of Income Tax-Act to reduce by half in new Bill: CBDT chief:** The government has tried to remove redundancies in the Income Tax Act-1961, under the Bill to be tabled next week. The language has been made simpler, to the extent feasible, and the presentation has been made user-friendly, Central Board of Direct Taxes (CBDT) Chairman Ravi Agarwal told Priyansh Verma in an interview. On the implementation of Pillar 1 and Pillar 2 rules aimed at streamlining of taxation of digital economy and deter tax avoidance by MNCs, Agarwal said that ultimately, India should get the fair share of tax revenue, which the country is not getting at the moment. “The relevant international organisations will deliberate on that and then see what happens. Some consensus may emerge out of the ongoing discussions,” he noted.

**(Financial Express)**



**ICMAI**  
THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA  
(Statutory Body under an Act of Parliament)

[www.icmai.in](http://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



Fax



## FINANCIAL TERMINOLOGY

### RESERVE CURRENCY

- ❖ A reserve currency is a large quantity of currency maintained by central banks and other major financial institutions to prepare for investments, transactions, and international debt obligations, or to influence their domestic exchange rate. A large percentage of commodities, such as gold and oil, are priced in the reserve currency, causing other countries to hold this currency to pay for these goods.
- ❖ A reserve currency reduces exchange rate risk since there's no need for a country to exchange its currency for the reserve currency to do trade.
- ❖ Since 1944, the U.S. dollar has been the primary reserve currency used by other countries. As a result, foreign nations closely monitor the monetary policy of the United States to ensure that the value of their reserves is not adversely affected by inflation or rising prices.
- ❖ In 1944, following the Bretton Woods Agreement, delegates from 44 nations formally agreed to adopt the U.S. dollar as an official reserve currency. Since then, other countries pegged their exchange rates to the dollar, which was convertible to gold at the time. Because the gold-backed dollar was relatively stable, it enabled other countries to stabilize their currencies.



### RBI KEY RATES

Repo Rate: 6.50%  
SDF: 6.25%  
MSF & Bank Rate: 6.75%  
CRR: 4.00%  
SLR: 18.00%  
Fixed Reverse Repo: 3.35%

### FOREX (FBIL 1.30 PM)

INR / 1 USD : 86.6414  
INR / 1 GBP : 107.6202  
INR / 1 EUR : 90.0094  
INR /100 JPY: 55.9600

### EQUITY MARKET

Sensex: 77505.96 (+5.39)  
NIFTY: 23482.15 (-26.25)  
Bnk NIFTY: 49506.95 (-80.25)

### 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 2<sup>nd</sup> Edition)

To purchase please visit  
BFSIB portal of ICMAI

### TEAM BFSIB

**Banking, Financial Services & Insurance Board  
The Institute of Cost Accountants of India (ICMAI)**

**Disclaimer:** Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICMAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICMAI. For Restricted Circulation only. A Compilation of News in this regard from Secondary Sources.