



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

04 February 2025



ECONOMY

Donald Trump pauses Mexico tariffs for one month after agreement on security and trade: The United States has agreed to delay the start of tariffs on Mexican goods for one month, presidents Claudia Sheinbaum and Donald Trump said Monday after holding talks. As part of a series of agreements between the neighbours, Mexico will reinforce security along its border with the United States to fight drug trafficking, Sheinbaum announced. "Mexico will immediately reinforce the northern border with 10,000 National Guard troops to prevent drug trafficking from Mexico to the United States, particularly fentanyl,"

(Moneycontrol)

FPI equities sell-off intensifies amid Trump trade effect: The exodus of Foreign Portfolio Investors (FPIs) from Indian equity markets continued unabated in January 2025, with net outflows touching ₹78,027 crore, according to depositories data. Except for one session, FPIs remained net sellers throughout the month, as the Trump trade effect drove capital away from emerging markets. The strengthening dollar and rising US bond yields, triggered by Donald Trump's return to the White House, have made US assets more attractive, leading to capital flight from Indian equities. In contrast to January's heavy selling, FPIs were net buyers of ₹15,448 crore in December 2024, but had offloaded ₹94,017 crore and ₹21,612 crore in October and November, respectively.

(Business Line)

Rupee at all-time low; FinMin says it's the dollar gaining strength: The Finance Ministry on Monday put a brave face and played down anxieties as the rupee suffered its biggest single-day percentage loss against the dollar and the equity benchmark indices Sensex and Nifty tumbled in early trade after the US President Donald Trump imposed massive tariffs on Canada, China and Mexico, sparking fears of a broader trade war. Indian rupee dropped 0.67 per cent to a record closing low of 87.1850 against the dollar. Benchmark BSE Sensex closed down 0.4 per cent at 77,187, while the



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

broader NSE Nifty 50 index declined 0.5 per cent to 23,361, tracking a global stocks sell-off after Trump ordered 25 per cent tariffs on Mexico and Canada and 10 per cent on China.

(Business Line)

BANKING & FINANCE



NARCL holds Rs 1.05 lakh crore banks' bad assets, eyes resolution of 28 accounts: The National Asset Reconstruction Company Limited (NARCL) has acquired 24 stressed accounts amounting to Rs 1.05 lakh crore, with plans to take over four more, as the government remains focused on resolving bad assets, Financial Services Secretary M. Nagaraju and his team said on February 3. Nagaraju noted that the approval for Rs 30,000 crore in Security Receipts (SRs) had been taken from the Expenditure department of the Finance Ministry, though the entire amount may not be utilised. "Originally, the estimated stressed assets stood at Rs 2 lakh crore. With an 18 percent recovery rate, we expected to recover about Rs 36,000 crore. As per the 85 percent SR-backed calculation, Rs 30,000 crore SRs were held," he explained.

(Moneycontrol)

Tax relief to give bank deposits a Rs 45,000-crore boost, strengthen credit growth, says DFS secretary: The tax measures announced in Budget 2025 are expected to push up bank deposits by Rs 42,000-45,000 crore, strengthening banks' lending capacity, financial services secretary M Nagaraju said on February 3. A rise in deposits is expected on the back of higher savings among senior citizens, non-senior citizens, and taxpayers benefiting from the enhanced tax exemption limit of Rs 12 lakh, he said. Senior citizens hold about Rs 34 lakh crore in bank deposits, and since TDS directly influences deposit behaviour, this measure is expected to push deposits further," Nagaraju said.

(Moneycontrol)

RBI considering hiking ATM cash transaction, interchange fees: Bank customers will have to shell out more for withdrawing cash from automated teller machines (ATMs) as the Reserve Bank of India (RBI) is considering to hike the maximum fee that banks can charge for customers' incremental cash transactions beyond the free five transactions limit, and ATM interchange fee, sources say. According to sources, the National Payments Corporation of India (NPCI), after consultation with industry players, has recommended hiking the cash transaction maximum fee from ₹21 to ₹22 per transaction after the customer exhausts their free transactions limit.



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

Separately, the NPCI has also recommended hiking the ATM interchange fee from ₹17 to ₹19 for cash transactions, and from ₹6 to ₹7 for non-cash transactions. Each time a customer of a bank uses an ATM deployed by another bank, the former bank will have to pay a fee to the latter. This is called an interchange fee.

(Business Line)

Casa, term deposits more than double in 10 years, says Pankaj Chaudhary: Low-cost current account and savings account (CASA) and term deposits in the economy increased by over 100 per cent between FY15 and FY24, Pankaj Chaudhary, minister of state (MoS) for finance, said in Lok Sabha in a written response. “Current and savings account deposits have increased from Rs 31.51 lakh crore in FY15 to Rs 84.69 lakh crore in FY24, registering an increase of 168.7 per cent. Term deposits have grown from Rs 59.59 lakh crore in FY15 to Rs 128.9 lakh crore in FY24, registering an increase of 116.4 per cent,” Chaudhary said.

(Business Standard)

INDUSTRY OUTLOOK



MCA21 records 80.26 lakh form filings between April 2024 to January 2025 driving Ease of Doing Business with enhanced digital solutions: MCA21 is the first Mission Mode e-Governance Project under National eGovernance Plan (NeGP). The Ministry of Corporate Affairs has been operating it from end-to-end for registry and incorporation related services of Companies & LLPs since 2006 and corporates have been making filings on this portal since then. During the recent period from 01.04.2024 to 27.01.2025, a total of 80.26 lakh forms have been filed on the MCA21 portal, compared to 73.29 lakh forms filed during the corresponding period in the previous year. Also, on the newly developed MCA21 V3 platform, 53.08 lakh forms were filed from 01.04.2024 to 27.01.2025, as against 47.72 lakh forms filed during the same period in the preceding year indicating an overall increase in the number of filings, enhanced stakeholder engagement with the system as also the robustness & reliability of the MCA21 platform.

(PiB)

BharatPe CMO Parth Joshi quits firm to launch own venture: Parth Joshi, the chief marketing officer of BharatPe, has resigned from his post and is currently serving a notice period at the IPO-bound company, according to people in the know. He will launch his own venture soon. Joshi had joined BharatPe in June 2021. He was serving as head of marketing at Reckitt before that. He has



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

also worked at GSK and L'Oreal. The company's co-founder, Bhavik Koladiya, joined SaaS startup OTPless as CEO. Suhail Sameer, who served as CEO of BharatPe, is serving at venture capital firm OTP Venture as a managing partner.

(Financial Express)

Manufacturing PMI rises to 6-month high in Jan on exports and new orders: Indian goods producers kicked off 2025 on a robust note as Purchasing Managers' Index (PMI) rose to 57.7 in January, recovering sharply from 12-month low of 56.4 in the previous month. This rise was fuelled by the steepest upturn in exports in nearly 14 years and by new orders which rose at the quickest pace since last July. The PMI figure was released by HSBC and compiled by S&P Global. A figure above 50 in the index denotes expansion in activity and below it signifies contraction.

(Business Standard)



REGULATION & DEVELOPMENT

SEBI to mandate separate reporting on digital assurance of financial statement: The Securities and Exchange Board of India (SEBI) has proposed to mandate a separate reporting on digital assurance of financial statement, with an aim to improve transparency, improve disclosure standards and enable better enforcement, and thereby provide greater investor protection and trust in the ecosystem. This follows a "Technical Guide on Digital Assurance" brought out by the Auditing and Assurance Standards Board (AASB) and Digital Accounting and Assurance Board (DAAB) of The Institute of Chartered Accountants of India (ICAI). This was to provide guidance to its members to adopt enhanced use of technology in audit by implementing the use of digitally available audit evidence and information.

(Business Line)

Govt not worried about rupee volatility: Finance and Revenue Secy Pandey: Finance and Revenue Secretary Tuhin Kanta Pandey on Monday said that the Indian rupee is a free-floating currency and the government is not worried about its ups and downs, which are caused by international money movements. The statement comes after the rupee fell to a record low of 87.29 against the US dollar, decreasing by 67 paise in early trading. The drop occurred amid trade war fears after US President Donald Trump introduced new tariffs — 25% on imports from Mexico and Canada, along with a 10% levy on Chinese goods and Canadian energy. "The government is not concerned over



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



rupee volatility. It is being managed by the Reserve Bank of India (RBI). We aren't into exchange control regime, it's a free-flow system," Pandey said on the sidelines of Ficci post-Budget meeting.

(Business Standard)



FINANCIAL TERMINOLOGY

X-EFFICIENCY

- ❖ X-efficiency refers to the degree of efficiency maintained by firms under conditions of imperfect competition. Efficiency in this context means a company getting the maximum outputs from its inputs, including employee productivity and manufacturing efficiency.
- ❖ In a highly competitive market, firms are forced to be as efficient as possible to ensure strong profits and continued existence. This is not true in situations of imperfect competition, such as with a monopoly or duopoly.
- ❖ When calculating x-efficiency, a data point is usually selected to represent an industry and then it is modeled using regression-analysis. For example, a bank might be judged by total costs divided by total assets to get a single data point for a firm. Then, the data points for all the banks would be compared using regression analysis to identify the most x-efficient and where the majority fall.



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 : 87.1162
INR / 1 GBP : 107.0490
INR / 1 EUR : 89.2674
INR /100 JPY: 56.0500

EQUITY MARKET

Sensex: 77186.74 (-319.22)
NIFTY: 23361.05 (-121.10)
Bnk NIFTY: 49210.55 (-296.40)

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)**

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.