



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

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

**06 February 2025**



### **ECONOMY**

**GST receipts growth to stay above nominal growth over the next few years: CBIC chairman:** Mop-ups by way of goods and services tax (GST) will maintain above-nominal growth over the next few years, with expectations that buoyancy will stay above one, Central Board of Indirect Taxes and Customs (CBIC) chairman Sanjay Kumar Agarwal told Moneycontrol in a post-budget interaction. Compliances are improving. Also, the buoyancy earlier used to be much higher. Now it is shrinking, but for some more time, it will remain one-plus. After that, it will taper and will become one,” said Agarwal. Tax buoyancy is calculated as a ratio of growth in tax revenues over nominal GDP growth. GST growth for FY26 is estimated at 10.9 percent in the budget, similar to the previous fiscal. Nominal growth, on the other hand, is projected to be 10.1 percent, yielding an estimated buoyancy of 1.08.

***(Moneycontrol)***

**India to cut tariffs on 30 products including luxury cars and bikes, before PM Modi’s US trip:** India is set to review import tariffs on over 30 items including luxury cars and solar cells, potentially leading to higher imports from the United States, a senior finance ministry official said. In a bid to counter President Donald Trump’s growing tariff actions, the government has already reduced tariffs on several items including high-end bikes, cars, and chemicals in the latest budget, while imposing additional Agriculture Infrastructure Development Cess (AIDC), an alternative tariff, on many items..

***(Financial Express)***

**India, Saudi Arabia to boost ties in critical mineral sector:** India and Saudi Arabia on Tuesday agreed to strengthen cooperation in the critical mineral sector. Mines minister G Kishan Reddy held a high-level meeting with Saudi Arabia’s minister of industry and mineral resources Bandar Ibrahim Alkhorayef to discuss on the opportunities and exploring new avenues for investment and technological collaboration. A significant development during the discussion is related to the



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designation of Geological Survey of India Training Institute (GSITI) as a centre of excellence under the Future Minerals Forum, the government said. "This initiative will facilitate specialised training programmes for geologists from Saudi Arabia, Africa and Central Asia, contributing to capacity building in the global mining sector," it said.

***(Financial Express)***

## **BANKING & FINANCE**



**Life Insurance Corporation gets Rs 101.95 crore GST demand notice:** Life Insurance Corporation of India (LIC) on Tuesday said that tax authorities have issued a demand notice of Rs 101.95 crore for short payment of Goods and Services Tax (GST) over five financial years. In a regulatory filing, LIC stated that the notice includes interest and penalties for multiple states, covering the period from 2017-18 to 2021-22. The demand order is appealable before the Commissioner (Appeals), Thane, PTI reported.

***(Financial Express)***

**Lenders chase medium-term deposits for liquidity cover:** Banks are tuning their deposit mobilisation strategy to shore up the medium-term maturity bucket in a bid to comply with the proposed liquidity coverage ratio (LCR) rules. The move also helps lenders balance asset-liability management better. "As LCR looks at potential outflows in a span of one month for reckoning liquid assets to be held, there can be a case for having more non-callable deposits with longer tenure to address this issue," said Madan Sabnavis, chief economist, Bank of Baroda. Non-callable deposits with two-to-five year maturities are preferred despite higher costs. Revised rules effective from April 1 mandate a higher run-off factor, prompting banks to invest more in liquid securities.

***(Economic Times)***

**Citibank's Ashu Khullar to be global co-head of GAM; K Balasubramanian to be India CEO:** Ashu Khullar, the India head of Citibank, is being appointed as the new global co-head of global asset managers (GAM) based out of London. He will be replaced by K Balasubramanian as the new India chief executive, people familiar with the matter said. Balasubramanian's appointment will be subject to Reserve Bank of India approval.

***(Economic Times)***

**NaBFID extends Rs 2,000 crore loan to Blackstone-backed data centre:** The National Bank for Financing Infrastructure and Development (NaBFID) is extending a Rs 2,000 crore loan to



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Blackstone-backed Gramercy Techpark Private Ltd for construction of a 120 megawatt (MW) data centre at Mahape in New Mumbai. This will be the second such data centre by Gramercy in New Mumbai where the construction is expected to start in mid of this year. Senior executive with a public sector lender said that NaBFID has extended the loan (construction finance) and it is now looking to bring other lenders on-board by offloading part of its exposure.

***(Business Standard)***

## INDUSTRY OUTLOOK



**Vijay Mallya says banks recovered debt 'multiple times over' in Kingfisher Airlines loan case, moves Karnataka HC:** Vijay Mallya has approached the Karnataka High Court seeking clarity on banks' loan recovery process. Nearly ₹6,200 crore was to be repaid, but ₹14,000 crore has already been recovered, Mallya's counsel claimed on Wednesday, reported ANI. Mallya's counsel, senior advocate Sajjan Poovayya, argued that despite recovering the entire loan amount, the process is still ongoing.

***(Mint)***

**Public sector general insurance employee union oppose 100% FDI move:** A union representing employees of public sector general insurance companies has issued a statement criticising the introduction of 100 per cent foreign direct investment (FDI) in the insurance sector and amendments to insurance laws. Joint forum of Unions & Associations of Officers & Employees (JFTU) said in a statement, "The proposed introduction of 100% FDI in the insurance sector and other amendments to insurance laws by the central government, were also discussed. The house condemned such moves which are derogatory to all stakeholders in this strategic sector. These proposals shall be derogatory not only to the interest of (Public Sector General Insurance Companies) PSGICs and their employees but also to the economy and insuring the public of our country."

***(Business Standard)***

**IBBI proposes coordinated insolvency resolution for interconnected entities:** The Insolvency and Bankruptcy Board of India (IBBI), in a discussion paper, has sought a series of amendments to the Insolvency and Bankruptcy Code, 2016 (IBC) regulations, including allowing invitation of resolution plans concurrently for both the company under insolvency and its specific businesses or assets. "This proposal removes the requirement that resolution professionals (RPs) can only seek asset-specific plans after attempts to invite resolution plans for the entire corporate debtor



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have failed,” the insolvency regulator said. IBBI has noted that the current IBC process treats each entity as a standalone unit, overlooking the intricate web of interdependencies often present in modern business ecosystems. It said that the increasing prevalence of complex corporate structures with intertwined operations and finances in sectors such as real estate and power generation, among others, necessitates a more nuanced approach to insolvency resolution.

***(Business Standard)***



## REGULATION & DEVELOPMENT

**Finance Ministry asks employees to avoid AI tools like ChatGPT, DeepSeek:** The Finance Ministry has asked its employees to avoid using AI tools including ChatGPT and DeepSeek for official purposes, citing risks posed to confidentiality of government documents and data, an internal department advisory showed. Countries like Australia and Italy have placed similar restrictions on the use of DeepSeek, citing data security risks. Reports of the advisory surfaced on social media on Tuesday, ahead of a scheduled visit to India by OpenAI chief Sam Altman on Wednesday, when he is also due to meet the IT minister. "It has been determined that AI tools and AI apps (such as ChatGPT, DeepSeek etc.) in the office computers and devices pose risks for confidentiality of (government) data and documents," said the advisory by the Finance Ministry dated Jan. 29.

***(Business Line)***

**IICA and CMAI Sign MoU to Enhance Capacity for Decarbonisation:** In a significant step towards strengthening India's carbon markets and advancing decarbonisation efforts, the Indian Institute of Corporate Affairs (IICA) and Carbon Market Association of India (CMAI) have signed a Memorandum of Understanding (MoU) in New Delhi. Under the agreement, CMAI and IICA will collaborate on Training Programmes, Joint Research, Conferences and Policy Advocacy on Carbon markets, low-carbon industrial solutions, and sustainable finance

***(PiB)***

**Govt expands quality compliance requirements for over 150 products:** The government has expanded quality compliance requirements by mandating Quality Control Orders (QCOs) for over 150 products, ranging from household appliances to industrial materials, in a move aimed at ensuring stricter safety and performance standards. The Bureau of Indian Standards (BIS) said it has listed out 150-odd products in advance for better awareness purpose. The scope of these mandatory standards is extended to various sectors with varied enforcement dates for different sectors. The BIS will oversee



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the implementation of these orders, and the list covers a diverse range of products including vacuum cleaners, stainless steel utensils, and massage appliances. For electrical appliances operating on 250V single-phase or 415V three-phase power, the compliance deadline is set for March 20. In the furniture industry, manufacturers must comply with quality norms for products such as block boards, plywood, and wooden flush doors.

***(Business Standard)***



## FINANCIAL TERMINOLOGY

### REAL & NOMINAL GDP

- ❖ Nominal GDP measures the total value of goods and services produced in a country using current prices, while real GDP measures the same value adjusted for inflation. Real GDP is considered a more accurate measure of a country's economic performance.
- ❖ Real GDP is calculated by adjusting nominal GDP for inflation using a statistical tool called the price deflator.
- ❖ Real GDP is more accurate because it removes the effects of inflation. This allows economists to see if the value of output has increased due to more production or higher prices.
- ❖  $\text{Real GDP} = (\text{Nominal GDP} / \text{Price Index}) \times 100$



### **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 : 87.2237  
INR / 1 GBP : 108.8662  
INR / 1 EUR : 90.6022  
INR /100 JPY: 56.9400

### **EQUITY MARKET**

Sensex: 78271.28 (-312.53)  
NIFTY: 23696.30 (-42.95)  
Bnk NIFTY: 50343.05 (+185.10)

### **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**

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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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### **TEAM BFSIB**

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