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DAILY NEWS DIGEST BY BFSI BOARD

07 February 2025



ECONOMY

‘₹15.48 lakh crore borrowing is fuelling capex’: Finance secretary counters criticism on infra spending: India's economic ambitions remain intact despite a challenging global environment, according to Revenue and Finance Secretary Tuhin Kanta Pandey. He acknowledged the worldwide slowdown in trade and growth but asserted that India is focused on accelerating its trajectory. Dismissing concerns about inadequate infrastructure spending, Pandey underscored the government's financial strategy. “The ₹15.48 lakh crore we are borrowing is going directly into capex,” he stated, pushing back against criticism that the government is not investing enough. He further clarified that India's borrowing approach is designed to be productive rather than inflationary. “We are borrowing to invest, fiscally we have an absolutely non-inflationary budget,” he said, emphasizing that the focus remains on long-term economic expansion.

(Business Today)

RBI expected to cut rates for the first time since May 2020: The Reserve Bank of India is widely expected to cut interest rates for the first time in nearly five years in Governor Sanjay Malhotra's first monetary policy review on Friday, aiming to boost economic growth which is seen falling to a four-year low. Over 70 per cent of respondents, 45 of 62, in a Jan. 22-30 Reuters poll forecast the RBI would cut its key repo rate by 25 basis points to 6.25 per cent at the conclusion of its February 5-7 meeting, while others expect it will keep rates unchanged, mostly because of above-target inflation. The government said it is likely to post a full-year fiscal deficit of 4.8 per cent of GDP in the current year ending March and expects to improve its finances, targeting a fiscal deficit of 4.4 per cent in 2025-26.

(Business Line)

Indian govt bond yields decline on interest rate cut expectations: Indian government bond yields ended marginally lower on Thursday, a day ahead of the central bank's monetary policy decision where it is widely expected to cut interest rates. The benchmark 10-year yield ended at



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6.6562% compared with Wednesday's close of 6.6616%. The Reserve Bank of India is widely expected to cut rates for the first time in nearly five years, in new Governor Sanjay Malhotra's first monetary policy review. A majority of economists and market participants expect a 25 basis points cut on Friday. The RBI's decision is due at 10:00 a.m. IST.

(Business Standard)

BANKING & FINANCE



SBI Q3 results: Profit jumps 84% to Rs 16,891 crore; interest income up 4%: SBI on Thursday said it recorded an 84.32 per cent uptick, year-on-year (YoY), in its net profit during the December 2024 quarter (Q3 FY25). During the quarter under review, profit came at Rs 16,891 crore. Net interest income (NII) for Q3 FY25 increased by 4.09 per cent YoY. Gross NPA ratio stood at 2.07 per cent, improving by 35 basis points (bps) YoY. Net NPA ratio, at 0.53 per cent improved by 11 bps YoY. SBI's credit growth came at 13.49 per cent (YoY) with domestic advances growing by 14.06 per cent YoY. Gross advances cross Rs 40 lakh crore-mark.

(Business Today)

Public Sector Banks (PSBs) show strong performance in the first three quarters (April-December) of current FY 2024-25: The performance of Public Sector Banks has shown significant improvement on key financial parameters during the first three quarters of the current FY 2024-25. Highlights as on 31.12.2024. Record net profit growth of 31.3% (y-o-y) to achieve highest ever aggregate net profit of Rs. 1,29,426 Crore and aggregate operating profit of Rs. 2,20,243 Crore, in first nine months of the financial year. Improved asset quality visible from significantly low Net NPA ratio at 0.59% (Aggregate net NPA outstanding of Rs. 61,252 Crore). Aggregate business growth of 11.0% (y-o-y), with improved aggregate deposit growth at 9.8% (y-o-y). Total aggregate business of PSBs reached Rs. 242.27 lakh crore. Robust credit growth of 12.4%, led by retail credit growth of 16.6%, agriculture credit growth of 12.9% and MSME credit growth of 12.5%. Built-up of adequate capital buffers, with Aggregate Capital to Risk Weighted Assets Ratio of 14.83%, significantly above the minimum requirement of 11.5%.

(PiB)

Govt rethinking disinvestment plan? Finance Minister Nirmala Sitharaman sets the record straight: Finance Minister Nirmala Sitharaman confirms the government's commitment to privatisation and disinvestment, emphasizing their cabinet-backed strategy. The government and LIC plan to sell their 60.7% stake in IDBI Bank, with the process expected to commence soon. Valuations



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of the targeted companies have significantly improved. After presenting the Union Budget on February 1, Finance Minister Nirmala Sitharaman has revealed where the government's priorities lies when it comes to disinvestment and privatisation plans.

(Economic Times)

Indian Overseas Bank shores up management amid branch expansion: State-owned Indian Overseas Bank is undergoing administrative restructuring to enhance management control and support branch expansion. The Chennai-based lender plans to add four new regional offices next fiscal and has already added three this year. With 90 branches added recently and 100 more planned by 2025-26, IOB aims to improve performance and reduce non-performing assets.

(Business Standard)

INDUSTRY OUTLOOK



Zomato board approves change of company name to ‘Eternal’: Food tech major Zomato has changed its name to Eternal and the company’s board has approved the same, the company said in a stock exchange filing on February 6. “When we acquired Blinkit, we started using “Eternal” (instead of Zomato) internally to distinguish between the company and the brand/app. We also thought that we would publicly rename the company to Eternal, the day something beyond Zomato became a significant driver of our future. Today, with Blinkit, I feel we are there. We would like to rename Zomato Ltd., the company (not the brand/app), to Eternal Ltd,” Deepinder Goyal, group CEO and co-founder of Zomato, said in a letter filed with the BSE.

(Moneycontrol)

Government warns about multiple security flaws in Android: The Indian Computer Emergency Response Team (CERT-In) has issued a security advisory (CIVN-2025-0013) warning about multiple vulnerabilities in Android. These flaws could allow attackers to gain unauthorised access, execute arbitrary code, and compromise system stability. CERT-In has classified the vulnerabilities as high-risk, with potential impacts including privilege escalation, data theft, and denial-of-service (DoS) attacks. The advisory also mentions that one of the vulnerabilities (CVE-2024-53104) is already being actively exploited in the wild. The vulnerabilities affect devices running Android versions 12, 12L, 13, 14, and 15. Users of smartphones, tablets, smartwatches, and other devices based on Android are advised to take immediate precautions.

(Moneycontrol)



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Shein re-enters India market after 5-year ban through Reliance Retail: The Insolvency and Bankruptcy Board of India (IBBI), in a Chinese online fast fashion brand Shein has re-entered the India market almost five years since its ban through the country's leading retailer Reliance Retail. Shein India Fast Fashion App from Reliance Retail currently has over 10,000 downloads on Google's Play Store and is ranked among the top-10 among peers on Apple's store. The brand, now based in Singapore, offers affordable fashion products through its app and online stores in India -- one of its fastest-growing markets. Shein was one of the apps that was banned by the Ministry of Electronics and Information Technology in June 2020 after escalation of tensions with China.

(Business Standard)



REGULATION & DEVELOPMENT

Social security for gig workers: Labour ministry finalising scheme, to seek Cabinet nod soon: The government is finalising the contours of a social security scheme for gig workers, which is likely to be taken to the Union Cabinet for approval soon. The move, if it goes through, would provide a safety net to India's rising gig workforce, many of whom have taken up such jobs due to lack of employment opportunities. According to sources, the labour ministry has been holding discussions with gig workers' associations, online aggregators and state governments and is finalising the contours of the scheme, which would be based on a 1% to 2% contribution based on the gig worker's daily earning from each platform that he or she is working with. As announced in the Union Budget, each gig worker will be registered on the labour ministry's e-Shram portal and be assigned a 12 digit universal account number (UAN).

(Business Today)

'Income Tax Bill likely to be taken up in Feb 7's cabinet meeting': Govt sources: The Union Cabinet is expected to approve the new Income Tax Bill on Friday, February 7, which could result in its introduction in the Lok Sabha early next week, government sources told Business Today. The purpose of the new Income Tax Bill is to simplify and streamline the tax process by replacing the current Income Tax Act of 1961. During her Budget presentation on February 1, 2025, Union Finance Minister Nirmala Sitharaman announced that the new Income Tax Bill will be presented in Parliament in the following week. The Union Budget was unveiled on Saturday, February 1, marking the beginning of the process to replace the longstanding law that has been in place for close to six decades. The upcoming income tax bill is scheduled to take effect starting from the fiscal



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year 2025-26 and will be applicable from the assessment Year 2026-27 as per the budget announcement made on February 1, 2025.

(Business Today)

e-NAM Platform expanded to boost agricultural trade with addition of 10 New commodities and their tradable parameters:

In response to the continuous demand from farmers, traders and other stakeholders for inclusion of more agricultural commodities, the Department of Agriculture and Farmers' Welfare, Government of India has decided to further expand the scope of trade under e-NAM. This initiative aims to increase the coverage of agricultural commodities and offer more opportunities for farmers and traders to benefit from the digital trading platform, Directorate of Marketing and Inspection (DMI) has formulated tradable parameters for 10 additional agricultural commodities. These new commodities parameters are a result of extensive consultation with key stakeholders, including state agencies, traders, subject matter specialists and SFAC and with approval from the Union Minister of Agriculture and Farmers' Welfare Shri Shivraj Singh Chouhan. DMI has been entrusted with the formulation of tradable parameters for agricultural commodities to be traded on the e-NAM (National Agricultural Market) platform. These tradable parameters are designed to help farmers secure better prices for their produce by ensuring the quality and commerciality of agricultural products. This initiative enhances transparency, facilitates fair trading practices, and contributes to the overall growth of the agricultural sector.

(PiB)



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FINANCIAL TERMINOLOGY

Application Tracking System (ATS)

- ❖ The ATS is an Application Tracking System, hosted on the public website of the Reserve Bank of India (RBI), which has been developed for members of the public to submit any individual application to RBI and keep track of the status of its disposal thereafter.
- ❖ An application can be any application, addressed to any department of RBI, through which members of the public can apply (except such applications for which specific instructions have been given regarding mode of submission, etc.).
- ❖ The application is automatically inwarded in the receiving office/ department and marked to the administrator of that department.
- ❖ ATS is also available for all applications / letters, etc. submitted physically at the counters of RBI or received through post/courier, provided a valid email id is given in the document. Receipt of all such applications as also its disposal will be advised to the applicant through email.



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 : 87.5617
INR / 1 GBP : 109.3605
INR / 1 EUR : 90.9836
INR /100 JPY: 57.4300

EQUITY MARKET

Sensex: 78058.16 (-213.12)
NIFTY: 23603.35 (-92.95)
Bnk NIFTY: 50382.10 (+39.05)

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