



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

11 March 2025



ECONOMY

Pressure mounts on Wall Street as Dow Jones, Nasdaq, S&P 500 drop 1-3%: US stocks continued to roil under selling pressure from last week, with investor concerns mounting over a potential economic slowdown after President Donald Trump did not rule out a recession amid the implementation of US tariffs. In early hours of trade, the Dow Jones Industrial Average fell 392 points, or 0.9 percent, while the S&P 500 dropped 1.8 percent, and the Nasdaq Composite slid 2.8 percent. The tech-heavy Nasdaq was particularly weighed down by losses in the "Magnificent Seven" stocks. Tesla plunged 3 percent, Alphabet declined 4 percent, Meta lost 3 percent, and AI leader Nvidia slipped 2 percent. This follows the S&P 500's 3.1 percent decline last week, marking its worst weekly performance since September, while the Dow dropped 2.4 percent and the Nasdaq Composite lost 3.5 percent.

(Moneycontrol)

Govt seeks extra spend of over Rs 51,000 crore in FY25; Rs 7,000 crore for Unified Pension Scheme: The central government sought the Parliament's approval to spend an additional Rs 51,463 crore on a net basis for the current financial year ending March 31, according to a statement. Finance Minister Nirmala Sitharaman tabled the second batch of supplementary demands in Parliament on March 10. These demands will fund additional expenses beyond the initial budgeted outlays. In gross terms, the Centre has sought Rs 6.79 lakh crore in additional spend for FY25 through the second batch of supplementary demands. The net cash outgo includes demand for spending Rs 7,000 crore towards Unified Pension Scheme (UPS), Rs 12,000 crore towards Oil Industry Development Fund, and Rs 1,351 crore for waiver of government's dues to Hindustan Organic Chemicals Ltd (HOCL).

(Moneycontrol)

Personal income tax surged to 3.5% of GDP in FY24: Collection from personal income tax (PIT) as a share of GDP (Gross Domestic Product) surged 140 basis points in Fiscal Year 2023-24



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against 2.1 per cent in Fiscal Year 2014-15, Finance Ministry informed the Lok Sabha on Monday. Figures under PIT include taxes paid by an individual, Hindu Undivided Family, Firms, associations of persons, body of individuals, local authorities and artificial juridical person. However, government has replaced the term 'personal income tax' with 'non-corporate tax.' Data in a written reply by Minister of State in the Finance Ministry, Pankaj Chaudhary showed that percentage of PIT to GDP at current market price was 2.1 per cent in FY15 which rose to 3.5 per cent in FY24. Similarly, the collection in FY15 was around ₹2.66 lakh crore which jumped to over ₹10.4 lakh crore, showing an increase of 293 per cent.

(Business Line)

BANKING & FINANCE



Demat additions grinding at the slowest pace in 21 months as uncertainty rises: The total number of demat accounts continued to rise in February, however at the slowest pace in 21 months, weighed down by market volatility and the stock market correction. Around 1.92 million new accounts were added during the month, the slowest growth since May 2023 and the second consecutive month of deceleration, data showed. In January 2025, new demat account additions stood at 2.83 million versus 3.26 million in December 2024. As of February, the total number of demat accounts registered with NSDL and CDSL has reached 190.40 million, up from 188.14 million in the previous month.

(Moneycontrol)

IDBI Bank disinvestment on track as data room issues resolved: Govt official: The Centre has resolved all data room-related concerns in the IDBI Bank disinvestment process, paving the way for the next stage of the transaction. With due diligence nearly complete, the government remains confident of inviting financial bids soon. "The IDBI Bank privatisation process is progressing smoothly. All data room issues have been addressed, and financial bids will be invited shortly," a senior government official told Business Today TV.

(Business Today)

Indian banks continue to grapple with poor deposit growth: Indian banks are advancing more loans than they are incrementally garnering deposits, the latest central bank data showed, pointing to only a partial success for dedicated lender programmes aimed at boosting the deposit base and de-risking the credit environment. Indian banks are facing challenges in deposit mobilization, leading to a higher Loan-to-Deposit Ratio of nearly 126% as of February 2025. Despite lender



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programs, deposit growth remains sluggish, forcing banks to rely on alternative funding sources and intensifying competition for bulk deposits.

(Economic Times)

INDUSTRY OUTLOOK



Tata Capital plans to raise \$750 mn via ECBs under \$2 bn MTN programme: Tata Capital, the financial services arm of the Tata group, is seeking to ring in up to \$750 million through external commercial borrowing (ECB) as part of its \$2 billion medium-term note (MTN) programme. The proceeds will be used for on-lending and other businesses, according to bankers familiar with the matter. The fundraising comes as the company prepares for an initial public offering (IPO), expected by September. The IPO is awaiting shareholder approval.

(Business Standard)

China hits back at Trump tariffs with 15% levies on key US farm goods: China retaliated against President Donald Trump's tariffs with an additional 15% tax on key American farm products, including chicken, pork, soybeans and beef. The escalating trade tensions punished US markets Monday as investors fearful of the damage from from Trump's trade wars put their money elsewhere. The Chinese tariffs, announced last week, were a response to Trump's decision to double the levy on Chinese imports to 20% on March 4. China's Commerce Ministry had earlier said that goods already in transit would be exempt from the retaliatory tariffs until April 12.

(Business Standard)

No commitment to US on tariff cuts; deal negotiations on, says govt: In its first official response to US President Donald Trump's recent claim that India had agreed to cut its tariffs way down, the Union government on Monday told a parliamentary panel that New Delhi had not made any commitment to the US on reducing tariffs. The government conveyed to the panel that negotiations were still onand that India had sought time until September, while clarifying that the Trump administration had not set a deadline of April 2 for New Delhi. At the meeting of the parliamentary standing committee on external affairs held on Monday evening, Commerce Secretary Sunil Barthwal told the panel members that India could reduce tariffs on some of the items, such as nuts, but would protect its dairy industry. However, any reduction in tariffs will be done bilaterally and not replicated for multilateral agreements.

(Business Standard)



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REGULATION & DEVELOPMENT

NSE changes expiry of all F&O contracts from Thursday to Monday effective April 4: The National Stock Exchange (NSE) on March 4 said all Nifty index weekly futures and options (F&O) contracts will expire on Monday instead of Thursday with effect from April 4. All Nifty F&O contracts to expire last Monday of expiry month, not Thursday, said the exchange. NSE also shifted F&O expiry for Bank Nifty, FinNifty, Nifty Midcap Select and Nifty Next50 to the last Monday of the expiry month with effective from April 4. "The circular shall come into effect from April 04, 2025 i.e. Expiry day for all existing contracts will be revised to "New Expiry Day" on April 03, 2025 (EOD)," said NSE.

(Moneycontrol)

MoSPI likely to include data on new activities in revised IIP series: The Ministry of Statistics and Programme Implementation is considering inclusion of data on activities like water collection, treatment & supply, sewerage, and waste collection, treatment & disposal activities in the new Index of Industrial Production (IIP) series, which is slated to be released in February next year, official sources told Business Standard. The addition of these activities to the index is in line with the international recommendations received by the ministry with regard to IIP. Other such activities include quarrying of minor minerals and gas supply.

(Business Standard)

Irdai lets insurers to undertake transactions in bond forwards for hedging: Regulator Irdai on Monday permitted insurance companies to undertake transactions in bond forwards as users for hedging interest rate risks. The Reserve Bank has recently issued directions specifying that any entity, eligible to be classified as a non-retail user shall be eligible to undertake transactions in Forward Contracts in Government Securities (Bond Forwards) as a user. In a circular on 'Exposure to Forward Contracts in Government Securities (Bond Forwards)', Insurance Regulatory and Development Authority of India (Irdai) said that in view of the RBI's directions and considering insurers requests for introduction of Bond Forwards, "insurers are hereby permitted ...to undertake transactions in Bond Forwards as users for hedging purpose".

(Business Standard)



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FINANCIAL TERMINOLOGY

DEMURRAGE

- ❖ Demurrage is a word with two meanings that are different depending on whether demurrage refers to the commercial shipping business or finance.
- ❖ The first relates to the carrying costs of currencies and commodities, while the second refers to a penalty paid by companies who charter cargo ships.
- ❖ Charter companies are usually given three days to load or unload their ships before being required to pay demurrage.
- ❖ The companies responsible for paying demurrage can avoid the charges by having a backup courier just in case.
- ❖ A major cause of demurrage charges that occur in the shipping business is when containers are held in customs.



RBI KEY RATES

Repo Rate: 6.25%
SDF: 6.00%
MSF & Bank Rate: 6.50%
CRR: 4.00%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 87.7392
INR / 1 GBP : 112.6654
INR / 1 EUR : 94.5528
INR /100 JPY: 59.0600

EQUITY MARKET

Sensex: 74115.17 (-217.41)
NIFTY: 22460.30 (-92.20)
Bnk NIFTY: 48216.80 (-280.70)

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