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+ 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

25 April 2025

ECONOMY

Tariffs could shave half percentage point off growth: Finance Secretary Seth: US tariffs on India could shave up to half a percentage point off the country's economic growth, a top Indian government official said, adding that a more significant problem would be the global economy slumping. The "first order" hit from US reciprocal tariffs on India, if imposed, could reduce the nation's gross domestic product by between 0.2 and 0.5 percentage points, according to Finance Secretary Ajay Seth. He categorised that figure as having "not a huge impact."
(Business Line)

Govt to procure 0.3 MT of onion for buffer in FY26: The government has set a target of procuring 0.3 million tonne (MT) of onion from the farmers at market prices in the current fiscal for creating a buffer under the price stabilization fund (PSF). This target for the volume of purchase this fiscal is lower than 0.47 MT of the onion purchased from farmers in FY25 for building buffer, which would be offloaded in the market when prices started to spike in festive seasons. Sources told FE the government agencies – farmers cooperative Nafed and NCCF who had purchased onion at average price of Rs 29/kg in FY25 from farmers for the buffer, is expected to purchase 0.15 MT this fiscal.
(Business Line)

Net ECB inflows more than double in Apr-Feb; highest in at least 5 years: Net inflows through external commercial borrowing (ECB) more than doubled to $20.3 billion in the period April last year to February this year over the same duration a year earlier, partly driven by a decline in the cost of overseas funds. The inflows were the highest in at least five years. Net inflows during April 2023-February 2024 stood at $8.8 billion, according to the Reserve Bank of India (RBI) data. In February this year, net inflows were $1.9 billion, up from $1.3 billion in the same month last year.
(Business Standard)

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BANKING & FINANCE

Canara Bank announces appointment of S. K. Majumdar as Executive Director: Canara Bank has announced the appointment of S. K. Majumdar as Executive Director of the Bank, with effect from March 24, 2025. Prior to this elevation, Majumdar served as the Chief Financial Officer of Canara Bank. Majumdar is a Chartered Accountant and Cost Accountant. He brings with him over 25 years of experience in the banking industry and has been associated with Canara Bank since January 2000. During his career, Majumdar has served in various capacities across branches and administrative offices, contributing significantly to key functional areas of the Bank, said the Bank.
(Business Line)

Axis Bank Q4 Results: Profit comes flat; NII grows 6%, NIM declines YoY: Axis Bank, India's fourth largest private bank in terms of market capitalisation, on Thursday, April 24, reported a 0.20 per cent year-on-year (YoY) decline in its standalone net profit to ₹7,117.50 crore for the March quarter (Q4) of the last financial year (FY25). In the same quarter last year, the company's profit stood at ₹7,129.67 crore. Total interest earned during the quarter rose 6.90 per cent YoY to ₹31,242.51 crore from ₹29,224.54 crore in the corresponding quarter of the previous financial year.
(Business Standard)

Canara Bank and Indian Bank cut lending rates, home and vehicle loans get cheaper: Leading public sector lenders Canara and Indian Bank on Thursday lowered their repo-linked lending rate (RLLR) by 25 basis points in line with RBI making home and vehicle loans cheaper. Following the reduction, Indian Bank has cut its home loan interest rates from the existing 8.15 per cent to 7.90 per cent and vehicle loan interest rates from the existing 8.50 per cent to 8.25 per cent.
(Economic Times)

Non-life insurance sector growth halved in FY25 amid industry weakness, Care Ratings reports: The growth of India's non-life insurance industry was significantly reduced in FY25, with Care Ratings citing broad industry challenges. According to the agency’s report, although the sector surpassed the Rs 3 lakh crore mark, its performance was hindered by the implementation of the 1/n rule, subdued passenger vehicle sales, and ongoing weaknesses in the commercial insurance lines.
(Economic Times)

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INDUSTRY OUTLOOK

NSE tightens rules for SMEs looking to migrate to main board: The National Stock Exchange on Thursday tightened rules for small and medium enterprises looking to migrate from its SME platform to the main board, mandating a minimum revenue of ₹100 crore in the previous financial year for the first time. The exchange has also raised the threshold for average equity capitalisation to at least ₹100 crore from ₹25 crore earlier. It has also mandated promoter and promoter group shareholding to hold at least 20 per cent at the time of application, and must not fall below 50 per cent of the shares held by them on the listing date as on date of such migration.
(Business Line)

Govt hopes to add another 15K GPUs in second round of IndiaAI mission: Graphics processing units (GPUs) in the country are expected to increase by 15,000 through procurement and supply in the second round of bidding, according to official sources. The deadline for the second round is April 30. With the addition of the 15,000 GPUs, the number of such high-end computing processors will go up to 33,000.In January this year, the government had received bids to procure and supply 18,693 GPUs against the target of 10,000 GPUs.
(Business Standard)

Indian firms should avoid re-routing of goods from China to US: GTRI: Domestic exporters should not use India as a destination for re-routing goods originating from high-tariff countries like China to the US, economic think tank GTRI said on Thursday. Instead of re-routing, Indian exporters should build genuine value addition, supply chain transparency, and adhere to US customs rules, the Global Trade Research Initiative (GTRI) said. Cautioning against "shortcuts", GTRI Founder Ajay Srivastava said Indian firms need to build on genuine value addition, supply chain transparency, and comply with US customs rules. For countries like India, the opportunity is real, but only if exporters play by the rules.
(Business Standard)

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REGULATION & DEVELOPMENT

Soon, you can withdraw up to Rs 5 lakh from EPFO account without manual verification: The Central Board of Trustees (CBT) of the Employees' Provident Fund Organisation (EPFO) is likely to approve next month the raising of auto-settlement limit for advance claims (ASAC) to Rs 5 lakh from Rs 1 lakh currently, two officials have told Moneycontrol, which will enable withdrawal of the amount without needing manual verification. "The CBT in their next meeting - likely in May - shall grant the approval, granting significant relief to EPFO subscribers," one official said, on condition of anonymity. EPFO presently has about 7.4 crore active subscribers. In May 2024, the ASAC limit was increased to Rs 1 lakh from Rs 50,000, which resulted in enhanced ease-of-living for EPFO members, said another person. According to details seen by Moneycontrol, auto-settlement claims (in absolute terms) more than doubled from about 9 million in FY24 to around 20 million in FY25. In March, the CBT's Executive Committee (EC) had approved the proposal to enhance the ASAC limit to Rs 5 lakh.
(Moneycontrol)

Taxpayers barred from claiming deductions on Sebi, CCI settlement costs: The income tax department on Thursday said taxpayers will not be allowed to claim deduction for expenditures incurred to settle proceedings initiated under four laws, including the Sebi and the Competition Act. In a notification issued on April 23, the Central Board of Direct Taxes (CBDT) notified that any expenditure incurred to settle proceedings initiated in relation to contravention or defaults under the four specified laws shall not be deemed to have been incurred for the purpose of business or profession and no deduction or allowance shall be made in respect of such expenditure. The four laws are the Securities and Exchange Board of India Act, 1992; the Securities Contracts (Regulation) Act, 1956; the Depositories Act, 1996; And the Competition Act, 2002.
(Business Standard)

Sebi tweaks framework for ESG rating providers using subscriber-pays model: Markets regulator Sebi has tweaked the framework for ESG Rating Providers (ERPs), especially for those using a subscriber-pays model, requiring them to share ESG (Environmental, Social, and Governance) rating reports with both subscribers and the rated issuer simultaneously. This policy needs to be publicly disclosed. To give this effect, the Securities and Exchange Board of India (Sebi) has amended rules governing credit rating agencies in a bid to enhance clarity and transparency. "An ESG rating provider following a subscriber-pays business model shall share the ESG rating report with its subscribers and the rated entity or the issuer whose securities have been rated at the same time and provide two working days to such rated entity or the issuer to provide its comments," Sebi said in its notification issued on Tuesday.

(Business Standard)

FINANCIAL TERMINOLOGY

REVERSE TRIANGULAR MERGER

- A reverse triangular merger is the formation of a new company that occurs when an acquiring company creates a subsidiary, the subsidiary purchases the target company, and the subsidiary is then absorbed by the target company.
- A reverse triangular merger is more easily accomplished than a direct merger because the subsidiary has only one shareholder, the acquiring company and the acquiring company may obtain control of the target's nontransferable assets and contracts.
- At least 50% of the payment in a reverse triangular merger is the stock of the acquirer, and the acquirer gains all assets and liabilities of the seller.

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RBI KEY RATES

Repo Rate: 6.00%
SDF: 5.75%
MSF & Bank Rate: 6.25%
CRR: 4.00%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 85.5085
INR / 1 GBP : 113.6884
INR / 1 EUR : 97.2976
INR /100 JPY: 60.2000

EQUITY MARKET

Sensex: 79801.43 (-315.06)
NIFTY: 24246.70 (-82.25)
Bnk NIFTY: 55201.40 (-168.65)

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