

DAILY NEWS DIGEST BY BFSI BOARD

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ECONOMY

RBI sees more room to ease rates as inflation hits record low: Sanjay Malhotra:

RBI Governor signaled the possibility of a further policy rate cut, saying there is still room for easing even after the 100 basis point reduction earlier this year. "At the last MPC meeting in October, it was communicated clearly there is room to cut policy rates," Malhotra said in an interview with Zee Business. "Since then, the macro-economic data we have received has not indicated that the room to lower rates has decreased." The central bank has held rates steady since August, but softer inflation could pave the way for fresh cuts. India's retail inflation plunged to a record low of 0.25% in October, largely due to falling food prices and tax relief on consumer goods. Minutes from the October meeting echoed the dovish tone, with members citing space for future rate easing amid a more favorable inflation outlook.

(Business Today)

Consumption shift: Rural households outpace cities in durables growth, food share falls below 50%:

India's consumption basket has undergone a decisive shift over the past decade, with households spending less on food and significantly more on durable goods — and owning far more of them than ever before. A new working paper by the Economic Advisory Council to the Prime Minister (EAC-PM) shows how rising incomes, financial access and improved markets have reshaped household priorities between 2011-12 and 2023-24. The study compares two national consumption surveys and finds that durables such as vehicles, refrigerators and mobile phones have seen the steepest rise in ownership, especially among the bottom 40% of households, signalling broad-based improvements in living standards.

(Business Today)



S&P Global retains India's GDP forecast at 6.5% for FY26: S&P Global on Monday retained the growth forecast for India at 6.5 per cent for Fiscal Year 2025-26. It said that if India managed to strike a deal with the US, the uncertainty is expected to come down. "We anticipate that India's GDP will grow by 6.5 per cent in fiscal year 2026 (ending March 2026) and 6.7 per cent in fiscal 2027, with risks evenly balanced," the global rating agency said in the latest edition of Economic Outlook for Asia Pacific. This number is close to projections by other agencies. Earlier, the International Monetary Fund (IMF) raised India's growth forecast for FY 2025–26 by 20 basis points to 6.6 per cent. However, citing the impact of increased tariffs, it lowered the projection for FY 2026–27 by 20 basis points to 6.2 per cent. Similarly, the World Bank raised India's FY26 growth forecast by 20 basis points to 6.5 per cent from its June projection of 6.3 per cent. However, considering the US tariff action, the World Bank also cut its FY27 forecast by 20 basis points to 6.3 per cent.

(Business Line)

Rabi crop sowing exceeds 306 lakh hectares: The Department of Agriculture & Farmers' Welfare has released progress of area coverage under rabi crops as on 21st November 2025 and according to the report, Rabi crop sowing exceeds 306 lakh hectares. 73.36 lakh ha area coverage under Pulses as compared to 68.15 lakh ha during the corresponding period of last year. 19.69 lakh ha area coverage under Shri Anna & Coarse Cereals reported. Oilseeds crosses 76.64 lakh hectares

(PiB)

BANKING & FINANCE



Banks' weigh legality of accessing borrowers' criminal records for loan decisions: Banks' may no longer restrict themselves to only checking credit scores, assessing cash flows, taking collateral, etc, when extending loans. They are likely to go a step further by specifically running a check on the criminal records of borrowers. Towards this end, lenders are weighing the legality of accessing borrowers' criminal records before taking a call on approving loans. The proposed move, which was

considered at a recent meeting of bankers', is apparently aimed at nipping in the bud loan proposals from borrowers with criminal antecedents of a serious nature.

(Business Line)

Rupee rebounds on RBI support: The rupee has rebounded on Monday from the all-time low due to support from the Reserve Bank of India (RBI), said currency traders. However, sentiment remains weak due to delay in the US-India trade deal. The Indian rupee rose 17 paise to 89.24 on Monday. It opened at 89.14 compared to the previous close of 89.48. On Friday, the domestic currency breached 89 level for the first time, hitting a record low. Followed by the defence from the RBI on Monday, rupee was the second performing currency on Monday after Singapore dollar. So far in FY26, the currency has fallen 4.42%.

(Financial Express)

Government appoints new executive directors in Canara Bank, Union Bank, Bank of Maharashtra, Indian Bank and PNB: The government has appointed Punjab National Bank chief general managers Sunil Kumar Chugh and Amresh Prasad as executive directors in Canara Bank and Union Bank of India respectively. The government has also appointed Prabhat Kiran, Canara Bank's CGM as ED in Bank of Maharashtra and Mini TM, CGM in Bank of Baroda as ED in Indian Bank. Meanwhile, Amit Kumar Srivastava, group chief risk officer in PNB has been elevated as ED in the same bank. All these appointments are for three years with effect from November 24.

(Economic Times)

PSU banks expand home loan market share to 50 pc of origination value in September: Report: Public sector banks have expanded their market share in the competitive home loan market to 50 per cent of total originations by value in September, a report said on Monday. The state-run banks have overtaken private sector banks in the market, the report by a credit information company said. Nearly 40 per cent of the overall home loans were in the higher bracket of over Rs 75 lakh, Crif High Mark said, adding that the number of active loans added by just 3.3 per cent to 2.29 crore, which indicates an increase in average exposure per loan.

(Business Standard)

INDUSTRY OUTLOOK



Economy picked up steam in Oct on GST rejig, festival spends: RBI bulletin:

Notwithstanding global headwinds, the Indian economy saw further momentum in October on the back of goods and services tax (GST) rate rationalisation and festival spending, as indicated by high-frequency indicators, the Reserve Bank of India's (RBI's) monthly State of the Economy report said. "GST collections improved over the previous month, indicating a strong pickup in consumer demand," the report, authored by RBI staff with guidance from Deputy Governor Poonam Gupta, said. The report said high-frequency indicators for October suggest a broader uptick in manufacturing activity and continued robust expansion in the services sector. It clarified that the views expressed in the article are those of the authors and do not represent the views of the RBI.

(Business Standard)

Proposed new CAFE norms spark a big vs small car debate in India: When new emission norms came into force in April 2020, many automakers took older models off the market, realising that upgrading these ageing cars to new lower-emission engines would put them beyond the pockets of buyers. Back in 2020 it was the Bharat Stage-6 or BS6 norms that got carmakers worried. This time around, the proposed introduction of new Corporate Average Fuel Efficiency or CAFE norms particularly a proposed weight-based carve-out for smaller cars has sparked an industry-wide debate.

(Business Standard)

India's marine product exports rise 16% as new markets offset US dip: India's marine product exports rose 16.2 per cent to \$4.87 billion in the first seven months of the financial year (April–October), buoyed up by firm global demand and a rebound across key Asian and European markets. Shrimps and prawns have a share of over 63 per cent in the marine sector. The US, traditionally India's largest shrimp market saw a 7.43 per cent drop to \$1.06 billion in this period. That slide was more than offset by



strong growth in shipments to China, Vietnam, Belgium, Japan, Russia, Canada and the UK, a senior government official said.

(Business Standard)



REGULATION & DEVELOPMENT

Karnataka draft bill proposes 5% disability quota in private sector, fines up to Rs 5 lakh for violations: Karnataka government has released draft Karnataka Rights of Persons with Disabilities in Employment and Education Bill, 2025, proposing a 5 percent reservation for persons with disabilities in private establishments with 20 or more employees. It also mandates that all educational institutions reserve 10 percent of seats in every course for students with disabilities. Private establishments with 20 or more staff must reserve 5 percent of sanctioned posts for persons with disabilities, covering direct recruitment and regularised posts. Employers must distribute reserved posts across disability categories based on a formula prescribed by the State Regulatory Authority.

(Moneycontrol)

Insolvency delays rise, 603 days taken for resolution in Q2: The average time to conclude a resolution process under the Insolvency and Bankruptcy Code (IBC) is on a rise. According to official data, it took 603 days to complete 1,300 corporate insolvency resolution processes (CIRP) in the July-September 2025 quarter, which is higher than 582 days in the corresponding quarter last year. This is way above the 330-day limit set to conclude the process. As per the latest report from the Insolvency and Bankruptcy Board of India (IBBI), the 2896 CIRPs, which ended up in orders for liquidation, took an average 518 days to complete, up from 505 days in the same quarter last year.

(Financial Express)



Sebi proposes to exclude ZCZP, delisted stocks for BSDA calculation: The Securities and Exchange Board of India (Sebi) has proposed exclusion of the value of so-called zero coupon zero principal (ZCZP) bonds and delisted securities from portfolio value calculations to determine a basic services demat account (BSDA). BSDAs are a special type of demat account introduced by Sebi to reduce maintenance costs for small retail investors who hold low-value securities. Such account holders don't have to pay any annual maintenance charges (AMC) for the value of holdings up to Rs 50,000. ZCZP bonds, widely used under social impact frameworks, should not be counted while determining whether an investor qualifies for a BSDA, the regulator has suggested. These instruments are non-transferable, non-tradable and have no monetary return, making them closer to a “social contribution” than a liquid investment asset, the regulator said.

(Business Standard)



FINANCIAL TERMINOLOGY

LAFFER CURVE

- The Laffer Curve showcases the intricate relationship between tax rates and government revenue, a concept popularized by economist Arthur Laffer in 1974. This theory posits that both excessively high and low tax rates result in reduced tax revenues, suggesting that tax cuts can potentially enhance revenue collection.
- The economic effect is longer-term and has a multiplier effect. As a tax cut increases income for taxpayers, they will spend it. The increase in demand creates more business activity, spurring an increase in production and employment.



RBI KEY RATES

Repo Rate: 5.50%
SDF: 5.25%
MSF & Bank Rate: 5.75%
CRR: 3.25%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 89.1919
INR / 1 GBP : 116.8997
INR / 1 EUR : 102.7824
INR /100 JPY: 56.9400

EQUITY MARKET

Sensex: 84900.71 (-331.21)
NIFTY: 25959.50 (-108.65)
Bnk NIFTY: 58835.35 (-32.35)

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TEAM BFSIB

**Banking, Financial Services & Insurance Board
The Institute of Cost Accountants of India (ICMAI)**

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