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DAILY NEWS DIGEST BY BFSI BOARD

26 March 2025



ECONOMY

Foreign investors stage comeback, pour Rs 23,000 cr into Indian equities in five sessions: Foreign institutional investors have made a roaring comeback in to the Indian equities, lapping up domestic shares worth a whopping Rs 23,000 crore in the last five sessions as of March 25. After turning net buyers of Indian stocks for the first time in a month on March 18, FIIs have been on a buying spree in the last four out of five days. This resurgence in FII activity has coincided with a seven-day winning streak for Indian benchmarks, the Nifty 50 and Sensex, helping both indices exit correction territory. The turnaround has been fuelled by easing valuations after the recent market rout, a stronger rupee, cooling inflation, and improving macroeconomic conditions in India. During the trading session of March 25, FIIs net bought shares worth Rs 19,066.28 crore and sold shares worth Rs 13,694.71 crore. The return to buying by FIIs that began on March 18, also saw a wave of massive short covering. Data on the exchanges showed that 101 stocks out of the 220 in the futures and options segment saw short covering from FIIs in that session.

(Moneycontrol)

S&P lowers India's growth forecast for FY26 by 20 basis points to 6.5%: S&P Global on Tuesday revised downwards its India growth forecast for 2025-26 by 20 basis points (bps) to 6.5 per cent, while maintaining that the country's services-led exports to the US will remain resilient despite impending reciprocal tariffs. "India's gross domestic product (GDP) will grow 6.5 per cent in the financial year ending March 31, 2026, we expect. Our forecast is the same as the outcome for the previous financial year but lower than our earlier estimate of 6.7 per cent," the global credit rating agency said in its latest quarterly economic update for APAC.

(Business Standard)

Amid trade talks with US and looming reciprocal tariffs, India cuts industrial tariffs to 10.66%, eyes concessions: Amid ongoing trade negotiations with the US and the impending threat



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of reciprocal tariffs, India has reduced its average industrial tariff to 10.66%, the Commerce ministry informed the Lok Sabha Tuesday. "As per WTO 2023, India's simple average tariff rate is 17%. Industrial goods tariff was at 13.5% in 2023... Post Union Budget 2025-26, the simple average industrial tariff has been reduced to 10.66," Jitin Prasada, Minister of State for Commerce and Industry, told the House in response to an unstarred question.

(Business Today)

BANKING & FINANCE



RRBs achieve a record ₹7,571 crore profit in FY 2023-24: Financial health of RRBs has improved in the recent years as they have posted highest ever consolidated net profit of ₹ 7,571 crore during FY 2023-24. Also, the RRBs have shown consistent improvement in key financial parameters like CRAR, deposits, advances, NPA, CD ratio etc. The Key Financial Parameters of RRBs have improved consistently in past years. The Total Balance sheet Size of RRBs have increased from Rs. 7,04,556 Crore in FY 2021- 22 to Rs. 8,40,080 Crore in FY 2023-24. Further the Net NPA has declined from 4.7% in FY 2021- 22 to 2.4% in FY 2023-24. Also the Credit to Deposit Ratio has increased from 64.5% to 71.4% from FY 2021-22 to FY 2023-24.

(PiB)

SBI raises \$1 bn in syndicated dollar loan: State Bank of India raised \$1 billion in the largest dollar-denominated syndicated loan this year from the nation, giving a boost to the lagging foreign-currency debt market. The borrower opted not to exercise a greenshoe option to increase the five-year facility by as much as \$250 million, said people familiar with the matter, who asked not to be identified discussing private information. SBI declined to comment.

(Moneycontrol)

IndusInd Bank said to hire headhunter to find CEO, MD: IndusInd Bank, currently in the midst of a crisis stemming from accounting gaps in its derivatives books, is said to have engaged global executive search firm Egon Zehnder to assist in the search for a new managing director and chief executive officer, two officials in the know said. RBI has approved only a one-year term for incumbent Sumant Kathpalia as the chief executive.

(Economic Times)

ATM cash withdrawals to get costlier from May 1: Starting May 1. The Reserve Bank of India (RBI) has approved an increase in ATM interchange fees, which is the amount one bank pays another



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for allowing its cardholders to use their ATM services. According to reports, customers will now have to pay an additional Rs 2 per transaction once they exceed their free withdrawal limit. The non-transaction fee has also been raised by Rs 1. As per the new charges, withdrawing cash from an ATM will now cost Rs 19 per transaction, up from Rs 17. Similarly, checking account balances at ATMs will now cost Rs 7 per transaction instead of Rs 6. The revised charges will only apply once customers exceed their free transaction limit. Currently, the limit is set at five free transactions per month at other banks' ATMs in metro cities and three transactions in non-metro areas.

(Economic Times)

INDUSTRY OUTLOOK



JSW Steel becomes the most valuable steel company in the world: JSW Steel has now become the most valuable steel company in the world by market capitalization as its shares surged 18% so far this year. The steel maker has overthrown other steel makers including ArcelorMittal and Nippon Steel as its market capitalization stands at Rs 2.6 lakh crore. The company operates integrated steel plants in Vijayanagar, Dolvi, and Salem, along with overseas operations in the United States and Italy. It currently has a manufacturing capacity of 35.7 million tonnes (MT) and looks to increase this to 43.5 MT by FY28 and 51.5 MT by FY31. The company's portfolio includes flat and long steel products for various sectors such as automotive, construction, and consumer durables.

(Moneycontrol)

India slaps Samsung with tax demand of \$601 million for telecom imports: India has ordered Samsung and its executives in the country to pay \$601 million in back taxes and penalties for dodging tariffs on import of key telecoms equipment, a government order showed, for one of the biggest such demands in recent years. The demand represents a substantial chunk of last year's net profit of \$955 million for Samsung in India, where it is one of the largest players in the consumer electronics and smartphones market. It can be challenged in a tax tribunal or the courts. The company, which also imports telecoms equipment through its network division, received a warning in 2023 for misclassifying imports to evade tariffs of 10% or 20% on a critical transmission component used in mobile towers. It imported and sold these items to billionaire Mukesh Ambani's telecom giant, Reliance Jio.

(Financial Express)

Centre cuts import duty on parts needed to make EV batteries, phones: The Centre on Tuesday announced that they have removed import duties on parts which are needed to manufacture



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electric vehicle batteries and phones. The decision was announced by the Union finance minister Nirmala Sitharaman amid broader tariff cuts to support local manufacturers to face the potential impact of reciprocal US tariffs. "We aim to boost domestic production and enhance export competitiveness by reducing duties on raw materials," Sitharaman said ahead of a vote to pass Finance Bill 2025 in parliament. 35 items used to make EV batteries will be exempted from import duty after the announcement while 28 items required to manufacture mobile phones will not attract import duty.

(Moneycontrol)



REGULATION & DEVELOPMENT

Medium Term and Long Term Government Deposit (MLTGD) components of Gold Monetisation Scheme (GMS) discontinued w.e.f. 26th March, 2025: Based on the examination of the performance of the Gold Monetisation Scheme (GMS) and evolving market conditions, it has been decided to discontinue the Medium Term and Long Term Government Deposit (MLTGD) components of the GMS w.e.f. March 26, 2025. Accordingly, any gold deposits tendered at the designated Collection and Purity Testing Centre (CPTC) or GMS Mobilisation, Collection & Testing Agent (GMCTA) or the designated bank branches under the said components of GMS shall not be accepted with effect from March 26, 2025. However, the existing deposits under MLTGD shall continue till redemption as per extant guidelines of GMS issued vide Reserve Bank Master Direction No. DBR.IBD.No.45/23.67.003/2015-16 dated October 22, 2015 (as updated). Further, the Short-Term Bank Deposits (STBD) offered by the banks under GMS shall continue at the discretion of the individual banks based on the commercial viability as assessed by them.

(PiB)

Finance Ministry, RBI to announce H1 borrowing calendar: The finance ministry and the Reserve Bank of India officials will meet on Wednesday to decide on the borrowing plan for the first half of 2025-26, sources said. The central government pegged its gross borrowings via market securities at Rs 14.82 lakh crore for next fiscal and net borrowings at Rs 11.54 lakh crore. The gross borrowings are around 6% higher than in FY25 due to redemptions, while net borrowings are pegged to be largely flat. In the first half of FY25, the government had borrowed Rs 7.4 lakh crore from the market, and Rs 6.61 lakh crore was mopped up in the second half. Sources said that the government's



gross borrowings for FY26 would have been higher if it had not done the switching and buybacks. To ease the liquidity crunch, the government opted for switching and buybacks of Rs 2.35 lakh crore.

(Financial Express)

Parliament passes bill to replace century-old Boiler Act with new measures: The Lok Sabha on Tuesday passed a bill to provide for the regulation of boilers, safety of life and property of persons from the danger of explosions of steam-boilers and uniformity in registration. The Boilers Bill, 2024, seeks to repeal the century-old Boilers Act, 1923. The bill, which has provisions to ensure the safety of persons working inside a boiler and promoting ease of doing business, was cleared in the Lower House by a voice vote. The legislation provides that repair of boilers should be undertaken by qualified and competent persons. Moreover, for all non-criminal offences, fine has been converted into penalty to be levied through executive mechanism instead of courts as existed earlier. The bill will enhance safety as specific provisions have been made to ensure the safety of persons working inside a boiler and that repair of boiler is undertaken by qualified and competent persons.

(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.



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 : 85.7302
INR / 1 GBP : 110.7526
INR / 1 EUR : 92.5875
INR /100 JPY: 56.9500

EQUITY MARKET

Sensex: 78017.19 (+32.81)
NIFTY: 23668.65 (+10.30)
Bnk NIFTY: 51607.95 (-97.00)

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