



# The Institute of Cost Accountants of India (ICMAI)

(Statutory body under an Act of Parliament)

H.Q: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi – 110 003

Kolkata Office: CMA Bhawan, 12 Sudder Street, Kolkata – 700 016

## **DAILY NEWS DIGEST BY BFSI BOARD**

**26 May 2025**



### **ECONOMY**

**RBI dividend may cut fiscal deficit to 4.2% of GDP in FY26: SBI report:** A significant surplus transfer by the Reserve Bank of India (RBI) could help the Centre trim its fiscal deficit by 20 to 30 basis points (bps), potentially bringing it down from the budgeted 4.5 per cent to 4.2 per cent of GDP, according to a report by the State Bank of India (SBI). In the Union Budget for 2025-26, the government had estimated a dividend income of ₹2.56 trillion from the RBI and public sector financial institutions. However, following the recent record transfer by the central bank, the actual inflow is expected to surpass this target significantly. SBI observed that this additional revenue enhances the government's fiscal flexibility. "We expect fiscal deficit to ease by 20 to 30 bps from the budgeted level to 4.2 per cent of GDP. Alternatively, it will open up for additional spending," the report stated.

**(Business Standard)**

**India now a \$4-trn economy, overtakes Japan to become 4th largest: NITI Aayog CEO:** Niti Aayog's chief executive officer BVR Subrahmanyam on Saturday said India has surpassed Japan to become the fourth largest economy in the world. The top government think tank's CEO further said that the overall geopolitical and economic environment are favourable to the country. "We are the fourth largest economy as I speak. We are a \$4 trillion economy as I speak," Subrahmanyam said during a briefing of reporters after the 10th Governing Council meeting of Niti Aayog. Citing data from International Monetary Fund (IMF), Subrahmanyam said India today is larger than Japan. "It is only US, China, Germany, which are larger than India and if we stick to what is being planned and what is being thought through, in 2.5-3 years, we will be the third largest economy," Subrahmanyam.

**(Moneycontrol)**

**Agri output likely to propel India's Q4 GDP growth to 4-quarter high:** Growth in the Indian economy likely gained momentum to touch at least a four quarter high in Q4 (January - March) of FY 25 after witnessing moderate growth rates in the preceding three quarters, owing to strong showing in agricultural output that likely lifted rural consumption demand, trade, hotels and transport segment



# The Institute of Cost Accountants of India (ICMAI)

(Statutory body under an Act of Parliament)

H.Q: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi – 110 003

Kolkata Office: CMA Bhawan, 12 Sudder Street, Kolkata – 700 016

and construction sector, according to analysts. During the first three quarters of FY25, the economy grew at 6.5 per cent, 5.6 per cent, and 6.2 per cent, respectively. The National Statistics Office (NSO) has projected the FY25 growth rate at 6.5 per cent, implicitly assuming 7.6 per cent.

**(Business Standard)**

## BANKING & FINANCE



**LIC bags Guinness world record for selling close to 6 lakh insurance policies in 24 hours:** Life Insurance Corporation of India on Saturday said it has earned a Guinness World Record title for most life insurance policies sold in 24 hours. This historic achievement, verified by Guinness World Records, recognises the extraordinary performance of the corporation's dedicated agency network on January 20, 2025, LIC said in a statement. On January 20, a total of 4,52,839 agents of LIC successfully completed and issued an astounding 5,88,107 life insurance policies across India, it noted. This monumental effort established a new global benchmark for agent productivity in the life insurance industry within 24 hours, it said.

**(Moneycontrol)**

**RBI makes it easier to claim dormant funds:** To make it easier for people to claim unclaimed bank deposits, now exceeding ₹78,000 crore, the Reserve Bank of India (RBI) has proposed new rules that allow customers to update their KYC (Know Your Customer) details using video calls (Video KYC) or with the help of business correspondents (BCs), especially in rural areas. In a draft circular released Friday, the RBI suggested easier KYC norms to help account holders and nominees reactivate long-dormant accounts. Under the proposed changes, banks can offer KYC updates not just at the home branch, but at any branch and through video-based KYC (V-CIP) where available. Banks can also allow BCs to help with KYC and account activation to reach customers in rural and remote areas. Today, users check the RBI's UDGM portal to find unclaimed deposits, then visit the bank branch in person to claim the money.

**(Economic Times)**

**'New payments board may be at odds with RBI oversight':** The Central government formed a Payments Regulatory Board. This action may decrease the Reserve Bank of India's power. The government will appoint some members to the PRB. Previously, the RBI opposed an independent body. Experts suggest the new board could speed up payment innovation. The digital payments ecosystem was earlier managed by RBI's DPSS. Now, PRB will take over.

**(Economic Times)**



# The Institute of Cost Accountants of India (ICMAI)

(Statutory body under an Act of Parliament)

H.Q: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi – 110 003

Kolkata Office: CMA Bhawan, 12 Sudder Street, Kolkata – 700 016

## **PNB targets Rs 16,000 crore recovery, sub 1% slippages in FY26: MD Ashok Chandra:**

Punjab National Bank (PNB) is targeting a significant recovery of Rs 16,000 crore and aims to keep slippages below 1 per cent in the current fiscal year to sustain profitability, the top official of the country's second biggest state-owned lender said. The total recovery of the bank stood at Rs 4,733 crore for the fourth quarter and Rs 14,336 crore for FY25 while overall slippages ratio was 0.73 per cent during the last financial year. "Going forward, maximization of recovery and preventing fresh slippages are going to be priority areas. We are targeting a higher total recovery of Rs 16,000 crore as against of recovery of about Rs 14,000 crore in FY'25...we are expecting that the quarterly our slippages will be in the range of around Rs 1,500 crore to Rs 1,700 crore," PNB MD and CEO Ashok Chandra told PTI in an interview.

**(Economic Times)**

## **INDUSTRY OUTLOOK**



**Nvidia plans to launch affordable AI chips for China: Report:** Nvidia is preparing to introduce a more affordable artificial intelligence chip for the Chinese market, which could enter mass production as early as June, according to a Reuters report quoting sources. This new chip will belong to Nvidia's latest Blackwell-series AI processors. The report said it would be priced between \$6,500 and \$8,000 — significantly less than the now-restricted H20 model, which cost around \$10,000 to \$12,000.

**(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)**

**IIFL Finance gets RBI approval to open branches in Jammu & Kashmir:** IIFL Finance has secured regulatory approvals to open branches and extend credit services in Jammu & Kashmir,



# The Institute of Cost Accountants of India (ICMAI)

(Statutory body under an Act of Parliament)

H.Q: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi – 110 003

Kolkata Office: CMA Bhawan, 12 Sudder Street, Kolkata – 700 016

aiming to provide crucial financial access to underserved communities. This initiative supports the revival of small businesses and households, complementing IIFL's existing CSR activities in the region focused on education, healthcare, and community empowerment.

**(Economic Times)**



## REGULATION & DEVELOPMENT

**Govt ratifies interest rate at 8.25% on employees' provident fund for FY25:** The government has ratified the rate of interest on employees' provident fund at 8.25 per cent for FY25, enabling retirement fund body EPFO to deposit the annual interest accumulation in the post-retirement funds of over 7 crore subscribers. EPFO, on February 28, had decided to retain the interest rate of 8.25 per cent on employees' provident fund (EPF) deposits for the financial year 2024-25, equal to the rate provided in the preceding fiscal. The approved rate of interest for 2024-25 was sent for concurrence of the Ministry of Finance. "Ministry of Finance has given concurrence to 8.25 per cent rate of interest on the EPF for 2024-25 fiscal year and labour ministry sent a communication regarding this to the EPFO on Thursday," a labour ministry official told PTI. Now the interest amount as per the rate ratified for FY25 will be credited into the accounts of over seven crore subscribers of EPFO.

**(Moneycontrol)**

**Sebi eases norms for Category II AIFs on debt securities investments:** The Securities and Exchange Board of India (Sebi) has relaxed norms for Category II Alternative Investments Funds (AIFs), allowing them a wider investable universe and opportunities in the debt securities. The new norms permit Cat II AIFs to invest in listed debt securities with a credit rating of 'A' or below. The market regulator had proposed the changes in a consultation paper in February and brought the amendments through a notification dated May 21.

**(Business Standard)**



# The Institute of Cost Accountants of India (ICMAI)

(Statutory body under an Act of Parliament)

H.Q: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi – 110 003

Kolkata Office: CMA Bhawan, 12 Sudder Street, Kolkata – 700 016



## FINANCIAL TERMINOLOGY

### What is 'Broad Money to Reserve Money'

- ❖ It is a measure of money multiplier. Money multiplier shows the mechanism by which reserve money creates money supply in the economy. It is again dependent on two variables, namely currency deposit ratio and reserve deposit ratio.
- ❖ M3 is a measure of broad money and includes currency with the public and deposits. The Reserve Money factor shows the reserve money and includes required reserve and the excess reserves of the banking system. If the reserve requirement as stipulated by the RBI increases, the Reserve Money value will increase and the multiplier will fall. Similarly, if banks keep more money as excess reserves, it will have an adverse effect on the money multiplier.





# The Institute of Cost Accountants of India (ICMAI)

(Statutory body under an Act of Parliament)

H.Q: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi – 110 003

Kolkata Office: CMA Bhawan, 12 Sudder Street, Kolkata – 700 016

## 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 : 85.6821

INR / 1 GBP : 115.2213

INR / 1 EUR : 96.9367

INR /100 JPY: 59.7100

## EQUITY MARKET

Sensex: 81721.08 (+769.09)

NIFTY: 24853.15 (+243.45)

Bnk NIFTY: 55398.25 (+456.95)

## Courses conducted by BFSI Board

- ❖ Certificate Course on Concurrent Audit of Banks
- ❖ Certificate Course on Credit Management of Banks
- ❖ Certificate Course on Treasury and International Banking
- ❖ Certificate Course on Investment Management
- ❖ Certificate Course on General Insurance.
- ❖ Advance Certificate Course on FinTech

For details please visit  
BFSIB portal of the ICMAI

## Publications by BFSI Board

- ❖ Aide Memoire on Infrastructure Financing.
- ❖ Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).
- ❖ Guidance Note on the Internal Audit of General Insurance Companies.
- ❖ BFSI Chronicle (quarterly issue of BFSIB)
- ❖ Handbook on Stock & Book Debts Audit (Revised and Enlarged 2<sup>nd</sup> Edition)

## TEAM BFSIB

**Banking, Financial Services & Insurance Board**

**The Institute of Cost Accountants of India (ICMAI)**

**Disclaimer:** Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICMAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICMAI. For Restricted Circulation only. A Compilation of News in this regard from Secondary Sources.