



**ICMAI**  
THE INSTITUTE OF  
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## **DAILY NEWS DIGEST BY BFSI BOARD**

**27 January 2025**



### **ECONOMY**

**AMFI, Indonesia's AMII sign MoU to strengthen bilateral financial, economic cooperation:** Association of Mutual Funds in India (AMFI) and the Asosiasi Manajer Investasi Indonesia (AMII), the Indonesian Investment Managers Association, on Saturday inked a Memorandum of Understanding (MoU) to strengthen bilateral financial and economic best practices. This partnership is set to strengthen the mutual fund sectors in both countries, enrich industry standards, and promote investor education and financial literacy, paving the way for a more dynamic, transparent, and globally integrated mutual fund ecosystem. The MoU will create a platform for India and Indonesia to exchange best practices, insights, and strategies aimed at boosting the mutual fund industries. The partnership will cover understanding and need of broad spectrum of areas, including requirement for regulatory reforms, governance standards, essential investor protection steps, data analytics, research, product innovation, and risk management ensuring that both countries benefit from each other's expertise and experiences.

**(Moneycontrol)**

**India's Investment and External Commercial Borrowings (ECB) Landscape:** India's investment ecosystem and external commercial borrowings (ECBs) have witnessed significant developments over the past few years. The recent report by the State Bank of India (SBI) has highlighted trends in investment announcements, private sector's contribution, and role of ECBs in corporate financing. In 9MFY25 i.e., the nine months of FY25 (April-December 2024), total investment announcements stood at ₹32.01 lakh crore. This marks a 39% increase from ₹23 lakh crore in 9MFY24, reflecting a positive investment outlook. The private sector accounted for nearly 56% (FY24) and nearly 70% (9MFY25) of these announcements, signaling strong corporate confidence.

**(PiB)**



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**Budget may peg FY26 nominal GDP growth at 10.4%:** The upcoming Union Budget may peg India's nominal GDP growth in the next financial year at 10.4%, higher than 9.7% projected for FY25, according to an FE poll of 16 economists. A 10.4% nominal GDP growth is sufficient for the government to peg the FY26 fiscal deficit target, as a percentage of GDP, below 4.5%, they reckon. Most economists say the nominal GDP growth in FY26 is seen picking up mainly due to rise in inflation, rather than real GDP expansion. "Higher WPI inflation next year will predominantly lift the nominal growth," said Vivek Kumar, economist, QuantEco Research.

*(Financial Express)*

## **BANKING & FINANCE**



**Rise in NPAs, shrinking margins hit private banks earnings growth in Q3:** Private banks reported muted earnings growth in Q3FY25 due to rising bad loans and contracting margins, with ICICI Bank and Kotak Mahindra Bank being only outliers posting double-digit growth in profitability. HDFC Bank posted 2 per cent year-on-year (y-o-y) rise in Q3FY25 net profit at ₹16,740 crore. Net interest margin (NIM), a key indicator of profitability, was down 3 basis points (bps) sequentially to 3.43 per cent in Q3. Gross and net non-performing asset ratio (GNPA, NNPA) rose 6 bps y-o-y and 5 bps sequentially to 1.42 per cent and 0.46 per cent in Q3, respectively, with NPAs largely emanating from seasonal agriculture loans. Axis Bank's Q3 PAT was up 4 per cent y-o-y at ₹6,304 crore, but down 9 per cent on quarter. NIM moderated by 6 bps sequentially to 3.93 per cent. Fresh slippages rose to ₹5,432 crore in Q3 from ₹4,443 crore last quarter, with bulk of NPAs from retail unsecured segment.

*(Business Line)*

**Loan disputes, mobile banking complaints up in FY24:** Consumer complaints against banks rose in FY23-24, with issues related to loans, digital banking, and deposit accounts leading the charge. The top five complaint categories for FY2023-24 came from loans and advances, mobile banking, deposit accounts, credit cards, and ATM/debit cards, which together accounted for 87.24% of total grievances, up from last year, RBI said in the annual report of the Ombudsman scheme. Only ATM and debit cards complaints eased. Consumer complaints against banks and NBFCs rose significantly in FY23-24, largely due to issues with loans, digital banking, and deposit accounts. The RBI focused on strengthening the consumer grievance mechanism as complaints against private and public sector banks increased, while ATM/debit card complaints saw a decline.

*(Economic Times)*



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**Siddaramaiah talks tough on MFIs employing goondas to recover loans:** The Karnataka State Government has decided to take strict action against micro-finance institutions (MFIs) demanding high interest rates and harassing borrowers. A helpline for complaints is being set up, and new laws will be implemented to prevent forced recoveries and harassment. The CM emphasized the need for compliance with RBI guidelines and the importance of safeguarding borrowers' rights.

*(Economic Times)*

**Tsunami of the women centric DBT schemes can bleed state finances, says SBI Report:** Direct Benefit Transfer schemes targeted at women by various states could strain state finances, with the total cost exceeding Rs 1.5 lakh crore. While some states can afford these schemes, many may struggle. The report suggests a universal income transfer scheme with matching Union grants as a sustainable alternative to reduce market-disrupting subsidies.

*(Economic Times)*

## INDUSTRY OUTLOOK



**Tata Steel to decommission India's first stamp charge coke oven battery:** Tata Steel on Sunday issued an advisory about the decommissioning process of its coke oven battery #7 at its Jamshedpur works on January 27 to avoid misinterpretation of the flaring that will occur during the procedure for retiring the battery. India's first stamp charge coke oven battery, which remained operational for 36 years, produced over 12 million tonnes of coke and revolutionised the steel industry, the company said in a statement. The decommissioning process will involve isolating the battery from the by-product plant foul gas suction network.

*(Business Standard)*

**Apple faces lawsuit over Watch bands allegedly containing potential cancer-pausing chemicals:** Apple has come under fire in a new lawsuit as the tech giant is accused of exposing users to toxic chemicals that could lead to serious health issues, including cancer. The lawsuit claims that Apple's "Ocean," "Nike Sport," and regular "Sport" Watch bands contain high levels of perfluoroalkyl and polyfluoroalkyl substances (PFAS), commonly known as "forever chemicals," which have been linked to a range of health problems, according to a report in Daily Mail. PFAS chemicals are notorious for their ability to persist in the environment and human body, earning them their nickname.

*(Mint)*



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**ICICI Bank's net profit up 14.8% to Rs 11,792 crore in Q3FY25, NII up 9.1%:** Private sector lender ICICI Bank on Saturday reported a 14.8 per cent year-on-year (Y-o-Y) increase in net profit to Rs 11,792 crore in the quarter-ended December (Q3FY25), due to steady growth in net interest income (NII) and robust increase in non-interest income. Meanwhile, the bank saw higher gross non-performing asset (NPA) additions in Q3, with gross slippages in the quarter at Rs 6,085 crore compared to Rs 5,073 crore in Q2FY25 and Rs 5,916 crore in Q1FY25. Its asset quality remained steady, with gross NPAs ratio at 1.96 per cent at the end of December quarter, compared to 1.97 per cent at the end of September quarter. The net NPA ratio was 0.42 per cent at the end of December quarter.

**(Business Standard)**



## REGULATION & DEVELOPMENT

**One Nation, One time: Govt drafts rules for mandatory adoption of Indian Standard**

**Time:** The government has proposed new rules to standardize timekeeping by requiring the exclusive use of Indian Standard Time (IST) for all official and commercial purposes. The draft of the Legal Metrology (Indian Standard Time) Rules, 2024, aims to create a legal structure for consistent time practices, making IST the only recognized time reference for legal, administrative, commercial, and official documents. The Consumer Affairs Ministry has opened a public consultation period, inviting feedback until February 14. The draft rule mandates that Indian Standard Time (IST) be the sole time reference across all sectors, including commerce, transport, public administration, legal contracts, and financial operations. Key provisions include a ban on using any time reference other than IST for official and commercial purposes, the requirement for government offices and public institutions to display IST, and the need for time synchronization systems to ensure accuracy, reliability, and cybersecurity.

**(Moneycontrol)**

**Reserve Bank of India ombudsman resolves 95% of complaints in FY24:** The Reserve Bank of India (RBI) resolved 95 per cent of complaints received under the Reserve Bank-Integrated Ombudsman Scheme (RB-IOS) between April 1, 2023, and March 31, 2024. According to the annual report of the Ombudsman Scheme for this period, a total of 9,34,355 complaints were lodged under RB-IOS. These complaints were handled by the Offices of the RBI Ombudsman (ORBIOs) and the Centralised Receipt and Processing Centre (CRPC).

**(Business Standard)**



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**Centre notifies Unified Pension Scheme for govt employees under NPS:** Five months after launching a revamped pension scheme for government employees, the central government on Saturday officially notified the implementation of the Unified Pension Scheme (UPS). The scheme will come into effect from April 1, 2025. Launched in August, UPS strikes a balance between the Old Pension Scheme (OPS) and the National Pension Scheme (NPS), offering government employees a guaranteed pension post-retirement, ensuring their financial security. The scheme will be applicable only to central government employees who are covered under the NPS and choose the UPS option. According to the notification, existing central government employees, as well as future employees, can choose to either take the UPS option under the NPS or continue with the NPS without the UPS option.

***(Business Standard)***



## FINANCIAL TERMINOLOGY

### ASSET RETIREMENT OBLIGATION

- ❖ In accounting, an asset retirement obligation (ARO) describes a legal obligation associated with the retirement of a tangible, long-lived asset, where a company will be responsible for removing equipment or cleaning up hazardous materials at some future date.
- ❖ AROs should be included in a company's financial statement to present a more accurate and holistic snapshot of the enterprise's overall value.
- ❖ Companies are required to detail their AROs on their financial statements to accurately portray their overall values.



### **RBI KEY RATES**

Repo Rate: 6.50%  
SDF: 6.25%  
MSF & Bank Rate: 6.75%  
CRR: 4.00%  
SLR: 18.00%  
Fixed Reverse Repo: 3.35%

### **FOREX (FBIL 1.30 PM)**

INR / 1 USD : 86.2904  
INR / 1 GBP : 107.0887  
INR / 1 EUR : 90.2149  
INR /100 JPY: 55.5900

### **EQUITY MARKET**

Sensex: 76190.46 (-329.92)  
NIFTY: 23092.20 (-113.15)  
Bnk NIFTY: 48367.80 (-221.20)

### **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**

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### **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)**

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### **TEAM BFSIB**

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