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DAILY NEWS DIGEST BY BFSI BOARD

30 January 2025



ECONOMY

Sensex jumps 600 pts, Nifty above 23,150 ahead of Fed outcome, mid, smallcap indices surge 3%: The Sensex and Nifty closed at day's high, extending their winning streak for the second session, ahead of the highly anticipated Federal Open Market Committee's interest rate decision later on January 29. The rally was powered by strong gains in banking and IT stocks. Barring Nifty FMCG, which dipped 0.4 percent, the remaining 12 sectoral indices closed in the green. At close, Sensex was up 654 points or 0.9 percent at 76,555 and Nifty was up 206 percent or 0.9 percent at 23,163. On the NSE, 2,152 stocks gained, while 406 ended in the red.

(Moneycontrol)

Indian economy likely to slow in 2025 amid inflationary pressures, moderating demand: Moody's: India's economy is bracing for a slowdown in 2025, primarily driven by persistent inflationary pressures and a moderation in domestic demand, said Moody's in its latest report. The Reserve Bank of India (RBI) is caught in a trilemma, needing to balance growth, inflation, and currency stability. As higher interest rates persist, they are expected to dampen private consumption and investment in the initial months of the year. Market watchers anticipate a potential easing of monetary policy starting in April 2025. The rupee has weakened dramatically, reaching an all-time low of 86.6 against the US dollar in mid-January 2025, exacerbating the economic challenges. Moody's analysis said India's GDP growth has already shown signs of deceleration, with the September quarter of 2024 recording a year-on-year growth of 5.4 per cent, down from 6.7 per cent in the previous quarter. This decline marks the weakest performance since late 2022, largely due to stubbornly high inflation and elevated interest rates that have curtailed domestic demand.

(Business Today)

Gold hits fresh all-time high of ₹83,750 per 10 gm on renewed buying ahead of US Fed policy: As the world awaits the US Fed Meeting Outcome, the precious yellow metal Gold hit a fresh all-time high at ₹83,750 per 10 grams in Delhi on Wednesday, January 29. According to the All India



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Sarafa Association, cited by the news agency PTI, this new high is attributed to heavy buying from jewellers and retailers. The news agency's report also cited that the gold spot prices jumped 4,360, marking a 5.5 per cent hike to ₹83,750 per 10 grams, compared to ₹79,390 per 10 grams on January 1. Gold Futures for the April contract on the MCX Index were trading 0.13 per cent higher at ₹81,004 as of 7:49 p.m. (IST) on January 29, compared to the previous market close of ₹80,899, as per the official data.

(Financial Express)

BANKING & FINANCE



Bajaj Finance Q3 Results: Net profit rises 18% YoY to Rs 4,308 crore, supported by AUM jump of 28%: Bajaj Finance Ltd reported an 18 percent year-on-year (YoY) rise in its consolidated net profit for the third quarter of FY25 at Rs 4,308 crore, surpassing analysts' estimates, supported by a robust increase in assets under management. A Bloomberg poll of analysts had projected a lower net profit of Rs 4,136 crore. Bajaj Finance's net interest income (NII) for the quarter rose 23 percent YoY to Rs 9,382 crore from Rs 7,655 crore in Q3 FY24. The strong performance was supported by a robust increase in assets under management (AUM), which surged 28 percent to Rs 3.98 lakh crore as of December 31, 2024, compared to Rs 3.11 lakh crore in the same period last year. On the asset quality front, gross NPA rose to 1.12 percent as of December 31, 2024, from 0.95 percent a year earlier. Similarly, net NPA increased to 0.48 percent from 0.37 percent.

(Moneycontrol)

Union Bank of India puts 41 NPAs worth ₹1,561 cr on block: Union Bank of India has put up for sale 41 bad-loan accounts, including those of Nirmal Lifestyle and Future Brands, totalling ₹1,561 crore in principal outstanding. Bidders can submit expressions of interest (EoIs) until February 11, and e-auctions are slated February 12, documents showed.

(Economic Times)

Banks seek more time to implement Sebi rules: Banks have reached out to the government, seeking a further extension to the deadline for implementing the Securities and Exchange Board of India's Cybersecurity and Cyber Resilience Framework, or CSCRF to June, citing a need for more time to comply. Currently, the deadline has been extended to April 2025, but lenders argue that additional time is necessary for proper implementation.

(Economic Times)



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RBI's digital payments index rises to 465.33 as of September 2024: The Reserve Bank of India's (RBI) digital payments index (DPI) rose to 465.33 as of September 2024, compared to 445.5 in March 2024, reflecting the rapid adoption of digital payments in the country. "The increase in the RBI-DPI index was driven by growth in payment infrastructure and payment performance across the country over the period," the central bank said in a statement. Launched in January 2021, the DPI index indicates the extent of digitisation of payments across the country. The RBI-DPI has been constructed with March 2018 as the base period, i.e., the DPI score for March 2018 is set at 100. The DPI index comprises five broad parameters that enable the measurement of deepening and penetration of digital payments in the country over different time periods.

(Business Standard)

NaBFID loan disbursements more than double in Q3; to raise Rs 20k cr in Q4: The National Bank for Financing Infrastructure and Development's (NaBFID's) loan disbursements doubled to Rs 10,193 crore in the third quarter of the financial year 2025 (Q3FY25) from Rs 4,996 crore in the same quarter of last year (Q3FY24). The sanctions in the reporting quarter rose sharply to Rs 35,491 crore up from Rs 11,405 crore in Q3FY24. The disbursements in April-December 2024 grew to Rs 24,973 crore from Rs 10,719 crore in April-December 2023. The sanctions in the reporting nine months grew to Rs 66,246 crore from Rs 35,990 crore in April-December 2023, NaBFID said in a statement.

(Business Standard)

INDUSTRY OUTLOOK



India to develop its own generative AI model, IT Minister Ashwini Vaishnaw confirms:

India is set to develop its own generative AI model, joining the ranks of global players like ChatGPT and DeepSeek, Union IT Minister Ashwini Vaishnaw announced at the Utkarsh Odisha Conclave. The initiative will be powered by the India AI Compute Facility, which has secured 18,000 GPUs to drive the development of a Large Language Model (LLM) tailored for the country's needs. Vaishnaw also revealed plans to establish AI data centers in Odisha, marking a significant step toward strengthening India's AI ecosystem and digital infrastructure. The announcement also highlighted Odisha as a key hub for AI development, with upcoming data centers that will play a role in accelerating AI innovation. This move aligns with India's broader strategy of decentralizing technology infrastructure beyond metropolitan cities.

(Business Today)



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Centre launches occupational shortage index to boost job opportunities: In a bid to match labour market demand and supply and enhance employment outcomes, the ministry of labour and employment on Wednesday launched the Occupational Shortage Index (OSI). “Based on ILO methodology and quarterly PLFS data, the OSI will provide data-driven insights into occupations facing shortages, helping align job seekers’ skills with industry demands, while also supporting policymakers, training institutions, and businesses in bridging skill gaps in high-demand sectors,” the labour ministry said in a statement after the conclusion of the first day of the labour minister’s conference. Additionally, the ministry launched the multilingual e-Shram microsite facility to ensure that unorganised workers have seamless access to both state and central government welfare programmes.

(Business Standard)

Sebi bars intermediaries from sharing info with unauthorised advisers: Sebi-registered intermediaries are not allowed to make or receive payments or share client information with anyone engaged in providing unauthorised advice or making unapproved return claims, the regulator clarified on Wednesday. "Sharing client information is of similar nature as of 'referral of a client'. Hence, making any payment or receiving payment or sharing any client information from or with any person shall amount to "association" under these regulations, and is not permitted," Sebi said in a detailed frequently asked questions (FAQs).

(Business Standard)

Markets to remain open on Feb 1 for Nirmala Sitharaman's Budget 2025 speech: Both the National Stock Exchange (NSE) and the BSE have confirmed that the exchanges will operate full trading sessions on Saturday, as the Union Budget is scheduled to be presented by Finance Minister Nirmala Sitharaman. In a circular issued on Monday, the exchanges outlined that the equity markets would be open from 9:15 am to 3:30 pm, with the commodity derivatives market trading until 5:00 pm. However, the “To” session will not be scheduled due to a settlement holiday. Pre-market trading will take place from 9:00 am to 9:08 am, and indices will be calculated throughout the day. The move aligns with past practices, where markets have remained open on budget day, such as during the Union Budget announcements on February 1, 2020, and February 28, 2015.

(Business Standard)



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REGULATION & DEVELOPMENT

Centre to set up National Critical Mineral Mission with Rs 34,300 crore outlay over seven years: The Cabinet has approved the National Critical Mineral Mission at a cost of Rs 16,300 crore to establish framework for self reliance in this space, along with an expected investment of Rs 18,000 crore from PSUs and other companies. The mission aims to build a value chain for critical minerals with this Rs 34,300 crore outlay over seven years. A government statement said on January 29 that the mission will look to increase exploration of minerals, mining, processing, recycling as well as creating a fast-track approval process for critical mineral mining projects. The mission will also intensify the exploration of critical minerals within India and in its offshore regions. The mission will also offer financial incentives for exploration and recovery of these minerals. Centre said the mission aims to encourage PSUs and private sector companies to acquire critical mineral assets abroad, and ramp up trade with resource-rich nations.

(Moneycontrol)

PAN must to seek data on corporate debtors under IBC: The Insolvency and Bankruptcy Board of India (IBBI) has now mandated information utilities (IU) to use PAN or any other official document to verify the identity of users, who wish to seek information of corporate debtors. The IU, under the Insolvency and Bankruptcy Code (IBC), is required to maintain an electronic database of information of any CD, with respect to records of its debt, balance sheet and cash flow statement, assets etc. The IU allows its users (mainly creditors) to access real-time information of the CDs, to eliminate delays and disputes relating to claims and defaults. Earlier, the IBBI regulations didn't make IUs to mandatorily verify the identity of its users.

(Financial Express)

Sebi mulls amending investor charter for stock brokers to protect consumers: Markets regulator Sebi on Wednesday proposed reviewing the investor charter for stock brokers in a bid to boost financial consumer protection alongside enhanced financial inclusion and financial literacy. The proposal is also in view of the recent developments in the securities market including introduction of Online Dispute Resolution (ODR) platform and SCORES 2.0 - a web based centralized grievance redressal system of Sebi. In its consultation paper, Sebi has proposed to modify the investor charter for stock brokers and sought comments on the proposal till February 17.

(Business Standard)



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FINANCIAL TERMINOLOGY

Government Approves Mutual Credit Guarantee Scheme to Strengthen MSME Manufacturing Sector

GoI has approved introduction of Mutual Credit Guarantee Scheme for MSMEs (MCGS- MSME) for providing 60% guarantee coverage by National Credit Guarantee Trustee Company Limited (NCGTC) to Member Lending Institutions (MLIs*) for credit facility upto Rs.100 crore sanctioned to eligible MSMEs under MCGS-MSME for purchase of equipment / machinery. The Salient Features of The Scheme are;

- ❖ Borrower should be an MSME with valid Udyam Registration Number.
- ❖ Loan amount guaranteed shall not exceed Rs.100 crore. However, the Project Cost could be of higher amounts also.
- ❖ Minimum cost of equipment /machinery is 75% of project cost.
- ❖ Loan upto Rs.50 crore under the Scheme shall have repayment period of upto 8 years with upto 2 years moratorium period on principal instalments. For loans above Rs.50 crore, higher repayment schedule and moratorium period on principal instalments can be considered.
- ❖ Upfront (initial) contribution of 5% of the loan amount shall be deposited at the time of application of guarantee cover.
- ❖ Annual Guarantee Fee on loan under the Scheme shall be Nil during the year of sanction. During the next 3 years, it shall be 1.5% p.a. of loan outstanding as on March 31 of previous year. Thereafter, Annual Guarantee Fee shall be 1% p.a. of loan outstanding as on March 31 of previous year.

The Scheme will be applicable to all loans sanctioned under MCGS-MSME during the period of 4 years from the date of issue of operational guidelines of the scheme or till cumulative guarantee of Rs. 7 lakh crore are issued, whichever is earlier.



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 : 86.5768
INR / 1 GBP : 107.8493
INR / 1 EUR : 90.3896
INR /100 JPY: 55.7600

EQUITY MARKET

Sensex: 76532.96 (+631.55)
NIFTY: 23163.10 (+205.85)
Bnk NIFTY: 49165.95 (+299.10)

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