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+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

DAILY NEWS DIGEST BY BFSI BOARD

05 March 2025



ECONOMY

Trade war intensifies: Canada to impose 25% tariffs on US goods from Tuesday: Canada will impose 25% tariffs on C\$155 billion (\$107 billion) worth of U.S. goods from Tuesday if U.S. President Donald Trump's administration follows through with its proposed tariffs on Canadian goods. Canada will slap 25% tariffs on C\$30 billion worth of U.S. goods from Tuesday, while tariffs on the remaining C\$125 billion of products will come into effect in 21 days, Trudeau said in a statement. "Our tariffs will remain in place until the U.S. trade action is withdrawn, and should U.S. tariffs not cease, we are in active and ongoing discussions with provinces and territories to pursue several non-tariff measures," Trudeau added.

(Business Line)

India's auto component industry targets \$100 bn in exports: The domestic auto components industry is targeting \$100 billion in exports by focusing on the US and European markets, according to a joint report by Boston Consulting Group and the Auto Component Manufacturers Association of India (ACMA). Titled as, "Revving Up Exports: The Next Phase of Export Growth for the Auto Component Industry," the report highlights that by doubling down on classical components, India can potentially add another \$40-60 billion in incremental exports by prioritising 11 product families, with focus on the US and Europe markets. In FY24, India's auto component exports reached \$21.2 billion, marking a significant turnaround from a \$2.5 billion deficit in FY19 to a \$300 million surplus. "We have not only achieved a positive trade balance, but for auto-specific use cases, the surplus is even more pronounced, reaching approximately \$0.5-1.5 billion. We are committed to sustaining this growth trajectory and have set an ambitious target of \$100 Bn in exports ahead," says Shraddha Suri Marwah, President, ACMA.

(Business Today)

Natural gas import bill rises 17% to \$12.9-billion in April-January: India's natural gas import bill surged by 17.2% to \$12.9 billion during April-January of the current fiscal, compared with



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\$11.0 billion in the same period last year, driven by rising consumption, according to data from the Petroleum Planning and Analysis Cell (PPAC). In January, the import bill increased by approximately 8.3% to \$1.3 billion, compared to January 2024. The country imported 31,347 million standard cubic meters (mmscm) of liquefied natural gas (LNG) during the first ten months of FY25, reflecting a 21% increase over the corresponding period of FY24. Analysts attributed this growth to a combination of rising demand and stabilised global natural gas prices, which had previously surged to record highs in FY23.

(Financial Express)

BANKING & FINANCE



Women borrowers surge in India, Bharat leading the way: Report: The number of women seeking credit has tripled between 2019 and 2024, reflecting a significant rise in demand among female borrowers, a new report revealed on Monday. The study, jointly prepared by Niti Aayog, TransUnion Cibil, and MicroSave Consulting, found that around 60% of women availing credit were from semi-urban or rural areas. Over the past five years, the share of women in business loan origination has grown by 14%, while their participation in gold loans has increased by 6%. By December 2023, women accounted for 35% of business borrowers, marking a notable shift in borrowing trends.

(Economic Times)

Banks likely to go easy on funding to NBFCs: Indian banks are unlikely to take immediate advantage of recent regulatory latitude to resume significant lending to last-mile non-bank financiers and microlenders as the financial stress among this class of borrowers - often most vulnerable to economic cycles - is yet to subside. Last week, the Reserve Bank lowered the capital buffer lenders needed to assign against such loans after having raised the risk weights nearly 15 months ago. Asset quality is a major concern, with non-performing assets in the microfinance sector reaching an all-time high of ₹50,000 crore as of December last year.

(Economic Times)

State bond yields harden on heavy supply and weak investor demand: Heavy supply at the weekly state government bond auction on Tuesday coupled with weak investor demand pushed the yields on state bonds higher. The cut-off yield on those bonds ranged between 7.22 per cent and 7.34 per cent, against 7.17 per cent to 7.20 per cent in the previous week. Fourteen states raised ₹50,500



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crore through state bonds at the auction. In the previous week, 17 states had raised ₹41,054 crore. The yield spread between the benchmark 10-year government bond and 10-year state bonds widened to 47-48 basis points (bps), from 30-35 bps in the previous week.

(Business Standard)

Investments from Indian diaspora in GIFT City funds surpass \$7 bn: IFSCA: Investments by the Indian diaspora in GIFT City-based funds have crossed USD 7 billion, a top official from the International Financial Services Centres Authority said on Tuesday. Over USD 129 billion were remitted by the non-resident Indians (NRIs) and people of Indian origin to the homeland in 2024, and it is fair to assume that they have investments of similar quantum in the global markets, chairman of the financial regulator K Rajaraman said. "...as of now, about 5,000 NRIs have invested about nearly a billion and a half... in various banking products. They have also invested close to USD 7 billion in the fund ecosystem," he said.

(Business Standard)

INDUSTRY OUTLOOK



NSE changes expiry of all F&O contracts from Thursday to Monday effective April 4: The National Stock Exchange (NSE) on March 4 said all Nifty index weekly futures and options (F&O) contracts will expire on Monday instead of Thursday with effect from April 4. NSE also shifted F&O expiry for Bank Nifty, FinNifty, Nifty Midcap Select and Nifty Next50 to the last Monday of the expiry month with effective from April 4. "The circular shall come into effect from April 04, 2025 i.e. Expiry day for all existing contracts will be revised to "New Expiry Day" on April 03, 2025 (EOD)," said NSE.

(Moneycontrol)

Apple launches new iPad Air with AI features to stoke demand: Apple launched new versions of its mid-priced iPad Air on Tuesday, with an M3 chip and advanced artificial intelligence capabilities, as it looks to attract customers into upgrading their devices. The cheapest variant, with an 11-inch screen, will start at \$599 and the larger, 13-inch screen model will cost at least \$799. Customers can pre-order the new iPad Air beginning Tuesday, while deliveries and in-store availability will start from March 12. Apple had introduced new models of the iPad Air with its M2 chip in May last year, with the 11-inch model sporting the same price. The company's iPad sales came in at \$8.09 billion for the holiday quarter, above estimates of \$7.32 billion, according to data



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complied by LSEG. Over half of the sales in the three-month period were to customers who were new to the iPad, the company said.

(Economic Times)

Jio Financial to acquire SBI stake in Jio Payments Bank for Rs 104.5 crore: The State Bank of India (SBI) has decided to divest its entire 17.8 per cent stake in Jio Payments Bank Limited, a joint venture between the state-owned bank and Jio Financial Services (JFS). JFS will acquire the SBI's stake for ₹104.5 crore, after which Jio Payments Bank will become its wholly-owned subsidiary, the Reliance Group firm said on Tuesday. Currently, JFS holds 82.17 per cent stake in Jio Payments Bank. "The Board of Directors of the company, at its meeting held today, have approved acquisition of 79 million equity shares of Jio Payments Bank from SBI for an aggregate consideration of ₹104.54 crore",

(Business Standard)



REGULATION & DEVELOPMENT

New rule for GST registration: Now biometric authentication in your home state is possible when you do GST registration in another state: The Goods and Services Tax Network (GSTN) has introduced an additional facility allowing promoters and directors of a company to complete their Biometric Authentication for completion of GST registration process in their home state. Earlier for getting a Goods and Services Tax (GST) registration, you either needed to use the OTP verification method or use Biometric Authentication process by physically visiting the GST Suvidha Kendra in the company's registered jurisdiction, which is in the state in which you are registering your GST. However, now the Biometric Authentication process can be completed in one's home state instead of the state where the GST registration is being sought.

(Economic Times)

Jan Vishwas Bill 2.0: Govt working to boost trust-based governance, says FM: Finance Minister Nirmala Sitharaman said on Tuesday that the government is committed to simplifying regulatory processes and is set to introduce Jan Vishwas Bill 2.0 to decriminalise over 100 provisions. She was addressing a post-Budget webinar via video conferencing on 'Regulatory, Investment and EODB (ease of doing business) reforms'. The union finance minister said that in a bid to improve ease of doing business, the government is steadfast in reducing regulatory burden and enhancing trust-based governance. "Through the Budget announcements, we are taking various steps towards making



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India a seamless and export-friendly economy, one where the businesses are free to work on innovation and expansion, and not on paperwork and penalties,” she said.

(Business Standard)

Insurance nominations can't override personal succession laws: Karnataka HC: In a crucial ruling, the Karnataka High Court has held that an insurance policy nominee does not have absolute rights over insurance benefits if the policyholder's legal heirs stake a claim. The court clarified that Section 39 of the Insurance Act, 1938, which governs nominations, does not override personal succession laws like the Hindu Succession Act, 1956. The judgment came in the case of Neelavva @ Neelamma vs Chandravva @ Chandrakala @ Hema and Others, where a dispute arose over the rightful claimants to an insurance payout. Justice Anant Ramanath Hegde ruled that a nominee can receive the insurance benefits only if the legal heirs do not claim them. If a legal heir asserts their right, the nominee's claim must yield to personal succession laws.

(Business Standard)



FINANCIAL TERMINOLOGY

CARNET

- ❖ A carnet, also known as an ATA Carnet, is a customs document that allows goods to be temporarily imported or exported duty-free and tax-free. It's often called the "Passport for goods".
- ❖ It's used to import commercial samples, professional equipment, and goods for trade shows, fairs, and exhibitions.
- ❖ It helps exporters explore new markets, promote their goods, and attend conferences and trade shows.



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 : 87.3786
INR / 1 GBP : 110.9056
INR / 1 EUR : 91.5885
INR /100 JPY: 58.5200

EQUITY MARKET

Sensex: 72989.93 (-96.01)
NIFTY: 22082.65 (-36.65)
Bnk NIFTY: 48245.20 (+130.90)

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