



**ICMAI**  
THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA  
(Statutory Body under an Act of Parliament)



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

**07 March 2025**



### **ECONOMY**

**Equity market correction may weigh on consumption in FY26: Economists:** The sharp correction in the Indian equity markets, with the Nifty and Sensex plunging nearly 15 percent over the past five months, is stoking concerns about its potential impact on consumption in FY26. As retail investors witness significant wealth erosion, economists warn that prolonged market volatility, coupled with capital expenditure delays and global uncertainties, could dampen economic growth and household spending. “The correction in the equity market has been a combination of a reaction to a slowdown in the economy and rising global uncertainties and FII (foreign institutional investor) outflows. If the equity market continues to see a sharp fall over the coming months, this could act as a drag on consumer wealth, and, in turn, consumption over FY26,” said Sakshi Gupta, Vice President & Principal Economist, HDFC Bank.

***(Moneycontrol)***

**ECB cuts rates for sixth time since June in face of economic upheaval:** The European Central Bank cut interest rates as expected on Thursday and kept the door ajar to more, even as a looming trade war with the U.S. and plans to boost military spending drive Europe's biggest economic policy upheaval in decades. Easing for the sixth time since June, the ECB lowered its deposit rate to 2.5% in a nod to slowing inflation and faltering growth, and said that rates were still restricting growth, even if less so than in the past. That wording suggests that more rate cuts may be coming as the bank has long declared that restriction is no longer necessary while inflation, at 2.4% last month, is safely heading back to its 2% target this year.

***(Moneycontrol)***

**Tighter fiscal policy in works with capex outlay at 3% of GDP:** The government is planning to further strengthen financial discipline and tailor budgetary allocations accordingly as it aims to trim the debt ratio by about seven percentage points by FY31 as announced in the budget, said people



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aware of the discussions. As part of the renewed efforts, the finance ministry will seek to keep its annual core capex outlay to at least 3% of GDP on a sustainable basis.

*(Economic Times)*

## **BANKING & FINANCE**



**RBI set to ask lenders to tighten gold loan processes: Report:** The Reserve Bank of India plans to ask lenders to follow stricter underwriting processes for gold loans and monitor the end-use of funds as it tries to cool growth in the fast-growing segment, seven people, including industry sources and those aware of the regulator's thinking, said. RBI wants banks and non-banks to also bolster background checks on borrowers and ascertain the ownership of the gold that is being mortgaged, according to the sources, who did not want to be identified as they are not allowed to speak to the media."The RBI wants to ensure that the entities are following a standard protocol and any growth in the gold loan sector is not out of bounds," one of the sources aware of the central bank's thinking, said.

*(Moneycontrol)*

**India Post Bank is gearing up to go public in a year:** The Centre has set the ball rolling for divesting its stake in the India Post Payments Bank (IPBB), which must go public by the end of March 2026 to adhere to the licensing requirements laid down by the banking regulator. IPPB was set up under the Department of Post, with 100% equity owned by the government. The department has now begun discussing how much equity would the Centre divest in the payments bank, people aware of the matter said.

*(Economic Times)*

**Default ratio in micro loans rises following Karnataka's new ordinance:** Default ratio in micro loans increased after Karnataka promulgated an Ordinance to restrict microfinance activities in the state, even as assets under management grew indicating normalisation of overall business, monthly data of CreditAccess Grameen showed. The country's largest non-banking finance company-microfinance institution (NBFC-MFI) said its overall portfolio at risk increased to 7.5% at the end of February from 6.8% three months prior to this.

*(Economic Times)*



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## INDUSTRY OUTLOOK



**Monitoring trade talks with US; India's interest on top, says FM Sitharaman:** As the April 2 deadline for reciprocal tariffs by US President Donald Trump approaches, Finance Minister Nirmala Sitharaman on Thursday said the government is closely watching the ongoing trade negotiations with the US. She defended India's tariff structure, saying that it aims to protect the domestic industry and does not violate WTO norms. She maintained that India's interests "will be at the top" in the negotiations with the US.

### ***(Business Line)***

**ESIC to invest in stock market; awaits SEBI nod:** The Employees' State Insurance Corporation (ESIC) wants to invest surplus funds in the stock market through exchange traded funds (ETFs) and is awaiting the Securities and Exchange Board of India's (SEBI) nod for an exemption from the ₹25 crore per transaction limit.

### ***(Business Line)***

**Amul ranked among India's most valued brands, the only FMCG in the top 3 list:** Gujarat Cooperative Milk Marketing Federation (Amul), the country's largest milk cooperative, has been ranked as the third most valued brand in India in the prestigious YouGov India Value Rankings 2025. Notably, Amul is the only Fast-Moving Consumer Goods (FMCG) brand in the top three list, alongside e-commerce giants Amazon and Flipkart. According to an official communique, this ranking highlights its strong competitive standing among India's most valued brands. This recognition is a testament to Amul's cooperative model, which ensures fair pricing for farmers and affordability for consumers, making high-quality dairy products accessible to every Indian household.

### ***(Financial Express)***



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## REGULATION & DEVELOPMENT

**GST Council revamps GoM for sector-specific tax policy suggestions:** The GST Council has reconstituted the Group of Ministers on GST revenue analysis which will suggest sector-specific issues that need policy intervention, and the feasibility of a unified enforcement platform to check tax evasion. The GST Council, in its 55th meeting on December 21, 2024, had decided to reconstitute the Group of Ministers (GoM) on GST revenue analysis with a revised ToR. The GoM was first set up in 2019. As per the expanded ToR, the GoM would analyse the state-wise revenue collection trend, including the identification of revenue patterns across sectors and regions. It would also review details of revenue from the inter-state outward supply. It would also conduct a review of sector-wise analysis and identify sector-specific issues that need policy intervention or enforcement measures.

***(Business Standard)***

**ICAI submits suggestions to Lok Sabha selection committee on I-T Bill:** Chartered accountants' apex body ICAI on Thursday submitted its suggestions to the Lok Sabha Select Committee examining the new Income Tax Bill, including seeking lesser number of sections and simplifying the language in the proposed legislation. The 31-member committee, headed by BJP MP Bajjayant Panda, has been mandated to submit its report by the first day of the next Parliament session. The Institute of Chartered Accountants of India (ICAI) has suggested reducing the number of sections in the proposed bill by 90 to 100, its President Charanjot Singh Nanda said. Besides, the institute has made suggestions on ways to reduce litigations and simplify the language of the bill further, he added.

***(Business Standard)***

**Union Finance Minister and MoS, Finance launch the New Credit Assessment Model for MSMEs as announced in Union Budget 2024-25:** In the Post Budget interaction at Vishakhapatnam today, the Union Finance and Corporate Affairs Minister, Smt. Nirmala Sitharaman and Minister of State, Finance Shri Pankaj Chaudhary launched the New Credit Assessment Model based on the scoring of digital footprints of MSMEs. It was announced in the Union Budget 2024-25 that Public sector banks (PSBs) will build their in-house capability to assess MSMEs for credit, instead of relying on external assessment. PSBs will develop a new credit assessment model, based on the scoring of digital footprints of MSMEs in the economy. This credit assessment model will leverage the digitally fetched and verifiable data available in the ecosystem and devise automated journeys for MSME Loan appraisal using objective decisioning for all loan applications and model-based limit



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assessment for both Existing to Bank (ETB) as well as New to Bank (NTB) MSME borrowers. The digital footprints used by the model may include Name and Pan authentication using NSDL, Mobile and email verification using OTP, API fetch of GST data through service providers, Bank Statement Analysis using account aggregator, ITR upload and verification, API enabled commercial and consumer bureau fetch and due diligence using CICs, fraud checks, Hunter checks through APIs, among others.

***(Business Standard)***



## FINANCIAL TERMINOLOGY

### PERFORMANCE BOND

- ❖ A performance bond is a financial guarantee to one party in a contract against the failure of the other party to meet its obligations. It is also referred to as a contract bond. A performance bond is usually provided by a bank or an insurance company to make sure a contractor completes designated projects.
- ❖ Performance bonds can also be used in commodity trades as a guarantee of delivery.
- ❖ In commodity markets, a seller is asked to provide a performance bond to reassure the buyer if the commodity being sold is not delivered.



**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 : 87.0859  
INR / 1 GBP : 111.4503  
INR / 1 EUR : 92.6314  
INR /100 JPY: 58.1900

**EQUITY MARKET**

Sensex: 73730.23 (+740.30)  
NIFTY: 22337.30 (+254.65)  
Bnk NIFTY: 48489.95 (+244.75)

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- ❖ BFSI Chronicle (quarterly issue of BFSIB)
- ❖ Handbook on Stock & Book Debts Audit (Revised and Enlarged 2<sup>nd</sup> Edition)

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