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Banking, Finance & Economy PDF – February 2025

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Banking, Finance & Economy News: February 2025

RBI in News

Highlights of RBI 6th Bi-Monthly Monetary Policy for FY 25

The Reserve Bank of India (RBI) Monetary Policy Committee (MPC) met from February 5 to 7, 2025 and released the ~~6th bi-monthly monetary policy for the financial year 2024-25 (FY 2025).~~ This was the first meeting chaired by Sanjay Malhotra after assuming charge as RBI Governor on December 11, 2024. This session marked the 53rd meeting of the MPC and was the last one for FY 25.

- The **six-member committee** revised the Gross Domestic Product **(GDP)** growth projection for FY 2025-26 (**FY 26**) to **6.7%**, up from the earlier estimate of 6.6% for FY 25.
- The meeting was attended by MPC members Nagesh Kumar, Saugata Bhattacharya, Prof. Ram Singh, Rajiv Ranjan, and M. Rajeshwar Rao.

Key Highlights:

i.The committee unanimously decided to:
Reduce the policy **repo rate** under the Liquidity Adjustment Facility (LAF) by 25 basis points to **6.25%**, from 6.5 % effective immediately.

ii. Consequently, the Standing Deposit Facility **(SDF)** rate was adjusted to **6.00%**, while the Marginal Standing Facility **(MSF)** rate and the **Bank Rate** were set at 6.50%.

iii.RBI projected real GDP growth for FY 26 for **Quarter 1** (Q1 April-June 2025) expected at **6.7%, Q2** (July-September 2025) at **7.0%** and **Q3** and **Q4 at 6.5%** each.

iv.RBI decided to **maintain a neutral** monetary policy stance and remain focused on ensuring inflation aligns with the target while fostering economic growth.

v.The next MPC meeting is scheduled to take place from April 7 to 9, 2025.

RBI's policy Rate:

Category	Rate
Repo Rate	6.25%
Reverse Repo Rate	3.35%
Standing Deposit Facility (SDF) Rate	6.00%
Marginal Standing Facility (MSF) Rate	6.50%
Cash Reserve Ratio (CRR)	4.00%
Statutory Liquidity Ratio (SLR)	18.00%
Bank Rate	6.50%

RBI Projects Retail Inflation at 4.2% for FY 26, Retains 4.8% Forecast for FY 25

The RBI has projected retail inflation at **4.2%** for the financial year 2025-26, while maintaining its forecast for 2024-25 at 4.8%.

i.Target for Consumer Price Index **(CPI)** inflation is **4%** within a band of +/- 2%.
CPI inflation for FY 25 remains at 4.8%, with the fourth quarter (Q4) estimated at 4.4%.

ii. For the FY 26, assuming a normal monsoon, the RBI expects inflation to be 4.2%, with quarterly estimates as follows:
Q1: 4.5%, Q2 : 4.0%, Q3 : 3.8%,Q4 : 4.2%.
iii. Retail inflation, measured by CPI, fell to **5.22% in December 2024**, marking a four-month low due to a decline in food prices, particularly vegetables. In November, inflation stood at 5.48%.

RBI to Introduce 'bank.in' and 'fin.in' Domains to Enhance Cybersecurity

The Reserve Bank of India (RBI) has announced the launch of exclusive internet domains, **'bank.in'** and '**fin.in**', to strengthen cybersecurity in the financial sector.

- This move **aims** to counter rising cyber threats, particularly phishing attacks and fraudulent activities in digital transactions.
- The Institute for Development and Research in Banking Technology **(IDRBT)** based in Hyderabad, Telangana will serve as the official registrar for these domains.

i.The **'bank.in'** domain will be exclusively assigned to **Indian banks**, offering them a secure and easily identifiable online presence.The registration process for 'bank.in' is **expected** to begin in **April 2025.**
ii. The **fin.in'** will be introduced as a dedicated domain for **non-banking financial entities.** This initiative aims to further enhance security and a more reliable digital ecosystem.

RBI to Implement AFA for Cross-Border Digital Transactions

The **RBI** has announced plans to implement Additional Factor of Authentication **(AFA)** for cross-border Card Not Present **(CNP)** transactions.
i.Unlike domestic transactions, where AFA is already mandatory, international online payments have so far lacked this additional security check. This has left **Indian consumers vulnerable** when making purchases from overseas merchants.
ii. To bridge this gap, **RBI** has **proposed** extending **AFA** to international CNP transactions, ensuring the same level of security as domestic payments.
iii. This step aims to bring international online payments made with Indian-issued cards under the same security framework as domestic transactions by introducing an extra layer of authentication, such as a One-Time Password **(OTP)** or **biometric verification,** to reduce the risk of fraud.

RBI Allows Non-Bank Brokers Access to NDS-OM, Forms Panel on Market Timings

The RBI) has announced that non-bank brokers registered with the Securities and Exchange Board of India **(SEBI)** headquartered in Mumbai,Maharashtra can now directly access the Negotiated Dealing System – Order Matching **(NDS-OM)** platform.

- This will enable them to execute secondary market transactions in government securities on behalf of their clients.

i.The RBI has established a **nine-member** working group to conduct a comprehensive review of trading and settlement timings for financial markets under its regulation.
ii. The panel is led by RBI Executive Director (ED) **Radha Shyam Ratho** and is expected to submit its findings by April 30, 2025.
Note: Currently, NDS-OM access is limited to regulated entities, banks, and standalone primary dealers. SEBI-registered brokers can participate in the platform, **subject to guidelines** set by the central bank.

RBI Approves Bond Forwards to Strengthen Long-Term Investment Strategies

RBI has announced **plans to allow trading in bond forward**s, a financial instrument expected to strengthen an existing USD 12 billion.

i.Bond forwards will enable long-term investors, such as insurance companies and pension funds, to **hedge interest rate** risks over different interest rate cycles.
ii. These contracts allow investors to agree on purchasing government bonds at a predetermined future date and price, offering a structured way to manage market volatility.
iii. From March 2024 to January 2025, the notional value of bond forward rate agreements (FRA) transactions cleared through the official clearing house stood at Rs 1.1 trillion (USD 12.2 billion).

RBI Defers Implementation of LCR and Project Financing Norms to 2026

The Reserve Bank of India **(RBI)** has decided to **postpone the implementation** of the proposed Liquidity Coverage Ratio **(LCR)** norms and project financing guidelines by a year, with the new deadline set for no earlier than **March 31, 2026**.
i.This decision was made to provide sufficient time for adaptation, as the earlier timeline of April 2025 was considered too short for a smooth transition.
ii. The move aims to prevent disruptions in the financial system and ensure a stable adjustment to regulatory changes.
iii. As part of the LCR framework, banks were instructed to allocate an **additional 5% as a run-off factor** for retail deposits linked to internet and mobile banking (IMB). Stable retail deposits with IMB would carry a 10% run-off factor, while less stable IMB-enabled deposits would have a 15% run-off factor.
iv.LCR requires banks to maintain sufficient high-quality liquid assets **(HQLAs)**, primarily government securities, to manage liquidity.

RBI Delays Implementation of Additional Reserve Requirement for Digital Deposits Until 2026

The RBI has decided to **postpone** the **implementation** of new guidelines requiring banks to allocate additional funds for **digitally-linked deposits**. Initially planned for an earlier rollout, these norms will now take effect no sooner than March 2026.

Important Definitions:

Repo Rate : The rate at which the RBI lends short-term funds to commercial banks.
Reverse Repo Rate : The rate at which the RBI borrows funds from commercial banks.
Cash Reserve Ratio (CRR) : The percentage of bank deposits that banks must keep as reserves with the RBI.
Statutory Liquidity Ratio (SLR) : The percentage of bank deposits that banks must maintain in liquid assets like cash, gold, or government securities.
Monetary Policy Stance : Whether the policy is accommodative , neutral , or tightening , depending on inflation and growth dynamics.

RBI Aligns HFCs' NCD Private Placement Norms with NBFC Regulations

In January 2025, the Reserve Bank of India (**RBI**) announced the alignment of regulations governing the private placement of non-convertible debentures (**NCDs**) by housing finance companies (HFCs) with those applicable to non-banking financial companies (**NBFCs**).

- This change replaces the existing framework under Chapter XI of the ~~Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021~~ with new guidelines in line with Paragraph 58 of the ~~Master Direction – NBFC– Scale Based Regulation) Directions, 2023..~~
- This means that HFCs will follow the similar rules and guidelines as NFBCs when issuing NCDs.
- The RBI also mentioned that existing guidelines specific to HFCs regarding NCD issuance were repealed.
- The updated guidelines will take effect on **January 29, 2025,** and will apply to all new private placements of NCDs issued by HFCs with maturities exceeding one year.

NBFC- Scale Based Regulation:

i.Under NBFC regulations for the private placement of NCDs, companies are required to formulate a board-approved policy for resource planning, outlining the planning horizon and the frequency of private placements.

ii. The minimum subscription per investor shall be **Rs.20,000**. The private placement of NCDs will be classified into two segments:

- NCDs with a maximum subscription of less than Rs.1 crore per investor.
- NCDs with a minimum subscription of Rs.1 crore and above per investor.

iii. Additionally, for NCDs with a maximum subscription of less than Rs.1 crore per investor, the total number of subscribers shall be limited to 200 per financial year (FY), and these subscriptions must be fully secured.

About Non-Convertible Debentures (NCDs):

i.Non-convertible debentures (NCDs) are fixed-income instruments issued by high-rated companies to secure long-term capital through public offerings. They usually offer higher interest rates compared to convertible debentures.

ii. It can be invested in by individuals, banks, primary dealers, as well as registered companies or unincorporated bodies in India.

iii.They are fixed-income investments that cannot be converted into equity or stock.

RBI Ombudsman Resolved 95% of Complaints in FY24

In January 2025, the Reserve Bank of India (RBI) released its latest ~~Annual Report of the Ombudsman Scheme, 2023-24.~~ As per the report, RBI resolved **95%** (i.e. 2.84 lakh) complaints received under the Reserve Bank-Integrated Ombudsman Scheme **(RB-IOS)** between **April 1, 2023 and March 31, 2024** and achieved a disposable rate of 95.10%.

- Under the RB-IOS, 2021 act, the complaints are handled by 24 Offices of the RBI Ombudsman (ORBIOs) and the Centralised Receipt and Processing Centre (CRPC). During F.Y.2023-24.
- The report revealed that a total of **9,34,355 complaints** were received by the ORBIOs and CRPC as compared to 7,03,544 complaints during F.Y.2022-23, representing an increase of 32.81 per cent.

Key Findings:

i.Out of these 9,34,355 complaints, 2,93,924 complaints (31.46 per cent) were received at ORBIOs and 6,40,431 complaints (68.54 per cent) were received at the CRPC.

- As per the report, **88.77%** of the total complaints received at the ORBIOs, came through digital modes including the online Complaint Management System (CMS) portal, and Centralised Public Grievance Redress and Monitoring System (CPGRAMS).

ii. The report informed that ORBIO has resolved **57.07%** of maintainable complaints through mutual settlement, conciliation, or mediation, while **40.78%** were dismissed due to absence of any service deficiency.

iii.CRPC witnessed a sharp increase in complaints, receiving **7,66,957 complaints** (including assigned to ORBIOs/ Consumer Education and Protection Cell (CEPCs)), which was 30.10 per cent higher as compared to the previous year.

- While, **6,31,876 complaints** were dismissed as non-complaints or non-maintainable complaints and **1,26,607 complaint**s were assigned to ORBIOs/CEPCs for further redress.

iv. The report observed a significant increase in complaints from individuals, senior citizens in both FY23 and FY24. Notably, the complaints from this group have increased by 24.09%, from 2.07 lakh (in FY23) to 2.57 lakh (in FY24).

Complaint Distributions:

i.RBI received maximum complaints in the **"Loans and Advances"** category , with **85, 281** complaints reported in FY24, accounting **29.01%** of total complaints. This represents a sharp increase of 42.70% compared to last year.

- It is followed by **Mobile and Net Banking** with 57,242 complaints (accounting 19.48% of total complaints), and saw a significant increase of 32.61% compared to previous year.
- Also, complaints related to 'Opening and Operating Deposit Accounts' increased by 34.45% (from the last year) to 46,358, representing 15.77% of total complaints.
- Complaints related to 'Credit Cards' increased by 23.95% (from the last year) to 42,329, accounting for 14.40% of total complaints.
- ATM and Debit cards complaints fell 15.7%, making it the only category with a decline.

ii.ORBIOs received maximum complaints against **Banks** during FY24, accounting **82.28%** of total complaints (2.42 lakh), followed by Non-Banking Financial Company (NBFC) with 42,699 complaints (accounting 14.53% of total complaints).

- It further mentioned that within the banking sector, Public Sector Banks (PSBs) accounted for 38.32%, followed by Private Sector Banks (34.39%), Payment Banks (3.08%), Small Finance Banks (SFBs) (1.35%), among others.

State-wise Contributions:

i.ORBIOs received maximum complaints from top 5 States/ Union Territories (UTs) based on per lakh accounts (deposit and credit) are: UT Chandigarh, the National Capital Territory(NCT) of Delhi, Rajasthan, Gujarat, and Uttarakhand.

ii. Top 5 states/UTs reported lowest complaints during FY24: Mizoram, Nagaland, UT Ladakh, Manipur, and UT Lakshadweep.

Key Observations:

i.The RBI highlighted instances of unfair interest charging practices by lenders during its onsite examination of banks for the FY24 ending on March 31, 2024.

- It found that Banks are charging interest prematurely, from the date of loan sanction or loan agreement execution rather than the actual date of disbursement.

ii. It noted that in cases where loans were disbursed through Cheque, interest was charged from the cheque date, even if the customer received the cheque days later.

Other Key Points:

i.As per the report, **82** appeals were received by the Appellate Authority against the decisions of the RBI Ombudsman during FY24, of which 72appeals were received from the complainants and 10 appeals were received from the Regulated Entities (REs).

ii. The report mentioned that the Consumer Education and Protection Department has outlined the certain goals for FY25 (from April 1, 2024 to March 31, 2025) under RBI's medium-strategy framework (Utkarsh 2.0) and other short term goals. These goals aim to enhance consumer protection and improve grievance redress mechanisms.

About RB-IOS, 2021:

i.It was introduced in **November 2021** by integrating **3** erstwhile Ombudsman schemes i.e. Banking Ombudsman Scheme, 2006; Ombudsman Scheme for Non-Banking Financial Companies (OSNBFC), 2018, and Ombudsman Scheme for Digital Transactions (OSDT), 2019.

ii. The Reserve Bank – Integrated Ombudsman Scheme (RB-IOS), 2021 provides an Alternate Grievance Redress (AGR) mechanism for expeditious and cost-free grievance redressal of customer complaints that have not been satisfactorily redressed by the Regulated Entities (REs) or where the complainants have not been replied to within a period of 30 days by the REs.

Recent Related News:

In January 2025, RBI released the list of NBFCs in the Upper Layer (UL) segment under the Scale Based Regulation **(SBR)** for NBFCs for the year 2024-25. It has retained Tata Sons Private Limited (TSPL) in the NBFC UL list despite its request to de-register as a NBFC, is under examination.

- The list comprises **15** companies that include Life Insurance Corporation of India (LIC) Housing Finance Limited (HFL), Bajaj Finance Limited (BHL), and Shriram Finance Limited (SFL), among others.

RBI Tightens Norms for Imposing Penalty under PSS Act, 2007

In January 2025, the Reserve Bank of India **(RBI)** has tightened norms for imposing monetary penalties and compounding offences under the Payment and Settlement Systems Act **(PSS Act, 2007).** The new norms aim to consolidate and rationalize enforcement actions by the RBI.

- The new framework which has been introduced for payment system operators and banks that outlined various contraventions and penalties such as: operation of a payment system without authorization, disclosure of information, which is prohibited, and failure to pay the penalty imposed by the RBI within the stipulated time period, among others.

Key Features:

i.RBI has been empowered under Section 30 of the PSS Act, to impose a penalty **not exceeding Rs 10 lakh** or twice the amount involved in such contravention or default where such amount is quantifiable, whichever is more.

Note: Previously, the RBI was empowered to impose a penalty **up to Rs 5 lakh.** The amount was increased following the enactment of the Jan Vishwas (Amendment of Provisions) Act, 2023, which came into force on January 22, 2024.

ii. In cases where such contravention or default is repeating one, a further penalty of maximum **Rs 25,000** for every day after the 1st instance, during which the contravention or default continues, can also be imposed.

iii. Section 31 of the PSS Act, 2007 has empowered an officer of RBI duly authorised to compound contraventions, excluding those offences punishable with imprisonment only or with imprisonment and fine.

iv. The authority which has been designated for imposing monetary penalty and compounding contraventions, is required to form a **committee** comprising 3 Executive Directors (EDs) handled by the Central Office of Enforcement Department (ED).

- The committee is required to include the Regional Director and two senior officials at the Regional Office of ED.

v.The amount of penalty will be determined based on the principles of proportionality, intent and mitigating factors, if any.

- The compounding amount will be calculated on the same factors as of monetary penalties.
- The compounding amount may be 25% less than the calculated amount of penalties.

- In case of repeated contraventions (within a period of 5 years), the compounding amount may be increased by 50% of the calculated compounding amount, subject to limits prescribed under statutory provisions.

vi. The monetary penalty or compounding amount is required to be **paid within 30 days** from the date of receipt of penalty or compounding order, as the case may be.

- In the case where the penalty amount is not paid within the stipulated time period, RBI is empowered to initiate appropriate action against the contravener as per section 8 or section 30 (3) or section 33 of the PSS Act, 2007.

vii. The RBI mentioned that **only material contraventions** will be considered for enforcement action in the form of imposition of monetary penalty or compounding of offences.

Recent Related News:

In December 2024, the Reserve Bank of India (RBI) injected Rs 6,956 crore into the banking system to manage the increasing liquidity deficit, following a surplus liquidity of Rs 1.4 lakh crore that lasted more than two months.

- The liquidity deficit has arisen due to a negative balance of payments in Q3FY25, totaling USD 23 billion, driven by continued outflows from foreign portfolio investors (FPI) and the RBI's dollar sales in the market to stabilize the rupee.

RBI Injects USD 5.1 billion Liquidity via FX Swap Auction

In January, 2025, Mumbai (Maharashtra) based Reserve Bank of India (**RBI**), conducted a dollar-rupee buy/sell foreign exchange swap (FX swap) auction for **USD 5.1 billion**. The auction saw a significant oversubscription, with total bids amounted to USD 25.59 billion from 253 participants, exceeding the offered amount by five times.

- This move will infuse rupee liquidity into the banking system and is part of a broader strategy by the central bank to inject approximately **Rs.1.5 trillion** into the financial system.

i.The transaction will be reversed on August 4, 2025, when the RBI will sell the USD 5.1 billion, obtained through 28 accepted bids, back to the market at the forward rate (currency exchange spot rate plus 96.71 paise) and take back Rs. 43,784 crores approximately

ii. In response to the auction's results, dollar-rupee forward premiums saw a slight dip, with the 1-year implied yield moderating its increase to settle at the last quote of 2.24%.

Note: In an FX swap, the RBI acquires dollars from financial institutions in exchange for rupees, simultaneously boosting rupee liquidity and reducing excess dollar circulation

RBI Imposed Penalties on ESFBL and IPPB for Regulatory Non-Compliance

In February 2025, the Reserve Bank of India (RBI) imposed **penalties** on Chennai (Tamil Nadu, TN) based Equitas Small Finance Bank Limited **(ESFBL)** and New Delhi (Delhi) based India Post Payments Bank Limited **(IPPB)** for failing to comply with regulatory guidelines.

i.ESFBL was fined **Rs 65 lakh** for non-compliance with directions on 'Levy of Foreclosure Charges/Pre-payment Penalty on Floating Rate Term Loans' and 'Credit Flow to Agriculture – Collateral-free agricultural loans.'

ii.IPPB was penalized with **Rs 26.70 lakh** for deficiencies in adhering to the 'Customer Service in Banks' .

iii. Further, a penalty of **Rs 3.10 lakh** has also been imposed on Chennai based Aptus Finance India Private Limited for contravention of certain provisions of norms related to Non-banking Financial Companies (NBFCs).

RBI Released Payment System Report, December 2024

In January 2025, the Reserve Bank of India **(RBI)** released **~~Payment System Report, December 2024,~~** which analysed the trends in payment transactions carried out using different payment systems in the last 5 Calendar Years (CY) up to CY-2024.

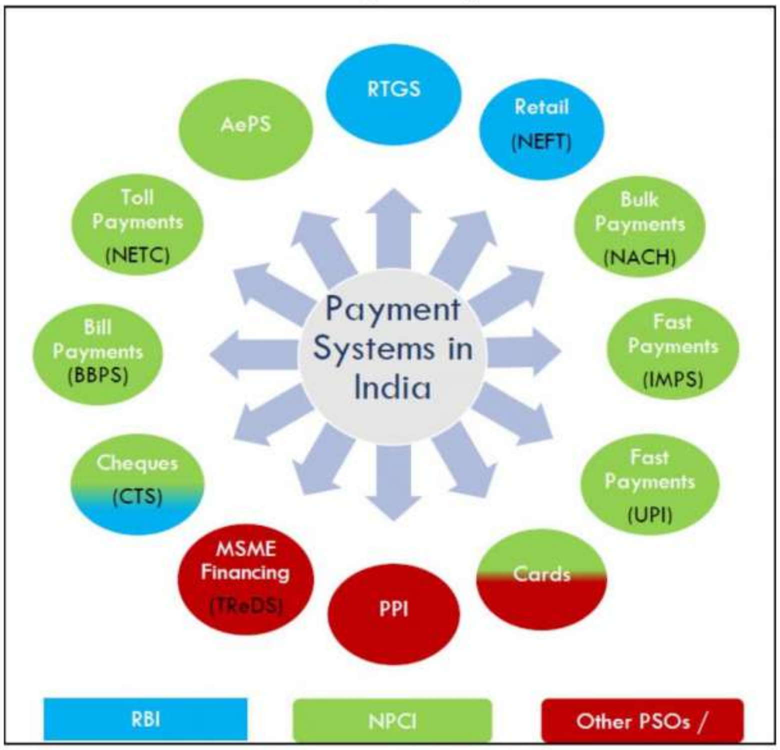
- The report has covered key developments in the payment ecosystem and provides in-depth information about Unified Payments Interface (UPI).
- Henceforth, this report will be published on RBI website bi-annually.

Key Findings:

***PSO – Payment System Operators**

i.Exponential increase in Digital Payment transactions: As per the report, 222 crore digital transactions valued at Rs 772 lakh crore were made in CY-2013, it has increased 94 times in volume and more than 3.5 times in value to more than 20,787 crore transactions valued at Rs 2,758 lakh crore in CY24.

- The report revealed that digital payments in India have increased 6.7 times in volume and 1.6 times in value in the last 5 years.
- Also, this reflects a 5-year Compound Annual Growth Rate **(CAGR)** of 45.9% and 10.2% in terms of digital payments volume and value respectively.



ii.Growth of Credit Card and Debit Card: The report showed that the number of credit cards in circulation has more than doubled in the last 5 years, from 5.53 credit cards in circulation in December 2019 **to nearly 10.80 crore** at the end of December 2024.

- In contrast to credit cards, the number of debit cards in circulation has remained relatively stable, with a slight increase from 80.53 crore (in December 2019) to slightly more than 99.09 crore (December 2024).

iii.Surge in Retail Digital Payments: The report showed that the retail digital payments in India has surged from 162 crore transactions in Financial Year 2012-13 (FY13) **to 16, 416 crore transactions in FY24**, reflecting a nearly **100-fold** increase over 12 years.

iv.The Growth of UPI Payments: UPI has emerged as the significant contributor to growth of digital payments in India. The contribution of UPI to digital payments volume increased from 34% in CY-2019 **to 83% in CY-2024,** with a remarkable CAGR of **74%** over 5 years.

- The volume of UPI transactions increased from 375 crore in CY-2018 to 17,221 crore in CY-2024 and the total value of transactions increased from 5.86 lakh crore in CY-2018 to Rs 246.83 lakh crore in CY-2024.
- This reflects 5 year CAGR of 89.3% and 86.5% in terms of volume and value, respectively.

v.Increase in DPI: As per the report, the Digital Payment Index (DPI), a key indicator which measures the growth of payment systems, has increased by more than 4 times in the last 6 years, from a base of 100 (in March 2018) to 445.50 (in March 2024).

Key Global Trends:

i.The report highlighted that the RBI has been working towards enhancing cross-border payments by linking UPI with Fast Payment Systems (FPS) of other countries.

- In February 2023, the FPS of India (UPI) and Singapore (PayNow) were linked together.

ii. India joined **Project Nexus**, facilitating multilateral linkage of FPS of Association of Southeast Asian Nations (ASEAN) countries i.e. Malaysia, Philippines, Singapore, and Thailand. An agreement to this effect was signed on June 30, 2024.

- Project Nexus was conceptualized by Singapore-based Bank for International Settlements **(BIS) Innovation Hub**, to develop **'Nexus'** as a multilateral network connecting domestic Instant Payment System (IPS) networks of participating countries.

iii. Payments to merchants using Indian UPI applications via Quick Response (QR) codes has been enabled in various countries like: Bhutan, France, Mauritius, Nepal, Singapore, Sri Lanka, and the United Arab Emirates (UAE).

About Payment and Settlement Systems Act, 2007:

i.The Act has authorised RBI to regulate and supervise payment systems in India.

ii. The Act empowers RBI to issue licenses/authorisations to payment system operators. These operators include entities involved in operating and maintaining various types of payment systems like: Clearing Corporation of India Limited (CCIL), National Payments Corporation of India (NPCI), among others.

iii. The Board for Regulation and Supervision of Payment and Settlement Systems (BPSS) is chaired by **Sanjay Malhotra**, RBI Governor.

Recent Related News:

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- The report revealed that a total of **9,34,355 complaints** were received by the Offices of the RBI Ombudsman**(ORBIOs)** and the Centralised Receipt and Processing Centre **(CRPC).**

RBI Launches Regulatory Sandbox for Testing Offline Digital Payment Solution

In January 2025, the Reserve Bank of India (RBI) launched a **Regulatory Sandbox** (RS) to test the **"On Tap"** application facility under the theme of 'Retail Payments'.

- Chennai (TamilNadu, TN) based **Exto India Technologies Private Limited** was selected to participate in the 'Test Phase' of this initiative.

i.The company tested an offline digital payment solution integrating Distributed Ledger Technology **(DLT)** with private biometric authorization, enabling offline card-to-card and card-to-phone transactions.
ii. The key features of the innovation include the use of cryptography in distributed ledgers, on-card biometric authentication, and time-limited balances, to prevent issues like double spending.
iii. The product after testing was found acceptable under the RS and may be adopted by Regulated Entities, subject to compliance with applicable regulatory requirements.

RBI's Digital Payments Index Increases to 465.33 as of September 2024

In January 2025, the Reserve Bank of India **(RBI)** revealed that its Digital Payments Index **(DPI)** has increased from 445.5 in March 2024 **to 465.33** as of September 2024, this marks an **11.11%** increase Year-on-Year (Y-o-Y).

- This increase in RBI's DPI was mainly driven by growth in payment infrastructure and payment performance across the country over the period.

About RBI-DPI:

i.RBI had been publishing the composite RBI-DPI since **January 1, 2021**, with March 2018 as the base period (DPI score for March 2018 is set at 100). The index monitors the extent of digital payment adoption across India.
ii. The index is based on **5 key parameters:** payment enablers (25%); payment infrastructure- Demand-side factor (10%); payment infrastructure -Supply-side factor (15%); payment performance (45%) and consumer centricity (5%).

- Each of these parameters has sub-parameters which, in turn consist of various measurable indicators.

RBI Approves Voluntary Merger of Two Urban Co-operative Banks

In February 2025, the Reserve Bank of India **(RBI)** approved the voluntary merger of two Urban Co-operative Banks **(UCBs)** in India. The merger of Vasco-Da-Gama (Goa)-based Citizen Co-operative Bank Limited **(CCB)** with Thane (Maharashtra)-based TJSB Sahakari Bank Limited.

- Also, the merger of Satara (Maharashtra)-based Pune Commercial Co-operative Bank **(PCC Bank)** with Pune (Maharashtra)-based Pimpri Chinchwad Sahakari **(PCS Bank).**
- The RBI sanctioned the Scheme of Amalgamations of above mentioned banks in exercise of the powers conferred under Sub-Section (4) of Section 44A read with Section 56 of the Banking Regulation Act, 1949. The merger of these banks came into force on **February 10, 2025.**

Significance:

i.The merger of CCB with TJSB Sahakari Bank Limited is expected to improve accessibility of banking services for its customers and reinforcing financial inclusion (FI) efforts in Goa.

- With the completion of amalgamation on February 10, 2025, all branches of the CCB will now function as branches of TJSB Sahakari Limited.
- With this, the total number of branches of TJSB in India increases from 143 to 149 and also, its presence in Goa expands from 12 to 18 branches.

ii. Similarly, with the completion of merger of Satara-based UCB with PCS Bank, 4 branches of PCC bank will now operate under the name of PCS Bank.

Key Facts:

i.As per RBI's report on Trend and Progress of Banking in India, the number of UCBs in India decreased steadily over the last 20 years from 1,926 to 1,472.
ii. Since 2004-05, the UCB sector in India saw 156 mergers, of which 6 mergers were in 2023-24. Among these 6 mergers in 2023-24, maximum mergers were in Maharashtra (3), followed by Telangana (2), and

Gujarat (1).

Urban Co-operative Banks (UCBs) categorized into four tiers:

Tier 1 –Deposits up to Rs 100 crore

Tier 2 – Deposits above Rs 100 crore and less than Rs 1,000 crore.

Tier 3 – Deposits above Rs 1,000 crore and less than Rs 10,000 crore.

Tier 4 – Deposits above Rs 10,000 crore.

RBI Imposes Rs.35.60 Lakh Penalty on Federal Bank & Karur Vysya Bank for Regulatory Non-Compliance

In February 2025, the Reserve Bank of India **(RBI)** has imposed monetary penalties totaling **Rs.35.60 lakh** on Federal Bank Limited and Karur Vysya Bank Limited for non-compliance with specific regulatory directions.

Reason for penalty.

i.Federal Bank has been fined **Rs.27.30 lakh** for not complying with RBI directions on **interest rates of deposits**.An inspection revealed that the bank had opened certain savings deposit accounts in the names of entities that were not eligible to hold such accounts.

ii.Karur Vysya Bank has been penalized **Rs.8.30 lakh** for not complying with RBI directions on **the loan system for bank credit delivery.** The bank did not ensure that the outstanding loan amounts met the specified percentage of the sanctioned working capital limits for certain borrowers.

iii.Legal Framework and Penalty Imposition: The penalties were imposed under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949. The RBI conducted statutory inspections and reviews of compliance reports for both banks.

About Karur Vysya Bank Limited:

Managing Director**(MD) &** Chief Executive Officer**(CEO)–** Ramesh Babu

Headquarters – Karur, Tamil Nadu(TN)

Year of Establishment – 1916

Tagline – Smart Way to Bank

About Federal Bank Limited:

Managing Director**(MD) &** Chief Executive Officer**(CEO) –** Krishnan Venkat Subramanian (KVS) Manian

Headquarters – Aluva, Kerala

Year of Establishment – 1931

Tagline – Your Perfect Banking Partner

SFBs Received RBI Approval to Offer Credit Lines on UPI

In February 2025, Small Finance Banks **(SFBs)** received the Reserve Bank of India **(RBI)** approval) to provide pre-sanctioned credit lines through the Unified Payments Interface (UPI)**.** This move, effective from February 12, 2025, aligns with the RBI's December 2024 announcement during the Monetary Policy Committee (MPC) meeting.

- UPI, India's real-time payment system developed by the National Payments Corporation of India (**NPCI)**, previously allowed transactions via savings accounts, overdrafts, prepaid wallets, and credit cards.
- The RBI has now expanded this to include pre-sanctioned credit lines issued by SFBs, enabling instant access to credit for individuals and small businesses.
- The Unified Payments Interface (UPI) is a digital payment tool that can help achieve the goals of the **Pradhan Mantri Jan Dhan Yojana (PMJDY)** and promote equitable economic growth.

Background:

In September 2023, RBI expanded the scope of UPI by enabling pre-sanctioned credit lines to be linked through UPI.However, this feature was limited to commercial banks, excluding Payments Banks, Small Finance Banks (**SFBs**), and Regional Rural Banks(**RRBs)**.

Transparent Credit Access

i.Customers must provide explicit consent before availing credit lines, ensuring transparency. Terms such as credit limits, interest rates, and repayment tenure are determined by individual SFBs under their board-approved policies.

ii. The facility aims to serve **'new-to-credit' (NTC)** customers, including farmers, small entrepreneurs, and rural businesses, reducing reliance on informal lenders charging exorbitant rates.

iii. It is required for customers to review the terms and conditions of the credit lines before opting-in.

About Small Finance Banks (SFBs):

i.These are the financial institutions (FIs) that provide financial services to the unserved and unbanked regions of the country.

ii.SFBs are established as a private limited company under the Companies Act, 2013 and regulated by the provisions of RBI Act, 1934 and Banking Regulation Act, 1949.

iii. Initially, there were 12 Small Finance Banks (SFBs) operating in India.In April 2024, RBI approved the merger of Bengaluru (Karnataka)-based Fincare SFB with Jaipur (Rajasthan)-based AU Small Finance Bank Limited. Now, there are 11 SFBs operating in India.

RBI approves Easebuzz to Operate as Online PA

In February 2025, the Reserve Bank of India (**RBI**) approved Pune (Maharashtra) based **Easebuzz** Private Limited, a digital payment solution provider to operate as an **Online Payment Aggregator** (PA) for secure digital payment solutions.

- It enables Easebuzz to remain an authorized payments platform, enabling it to process online payments for Indian businesses across various sectors, including e-commerce, travel, tourism, education, and real estate.
- With this, Easebuzz joins companies like Razorpay, MSwipe, Google Pay (GPay), Cashfree, Zomato, CC Avenue, and Innoviti Payments, all of which have secured PA licenses from RBI.

i.Earlier Easebuzz entered into B2B (business-to-business) payments and launched an invoice management and payments platform in collaboration with National Payments Corporation of India (NPCI) Bharat BillPay (NBBL)

ii. It has also been certified as a Biller Operating Unit (BOU) under the Bharat Connect(formerly named Bharat Bill Payment System, BBPS).

Note: PA license permits companies to handle e-commerce transactions, offer early settlements to select merchants and provide credit in the form of term loans in partnership with Non-Banking Financial Companies (NBFCs) and banks.

RBI Imposes Restrictions on New India Co-operative Bank on Supervisory Concerns

In February 2025, the Reserve Bank of India **(RBI)** imposed restrictions on Mumbai (Maharashtra)-based **New India Co-operative Bank Limited** from issuing new loans and suspended deposit withdrawals amid supervisory concerns about its financial position.

- These restrictions were issued by the RBI under Section 35A of the Banking Regulation Act, 1949 to protect the interest of depositors.
- These restrictions came into force on February 13, 2025 and will remain in force for a period of **6 months**, but they are subject to a future review by the RBI.

Key Directions:

i.As per the RBI directions, the bank does not have power/authority to grant or renew any loans or advances, make any new investments or accept new deposits without the prior approval from the RBI.

- But, RBI has permitted loan set-offs against deposits under specific terms and conditions.

ii. It has also allowed bank to incur essential expenses such as employee salaries, rent, and electricity bills.

ii.RBI informed that eligible depositors will receive a deposit insurance claim of **up to Rs 5 lakh** for their deposits from the Deposit Insurance and Credit Guarantee Corporation (DICGC), as applicable under the provisions of the DICGC Act, 1961.

RBI Superseded BoDs of New India Co-operative Bank for 12 Months:

The RBI in exercise of the powers given under **Section 36 AAA read with section 56 of the Banking Regulation Act, 1949** (as applicable to Co-operative Societies) has superseded the Board of Directors (BoDs) of New India Co-operative Bank for a period of **12 months**, to address its governance issues.

- It has appointed **Shreekant,** a former Chief General Manager (CGM), State Bank of India (SBI) as the administrator to manage the bank's affairs.
- It has also formed a committee of advisors to assist him, including **Ravindra Sapra**, former General Manager (GM) of SBI and **Abhijeet Deshmukh,** Chartered Accountant (CA).
- The primary function of the committee is to examine the financial situation, stabilize operations, and work towards the revival of the bank.

About New India Co-operative Bank Limited:

It was initially established as Bombay Labour Co-operative Bank Limited in 1968. Later, it was renamed as the New India Co-operative Bank Limited in 1977.

Headquarters- Mumbai, Maharashtra

RBI Extends Vakrangee's WLA Authorization till March 2026

On February 12, 2025, the Reserve Bank of India (RBI) granted an extension to the Mumbai (Maharashtra) based **Vakrangee Limited** authorization to set up, own, and operate White Label ATMs (WLAs) across India until **March 31, 2026.**

- As of January 31, 2025, Vakrangee operates 6,036 WLAs and 76% of these are in Tier 4 and Tier 6 locations, aimed at enhancing financial accessibility in the unserved & underserved areas.

i.Vakrangee Limited offers a wide range of services, including banking, insurance, e-governance, e-commerce, and logistics solutions.

ii. In addition, Vakrangee operates 22,395 Vakrangee Kendra outlets, with 81% of these located in Tier-4 to Tier-6 areas.

iii. Vakrangee aims to achieve a revenue of USD 1 billion and a gross transaction value of USD 150 billion by 2030.

Note: As of December 2024, the Life Insurance Corporation of India (LIC) held a 4.41% stake in Vakrangee Limited.

RBI Removes Regulatory Barriers on Kotak Mahindra Bank

In February 2025, Mumbai based Reserve Bank of India **(RBI)** removed the restrictions placed on Kotak Mahindra Bank **(KMB)** Limited, headquartered in Mumbai, Maharashtra, **allowing** KMB to resume **onboarding new customers digitally and issuing new credit cards.**

i.The RBI imposed restrictions on **April 24, 2024**, under section 35A of Banking Regulation Act, 1949, after identifying serious Information Technology (IT)-related regulatory violations, including deficiencies in IT inventory management, security protocols and disaster recovery measures.

ii. These restrictions **had prevented** the bank from **adding new customers** through online and mobile banking and from issuing new credit cards.

iii. To **resolve these issues**, KMB took **corrective measures** and submitted compliance reports,conducted an **external audit** with RBI's approval.After reviewing the bank's improvements and compliance efforts, the RBI decided to lift the restrictions.

iv. As a result the "cease and desist" directive has been lifted for all banks and non-banking financial companies (NBFC), except for Paytm Payments Bank.

RBI Approves Zulia Investments to Increase Stake in AU SFB

In February 2025, Mumbai, Maharashtra based The Reserve Bank of India **(RBI)** permitted **Zulia Investments Pte. Ltd.,** a subsidiary of Singapore-based Temasek Holdings (Private) Limited, to raise its stake in Jaipur (Rajasthan)-based **AU Small Finance Bank (SFB) to 7%.**
i.On February 12, 2025, AU SFB **received an RBI letter** approving Zulia and its associated entities to acquire up to 7% of the bank's paid-up capital or voting rights **within one year**.
ii. If the acquisition is not completed by **February 12, 2026**, the approval will lapse.
iii. Currently, **Zulia** holds **a 1.37% stake** in AU SFB, while **foreign institutional and portfolio investors own 39.35%**.

- If Zulia increases its stake, it could become the **largest foreign investor in the bank**.

Note: AU SFB, which began operations in **April 2017**, focuses on providing credit to retail customers and MSMEs (Micro, Small, and Medium Enterprises) while offering deposit and branch banking services.

RBI Penalizes SFL, NTB, USFB for Regulatory Non-Compliance

In February 2025, the Reserve Bank of India (**RBI**) imposed penalties on two banks and one Non-Banking Financial Company (NBFC) for not adhering to regulatory guidelines.

- The banks involved include Nainital (Uttarakhand) based Nainital Bank Limited (NTB), Bengaluru (Karnataka) based Ujjivan Small Finance Bank Limited (USFB), and the Chennai (Tamil Nadu, TN) based Shriram Finance Limited (SFL), an NBFC.

i.NTB was fined **Rs 61.40 lakh** for failing to comply with directions related to 'Interest Rate on Advances' and 'Customer Service in Banks'.
ii.USFB was fined **Rs 6.70 lakh** for non-compliance with specific directions issued by RBI regarding 'Loans and Advances – Statutory and Other Restrictions'.
iii.SFL was fined **Rs 5.80 lakh** for non-compliance with several provisions, including the Know Your Customer (KYC) guidelines and directions on 'Data Format for Furnishing Credit Information to Credit Information Companies (CICs)'.

RBI Data: Outward Remittances under LRS Drop 10% to USD 22.82 Billion in 9MFY25

According to the Reserve Bank of India **(RBI)** latest data, outward remittances under its Liberalised Remittance Scheme **(LRS)** declined **10.15%** Year-on-Year (Y-o-Y) **to USD 22.82 billion** in nine month (from April to December) of Financial Year 2024-25 (9MFY25), compared to USD 24.80 billion in 9MFY24.

- The data highlighted outward under the scheme declined across major segments such as: in deposits, maintenance of close relatives, and the international segment, among others.

Key Findings:

i.Increase in Outward Remittance in Q3FY25: As per the RBI's data, outward remittances increased 3.3% Y-o-Y in 3rd Quarter (October-December) of FY25 to USD 6,670.4 million compared to same period last financial year.
ii.Decrease in Remittances for Deposits: The data showed that remittances for deposits decreased **43%** Y-o-Y, to USD 422.28 million (in 9MFY24) against USD 738.12 million in the same period of previous financial year.
iii.Decline in Remittances of Close Relatives as well for Gifts: The RBI data revealed that remittances of close relatives dropped **approximately 25.2%** to USD 2,757 million and similarly, remittances for gifts decreased 21.38% to USD 2,215.5 million.

iv.Decrease in Outward Remittances from International Travel: As per the data, outward remittances from international travel dropped **2.23%** Y-o-Y, to USD 13.10 billion from USD 13.40 billion registered in the previous year period.

v.Increase in Remittances for investments in equity and debt instruments: The data showed that remittances for investments in equity and debt instruments increased 2.09% Y-o-Y to USD 1,113.73 million.

About Liberalised Remittance Scheme (LRS):

i.The scheme was introduced by the RBI on 4th February, 2004, to simplify and streamline the process of remitting funds overseas.

ii. The scheme allowed all resident individuals (including minors) to freely remit **up to USD 2,50,000 per financial year** (April-March) for any permissible current or capital account transaction or a combination of both.

Recent Related News:

In January 2025, RBI tightened norms for imposing monetary penalties and compounding offences under the Payment and Settlement Systems Act **(PSS Act, 2007).** The new norms aim to consolidate and rationalize enforcement actions by the central bank.

- As per new rules, RBI has been empowered under Section 30 of the PSS Act, to impose a penalty **not exceeding Rs 10 lakh or twice** the amount involved in such contravention or default where such amount is quantifiable, whichever is more.

RBI Launches 'RBIDATA' App for Access to Macroeconomic & Financial Data

On February 19 2025, the Reserve Bank of India (**RBI**) launched '**RBIDATA**', a mobile application (App) to provide the public with access to macroeconomic and financial data related to the Indian economy.

- The app is designed to help researchers, students, and the general public track important economic trends in a user-friendly and visually engaging format.
- This initiative aligns with RBI's ongoing efforts to enhance data transparency and accessibility.

Key Features of the RBIDATA app:

i.Comprehensive Economic and Financial Data Access: Offers users access to more than 11,000 economic data series, enabling the viewing of time-series data in graphical formats and the ability to download information for further analysis.

- It also provides key details like data sources, units of measurement, frequency, recent updates, and helpful notes to better understand the graphs and charts.

ii.Popular Reports Section: Features the most frequently accessed reports, making it easier for users to find key information quickly.

iii.Search Function: Allows users to quickly find data directly from the home screen, eliminating the need to navigate through multiple sections.

iv.Banking Outlet Section: Helps users locate banking facilities within a 20-kilometer (km) radius of their current location.

v.SAARC Database Access: Offers access to economic data from South Asian Association for Regional Cooperation (SAARC) countries via the 'SAARC Finance' link.

vi.DBIE Portal Integration: Connects with the RBI's Database on the Indian Economy (DBIE) portal at https://data.rbi.org.in ensuring real-time updates and accuracy.

vii. It is available for both iPhone Operating System (iOS) and Android users (version 12 and above) and features a feedback mechanism for user suggestions and improvements.

RBI Imposes Penalty on Citibank, AMFL, JMFHL for Non-Compliance

In February 2025, Mumbai (Maharashtra) based the Reserve Bank of India (**RBI**) imposed monetary penalties on Mumbai (Maharashtra) based **Citibank**, Chennai (Tamil Nadu, TN) based Asirvad Micro Finance Limited (**AMFL**), and Mumbai (Maharashtra) based JM Financial Home Loans Limited (**JMFHL**) for violating regulatory norms.

i.Citibank was fined **Rs 39 lakh** by the RBI for failing to upload corrected data in specific sectors within seven days of receiving rejection reports from Credit Information Companies (CICs) and for reporting violations of "**Large Exposures**" restrictions with delay.

ii.RBI imposed a penalty of **Rs 6.20 lakh** on AMFL for failing to report the household income of certain borrowers to CICs.

- It also failed to provide factsheets to certain gold loan customers and failed to set up a system of auto-escalation procedure for all complaints that were partially or completely denied by its internal grievance resolution mechanism to the internal ombudsman for a final decision.

iii.JMFHL was fined **Rs 1.50 lakh** by the RBI for violating several of the "Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021" regulations.

RBI Launched Financial Literacy Week 2025 to Focus on Women's Prosperity

Mumbai (Maharashtra)-based India's central bank, Reserve Bank of India **(RBI)** has launched the Financial Literacy Week **(FLW 2025)** which commenced on February 24, 2025 and will be observed till February 28, 2025 across India.

- FLW 2025 was inaugurated by RBI Governor Sanjay Malhotra in Mumbai, Maharashtra.
- **Theme of FLW 2025:** 'Financial Literacy – Women's prosperity'. This year's theme of FLW is in alignment with the overall strategic objectives of the National Strategy for Financial Education 2020-2025.

About Financial Literacy Week 225(FLW 2025):

i.This initiative was launched by RBI in **2016** and since then, it has been observed annually across the country to promote financial awareness among the people.

ii. As part of the FLW 2025, the banks have been directed to spread awareness about financial literacy by displaying RBI-developed posters on their respective web portals, Automated Teller Machines (ATMs), mobile applications (apps), and display boards at their branches.

iii. The campaign will cover topics such as risk diversification, responsible borrowing, maintaining a good credit score and household budgeting and will have special focus on homemakers, working women and women entrepreneurs.

iii. As part of this year's FLW, RBI has planned multimedia campaigns to raise awareness about the importance of financial literacy for women.

Recent Related News:

In January 2025, RBI approved the establishment of National Urban Co-operative Finance and Development Cooperation **(NUCFDC)** as an Umbrella Organisation (UO) to boost Urban Co-operative Bodies **(UCBs)** across India. It has also approved NUCFDC to function as a Non-Banking Finance Company **(NBFC).**

- Earlier, Union Minister **Amit Shah,** the Ministry of Cooperation **(MoC)** inaugurated the corporate office of the NUCFDC during the inaugural function of International Year of Cooperatives 2025 held in Mumbai, Maharashtra.

RBI revises some lending norms for UCBs

On February 24 2025, the Reserve Bank of India (**RBI) revised** the norms for Urban Co-operative Banks (UCBs), allowing them to classify loans of up to **Rs 25 lakh**, or **0.4%** of Tier I capital, whichever is higher, as small-value loans, subject to a ceiling of **Rs 3 crore** per borrower.

- Earlier, UCBs could classify loans of up to Rs 25 lakh, or 0.2% of Tier I capital, as small-value loans, subject to a ceiling of Rs 1 crore per borrower.

Small-Value Loans:

Old Norms:

- Small-value loans were capped at **Rs 25 lakh or 0.2% of Tier-I capital** (whichever higher), with a maximum ceiling of **Rs 1 crore** per borrower.
- UCBs were required to ensure 50% of aggregate loans fell under small-value loans by March 2026.

New Norms:

- **Definition revised**: Loans up to **Rs 25 lakh or 0.4% of Tier-I capital** (whichever higher), with a higher ceiling of **Rs 3 crore** per borrower.
- **Objective**: Helps UCBs meet the 50% small-loan target by 2026.

Real Estate Exposure: Balancing Risk and Flexibility:

Old Norms:

- Aggregate exposure to real estate (including housing, commercial) capped at **10% of total assets**.
- Could exceed by **5%** only for priority-sector housing loans.

New Norms:

- **Priority Sector Exclusion**: Housing loans under Priority Sector Lending (PSL) excluded from commercial real estate (CRE) exposure.
- **Revised Caps**:
- Residential mortgages (non-PSL): Up to 25% of total loans (vs. 10% earlier).
- Real estate (excluding housing loans): Capped at 5% of total loans.
- Builder/developer loans: Limited to 5% of total loans.

Tier-Wise Housing Loan Limits: Catering to Urbanization

Revised Prudential Limits (Per Dwelling Unit):

UCB Tier	Old Limit	New Limit
Tier-I (Deposits≤ Rs100 cr)	Rs.60 lakh	Rs.60 lakh
Tier-II (Deposits Rs 100–1,000 cr)	Rs.1.40 cr	Rs.1.40 cr
Tier-III (Deposits Rs1,000–10,000 cr)	Rs.1.40 cr	Rs.2 cr
Tier-IV (Deposits >Rs10,000 cr)	Rs.1.40 cr	Rs.3 cr

Extended Glide Path for Security Receipts (SRs):

Old Norms:

- **Provisioning Requirement**: UCBs had to **maintain provisions** (set aside funds) to cover potential losses from the valuation gap in SRs.
- **Deadline**: UCBs were required to **fully provision for these gaps by March 2026** (FY2026).

New Norms:

- **Extended Deadline**: The RBI has extended the timeline for provisioning by **2 years**, pushing the deadline to **March 2028 (FY2028)**.

What are Security Receipts (SRs)?

Security Receipts (SRs) are financial instruments issued by **Asset Reconstruction Companies (ARCs)** when banks (including UCBs) sell their Non-Performing Assets (NPAs or bad loans) to these ARCs.

- **SRs' Value**: The value of SRs depends on the ARC's ability to recover money from the defaulted borrower. If the ARC recovers less than expected, the SRs' value declines, creating a **valuation gap.**

RBI Reduces Risk Weights for Banks Lending to NBFCs and MFIs

In February 2025, the Reserve Bank of India **(RBI)** in exercise of the powers conferred by Sections 21 and 35A of the Banking Regulation Act, 1949 reduced the risk weights on the exposure of Scheduled Commercial Banks (SCBs) loans to Non-Banking Financial Companies **(NBFCs)** and Microfinance Institutions **(MFIs).**

- RBI has lowered the risk weights of bank loans to NBFCs by 25 basis points (bps), from 125% **to 100%,** depending on the ratings. This move is expected to enhance credit flow to NBFCs and will improve credit availability in the retail segment.
- The restored risk weight on loans to NBFCs will come into effect on April 1, 2025.

Key Points:

i.As per RBI directions, risk weights for microloans by banks will be **75%,** while risk weights for loans for consumption purposes will be **100%,** from current 125%.

- In addition to that, microfinance loans extended by Regional Rural Banks (RRBs), and Local Area Banks (LABs) will attract a risk weight of 100%.
- The restored risk weight on loans to MFIs came into force with immediate effect.

ii.RBI has further clarified that microfinance loans which are not consumer type credit and completes certain criteria will be classified under Regulatory Retail Portfolio **(RRP).**

- Also, banks have been mandated to put in place appropriate policies and Standard Operating Procedures (SOPs) to ensure the compliance of qualifying criteria.

iii. The decrease in risk weights will free maximum **Rs 40,000 crore** capital, which would mean banks can grant loans up to Rs 4 lakh crore to **'AAA-rated'** companies.

Background:

i.In November 2023, RBI had increased risk weights for banks loans to NBFCs to 125% (over and above the risk weight associated with the given external rating) in all cases where the extant risk weight as per external rating of NBFCs was below 100%.

- The primary objective of this increased risk weights was to restrict unsecured loans, which had increased 25% in October 2023 compared to previous year.

ii. Also, this increased risk weight of 125% was applicable on consumer credit, including personal loans, but excluding housing loans, education loans, vehicle loans, among others.

Recent Related News:

In January 2025, RBI cancelled the Certificate of Registration (CoR) of Mumbai (Maharashtra)-based NBFC, **X10 Financial Services Limited** (formerly Abhishek Securities Limited), due to irregularities in its digital lending operations.

- As a result, the company is no longer allowed to operate as an NBFC.

SEBI

SEBI Proposes New Combo Product: MFs with TLI

In January 2025, Mumbai (Maharashtra) based Securities and Exchange Board of India (SEBI), the capital market regulator, is planning to introduce a new financial product that combines **Mutual Fund**s (MFs) investments with **Term Life Insurance** (TLI).

- The announcement was made by SEBI Chairperson, **Madhabi Puri Buch** aiming to enhance Systematic Investment Plans **(SIPs)** in rural areas.

i.The product would enable customers to combine life insurance with MFs investments, offering a more affordable and appealing solution that promotes financial inclusion in underserved regions.
ii. Additionally, SEBI is working on the **"Pay Right" initiative**, which will help investors verify the authenticity of Unified Payments Interface (UPI) payments through Know Your Customer (KYC) checks, reducing the risk of digital fraud.

'The 1% Club' Becomes First Finfluencer Firm to Get SEBI RIA license

In February 2025, **The 1% Club**, a financial advisory startup founded by internet personality Sharan Hegde, became the **first** finfluencer-led company to obtain a Registered Investment Advisor **(RIA)** license from the Securities and Exchange Board of India **(SEBI)**.

- It aims to disrupt India's wealth management market by offering scalable solutions, including stock recommendations, thematic portfolios, small cases, and high-yielding debt solutions in the future.

Key Points:

i.The 1% Club is now authorized to offer personalized financial planning services , which were previously launched under its Personal Chief Financial Officer (CFO) division.

- The division currently manages assets worth **Rs.750 crore** (approximately USD 90 million) in assets under advisory (AUA).

ii. The RIA license, granted after a thorough 6-month evaluation, positions the company to expand its tech-driven, low-cost advisory solutions.
iii. The 1% Club aims to expand its advisory team from the current 40 members to major cities across India, which is expected to further solidify its presence in the market.

- With a current membership base of 85,000 individuals, the company plans to launch more SEBI-approved investment products.

iv. The firm's workshops, such as the "Money School," have already impacted 250,000 users. With the RIA license, The 1% Club can further monetize its advisory services, focusing on the growing retail investing market in India.

Criteria for RIA License:

i.Entity Type: The firm must be a company or Limited Liability Partnership (LLP).
ii.Qualification: At least one director or partner must have a minimum of a graduate degree in any discipline from a recognized university.

- Additionally, professional qualifications like Chartered Financial Analyst (CFA) or Master of Business Administration (MBA) (with a specialization in finance) may be considered.

iii.Certification: Individuals providing advisory services must have passed the National Institute of Securities Markets (NISM)-Series-X-A: Investment Adviser (Level 1) Examination.
iv.Net Worth: The firm must have a minimum net worth of **Rs.25 lakh** to register as an RIA with the SEBI.
Note: As of January 2025, there are only 1,300 RIAs in India.

About The 1% Club:
Chief Executive Officer **(CEO)**– Sharan Hegde
Headquarters– Mumbai, Maharashtra
Established– 2022

SEBI allowed Retail Investors to join Algo trading from August 1 2025

In February 2025, the Securities and Exchange Board of India **(SEBI)** introduced a comprehensive framework to regulate algorithmic **(algo) trading for retail investors**. Under the new framework, retail investors will get SEBI's Direct Market Access (DMA) facility through the registered brokers, which was previously dominated by institutional players.

- The Brokers' Industry Standards Forum has been tasked with formulating detailed implementation standards by **April 1, 2025,** with the new norms set to take effect from **August 1, 2025.**

Key Highlights of Framework:

i.Broker Authorization: Brokers are required to obtain approval from stock exchanges for each algorithm they offer to retail investors.

- Any modifications to approved algorithms also necessitate prior exchange consent.

ii.Unique Identifier for Orders: All algo orders must be tagged with a unique identifier provided by the exchange, ensuring a clear audit trail and enhancing transparency.

iii.Retail Investor-Developed Algos: Tech-savvy retail investors who develop their own algorithms must register them with exchanges through their brokers if their trading activity exceeds a specified order-per-second threshold.

- These self-developed algos can be used for personal accounts, including those of immediate family members.

iv.Standard Operating Procedures (SOPs): Stock exchanges are required to establish **SOPs** for testing, monitoring, and simulating algo trading.

- This includes implementing a **"kill switch"** mechanism to disable specific algos in case of irregularities.
- Exchanges will supervise algo trading, ensuring brokers can differentiate between algo and non-algo orders.

Operational Controls:

i.Limits on order frequency or leverage to curb excessive risk-taking.
ii. Requirements for backtesting environments to validate algo strategies before deployment.
iii. Stricter oversight on brokers offering algo platforms, requiring transparency in algorithm operations.
iv. Technical standards compliance, including audit trails, real-time monitoring, and circuit breakers to prevent market manipulation.

SEBI Launched MITRA platform to Help Investors Trace Inactive Mutual Fund Folios

On February 12 2025, the Securities and Exchange Board of India **(SEBI)** launched a new digital platform, 'Mutual Fund Investment Tracing and Retrieval Assistant **(MITRA)'.** The new platform is designed to help investors in tracking and reclaiming inactive or unclaimed Mutual Fund (MF) folios.

- This platform was introduced through a circular issued by the SEBI in exercise of the powers given under Section 11(1) of the **SEBI Act 1992,** read with provision of Regulation 77 of SEBI (Mutual Funds) Regulation, 1996, to protect the interest of the investors in securities and to promote the development of, and to regulate the securities market.
- The platform will get operationalised within **15 working days** of the circular's issuance, with a beta version available for 2 months.

- As per SEBI circular, the platform will assist with the investments that may have been forgotten, lost or left unclaimed due to outdated Know Your Customer (KYC) details or the demise of original investor.

Note: As per SEBI, an inactive MF folio is defined as where no investor-initiated transactions have occurred in the last 10 years, but unit balance still exists.

About Mutual Fund Investment Tracing and Retrieval Assistant (MITRA):

i.The platform will be jointly hosted by two Qualified Registrar and Transfer Agents (QRTAs) i.e. Chennai (Tamil Nadu, TN)-based Computer Age Management Services Limited **(CAMS)** and Hyderabad (Telangana)-based **KFin Technologies Limited**. Both these QRTAs will act as agents of Asset Management Companies (AMCs).

- QRTAs have been entrusted with the responsibility of conducting system audits, cyber security audits, and compliance with SEBI's Business Continuity Plan (BCP) and Disaster Recovery (DR) guidelines.

ii. Investors can access the platform through the websites of MF central, AMCs, the Association of Mutual Funds in India (AMFI), the two QRTAs, and SEBI.

iii.MITRA platform will comply with the cyber resilience framework of SEBI as set in the regulator's Master Circular on MFs dated on June 27, 2024.

Key Benefits:

MITRA platform aims to empower investors by: helping them to identify overlooked investments made by another person where the investor may be the legal claimant;

- Updating their KYC as per the latest norms/regulations;
- Reducing the number of unclaimed MF folios;
- Reducing fraud risks related to unclaimed or inactive MF folios.

Note: SEBI has revised the responsibilities of the Unit Holder Protection Committee (UHPC) under its Master Circular on MFs. SEBI has now empowered the UHPC to review inactive MF folios alongside unclaimed dividends and redemptions.

SEBI Mandated SBU for Brokers to Trade G-secs on NDS-OM Platform

In February 12 2025, SEBI has mandated SEBI-registered brokers to setup a separate business unit **(SBU)** to trade in Government Securities (G-secs) through the Negotiated Dealing System Order Matching **(NDS-OM).**

- This announcement came following Reserve Bank of India (RBI)'s notification on February 7, 2025, allowed the SEBI-registered non-brokers to access the NDS-OM platform to facilitate retail participation.
- SEBI has directed such SBU will be exclusively engaged in activities of transacting on NDS-OM platform only.

Note: NDS-OM is an electronic order-matching platform, which is primarily used for secondary market trading in G-secs.

Recent Related News:

In December 2024, the SEBI notified a new asset class between Portfolio Management Services (PMS) and Mutual Funds (MFs) and referred it as **"Specialised Investment Fund (SIF)"**.

- As per the SEBI directions, the new asset class will accept investments of Rs 10 lakh or above across all investment strategies. However, accredited investors are exempted from the requirement of minimum investment amount.
- The notification came following the amendment made to the SEBI (Mutual Funds) Regulations, 1996.

SEBI Launched 'RPT Portal' to Strengthen Corporate Governance and Transparency

On February 14 2025, the Securities and Exchange Board of India **(SEBI)** launched 'Related Party Transaction **(RPT) portal',** India's 1st dedicated platform to monitor and analyse RPTs. The portal also aims to bolster transparency and governance in corporate India.

- The portal enables a wide range of stakeholders to access standardized and comparable data on RPTs.

Note:RPT is a transaction between related parties which involves transfer of resources, services or obligations between them regardless of whether a price is charged.

Key Points:

i.SEBI clarified that executive compensation will be covered under RPTs, which means that promoters of companies can reward themselves without shareholder approval.

ii. The portal will compile comprehensive information on RPTs, including shareholding voting patterns from the last 2 years, which will enable the investors and other entities to make well-informed decisions.

- Also, by compiling such data in a single platform, the initiative will fix information gaps and enhance corporate governance practices in India.

iii. The portal will be maintained by 3 proxy advisories Bengaluru (Karnataka)-based **InGovern Research Services** Private Limited, Mumbai (Maharashtra)-based Institutional Investor Advisory Services India Limited **(IiAs)** and Mumbai based Stakeholders Empowerment Services **(SES).**

iv. It will help investors to track RPTs and access opinions on such transactions.

- Retail investors will now have access to this information, which was previously limited to institutional investors.

SEBI Announced Approval of New RPT Disclosures by ISF

In February 2025, **Madhabi Puri Buch,** Chairperson of SEBI announced that new RPT disclosure standards have been approved by the Industry Standards Forum (ISF). These new standards aimed to ensure more transparency and protect investors.

i.The new standards will require listed companies to provide more detailed information like: what are the minimum disclosures the companies would have to make when they take an RPT for approval, both by shareholders and audit committees (in certain cases).

ii. Also, the standards will outline the minimum disclosures required when you go to the shareholders for approval.

About Industry Standards Forum (ISF):

It is a SEBI-established group of representatives from different industry sectors. The main objective of ISF is to develop and set standards for implementing regulatory guidelines within their respective sectors.

Chairman- Kundapur Vaman (K.V.) Kamath

Established- 2023

SEBI Introduced New Rules for Disclosure on Related Party Transaction Approvals

In February 2025, Mumbai (Maharashtra)-based market regulator, Securities and Exchange Board of India **(SEBI)** has introduced new industry standards under which listed entities are required to provide minimum information to the audit committee and shareholders when seeking approval for the Related Party Transactions **(RPT).**

- The new disclosure rule will come into effect from **April 01, 2025.**
- These new industry standards were issued by SEBI through a circular in exercise of powers given under Section 11 (1) and 11A of SEBI Act, 1992 read with regulation 101 of Listing Obligations and Disclosure Requirements (LODR) Regulations.

Key Points:

i.The new industry standards were developed by the Industry Standards Forum **(ISF)** which comprises representatives from Associated Chambers of Commerce and Industry of India **(ASSOCHAM),** Confederation of Indian Industry **(CII),** and Federation of Indian Chambers of Commerce & Industry **(FICCI),** under the aegis of stock exchanges and in consultation with SEBI.

ii. As per SEBI, the industry associations and stock exchanges will publish these new standards on their respective web portals to provide a uniform approach and assist listed entities in complying with requirements.

iii. According to the Regulation 23 (2) and (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), it is mandatory to receive approval from audit committee as well as from the shareholders, if material, for RPTs.

iv. As per new rules, SEBI has mandated the listed entities to provide the audit committee with the information as outlined in the industry standards while submitting any proposal for review and approval of a RPT.

v.SEBI has further clarified that the explanatory statement comprising notices sent to the shareholders seeking approval for any RPT will include the information in addition to requirements under the Companies Act, 2013.

SEBI Relaxed Timeline for AIFs to Hold Investments in Demat Form

In February 2025, SEBI issued a circular in exercise of powers given under **Section 11(1) of SEBI Act, 1992** read with Regulation 15 (1) (i) and Regulation 36 of AIF Regulations, 2012 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

- As per the circular, SEBI has relaxed the timeline for Alternative Investment Funds (AIFs) to hold investments in dematerialized (demat) form.
- All the provisions of SEBI's circular came into force with immediate effect.

Key Points:

i.SEBI has mandated that any investment made by AIF on or after **July1,2025** will be held in demat form only, irrespective of the fact that whether the investment is made directly in an investee company or is acquired from another entity.

ii. However, SEBI has clarified that any investment made by AIF before July 1, 2025 are exempted from the requirement of being held in demat form, except in specific cases, such as: where, the investee company is legally mandated to dematerialize its securities or,

- Where, AIF has control over the company alongside SEBI-registered intermediaries.
- SEBI has further mentioned that all investments made by AIF prior to July 1, 2025 are required to be converted into dematerialized form before October 31, 2025.

iii.SEBI has also extended exemptions to schemes of AIFs whose tenure, excluding permissible extension of tenure concludes on or before October 31, 2025, as well as schemes already in an extended tenure as of February 14, 2025.

iv. The trustee/sponsor of AIF, as the case may be, is required to ensure compliance with these revised provisions through the 'Compliance Test Report' prepared by the manager.

Important Term:

AIF: It is a privately pooled investment vehicle that collects funds from sophisticated investors, whether Indian or foreign which invests in alternative asset classes such as private equity, venture capital (VC), hedge funds, among others.

Economy

Garuda Aerospace Pledged Rs 100 Crore to Develop India's 1st Drone City in AP

In January 2025, Chennai (Tamil Nadu, TN)-based **Garuda Aerospace Private Limited,** leading drone manufacturing company in India, pledged to invest **Rs 100 crore** for the development of India's 1st 'Drone City' in Andhra Pradesh (AP). The proposed drone city will be established in Orvakal village of **Kurnool district of AP.**

- The announcement came during a strategic meeting held between Agnishwar Jayaprakash, Founder and Chief Executive Officer (CEO) of Garuda Aerospace and Union Minister Kinjarapu Rammohan Naidu, Ministry of Civil Aviation (MoCA).

Key Points:

i.The project aims to promote drone innovation, Research & Development (R&D), transforming India into a global hub for drone technology.

ii. During the meeting, CEO of Garuda Aerospace highlighted that company's vision is in alignment with 'Viksit Bharat Sankalp Yatra' and its ongoing contributions towards **'Namo Drone Didi'** initiative, that aimed to empower rural women through drone technology.

iii. So far, Garuda Aerospace has received 6 Directorate General of Civil Aviation (DGCA) approvals including Type Certification and Remote Pilot Training Organisation (RPTO) approvals.

About Garuda Aerospace Private Limited:

Founder and Chief Executive Officer **(CEO)-** Agnishwar Jayaprakash
Headquarters- Chennai, Tami Nadu (TN)
Established- 2015

CRISIL: India's GDP to grow at 6.5% in FY26; CAD widen to 1.3%

According to the **CRISIL Ratings Limited** (formerly Credit Rating and Information Services of India Limited) latest report, India's Gross Domestic Product **(GDP)** is projected to grow by **6.5%** in the Financial Year 2025-26 **(FY26),** marginally higher than the 6.4% growth estimated for current financial year (FY25).

- On the external front**,** India's Current Account Deficit (**CAD**) is expected to widen from 1.0% of GDP (in FY25) **to 1.3% (in FY26)** due to export headwinds from trade policies of the United States of America(USA).

Key Findings:

i.The report highlighted that the government spending will continue to support economic growth of the country, the overall fiscal consolidation stimulus will decrease as fiscal consolidation progresses.

- The report outlined **private sector investments** as a key factor in influencing growth but, it need to pick up momentum.

ii. The report has projected that Consumer Price Index **(CPI)** will ease further from 4.7% (in FY25) **to 4.4% (in FY26).** This decrease will mainly be driven by expectations of a normal monsoon, a high base effect in food inflation, and softer international commodity prices.

- However, non-food inflation might witness a marginal increase to an adverse base effect.

iii. As per the report, India's **fiscal deficit,** which stood at **5.6%** of GDP in FY24, is projected to decrease to 4.8% (in FY25) and further to **4.4% (in FY26).**

- This decline will be possible by regulated revenue spending while maintaining a strong focus on capital expenditure.
- However, a strong services trade balance, steady remittances, and lower crude oil prices will help in preventing sharp increase in the deficit.

iv. The Indian Rupee (INR) is projected to depreciate gradually, averaging Rs 86 per USD in FY25 and Rs 87 per in USD in FY26.

- While the CAD remains stable, international geopolitical uncertainties could lead to fluctuations in the currency markets.

Note: CAD is also known as trade deficit, which occurs when the total import value of goods/services of a country exceeds the total export value of that country. It is calculated as a percentage of GDP.

About CRISIL Ratings Limited:

Managing Director **(MD)**– Subodh Rai
Headquarters- Mumbai, Maharashtra
Established- 1987

T-Hub & ITFA Sign MoU to Boost India-Turkiye Trade & Cultural Ties

In January 2025, Hyderabad (Telangana) based startup incubator Technology Hub (**T-Hub**) signed a Memorandum of Understanding (**MoU**) with the Indo-Turkiye Friendship Association (**ITFA**) during ITFA's inaugural event at the Hyderabad Turkish Consulate General in Jubilee Hills in Hyderabad, Telangana.

- The MoU aims to strengthen collaboration between the innovation ecosystems of both countries, as they emerge as global leaders in economy and technology.
- T-Hub and ITFA will partner on various initiatives, including the Türkiye Tourism Roadshow scheduled for February 26, 2025, in Hyderabad.

Key People: The ceremony was attended by **Orhan Yalman Okan**, Consul General of Türkiye, and **M.A. Faiz Khan**, Chairman of ITFA.

Key Highlights:

i.The MoU facilitates cross-border mentorship, market access, and collaboration in sectors like Information Technology (IT), software, pharmaceuticals, defense, aerospace, cybersecurity, green and renewable energy, and critical minerals.

- It also emphasizes health, food security, logistics, and supply chain management, fostering collaboration in agriculture, textiles, and machinery.

ii. It fosters joint academic and accelerator programs, focusing on technology-driven initiatives in Artificial intelligence (AI), the Internet of Things (IoT), and critical minerals.

iii. With this ITFA will facilitate Indian startups' access to Turkish markets and connections with suitable partners, while T-Hub will assist Turkish startups in navigating the Indian ecosystem.

Note: In 2024, bilateral trade between India and Republic of Turkiye reached **USD 13 billion**, with both governments setting a mid-term target of USD 20 billion.

About Technology Hub (T-Hub):

T-Hub is the world's largest innovation hub and a leading startup ecosystem enabler.
Interim Chief Executive Officer (**CEO**) – Sujit Jagridar
Headquarters – Hyderabad, Telangana
Established – 2015

NTPC & IA Sign PPA for Solar-Hydrogen Microgrid in Ladakh

In February 2025, New Delhi (Delhi) based **NTPC Limited** (Formerly National Thermal Power Corporation), under the Ministry of Power (MoP) and the Indian Army (**IA**) signed a **25 years** Power Purchase Agreement (**PPA**).

- The agreement enables the sale of **200** kilowatts (**kW**) of renewable energy round-the-clock (RE-RTC) from a solar-hydrogen-based microgrid at Chushul, **Ladakh** to off-grid Army locations.

- The agreement was signed by DMR Panda, Chief General Manager (CGM) of NTPC-Hydrogen, and Aditya Anil Harshey, Brigadier and Chief Engineer (CE) of Leh of IA.

i.The microgrid aims to replace the IA's diesel generators, eliminating fossil fuel logistics and cutting carbon-di-oxide (CO_2) emissions by **1,500** tons (**t**) annually.

ii. The microgrid is situated at an altitude of 4,400 meters (m), where winter temperatures drop to minus 30 degrees Celsius (°C).

iii. It is expected to aid in the decarbonization and modernization of the defense sector in the Himalayan border regions.

Note: NTPC is committed to reaching **60 gigawatts** (GW) of renewable energy capacity by 2032.

Kerala Finance Minister KN Balagopal presents State Budget for 2025-26

Kalanjoor Narayana Panicker Balagopal, Minister for Finance, Government of Kerala, presented his **5th** and last full budget of the Pinarayi Vijayan government's second term in the Kerala Legislative Assembly.

- The budget includes strategic tax revisions, infrastructure development, social security measures, education, and technological advancements.
- The budget for 2025-26 showcases revenue receipts of Rs 1,52,352 crore and revenue expenditure of Rs 1,79,476 crore.

Points to Note:

i.The total revenue receipts are expected to rise by Rs 19,421.87 crore over the revised estimates for 2024-25, the State's Own-Tax Revenue (SOTR) is expected to go up by Rs 9888 crore and the non-tax revenue, by Rs 1,240 crore.

ii. The fiscal deficit as percentage of Gross State Domestic Product (GSDP) has been pegged at 3.16% in FY 2025-26, down from 3.51% the previous financial year. The deficit has grown from 2.5% in FY 2022-23 to 2.99% in FY 2023-24.

iii. The Annual expenditure of the state went up by Rs 50,000 crore

Some Key points from the Budget Presentation:

1.Disaster Relief and Rehabilitation:

i.A major focus on disaster response, with a **Rs 750 crore** project for the 1st phase of **rehabilitating** victims of the **2024 Wayanad landslides**, which reportedly caused over 200 deaths and significant economic damage.

- The total loss was Rs 1202 crore, with a rehabilitation need of Rs 2201 crore.

ii.Rs 51 crore was allocated for the implementation of various development programs for the **rehabilitation** and **financial upliftment** of Scheduled Caste (**SC**) people belonging to economically and socially Disadvantaged Communities (DACs).

2.Social welfare initiatives:

i.An amount of **Rs. 20 crores** have been allocated for "***Margadeepam***", a scheme intended to provide **scholarships** to students belonging to minority communities and Scheduled Castes (SCs)/Scheduled Tribes (STs), replacing withdrawn central government scholarships.

ii. The **final installment** of the Service Pension (**SP**) **revision arrears**, amounting to **Rs.600 crores** will be disbursed in February 2025.

iii. Social Security Pensions (**SSP**s), currently at Rs 1600 per month to around 60 lakh elderly beneficiaries, may see a minor hike.

- The **largest SSP** in **India** is in **Kerala**, spending over Rs 11,000 crore in a year to provide a pension of Rs 1600 per month.

iii.Rs 50 crores were allotted for the '***Aswasakiranam'*** scheme, which provides **monthly assistance** of **Rs 600** to the family member who looks after the bed-ridden patients at home.

iv.Rs 21 crores were allocated for Stroke Care Units (**SCU**) in Ernakulam, Thrissur, etc.

- By this, **Kerala** will become the **1st Indian State** to achieve the status of having **SCU facilities** in **all district-level hospitals**.

3.Transport and Infrastructure:

i.The outlay of Roads and Bridges (**R&B**) is **Rs 1157.43 crores; Rs 198.84 crore**s were provided for **Road Transport**; and **Rs 133.02 crore**s were provided for the Inland Water Transport (**IWT**) sector.

ii.Rs 100 crore was earmarked for the Kerala State Transport Project (**KSTP**) **Phase II** for the activities of road safety and improvement of **363** kilometers (**km**) of **roads**.

iii.Rs 107 crore was provided for the fleet modernisation of the Kerala State Road Transport Corporation (**KSRTC**) by purchasing modern diesel Bharat Stage Emission Standards 6 (**BS-VI**) **buses** in place of old buses.

iv.Rs 5 crores were allotted for the **K Homes project**, a new project to develop basic tourism infrastructure by using empty and unoccupied homes across KL, thereby maximising their utility.

Other Few Allocations:

i.An amount of **Rs 727.40 crore** was provided for the plan schemes in the agriculture sector in the financial year 2025-26.

ii.Rs 2391.13 crore was allocated for the **Education Sector** in the Financial Year 2025-26, and **Rs 1083.82 crore** was set apart for the Sc**hool Education Sector**.

- **Rs 84.28 crore** was provided for the basic infrastructural development of Government schools.

iv. The government has decided to **increase** the **road tax** on **old two-wheelers, private three-wheelers, and private motor cars beyond 15 years** by **50%**, expected to generate Rs 55 crore.

v.The **wages** of **daily wage** and **contract employees** will be hiked by **5%**.

Recent related News:

On February 1, 2025, Union Minister Nirmala Sitharaman, Ministry of Finance (MoF) presented her 8th Union Budget 2025-26, highlighting a focus on nuclear energy. The key focus is on developing indigenous nuclear technology, encouraging private sector participation, and making key investments in nuclear infrastructure.

About Kerala:

Chief Minister (**CM**)- Pinarayi Vijayan

Governor– Rajendra Vishwanath Arlekar

Wildlife Sanctuaries– Karimpuzha Wildlife Sanctuary and Kurinjimala Sanctuary

Sea Port– Kochi Port or Cochin Port

India's Overall Exports during April 2024-January 2025 at USD 682.59 billion with an estimated growth of 7.21%

According to the data released by the Ministry of Commerce and Industry **(MoC&I)**, India's **total exports**, including merchandise and services, were estimated at **USD 74.97 billion** in January 2025, marking a **9.72% increase** compared to January 2024.

- Meanwhile, **total imports**, covering merchandise and services, stood at **USD 77.64 billion**, reflecting a **12.98% rise** over the same period last year.

India's cumulative **exports** for **April 2024 – January 2025** are estimated at USD 682.59 billion, reflecting a **7.21%** increase compared to April 2023 – January 2024. Total imports for April 2024 – January 2025 are estimated at **USD 770.06 billion**, registering a growth of 8.96% over April 2023 – January 2024.

Trade in January 2025 & April 2024- January 2025

Trade Category		January 2025 (USD Billion)	April 2024-January 2025 (USD Billion)
Merchandise	Exports	36.43	358.91
	Imports	59.42	601.90
Services	Exports	38.55	323.68
	Imports	18.22	168.17
Total	Exports	74.97	682.59
	Imports	77.64	770.06
Trade Balance		-2.67	-87.47

Merchandise Trade

i.In **January 2025**, merchandise exports were **USD 36.43 billion**, slightly lower than **USD 37.32 billion** recorded in January 2024. On the other hand, **merchandise imports** for **January 2025** stood at **USD 59.42 billion**, showing an increase from USD 53.88 billion in January 2024.

ii. For the **April 2024 – January 2025** period, **merchandise exports** were estimated at **USD 358.91 billion**, rising from USD 353.97 billion in April 2023 – January 2024. **Merchandise imports** during this period reached **USD 601.90 billion**, higher than USD 560.27 billion recorded in April 2023 – January 2024.

- The trade balance **remained negative** in both periods. In January 2025, the **trade deficit** stood at **USD 2.67 billion** as imports exceeded exports.
- For the April 2024 – January 2025 period, the trade deficit widened to **USD 87.47 billion**, reflecting higher import growth compared to exports.

Services Trade

i.In January 2025, India's **services exports** were estimated at **USD 38.55 billion**, increasing from USD 31.01 billion in January 2024.

- Meanwhile, **services imports** for January 2025 stood at **USD 18.22 billion**, up from USD 14.84 billion in January 2024.

ii. During **April 2024 – January 2025**, services exports were estimated at **USD 323.68 billion**, compared to USD 282.71 billion in April 2023 – January 2024.

- Similarly, **services imports** for this period reached USD 168.17 billion, rising from USD 146.48 billion in April 2023 – January 2024.

iii. The services **trade surplus** for April 2024 – January 2025 stood at **USD 155.52 billion**, higher than the USD 136.23 billion recorded in April 2023 – January 2024.

Top Export and Import Countries

i.The top five export destinations that recorded positive growth in January 2025 compared to January 2024, based on the change in value, are:

United States of America (USA) (39.02%), Japan (53.53%), Bangladesh (17.27%, United Kingdom (UK) (14.84%), Nepal (20.84%)

ii. The top five export destinations showing positive growth in terms of value during April 2024 – January 2025 compared to the same period last year are: USA (8.95%), United Arab Emirates (UAE) (6.82%), Netherlands (9.17%), UK (14.17%), Japan (21.12%)
iii. The top five countries from which **India's imports increased in** January 2025 compared to January 2024 are:
China (17.06%), Thailand (136.63%), USA (33.46%), Germany (72.15%), UK (101.62%).
iv. During **April 2024 – January 2025**, the top five countries from which India's imports grew compared to the same period last year are:
UAE (35.58%), China (10.6%), Russia (7.17%), Switzerland (16.61%, Thailand (32.59%).
About Ministry of Commerce and Industry (MoC&I):
Union Minister– Piyush Goyal (Constituency- Mumbai North- Maharashtra)
Minister of State **(MoS)**– Jitin Prasada (Constituency- Pilibhit, Uttar Pradesh,UP)

Odisha CM Mohan Majhi presents Budget of Rs.2,90,000 crore for 2025-26 fiscal

Odisha Chief Minister (CM) **Mohan Charan Majhi** presented the State's annual Budget for 2025-26 on **17th February 2025** with total outlay of **Rs.2,90,000 crore** with capital expenditure been fixed at **Rs.65,012 crore** which was 6.1% of Gross State Domestic Product (GSDP).

- The budgetary amount is expected to be financed mainly through revenue receipts of **Rs.2,32,000 crore** and borrowing and other receipts of **Rs.58,000 crore**.
- An outlay of **Rs 1,70,000 crore** was dedicated towards programme expenditure, which is more than 58.62% of the total budget outlay.
- The budget has projected the revenue surplus at **3%** of the GSDP, the fiscal deficit at **3.2%** of the GSDP and the year-end debt stock to remain at **12.7%** of the GSDP.

Sectoral Allocations

Agriculture & Allied Sectors:

- Rs.37,838 crore (12% increase from 2024-25), reflecting the sector's critical role in employing 48% of the workforce and supporting 80% of the rural population.
- Mukhyamantri Kamdhenu Yojana: Rs.164 crore to boost milk production.
- CM Kisan Yojana: Rs.2,020 crore for farmer welfare.
- Shree Anna Abhiyan: Rs.600 crore to promote millet cultivation.

Top Sectors by Allocation:

- Finance: Rs.63,511.91 crore (highest allocation).
- School & Mass Education: Rs.31,185.47 crore.
- Panchayat Raj & Drinking Water: Rs.28,451 crore.
- Health & Family Welfare: Rs.22,741 crore.
- Women & Child Development: Rs.15,223 crore.
- Water Resources: Rs.14,894 crore.

New Initiatives

The budget introduced 16 new schemes, including:

- **Shree Jagannath Darshan Yojana**: Rs.30 crore to facilitate temple visits for economically disadvantaged devotees.
- **Maa Tarini Temple Complex Development**: Rs.225 crore for infrastructure upgrades in Keonjhar.
- **Tourism Development**: Rs.820 crore for infrastructure and sustainable tourism promotion.

Welfare & Development Schemes

- **Antyodaya Gruha Yojana:** Rs.2,603 crore for housing.
- **Swachha Odisha:** Rs.261 crore for cleanliness drives.

- **Southern Odisha Development Council:** Rs.200 crore to address regional disparities.
- **Mukhya Mantri Kanya Bibaha Yojana:** A new scheme to sponsor mass weddings, covering expenses and providing bridal gifts.
- **Road Development :**– The government has allocated Rs.13,000 crore for the Comprehensive City Road Decongestion Plan to ease traffic and improve mobility.
- **Road Development & Expressway:** Rs.6,502 crore will be spent on upgrading 3,000 km of roads and developing the Berhampur-Jeypore six-lane greenfield expressway.

Government's Subhadra Plus Scheme

The **Subhadra Scheme** of the government was allocated an amount of **Rs. 10,145 crore**

- **Subhadra Plus:** A new umbrella scheme with multiple initiatives, including:Kishori Subhadra, Subhadra Sanchay, Subhadra Surakhya, Subhadra Sakhi, Subhadra Yatri, Subhadra Sangh (Subhadra Club), Kuha Subhadra (Call Centre), Subhadra Sahyogi, Subhadra Scholars, and Sujogya Subhadra.
- Rs.153 crore under Subhadra Surakhya for women's safety and security in 2025

About Odisha:

Chief minister– Mohan Charan Majhi

Governor– Hari Babu Kambhampati

Capital– Bhubaneswar

Heritage Sites – Konark Sun Temple, Jagannath Temple, Barabati Fort

WB Finance Minister Chandrima Bhattacharya Presents Rs 3.89 Lakh Crore Budget for FY26

On 12 February 2025, Finance Minister of West Bengal (WB), **Chandrima Bhattacharya**, presented a **Rs 3.89 lakh crore** (3,89,194 crore) budget for the financial year 2025-26 (FY 26) in the assembly.

- In the FY25 budget, the state saw an allocation of Rs 3.67 lakh crore, marking an 8% increase from the FY24.
- The outstanding debt for FY25 (revised) was Rs.7,06,531 crore, the amount in the FY26 budget has been pegged at Rs.7,71,670 crore. The revised fiscal deficit for the year FY25 was Rs.73,017 crore, while in this budget the amount has been estimated to be Rs.73,177 crore.
- While the revised grant-in-aid from the Government of India(GoI) for FY25 was Rs.28,431 crore, the grant-in-aid for the FY26 budget has been pegged at **Rs.37,157 crore.**

Key Highlights:

i.The state budget highlights a strong focus on rural development, infrastructure, and social welfare.

ii. The state's Gross State Domestic Product **(GSDP)** recorded a **6.8%** growth in 2024-25 (FY 25), exceeding India's overall growth rate of 6.37%.

- In FY25, the industry sector registered a growth of 7.3%, the agriculture and allied sector grew at a rate of 4.2%, and services sector witnessed a growth rate of 7.8%.

iii. There is an announcement of a **4% increase in** Dearness Allowance **(DA)** for state government employees and pensioners, bringing the total DA to **18%** effective from 1 April 2025.

iv. For capital expenditure, the government has proposed Rs 72,818.72 crore for 2025-26, an increase of Rs 11,826.62 crore from the current fiscal. Of this, Rs 19,724.72 crore falls under the Social Services category

Key Allocations:

i.Among the allocations, **Rs 44,000 crore** is earmarked for **rural development and Panchayats.**

- The state governemnt has allocated Rs.38,762 crore to the Women and Child Development and Social Welfare Department, WB.

ii. An allocation of **Rs 1,500 crore** has been made for upgrading **rural roads** under various development schemes.The **'Pathshree' project** for road and infrastructure development continues, with an additional Rs 1,500 crore allocated.

iii. The state government has set aside **Rs 200 crore** to tackle erosion in vulnerable riverine areas.

- Furthermore, **Rs 500 crore** has been allocated for a **4.75 kilometres** (km) bridge over the Ganga at **Gangasagar**, aimed at improving accessibility for pilgrims and supporting the local economy.

iv. The **'Ghatal Master Plan'**, focusing on dredging rivers and strengthening embankments, has received **Rs 500 crore this yea**r, with the overall project costing Rs 1,500 crore.

v.'Nadi Bandhan' Initiative :The newly introduced 'Nadi Bandhan' project, aimed at preventing riverbank erosion in river-centric areas, has been allocated **Rs 200 crore**.

vi.Banglar Bari' Housing Project: Under the Banglar Bari' Housing Project State plans to construct 16 lakh new houses in 2025-26, with a budget of Rs 9,600 crore.

vii.The budget's Rs 1,229 crore allocation for Ministry of Micro, Small and Medium Enterprises(MSMEs) is anticipated to further support small businesses

Key Welfare Measures:

i.It was announced that 70,000 Accredited Social Health Activists (ASHAs) workers would receive smartphones as part of the welfare initiatives.

ii. Although **no fresh allocations** under the **Lakshmi Bhandar Scheme** were announced, the scheme continues to benefit 2.21 crore women, with a total state expenditure of Rs 50,000 crore.

About West Bengal (WB):

Chief Minister **(CM)**– Mamata Banerjee

Governor– C. V. Ananda Bose

Capital– Kolkata

National Park (NP)- Sundarban NP, Neora Valley NP

IEA Report: India's Natural Gas Consumption to Increase 60%, Imports double by 2030

According to Paris (France)-based International Energy Agency **(IEA)**'s report titled **"India Gas Market Report: Outlook to 2030",** India's natural gas consumption is expected to increase by nearly **60% to 103 billion cubic meters (bcm) annually by 2030.** This growth will be mainly driven by robust growth in city gas distribution, industrial demand and power generation.

- While, Liquefied Natural Gas (LNG) imports are projected to more than double between 2023 and 2030, **to 65 bcm annually,** driven by steady demand growth and a much slower increase in domestic production.
- The key findings of the report were released during the India Energy Week (IEW) celebration held in New Delhi, Delhi.

Note: India aims to increase the share of gas in its energy mix from a slightly over 6% to 15% by 2030.

Key Findings:

i.As per the report, targeted strategies and policy interventions could push India'stotal gas consumption beyond the projected trajectory to around **120 bcm annually by 2030**.

- The report has outlined certain targeted strategies like: promoting higher utilization of gas-based power plants, faster adoption of LNG in heavy-duty transport, and further boosting expansion of city gas infrastructure.

ii. The report projected that City Gas Distribution **(CGD)** will lead to the growth in consumption through 2030, driven by rapid expansion in Compressed Natural Gas (CNG) infrastructure and competitive pricing against liquid fuels.

- Also, heavy industry and manufacturing sectors like: iron and steel production are projected to add around 15 bcm of demand during this period, while gas use in oil refining is expected to increase by more than 4 bcm as more refineries are connected to the network.

iii. The report revealed that India's natural gas demand increased by **more than 10% in both 2023 and 2024,** which indicates an inflection point. While, total consumption in 2023 was marginally higher than 2011 levels.

- This growth is driven by 3 main factors: rapid infrastructure expansion, recovering domestic production, and an expected easing of global gas market conditions.

iv. Since 2019, the number of CNG stations and residential gas connections in India, has increased by nearly 4 times and more than two times, respectively. It has also expanded its natural gas transmission pipeline by 40%.

- The report has projected that CNG stations and residential gas connections in India are likely to double again, while the gas transmission grid is expected to expand by another 50%.

v.India's domestic gas production, which met 50% of demand in 2023, is estimated to grow gradually, reaching just **less than 38 bcm by 2030**, or around 8% above 2023 levels.

vi. As per the report, India's LNG imports increased by **70%** between 2013 and 2023, and reached 36 bcm in 2024, matching the previous record set in 2020 and consolidating India's position as the world's 4th largest LNG importer.

- However, the report cautioned that the gap between contracted LNG supply and estimated LNG demand is expected to widen, particularly after 2028. This will leave India more exposed to the volatility of the spot LNG market unless additional LNG contracts are secured in coming years.

vii. The report projected that India's Compressed Biogas (CBG) production is expected to reach **0.8 bcm annually by 2030.** It has also estimated that India's CBG potential will be around 87 bcm annually.

- The report highlighted certain challenges that may hinder the consistent availability and commercial viability of CBG production: availability of land, limited offtake, seasonal biomass supply and inadequate logistics.

Keyfacts:

i.Japan has the largest LNG import capacity in the world. As of 2024, Japan's LNG import terminals boasted a combined capacity of nearly 242 million metric tons(MMT) per year.

ii. In 2024, the United States of America(USA) became the largest LNG exporter in the world with 11.9 billion cubic feet per day (Bcf/d).

iii. In 2024, China is the world's largest importer of LNG with 76.65 million tons(MT).

About International Energy Agency (IEA):

Executive Director **(ED)-** Dr. Fatih Birol(Turkey)

Headquarter- Paris, France

Member nations- 32 (India joined IEA as association member nation in 2017)

Established- 1974

India's Retail Inflation Drops to 4.31% in January 2025

According to the data released by the National Statistics Office **(NSO)**, Ministry of Statistics and Programme Implementation **(MoSPI)**, India's Retail Inflation, based on the Consumer Price Index (CPI), dropped to **4.31%** in January 2025, marking a **5-month low**. This decline marks a significant reduction from 5.22% in December 2024 and 5.1% in January 2024.

- The decrease in food prices played a major role in lowering inflation. Food inflation stood at **6.02%** in January 2025, down from **8.39%** in December 2024.
- The rural inflation in January 2025 was slightly higher at 4.64% while it was 3.87% in urban areas.
- Food inflation with urban areas experienced a **5.5%** increase in prices, while rural regions faced a higher inflation rate of **6.3%.**

- Prices of items like vegetables, eggs, pulses, cereals, education, health, and clothing saw a reduction.

Note: The NSO has collected the price data from 1114 urban markets and 1181 villages across all States and Union Territories (UTs) on a weekly basis.

Retail Inflation:

i.Retail inflation refers to the rate at which the **prices of goods and services** purchased by consumers increase over time.

ii. It is a key indicator of the cost of living and is typically measured by the CPI, which tracks the average change in prices paid by **urban consumers** for a fixed basket of goods and services.

Key Points:

i.Vegetable Prices: The inflation rate for vegetables dropped to **11.3%** in January 2025 from 26.6% in December 2024, contributing significantly to the overall decrease in food inflation.

ii. Items such as coconut oil (54.20%), potato (49.61%), and coconut (38.71%) recorded the **highest** year-on-year (YOY) inflation.

iii. Items like jeera (-32.25%), ginger (-30.92%), dry chilies (-11.27%), brinjal (-9.94%), and Liquefied Petroleum gas (LPG) (-9.29%) observed the **lowest YOY** inflation.

iv.States: Kerala (6.76%), Odisha (6.05%), and Chhattisgarh (5.85%) reported the highest inflation, while Delhi (2.02%) and Telangana (2.22%) recorded the lowest.

v.The weakening of the Indian rupee (INR) has led to rising costs for imported goods, especially **edible oils**, which recorded a **33-month** high in inflation at **15.6%.**

About National Statistics Office (NSO):

NSO of India is a subordinate office of the MoSPI and was formed by merging the Central Statistics Office (CSO) and the National Sample Survey Office (NSSO).

Director General,**DG (Central Statistics) –** Narender Kumar Santoshi

Headquarters– New Delhi, Delhi

Established– 2019

ICRA estimates India's GDP Growth to Rise to 6.4% in Q3 FY2025

In February 2025, Gurgaon, Haryana based **ICRA Limited** (formerly Investment Information and Credit Rating Agency of India Limited), one of the most experienced Credit Rating Agencies in India, has projected **India's** Gross Domestic Product (**GDP**) **growth** to **rise to 6.4%** in the October – December 2024 Quarter (**Q3**), from 5.4% in Q2 of the Financial Year (**FY**) **2025**, supported by increased government spending.

- However, the growth rate is projected to stay below Q1 FY2025 levels, with GDP lagging behind Gross Value Added (GVA) for the third consecutive quarter.
- The GVA growth is estimated to record a broad-based improvement to 6.6% in Q3 from 5.6% in Q2 of FY2025, driven by the Industrial: 6.2% (up from 3.6%); Services: 7.7% (up from 7.1%); and Agricultural: 4.0% (up from 3.5%) sectors.
- The Government of India's (GoI) Capital Expenditure (CapEx) rose 47.7% (from 10.3%) YoY in Q3 FY2025, the highest in 6 quarters.
- Aggregate capital outlay and net lending of 24 state governments (excluding Arunachal Pradesh, Bihar, Goa, and Manipur) grew 9.9% Year-over-Year (YoY), up from 7.0% in Q2.
- Service exports hit an all-time high of USD 36.9 billion in December 2024, with Q3 exports rising 17.5% YoY. Merchandise exports rebounded with a YoY growth of 3.3%, reversing the 4.3% contraction in Q2.

SBI Estimates India's Q3FY25 GDP Growth at 6.2% to 6.3%

In February 2025, according to the State Bank of India (**SBI**)Research report, India's Gross Domestic Product (**GDP**) grew **6.2% to 6.3%** in the third quarter (October-December) of the Financial Year 2024-25(Q3 FY25).

- SBI economists have developed a "**Nowcasting Model**" to estimate GDP using 36 high-frequency indicators linked to industrial and service activity, as well as global economic factors.

i.It forecasts **6.3%** GDP growth in FY25, assuming no significant revisions to earlier quarter data from the National Statistical Office (**NSO**).

ii. The Indian economy expanded by 5.4% in real terms during the July-September quarter of the current financial year(Q2 FY25).

- This was significantly below the Reserve Bank of India (RBI)'s GDP forecast of 7%. In the April-June quarter of FY25, India's GDP grew slower than the central bank estimated.

iii. The report notes that India's manufacturing sector, as measured by the Index of Industrial Production (IIP), grew from 3.3% in Q2 FY25 to 4.3% in Q3 FY25.

Rajasthan FM Diya Kumari Unveils State's 1st Green Budget Worth Rs 27,854 Cr for Sustainability

On 19 February 2025, **Diya Kumari**, Deputy Chief Minister (CM) and Finance Minister(FM) of Rajasthan presented the state's **Annual Budget** for the fiscal year **2025-26** with an outlay of **Rs 5.37 lakh crore.** The budget focuses on essentials such as electricity, roads, water, health, and agriculture while integrating sustainability measures.

- The state's first **Green Budget** allocates **Rs 27,854 crore**, which accounts for 11.34% of the total scheme expenditure allocated for sustainability initiatives and 5.18% of the total Budget.
- FM **Diya Kumari** announced that the state government is committed to make the state a USD 350 billion economy by the year 2030. She also made provision for free solar plants and 150 electricity units per month.

Fiscal Indicators:

The Budget 2025-26 of Rajasthan outlines key fiscal indicators and economic projections while focusing on developmental initiatives. Below are the major highlights:

- Estimated Revenue Receipts: Rs 2,94,536.49 crore
- Estimated Revenue Expenditure: Rs 3,25,545.90 crore
- Estimated Revenue Deficit: Rs 31,009.41 crore
- Estimated Fiscal Deficit: Rs 84,643.63 crore (4.25% of Gross State Domestic Product, GSDP).

Highlights of Rajasthan Budget 2025-26:

About the Green Budget:

The Green Budget is a roadmap towards a resilient and prosperous Rajasthan with a focus on achieving Sustainable Development Goals (SDGs) by 2030.

i.The Green Budget has a special focus on the following:

- Climate Change Adaptation (CCA)
- Forest and Environment – Biodiversity/Ecology
- Sustainable Agriculture (SA), Water Harvesting (WH)/Recharge
- Sustainable Land Use (SLU)
- Green Energy
- Recycling and Waste Disposal – Circular Economy
- Clean Technology Development (CTD)
- Green Audit
- Capacity Building (CB)–Education, Skilling

- Green Funding.

ii. The Green Budget has provisions for CCA plan -2030, and the establishment of the Centre of Excellence **(CoE) for Climate Change** with Rs 150 crore.

iii. It also includes the plantation of 10 crore trees, the Tree Outside Forest (ToFR) Policy, the Agro-Forestry Policy, and subsidies for 2,50,000 farmers for natural farming.

Other Green Budget Allocations:

i.Creating water harvesting structures in 4,700 villages with Rs 2,700 crore. Geographic Information System (GIS)-based Green Land Use Perspective Plan for Rs. 30 crores.

ii. Cadre for Solar Didi, Solar-based Pumping Stations for the Public Health Engineering Department (PHED), and free induction cook-top cooking System for 1 lakh beneficiaries.

iii. Introduction of Rajasthan Circular Economy Incentive Scheme-2025, Rajasthan Vehicle Scrap Policy (VSP), and creation of waste to wealth Parks (Circularity Parks) at all district headquarters.

iv. Providing steel utensils at Gram Panchayats (GPs) by 'Bartan Bank', and Rs. 250 crores for Clean and Green Technology Development Centre.

v.Rs. 900 crores to develop various urban areas into clean and green eco-cities, and the provision of a Green Audit worth Rs. 35 crores.

vi. Establishing SDGs Coordination and Acceleration Centre (SDGCAC), Rajasthan Green Credit Mechanism, and certification courses in Sustainable Development and Green Growth with Rs. 40 crores.

vii. Rs. 100 crore was allocated for the Rajasthan Green Challenge Fund, and Rs. 250 crore for the Green Aravali Development Project.

Key allocations:

i.Employment Generation:

The Rajasthan government aims to create 1.25 lakh government jobs and 1.5 lakh private jobs in 2026. Launch of Rajasthan Employment Policy – 2025, with an allocation of Rs 500 crore and 1,500 new startups to be supported.

ii.Social welfare and health:

- Social Security Pension (SSP) increased to Rs 1,250/ month for various categories.
- Rs 3,500 crore for free tests and medicine under the Mukhyamantri Ayushman Arogya Yojana (MAA).
- 35,000 scooters for female students and Rs. 200 crores for milk for children (3-6 years) in Anganwadis to be provided 5 days a week.
- Rs. 150 crores for artificial limbs/equipment for 1 lakh Specially Abled People (SAP).

iii.Governance and Administrative Reforms:

- Ambedkar Institute of Constitutional Studies and Research to be established in Jaipur, Rajasthan.
- Rs 1,000 crore was allocated for new district-level offices in newly created districts.
- Pandit Deendayal Upadhyay Shehri Vikas Yojana was introduced with Rs 12,050 crore for sewage, drainage, sanitation, waste disposal, etc. in urban areas.

A tribal tourist circuit will be built for Rs 100 crore. The government proposes to set up an Aero City near the Kota airport and 29 airstrips in the state will undergo development.

Key Points:

i.Commencement of works under RamJal Setu Link Pariyojana (RSLP) (Modified Parbati-Kalisindh-Chambal-Eastern Rajasthan Canal Project (PKC-ERCP)) with Rs 9,300 crore allocation

ii. Global Capability Centre (GCC) Policy for employment generation and investment in the service sector and the Rajasthan Trade Promotion Policy for the trading sector development were announced.

iii.9 Greenfield Expressways with Rs 60,000 crore investment under the Hybrid Annuity Model (HAM)/Build Operate Transfer (BOT) model.

iv. Water connections for 20 lakh households, creation of 3,500 posts in the Police Department, and the organization of the International Indian Film Academy Awards (IIFA) in Jaipur on 8-9 March 2025.
v.Rajasthan government announced a 'Single Window – One Stop Shop', which will facilitate as many as 149 online permissions.
vi.A toy park will be established in Kota, stone parks in Nimbahera and Bundi, a ceramic park in Soniyana, and a pharmaceutical park in Sanganer.

About Rajasthan:

Chief Minister (**CM**)- Bhajan Lal Sharma
Governor– Haribhau Kisanrao Bagade
Wildlife Sanctuaries– Van Vihar Sanctuary, and Kumbhalgarh Wildlife Sanctuary
Tiger Reserves– Ranthambore Tiger Reserve, and Ramgarh Visdhari Tiger Reserve

Moody's Projects India's GDP Growth to Slow to 6.4% in 2025

In February 2025, New York (the United States of America, USA)-based **Moody's** (formerly known as Moody's Analytics), a subsidiary of Moody's Corporation released its report titled **'Asia-Pacific(APAC) Outlook: Chaos Ahead'**. According to the report, India's Gross Domestic Product (GDP) is expected to slow to **6.4%** in **2025,** from 6.6% in 2024.

- The report cited certain factors which attributed to this slowdown, including global economic headwinds, new United States of America(USA) tariffs, and softening international demand weigh on exports pose challenges to India's economic expansion.
- The report has further projected that India's GDP will grow at **6.4%** in both 2026 and 2027.

Key Findings:

i.The report highlighted that economic growth of the entire Asia-Pacific **(APAC)** region will slow in 2025 mainly due to rising trade tensions and shifting landscape of global tariffs.
ii. The report projected that global growth will ease from an estimated 3.9% (in 2024) to **3.7%** and **3.5%** in **2025** and **2026,** respectively.
iii. The report observed that most of the economies have already been trailing their pre-pandemic levels. For instance: China's GDP is about 1.2% of its pre-pandemic trend but nearly in line with the global average.

- While, India is trailing close to about 2% of its former trend but, it is still better positioned compared to other Association of Southeast Asian Nations (ASEAN) group economies with GDP 5% off the pre-pandemic levels.

About Moody's:

President- Stephen Tulenko
Headquarters- New York, the United States of America (USA)
Established- 2007

IN-SPACe Launches Technology Adoption Fund to Support Spacetech Startups

In February 2025, the Indian National Space Promotion and Authorisation Centre (**IN-SPACe**) under Department of Space (DoS) launched the Technology Adoption Fund (**TAF**) worth **Rs 500 crore** to financially support Indian space technology startups and enable them to develop commercially viable products while reducing dependence on imported solutions.
i.The fund will provide financial support for up to **60%** of the project cost for startups and Micro, Small and Medium Enterprises (MSMEs) and **40%** for larger companies, with a maximum funding limit of **Rs 25 crore** per project.
ii. It helps innovators to bridge the gap between early-stage development and commercialization. This assistance will allow companies to refine their innovations, improve production methods, and satisfy

market demands both in India and overseas.
iii. This project aims to assist a variety of developments, including the development of new space products and intellectual property to stimulate research and innovation.
Note: In October 2024, the Union Cabinet approved a **Rs 1,000 crore** Venture Capital (VC) fund for the spacetech sector through IN-SPACe, a single-window, independent nodal agency that operates autonomously under the DoS.

UP FM Suresh Khanna Presented Rs 8.08 Trillion State Budget for FY26

On February 20 2025, the Finance Minister of Uttar Pradesh (UP) **Suresh Kumar Khanna** presented **Rs 8,08,736 crore** (Rs 8.08 trillion) budget for the Financial Year 2025-26 (FY26) in the state legislative assembly in Lucknow, UP. The budget outlay for FY26 witnessed an increase of **9.8%** compared to previous financial year (Rs 7.36 lakh crore).

- The major portion of the budget has been allocated towards development projects **(22%),** followed by education **(13%),** agriculture and allied sectors **(11%),** medical and health **(6%)** and social security **(4%).**
- This budget has introduced new schemes worth **Rs 28,478.34 crore** for FY26.

Key Estimates for State's Financial Indicators:

i.Total receipts estimated at **Rs 7,79,242.65 crore**, comprising revenue receipts of Rs 6,62,690.93 crore and capital receipts of Rs 1,16,551.72 crore.
ii. The budget has estimated the share of tax collection in revenue receipts at **Rs 5,50,172.21 crore**, which comprises state's own tax revenue of Rs 2,95, 000 crore and its share in the central tax pool at Rs 2,55,172.21 crore.
iii. Out of total expenditure, **Rs 5,83,174.57 crore** has been allocated for the revenue account and Rs 2,25, 561.49 crore for capital account.
iv. Budget estimated a deficit of **Rs 29,493.41 crore** after deducting total expenditure from consolidated fund receipts.
v.Gross State Domestic Product (GSDP) of UP is projected to reach **Rs 27.51 trillion** in FY25.

- Fiscal Deficit(FD) is estimated at Rs 91,400 crore, accounting 2.97% of GSDP estimated for FY25.
- This projection related to fiscal deficit is below the mandated Fiscal Responsibility Management (FRBM) norm of less than 3%.

vi.The Capital expenditure (CapEx) of the state has risen from 14.8% to 19.3 % in the last five years, surpassing the national average for major states.

Key Allocations:

i.Budget Focuses on 10 Sectors: The government aims to make UP **a USD 1 trillion economy**, thus, it has prepared blueprint which focuses on 10 sectors: agriculture and its allied sectors, infrastructure , industry, Information Technology (IT) and electronics, health, education , tourism, urban development, financial services, energy and capital development.
ii.Infrastructure Sector: Rs 1.79 lakh crore has been allocated for infrastructure development which includes energy sector (Rs 61,070 crore); irrigation (Rs 21,340 crore); heavy and medium enterprises (around Rs 24,000 crore); urban development (Rs 25,308 crore); housing and urban planning (Rs 7,403 crore) and civil aviation (Rs 3,152 crore).

- The budget has proposed to allocate towards infrastructure projects with capital expenditure estimated at 20.5%. Rs 1,500 crore has been allocated for new expressway and UP Defence Industrial Corridor (UPIDC) projects.

iii.Health Sector: The health sector has been allocated **more than Rs 50,550 crore.** The state government announced to provide free medical treatment of up to Rs 5 lakh under Chief Minister (CM) Jan Arogya Abhiyan for home guards, Prantiya Rakshak Dal (PRD) personnel, village watchmen, among others.
iv.Agriculture and allied sectors: Rs 89,353 crore has been allocated for agriculture and rural development sectors. The funding will be used in agriculture, horticulture, animal husbandry, dairy, fisheries, co-operatives, Panchayati Raj, Nammi Gange project, among others.

- The budget proposes to set-up a farmer welfare fund, to provide financial assistance of Rs 1,050 to farmers in case of accidental death or disability.

v.Education: The government of UP has allocated **Rs 1,06,360 crore** for education. The budget proposes to establish Information and Communication Technology (ICT) labs and smart classes in primary and higher secondary schools; in addition to that, digital libraries and smart classrooms will be set up in government polytechnic colleges.

- The budget has allocated **Rs 400 crore** for providing free two-wheelers to meritorious students on the basis of eligibility.
- **Rs 900 crore** has been allocated for the general category pre-10th and post-10th scholarship scheme.

vi.Solar Sector: The state government has proposed to create a solar city in Ayodhya. 3,000 Surya Mitras will be trained under the solar policy.

- Also, the government aims to generate 22,000 Mega Watts (MW) of solar power in 5 years.

vii.Women: The state government announced to provide two free cylinders under the Pradhan Mantri Ujjwala Yojana(PMUY) to eligible women beneficiaries.

- Rs 550 crore has been allocated for CM's Mass Marriage Scheme, which aims to provide financial assistance for the marriage of daughters (all categories). Also, Rs 700 crore has been allocated for CM Kanya Sumangala Scheme.

Other Key Announcements:

i.While presenting the budget, FM mentioned about the development of **'Model Smart Urban Bodies'** from 58 urban bodies, with each receiving Rs 2.5 crore , amounting **Rs 145 crore.**

- The main objective of this initiative is to equip urban cities of the state with advanced facilities, technological innovations, and enhanced sanitation management.
- Also Rs 400 crore allocated for the State Smart City Scheme(SCS).

ii.Rs 5 crore has been allocated to develop an Artificial Intelligence **(AI) city** in Lucknow. The government also announced to set up a park for technological research in cyber security.

- The budget proposes to establish 8 data centres in the state.

iii. In October 2024, the government of UP launched 'Zero Poverty Campaign'. Under the campaign, the poorest families in the state are identified from every Gram Panchayat (GP).

- The key target of the campaign is to increase their annual income to Rs 1.25 lakh and ensure they receive basic necessities.

About Uttar Pradesh (UP):
Chief Minister **(CM) –** Yogi Adityanath
Governor- Anandiben Patel
Capital- Lucknow
National Park (NP) – Dudhwa National Park

Uttarakhand FM Premchand Aggrawal Presents Rs 1,01,175 crore budget for FY26

In February 2025, Uttarakhand Finance Minister(FM) **Premchand Aggrawal** presented a comprehensive **Rs.1,01,175.33 crore** Budget for the Financial Year 2025-26(FY26) in the state assembly with a special focus on development across key sectors such as innovation, agriculture, industry, infrastructure, connectivity, tourism, and social welfare.

- The budget is based on the **'GYAN'** model [Gareeb (poor), Yuva (youth), Annadata (farmers), and Naari (women)], which focuses on the poor, youth, farmers, and women.
- It has allocated **Rs.59,954.65 crore** for revenue expenditure and Rs.41,220.68 crore for capital expenditure, marking a **13%** increase from last year's Rs.89,000 crore budget.

Financial Indicators:

i.The total receipts in 2025-26 are estimated to be around **Rs 1,01,034.75 crore,** which includes Rs 62,540.54 crore of revenue receipts and Rs 38,494.21 crore of capital receipts.

ii.The **tax revenue** in revenue receipts is estimated to be **Rs 39,917.74 crore**, which includes the state share of Rs 15,902.92 crore in central taxes while non-tax revenue is expected to yield Rs 22,622.80 crore.

- Moreover, the total estimated revenue receipts from the state's own sources are Rs 28,410.30 crore, out of which tax revenue is Rs 24,014.82 crore and non-tax revenue is Rs 4,395.48 crore.

iii.An estimated amount of Rs 26,005.66 crore will be incurred on repayment of loans, Rs 6,990.14 crore as payment of interest, approximately Rs 18,197.10 crore on salary allowances of state employees and Rs 9,917.40 crore as pension and other retirement benefits.

iv.According to the budget, there will be no revenue deficit for the year 2025-26, but a revenue surplus of Rs 2,585.89 crore is expected.

- The **fiscal deficit** has been estimated at **Rs 12,604.92 crore** which is 2.94% of the state Gross Domestic Product (GDP).

Key Allocations:

i.Industry & Innovation: The Budget allocated Rs.50 crore for Micro, Small and Medium Enterprises (MSMEs) industries, Rs.35 crore for the Mega Industry Policy, and Rs.500 crore for the Mega Project Scheme to promote economic growth and innovation.

ii.Water resources and irrigation– An outlay of Rs 625 crore has been allocated for the Jamrani Dam, Rs 75 crore for the Song Dam, and Rs 285 crore for the Lakhwad Project.

- Furthermore, Rs 1,500 crore has been provided for special capital assistance for states, while Rs 1,843 crore has been assigned to the Jal Jeevan Mission(JJM).
- An amount of Rs.100 crore has also been provided to improve urban water supply.

iii.Roads, transport and infrastructure– The budget aims to construct 220 kilometre(km) of new roads, reconstructing 1,000 km of roads, and renovating 1,550 km of existing routes.

- An outlay of Rs 1,200 crore has been allocated to road safety works, along with provisions for building 37 new bridges.
- Pradhan Mantri Gram Sadak Yojana (PMGSY) scheme has been provided with Rs 1,065 crore while Rs 15 crore allocated for constructing bus stations, and Rs 36.88 crore for the Uttarakhand Civil Aviation Development Authority(UCADA).

iv.Tourism and cultural development– The budget provided an outlay of Rs 100 crore for the development of Tehri Lake, Rs 25 crore for the Manskhanda Scheme, and Rs 20 crore for the Vibrant Village Scheme.

- New tourist destinations will be developed with an outlay of Rs 10 crore.
- An amount of Rs 10 crore has been set aside for improving the Char Dham road network.

v.Environment and sustainable development– Under this sector, the government allocated Rs 395 crore for the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) scheme, Rs 60 crore for climate change mitigation, and Rs 125 crore for the Spring and River Rejuvenation Authority (SARA).

- The budget also delegated Rs.10 crore for creating public forests.

vi.Social security and welfare– The social security schemes have been provided with Rs.1,811.66 crore under which Rs 918.92 crore has been allocated for subsidies across various welfare programs.

- The **Food Security Scheme** received Rs 600 crore, while Rs 207.18 crore and Rs 54.12 crore have been provided under the Pradhan Mantri Awas Yojana(PMAY)(Rural) and PMAY(Urban), respectively.
- Rs 55 crore has been allocated for cooking gas subsidies for low-income families, while an additional Rs 25 crore has been allocated for Economically Weaker Section (EWS) housing grants.

vii.Furthermore, an amount of Rs 989.74 crore has been allocated for National Health Programme and National Urban Health Mission, Rs 150 crore for Rural Enterprise Acceleration Project (REAP), Rs 127 crore under Spring And River Rejuvenation Authority, Rs 60 crore for Mukhya Mantri Swarojgar Yojana(MMSY) and Rs 10 crore for Mukya Mantri Palayan Roktham Yojana.

About Uttarakhand:

Chief Minister **(CM)-** Pushkar Singh Dhami

Governor– Gurmit Singh

Capitals– Dehradun (Winter), Bhararisen (Summer)

Tiger Reserve– Corbett Tiger Reserve, Rajaji Tiger Reserve

Gujarat FM Kanu Desai Presented Rs 3.70 Lakh Crore State Budget for FY26

In February 2025, the Finance Minister of Gujarat **Kanubhai Mohanlal Desai** presented a **Rs 3,70,250.35 crore**(Rs 3.70 trillion) budget for the Financial Year 2025-26 (FY26) in the state legislative assembly (Gujarat Legislative Assembly), without proposing any new taxes. The budget outlay for FY26 witnessed an increase of **11.3%** or Rs 37, 785 crore compared to previous FY budget.

- Also, the budget was based on **5 key pillars:** social security, human resource development, infrastructure development, green growth and development of economic activities.
- The state government announced a tax relief of Rs 148 crore by reducing the stamp duty on mortgage deeds and the motor vehicle tax or Electric Vehicle (EVs).

Note: FM Kanubhai Mohanlal Desai presented the budget in a red-coloured 'pothi' (ledger book), rather than the traditional briefcase. The pothi was adorned with Warli paintings and Ahir embroidery, symbolizing Gujarat's rich tribal and folk artistry.

Key Allocations:

i.Out of the total budget outlay, **Rs 2,36,044.27 crore** has been allocated for the revenue account and Rs 1,34,206.08 crore for capital account.

ii. Budget allocations to key sectors: education (Rs 60,000 crore), health and family welfare (Rs 23,365 crore), agriculture and farmers welfare (Rs 1,612 crore), and fisheries (Rs 1,622 crore).

- Rs.100 crore has been allocated to establish the Gujarat Institute of Technology which will function like the Indian Institutes of Technology (IITs).

iii. Rs 10 crore has been allocated for commemorating 150th birth anniversary of Sardar Vallabhbhai Patel(National Unity Day -31st October).

iv. Rs 1,020 crore has been allocated for the development of **12** high-speed corridors spanning 1,367 kilometer (km), under the **'Garvi Gujarat High-Speed Corridor'.**

- Rs.2,730 crore allocated for metro rail projects.

iv. Rs 290 crore has been allocated to develop a Bulk Drug Park at Jambusar in Bharuch district in South Gujarat.

v.The government has allocated **Rs 210 crore** for the development of a new Greenfield airport at **Dahod** and the expansion of 4 existing airports at Porbandar, Bhavnagar, Surat and Vadodara.

vi. The government has allocated **Rs 30,325 crore** for the urban development sector as year 2025 has been declared the 'Year of Urban Development'.

- This budget allocation for the urban sector marks an increase of nearly 40% compared to previous year.

vii. Key announcements for agriculture sector: the state government increased the existing financial assistance for purchasing a tractor to Rs 1 lakh;

- Rs 1,612 crore has been allocated to provide assistance for various agriculture equipments and Nano fertilizers;
- Rs 100 crore has been proposed for promoting agri-processing and exports.

viii. The government has allocated **Rs 300 crore** for solar projects at 14 locations on pumping stations and hydropower stations of Saurashtra and Kutch branch canals.

- Also, Rs 650 crore has been allocated for projects under Gobardhan projects.

Key Announcements:

i.Gujarat's FM announced that Artificial Intelligence **(AI) laboratories** will be established at L.D. Engineering College in Ahmedabad, Gujarat.

ii. The government of Gujarat has proposed to create a **Rs 50,000 crore** 'Viksit Gujarat Fund' over the next 5 years.

- The state government has developed a roadmap for 'Viksit Gujarat 2047' to achieve Prime Minister (PM) Narendra Modi's 'Viksit Bharat 2047' vision.

iii. The government also announced to develop a master plan aimed at optimizing water storage of rivers in the state and maximizing groundwater recharge on the basis of techno-feasibility study across **185** river basins.

iv. The government announced the development of two new expressways namely, **Namo Shakti Expressway** which will link Deesa (in North Gujarat) to Pipavav (in Saurashtra), and **Somnath-Dwarka Expressway,** which will connect Ahmedabad, Rajkot, Dwarka, Somnath, and Porbandar.

v.The state government proposed to establish **'Gujarat Reforms Commission'** which aimed to introduce necessary changes in administrative procedures and integrate new technologies.

- Similarly, Gujarat's FM announced the establishment of a new Commissionerate of Services, aimed to tap the potential of the services sector.

Other Key Proposals:

i.In order to boost the development of ports in the state, a provision of **Rs 250 crore** has been made for Navlakhi and Magdalla ports. The government also plans to develop a port-led city in the state, with estimated budget outlay of Rs 100 crore.

ii. The government has introduced a provision of **Rs 3,600 crore** to provide assistance to Micro, Small and Medium Enterprises (MSMEs) under various schemes.

- Also, the state government proposed to provide Rs 2,000 crore assistance under the Gujarat Textile Policy.

iii. The state government proposed to upgrade 69 municipalities, including district headquarters such as: Khambhaliya, Lunawada, Modasa, Vyara, Chhota Udepur, Dahod and Rajpipla.

- Also, it proposed to elevate 2,500 year-old mythological, historical, and cultural heritage, **Vadnagar** to category 'A' municipality.

- In addition to that, pilgrimage centres in states like: Dwarka, Palitana, Chotila, and Dakor will also be upgraded.

About Gujarat:
Chief Minister **(CM)–** Bhupendrabhai Patel
Governor- Acharya Devvrat
Capital- Gandhinagar
National Park (NP)- Gir National Park, Marine National Park

S&P Global Market Intelligence Projects India's GDP to Grow at 6.4% in FY25 and FY26

In February 2025, New York (the United States of America, USA)-based **S&P Global Market Intelligence** projected India's Gross Domestic Product (GDP) will grow at **6.4%** for Financial Year 2024-25 **(FY25)** as well as for **FY26.** It has cited that monetary and fiscal stimulus will help the Indian economy to tackle rising challenges in the global market.

- The global analytics firm's latest projection for the Indian economy for FY25 is slightly less than its previous estimate of 6.5%, while it has retained its December update projection for FY26 at 6.4%.

i.The global firm has projected India's GDP will further slow to **6.2% in FY27** and is expected to increase to **6.6% in FY28.**
ii. The firm highlighted that tax relief measures announced by Ministry of Finance (MoF) in Union Budget for FY25, along with the **25 basis point** (bps) policy rate reduction by the Reserve Bank of India (RBI) in February 2025, should support domestic demand in FY25 but will be not sufficient to fully offset the effects of external headwinds on growth.

India Set to Become High-Income Nation with USD 23-USD 35 Trillion GDP by 2047: NASSCOM, Bain & Company

In February 2025, Boston, Massachusetts (United States of America, USA)-based management consultant company, **Bain & Company, Inc.** in collaboration with National Association of Software and Services Companies **(NASSCOM)** released a report titled 'India@2047: Transforming India into a Tech-Driven Economy'. As per the report, India is set to become a High-Income Nation (HIN) with a projected Gross Domestic Product (GDP) between **USD 23-USD 35 trillion** by 2047.

- This growth is mainly be driven by sustained annual growth of **8%-10%,** supported by India's demographic dividend, technological innovation, and sectoral transformation.
- The report has projected that services sector is expected to make up **60%** of India's GDP, while manufacturing will account for **32%**, both sectors will become crucial drivers of economic growth.

Key Projections:

i.The report mentioned that with **approximately 200 million individuals** expected to enter the workforce in the coming decades, which will be a unique opportunity for India to promote high-value job creation and unleash significant economic potential.
ii. The report has outlined **5 key sectors** such as: electronics, energy, chemicals, automotive, and services, will act as strategic growth levers due to alignment with international trends and scalability.

- These sectors have the potential to address India's unique challenges and advantages.

iii. As per the report, India's share of Renewable Energy (RE) in its total energy production is expected to increase from 24% (in 2023) **to around 70%** by 2047.

- Similarly, the auto-component export sector is expected to reach USD 200-USD 250 billion by 2047, supported by share capture in ICE market and long-term shifts to Electric Vehicles (EVs).

iv. Advancements made in Artificial Intelligence (AI)-driven chip design, touchless manufacturing, and backward integration into component manufacturing and design will enhance cost competitiveness and innovation.

- This will help in increasing the export share of the sector from current 24% **to 45%-50% by 2047.**
- Also, its GDP contribution is expected to increase from 3% **to 8%-10%.**

v.The report observed that a projected workforce shortfall of nearly **50 million individuals by 2030** focuses on the need for improved Science, Technology, Engineering, and Mathematics **(STEM)** education and focused skill development programs across different sectors.

- It has also emphasized on backward integration and local manufacturing may help in decreasing India's reliance on imports for essential components.

Roadmap for Indian Economy Transformation:

i.Electronics: AI-enabled chip design, touchless manufacturing, and biodegradable components will promote productivity and reduce electronic waste (e-waste).

- This will help in expanding domestic production, reducing import dependency, and generating about 20 million jobs, which will help in consolidating India's position as global leader with around 25% share in electronics manufacturing.

ii.Energy: Smart grids will help in optimizing energy distribution, while decentralized systems like microgrids will improve accessibility.

iii.Chemicals: AI-driven molecular design and digital twins will improve Research & Development (R&D) efficiency and promote innovation.

- While, Bio-based production and green practices is expected to enhance sustainability ad export competitiveness, targeting nearly 10% share in global value chains, particularly in specialty chemicals.

About National Association of Software and Services Companies (NASSCOM):

Chairperson- Sindhu Gangadharan
President- Rajesh Nambiar
Headquarters- Noida, Uttar Pradesh (UP)
Established- 1988

Awards & Recognitions

2024 Burgundy Private Hurun India 500 List: RIL Tops as Most Valuable company for 4th Consecutive Year

According to the 2024 Burgundy Private Hurun India 500 list, released by Axis Bank Limited's Burgundy Private and Hurun India, Reliance Industries Limited **(RIL)** based in Mumbai, Maharashtra has retained its position as India's most valuable company for the fourth consecutive year with a valuation of **Rs17,52,650 crore**.

- Following RIL, Mumbai based Tata Consultancy Services Limited**(TCS)** ranks second with a valuation of Rs 16,10,800 crore , while Housing Development Finance Corporation (HDFC) Bank Limited, Mumbai, is in third place at Rs 14,22,570 crore .
- The total worth of the 500 companies featured in the 2024 edition of the list stands at **Rs 324 lakh crore** (approximately USD 3.8 trillion).

About 2024 Burgundy Private Hurun India 500:

The 2024 Burgundy Private Hurun India 500 ranks companies based on their market capitalization **(mcap)** for listed companies and valuation estimates for unlisted ones.

- The 2024 Burgundy Private Hurun India is the **fourth edition** of the list featuring the 500 most valuable private companies in India.

i.The average age of the companies on the list is **43 years.**This list only includes companies headquartered in India and does not feature state-owned enterprises or subsidiaries of foreign or Indian companies.

- The Financial Services and Healthcare sectors dominate the list, with 63 and 59 companies, respectively, followed by Industrial Products with 52 companies.

ii. The **threshold** for qualifying in the 2024 Burgundy Private Hurun India 500 is **Rs 9,580 crore** as of 13 December 2024, reflecting a 43% increase from the Rs 6,700 crore threshold in 2023.

iii.A total of **82 new companies**(collectively have a combined value of Rs 18.8 lakh crore) have joined the list .

- Among the newly listed companies, notable names include **Waaree Energies** ,Premier Energies, while Adani Realty, Aparna Constructions & Estates, and Shahi Exports are among the major unlisted entrants.

iv. The list includes companies from 43 cities, with Mumbai (154), Bengaluru (44), and New Delhi (37) contributing a total of 235 entries. Haryana has moved up two spots from last year, surpassing Delhi to enter the top three states for the first time.

Top 10 of 2024 Burgundy Private Hurun India 500:

Rank	Name of Company	Value (in crore)	Change (%)	MD & CEO
1	RIL (based in Mumbai, Maharashtra)	Rs.17,52,650	12%	Mukesh.D.Ambani
2	TCS (Mumbai)	Rs.16,10,800	30%	Kunchitham Krithivasan
3	HDFC Bank (Mumbai)	Rs.14,22,570	26%	Sashidhar Jagdishan
4	Bharti Airtel (New Delhi,Delhi)	Rs.9,74,470	75%	Gopal Vittal
5	ICICI Bank (Mumbai)	Rs.9,30,720	44%	Sandeep Suraj Bakhshi
6	Infosys (Bengaluru, Karnataka)	Rs.7,99,400	40%	Salil Parekh
7	ITC (Kolkata, West Bengal WB)	Rs.5,80,670	8%	Sanjiv Puri

8	Larsen & Toubro (Mumbai)	Rs.5,42,770	35%	S. N. Subrahmanyam
9	HCL Technologies (Noida, Uttar Pradesh UP)	Rs.5,18,170	51%	C. Vijayakumar
10	National Stock Exchange, NSE(Mumbai)	Rs.4,70,250	201%	Ashishkumar Chauhan

Highlights of 2024 Burgundy Private Hurun India 500:

i.The total worth of the **top 10 companies** has grown by Rs 22.7 lakh crore, reaching **Rs 96 lakh crore** (about USD 1.1 trillion). This accounts for nearly one-third of India's Gross Domestic Product (GDP) and 30% of the total value of the 2024 Burgundy Private Hurun India 500 list.

ii. Among them, the National Stock Exchange **(NSE)** of India has seen the highest percentage growth in value, **NSE** entered the top 10 for the first time since the list's inception

iii. Bharti Airtel Limited has made the biggest contribution in absolute terms, adding over Rs 4 lakh crore this year. Bharti Airtel made it to the top five for the first time,moved up two places in the rankings.

iv.Motilal Oswal Financial Services recorded the highest year-on-year growth in the 2024 Burgundy Private Hurun India 500 list, with its value surging by 297%. Inox Wind and Zepto also saw significant expansion, nearly tripling their valuations within a year

Key Performers of 2024 Burgundy Private Hurun India 500:

Category	Name of Company	Performance
Most Valuable Company	RIL	Value Rs 17,52,650 crore
Most Valuable Unlisted Company	NSE	Value Rs 4,70,250 crore
Largest Employer	TCS	No.of jobs:6,31,858
Highest Revenue	RIL	Revenue: Rs 9,30,529 crore
Highest Corporate Tax Paying Company	HDFC Bank	Corporate Tax: Rs 11,122 crore
Highest Net Profit	RIL	Net Profit: Rs 79,020 crore
Highest Direct Taxpayer	RIL	Tax: Rs 25,707 crore
Most Valuable State-Controlled Company	State Bank of India (SBI)	Value: Rs.7,69,000 crore

Points to Note:

i.For the first time, all companies in the 2024 Burgundy Private Hurun India 500 are valued at at least USD 1 billion, despite a depreciated rupee.

ii. The companies in the 2024 Burgundy Private Hurun India 500 now employ 84 lakh people, an increase of 14 lakh from last year, with an average of 21,000 employees per organization.
iii. Unlisted companies make up 22% of this year's list, reflecting a 4% decrease from the previous year.
iv. Startups in the 2024 Burgundy Private Hurun India 500 collectively saw a net increase of Rs 1,09,259 crore, with Zepto, OYO, and Zerodha leading the way.

<u>About Hurun India:</u>

Founder and Chief Researcher – Anas Rahman Junaid
Headquarters – Mumbai, Maharashtra
Established – 2012

Appointments

CitiBank Appointed Ashu Khullar as its Global Co-head of GAM; K. Balasubramanian Named CEO of Citi India

In February 2025, New York (the United States of America, USA)-based investment bank **CitiBank** has appointed **Ashu Khullar** who is currently serving as Chief Executive Officer (CEO) of Mumbai(Maharashtra) based Citibank India, as the Global Co-head of Global Asset Managers (GAM) based in London, the United Kingdom (UK).
i.Khullar will work alongside Anthony Diamondakis, the Head of GAM for North America. He will be responsible for monitoring operations across Europe, the Middle East, and Africa (EMEA) and Asia, and will collaborate with sponsors.
ii.K. Balasubramanian will succeed Ashu Khullar as CEO of Citibank India, subject to approval from the Reserve Bank of India (RBI). He will report to Amol Gupte, head of Asia South and banking head.

RBI Approves PD Singh Appointment as CEO of Standard Chartered India

On February 17, 2025 , Reserve Bank of India **(RBI)** approved Banker **Prabdev Singh (P.D.) Singh's** appointment as the Chief Executive Officer (CEO) of India's operation of Standard Chartered of India based in Mumbai, Maharashtra.

- He will **assume office on April 1, 2025,** succeeding Zarin Daruwala who will retire on March 31, 2025, after serving for ten years
- He will head India and South Asia operation and the tenure will be for 3 years

Note: Standard Chartered has been operating in India for over 160 years, with a network of 100 branches across 42 cities.

About Prabdev Singh :

i.PD Singh **holds two** Masters in Business Administration **(MBA) degrees** and an engineering qualification and is recognized for his contributions to the banking industry.
ii. He also spent **over ten years** at Hongkong and Shanghai Banking Corporation Limited **(HSBC)** based in London, United Kingdom (UK).
iii. Before joining Standard Chartered, Singh was the **CEO** of **JPMorgan Chase and Co** based in Bengaluru, Karnataka.

<u>About Standard Chartered of India:</u>

Chief Executive Officer (CEO)– Zarin Daruwala (India) (Currently)
Headquarters– Mumbai, Maharashtra
Established– 1853

SBI Cards Appoints Salila Pande as MD & CEO

In February 2025, SBI Cards and Payment Services Limited, SBICPSL(**SBI Cards**), a subsidiary of State Bank of India (SBI), announced **Salila Pande** as its new Managing Director (**MD**) and Chief Executive Officer (**CEO**) with effect from April 1, 2025, for a period of two years.

- Salila Pande will succeed **Abhijit Chakravorty**, who will retire from SBI on March 31, 2025. She is currently working as a Chief General Manager (CGM) at SBI.

i.She began her banking career as a Probationary Officer (PO) with SBI in 1995.
ii. She has gained extensive experience through various positions across the Bank in several locations.
iii. She has served in important roles as the President and CEO of SBI California(the United States of America, USA), Vice President – Mid Office at SBI Singapore, and Deputy General Manager (DGM) (Business and Operations) in Delhi.

GoI Extends V.Anantha Nageswaran's Tenure as CEA Until March 2027

On February 20, 2025, the Government of India (GoI) extended the tenure of **Venkatramanan(V). Anantha Nageswaran** as Chief Economic Adviser (**CEA**) for two more years, until **March 31, 2027**.

- The Appointments Committee of the Cabinet (ACC), chaired by Prime Minister (PM) Narendra Modi, approved Nageswaran's tenure on a contract basis up to March 31, 2027, or until further orders, whichever is earlier.
- On January 28, 2022, Nageswaran took charge as the **18th CEA** for a three-year term, succeeding Krishnamurthy Venkata (KV) Subramanian, who served as the 17th CEA from 2018 to 2021.

Note: Nageswaran was a key contributor to India's annual Economic Survey 2024-25, which projected India's Gross Domestic Product (GDP) growth at **6.3% to 6.8%** for the Financial Year (FY) 2025-26.

About V. Anantha Nageswaran:

i.From 2009 to 2011, he served as the global Chief Investment Officer (CIO) at Bank Julius Baer in Switzerland. He also worked with Credit Suisse in Switzerland and Singapore, as well as with the Union Bank of Switzerland (now UBS).
ii. He also served as a part-time member of the Prime Minister's Economic Advisory Council (PM-EAC) to the PM from 2019 to 2021.
iii. He is the co-founder of Mumbai (Maharashtra) based Aavishkaar India Microventure Capital Fund (AIMVCF), Bengaluru (Karnataka) based Takshashila Institution, a think tank for research and education in Public Policy.
iv. He was the Dean of the IFMR Graduate School of Business (GSB)(formerly Institute for Financial Management and Research) in Andhra Pradesh (AP) and a visiting professor of economics at the Krea University in AP.
v.He also worked as a professor at the Singapore Management University (SMU) in Singapore, and the Indian Institute of Management (IIM) Bangalore in Bengaluru (Karnataka) & IIM Indore in Indore (Madhya Pradesh, MP).
vi.He has authored several books, including 'The Economics of Derivatives' and 'The Rise of Finance: Causes, Consequences and Cures.'

About Chief Economic Adviser (CEA):

i.The CEA is head of the **Economic Division** of the Department of Economic Affairs(DEA) under the Ministry of Finance(MoF).
ii.CEA is responsible for the preparation of the Economic survey of India tabled in Parliament before the Union budget of India is presented.

iii.The functions of the Division are advisory in nature. It examines domestic and international economic trends and undertakes research studies having a bearing on economic policies and management of the economy and renders policy advice.

Acquisitions & Mergers

RBI Approves Findi to acquire 100% stake in TCPSL for Rs.330 crore

In February 2025, the Reserve Bank of India (**RBI**) has approved the Mumbai (Maharashtra) based Tata Communications Payment Solutions Limited (**TCPSL**), a wholly-owned subsidiary of Tata Communications that operates white label Automated Teller Machines (ATMs) in India to sell its **100% stake** to Transaction Solutions International (**TSI**), the Indian subsidiary of Australian fintech company **Findi**.

- This acquisition strengthens Findi's presence in India's financial services sector, enhancing its efforts to expand ATM access, particularly for underbanked communities.
- Announced in November 2024, the **Rs 330 crore** (USD 59.1 million) acquisition includes an additional performance-based payment of up to Rs 75 crore (USD 13.4 million), depending on interchange rate changes.

i.With this acquisition, Findi gains TCPSL's white-label ATM platform, White label ATM (WLA) license, and payments switch, adding 3,000 ATMs to its network. This expands its total to over 12,000 ATMs making it one of Asia's largest ATM operators.
ii.TSI will deploy these ATMs at 180,000 FindiPay and BankIT merchant locations and integrate them into Indicash franchises, enhancing financial access across India.
Note: TCPSL launched India's first white-label ATM network, **Indicash**, in 2013 to support RBI's goal of expanding ATM access. It remains one of India's largest white-label ATM operators.

SBI MF expanded its stake in Axis Bank to 5.0238%

In February, 2025, Mumbai (Maharashtra) based **SBI Mutual Fund** (MF) managed by SBI Funds Management Limited (SBIFML) expanded its stake by **0.036%** in Mumbai (Maharashtra) based **Axis Bank Limited**. This expansion, made through open market operation (OMO), amounts to 11,44,160 equity shares.
i.Before this acquisition, SBI MF held a 4.9878% stake in Axis Bank, equivalent to 15,44,18,049 shares
ii. After the acquisition, SBI Mutual Fund (SBI MF) stake in Axis Bank was raised to 5.0238%, equivalent to 15,55,32,209 shares.

CCI approved the amalgamation of SHPL and CIFCPL into SMPL

In February 2025, the Competition Commission of India (**CCI**) granted approval for the amalgamation of Mumbai (Maharashtra) based Svatantra Holdings Private Limited (**SHPL**), and Bengaluru (Karnataka) based Chaitanya India Fin Credit Private Limited (**CIFCPL**), a Non-Banking Financial Company – Micro Finance Institution (NBFC-MFI) into Mumbai (Maharashtra) based Svatantra Microfin Private Limited (**SMPL),** an NBFC-MFI.

- This amalgamation will take place as per the Scheme of Amalgamation agreed upon by SHPL, CIFCPL, SMPL, and their respective shareholders, with approval from the boards of directors.
- As a result of this merger, Svatantra Micro Housing Finance Corporation Limited (**SMHFCL**), a NBFC Housing Finance Company (NBFC HFC) (Middle Layer) based in Mumbai, Maharashtra, will become a wholly owned subsidiary of SMPL.

Key Points:
i.SHPL is involved in investing in equity shares, preference shares, and other securities. It is an

unregistered Core Investment Company in terms of Core Investment Companies (Reserve Bank) Directions, 2016.

ii.CIFCPL and SMPL provide microfinance and personal loans to low-income individuals and households in rural and semi-urban areas.

iii.SMHFCL provides secured housing loans to low-income rural and urban families, loans against property, and loans to corporations/institutions for construction and real estate projects.

CCI approves interest acquisition in BW Coal Mine by NS Blackwater and JFE Steel

In February 2025, the CCI approved the acquisition of a combined 30% interest in Queensland, (Australia) based **Blackwater (BW) Coal Mine** by NS Blackwater Proprietary Limited, an Australian subsidiary of Japan-based Nippon Steel (NS) Corporation and JFE Steel Australia (BW) Pty Limited, a subsidiary of JFE Holdings, Inc

- Under the approved deal, **NS Blackwater** will acquire a **20%** interest, while **JFE Steel BW** will take a **10%** interest in the BW Coal Mine, an open-cut mining operation in Queensland, Australia.

Key Point:

i.NS Blackwater and JFE Steel BW are newly formed special-purpose vehicles created for the proposed combination, while BW Coal Mine imports and supplies coking coal.

ii. The acquisition aligns with India's growing demand for high-quality coking coal, a key raw material in steel production.

About Competition Commission of India(CCI):

It is a statutory body under the Ministry of Corporate Affairs (MoCA), responsible for enforcing the Competition Act, 2002.

Chairman – Ravneet Kaur

Headquarters – New Delhi (Delhi)

Established – 2003

Other News

IPPB & PNB MetLife Partner to Expand Life Insurance Access in India

On January 30 2025, New Delhi (Delhi) based India Post Payments Bank Limited **(IPPB)** and Mumbai (Maharashtra) based PNB MetLife India Insurance Company Limited **(PNB MetLife**) entered into a bancassurance partnership to enhance the accessibility of Life Insurance Solutions across India.

- This collaboration combines PNB MetLife's life insurance products with IPPB's vast network of **650 banking outlets** and a customer base of 110 million people.
- The partnership aims to make life insurance available to households throughout India, ensuring financial protection and promoting financial inclusion.

Key Objectives:

i.Financial Inclusion: IPPB and PNB MetLife will focus on making life insurance accessible to more families across India, including underserved rural areas.

ii.Tailored Solutions: Offers a wide range of products such as Child Education, Family Protection, Long-term Savings, and Retirement plans.

iii.Nationwide Coverage: Ensures that even the remotest areas are covered, supporting the Government of India's (GoI) mission to improve financial inclusion.

About India Post Payments Bank Limited (IPPB):

Managing Director**(MD)** & Chief Executive Officer**(CEO)**– R. Viswesvaran

Headquarters- New Delhi (Delhi)