GUPTA CLASSES

CURRENT AFFAIRS

JANUARY 2025

English

Part-1

Banking, Finance & Economy PDF – January 2025

Table of Contents

Banking, Finance & Economy News: January 2025

RBI in News

RBI penalizes Rs 5.50 lakh on 4 cooperative banks from Karnataka for Regulatory Non-Compliance

In December 2024, the Reserve Bank of India **(RBI)** imposed a penalty of **Rs 5.50** lakh on **4 Cooperative Banks(CBs)** from Karnataka for non-compliance with regulatory guidelines.

- The banks include Bengaluru(Karnataka) based Bharat Cooperative Bank Limited, Swami Vivekanand Sahakari Bank Niyamit, Sri Basaveshwara Pattana Sahakara Bank Niyamit and Manjra Mahila Urban Cooperative Bank Limited.

i.Bharat Cooperative Bank(BCB) Limited was fined **Rs 3 lakh** for approving new loans and advances that exceeded prescribed limits and lacked proper collateral, violating the Supervisory Action Framework (SAF) guidelines.
ii.Swami Vivekanand Sahakari Bank Niyamit was penalized **Rs 1 lakh** for failing to adhere to exposure norms for Urban Cooperative Banks (UCBs) and Know Your Customer (KYC) requirements. The bank also did not meet prudential limits for inter-bank exposure and failed to upload KYC records to the Central KYC Records Registry (CKYCR) on time.
iii.Sri Basaveshwara Pattana Sahakara Bank Niyamit was fined **Rs 1 lakh** for increasing its exposure to high Non-Performing Asset(NPA) sectors without prior RBI approval and declaring dividends without RBI's consent.
iv.Manjra Mahila Urban Cooperative Bank Limited was penalized **Rs 50,000** for not uploading customers' KYC records to CKYCR within the required timeline.

RBI Allows UPI Payments Through Full-KYC PPIs

In December 2024, the Reserve Bank of India (RBI) introduced a new provision that enables Unified Payments Interface (UPI) payments **from/to Full-KYC** (Know Your Customer) Prepaid Payment Instruments(PPIs) through third-party UPI applications(apps).

- This move comes in line with the RBI's Statement on Development and Regulatory Policies announced on **April 5, 2024.**
- Previously, UPI payments for PPIs could only be made through the PPI issuer's mobile apps.

i.Under this updated provision, PPI issuers will be able to allow holders of their Full-KYC PPIs to link these PPIs to their UPI handle and make payments or receive funds via **third-party UPI apps.**
ii. The transactions will be pre-approved before being processed in the UPI system, ensuring security and the authentication for these transactions will be carried out using the PPI's existing credentials.
Note: PPI is a financial tool that allows users to store funds on a card or digital wallet for future transactions.

RBI released the Report on Trend and Progress of Banking in India 2023-24

The **Reserve Bank of India (RBI)** has released the Report on Trend and Progress of Banking in India 2023-24 under **Section 36(2)** of the **Banking Regulation Act, 1949**.

- It presents the performance of the banking sector, including commercial banks, co-operative banks and non-banking financial institutions, during 2023-24 and 2024-25 so far.

Banks' profitability improves for 6th year in row in FY24

i.According to RBI's report, profitability of the commercial banks in India increased for the **6th** consecutive year in 2023-2024.

ii. The banks witnessed a **Return on Assets** (RoA) of **1.4%** and a **Return on Equity** (RoE) of **14.6%** in Financial Year (FY) 2024 with profitability remaining robust in the first half of FY25.

iii. In order to close the credit-deposit gap, the banks had to raise their deposit rates and borrow money at higher interest rates.

- Thus, the **interest expense-to-income** ratio, increased to **57.4%** in FY24, compared to 52.2% in FY23 leading to a slowed growth rate in operating and net profits.
- At the end of March 2023, there was a total on year rise in **net profit** of **44.6%,** while **operating profit** had climbed **18.2%.**

iv. Net profit of the scheduled commercial banks increased by 32.8 per cent to Rs 3,49,603 crore during the last fiscal.

- At end-March 2024, India's commercial banking sector consisted of 12 public sector banks (PSBs), 21 private sector banks (PVBs), 45 foreign banks (FBs), 12 SFBs, six PBs, 43 RRBs, and two LABs. Out of these 141 commercial banks, 137 were classified as scheduled banks, while four were non-scheduled.

Banks' GNPA Hit 13-Year Low

i.The report showed that the banks' **gross non-performing assets ratio** (NPA), or the proportion of bad assets to total loans, declined to a **13**-year low of **2.5%** at end of September from 2.7% at end-March 2024.

- In terms of asset quality, gross non-performing assets (GNPA) declined by **15.9%** year on year to **Rs 4.8 lakh crore** as of March 31, 2024.

ii.Net NPA fell to **0.57%** of total loans in September 2024, from 0.62% at end-March 2024.

iii. While the **agricultural sector** reported the highest GNPA ratio at **6.2%,** retail loans had the lowest ratio at 1.2%.

Banking frauds in India rose to 18461 cases in H1FY25

i.According to the RBI data, the **number of bank frauds** witnessed a significant increase of 27 per cent year-on-year in April-September 2024 to **18,461 cases** and the amount involved jumped more than eight-fold to **Rs 21,367 crore** as compared to 14,480 cases involving Rs 2,623 crore in FY23.

ii. The share of **internet** and **card** frauds in the total stood at **44.7%** in terms of amount and 85.3% in terms of number of cases in accordance to the occurrence of frauds in 2023-24.

- In 2023-24, the number of fraud cases reported by PVBs accounted for **67.1%** of the total.
- The total penalty amount more than doubled in 2023-24 to **Rs 86.1 crore**, led by public and private sector banks.

CRAR of SCBs was 16.8% at end-September 2024

The report showed that the **capital to risk-weighted assets ratio** (CRAR) of Scheduled Commercial Banks (SCBs) was **16.8%** in September 2024, with all bank groups meeting the regulatory minimum requirement and the common equity tier 1 (CET1) ratio requirement.

- The consolidated balance sheet of **SCBs**, excluding regional rural banks, increased by **15.5%** during 2023-24 wherein share of PSBs fell to **55.2%** while that of PVBs increased to **37.5%.**
- The bank's liquidity coverage ratio (LCR) fell from 135.7 per cent in September 2023 to 128.5 per cent in September 2024

About CRAR Ratio:

i.Capital Adequacy Ratio (CAR) also known as **Capital to Risk (Weighted) Assets Ratio (CRAR),** is the ratio of a bank's capital in relation to its risk weighted assets and current liabilities. It is an indicator of a bank's ability to pay liabilities, and respond to credit risks and operational risks.

ii.The minimum CAR requirement for banks in India is set at **9%**, and **11.5%** including the capital conservation buffer, and the Tier 1 capital requirement is pegged at **7%,** both one percentage point above the **Basel III requirements**.

Over 600k loans worth Rs 27,000 cr disbursed on ULI platform

i.According to the report. Unified Lending Interface (ULI), Reserve Bank of India's (RBI) Unified Payment Interface (UPI)-like digital public infrastructure in lending space, has provided over **600,000 loans** worth **Rs 27,000 crore.**

- Out of this, about **160,000 loans** amounting **Rs 14,500 crore** are to micro, small, and medium enterprises (**MSMEs**).

ii.Moreover,**12** loan segments have been introduced on the ULI platform, including kisan credit card, digital cattle, MSME (unsecured), housing, personal, tractor, micro business, vehicle, digital gold, e-Mudra, pension and dairy maintenance loans.

Private banks outrun public sector peers in priority lending benchmarks

i.The RBI data reported that PVBs have met priority sector lending (PSL) targets, including sub-targets for major heads in 2023-24, particularly in **agriculture** and have done better than PSBs.

ii.The total trading volume of priority sector lending certificates (PSLCs) increased to **26%** in FY24, primarily led by PSLC-General. Among the four PSLC categories, the **small and marginal farmers** category registered the highest trading volume.

- In the past five years, PVBs have emerged as major sellers of PSLCs accounting for **49%** of total sales in FY24 as compared with **21%** in the case of PSBs.

Note:

i.For the **public** sector, **private** and **foreign** banks, the target is **40%** of adjusted net bank credit (ANBC) or credit equivalent of off-balance sheet exposure, whichever is higher.

ii.For **small finance banks**, the target is higher at **75%**.

About Priority sector lending certificates (PSLCs):

i.**Priority Sector Lending Certificates** (PSLCs) are tradable certificates issued against **priority sector loans** of banks so as that the banks can achieve their specified target and sub-targets for priority sector lending through purchase of these instruments at the time of shortfall and utilizing the surplus to lend more to these sectors.

ii.There are **four** kinds of PSLCs-

- PSLC Agriculture
- PSLC Small and Marginal Farmers (SF/MF)
- PSLC Micro Enterprises
- PSLC General

Below is the table showing allocation of funds to the borrower segments:

Borrower Segment	Target	Public Sector	Private Sector	Foreign	Small Finance
Total Of which:	40/75*	42.6	47.4	41.6	90.6
Total Agriculture	18.0	19.1	18.7	18.6	26.8
Small and Marginal Farmers	10.0	11.2	10.0	11.0	18.2

Non-Corporate Individual Farmers	13.8	14.2	14.0	14.2	25.4
Micro-Enterprises	7.5	8.0	10.2	8.5	32.6
Weaker Sections	12.0	14.1	12.1	12.1	35.8

**** Total priority sector lending target for small finance banks is 75%.***

NBFC Lending Surges 18.5%, Improved Asset Quality In FY24

i.The RBI report showed that loans and advances of non-banking financial institution (**NBFC**) increased by **18.5%** in FY24, crossing the previous year's growth of 17.4%.

ii.NBFCs have sourced **funding** from **bank** (42.7%) in March 2024. non-convertible debentures (**NCDs**), **Commercial paper** borrowings and external commercial borrowings (**ECBs**) which represented 57.5% of foreign funding.

About Reserve Bank of India (RBI)

The Reserve Bank of India (RBI) is responsible for monetary stability, currency management, targeting inflation, regulating the banking system, and setting interest rates. It was established on **April 1, 1935** in accordance with the provisions of the Reserve Bank of India Act, 1934.

Headquarters: Mumbai, Maharashtra

Governor: Sanjay Malhotra

RBI Released the Financial Stability Report, December 2024

In December 2024, the Reserve Bank of India **(RBI)** released the half-yearly publication of the **'~~Financial Stability Report (FSR), December 2024~~'** which shows the joint assessment of the sub-committee of the Financial Stability and Development Council **(FSDC)** of the potential risks to financial stability and the resilience of the Indian financial system.

- The report covered both international and domestic economic conditions, the performance of Scheduled Commercial Banks (SCBs) and Non-Banking Financial Companies (NBFCs), and the solvency of the insurance sector.
- The report observed that SCBs has been strengthened by strong profitability, decreasing Non-Performing Assets (NPAs) and sufficient capital and liquidity buffers.

About Financial Stability Report (FSR):

i.The FSR is a biannual report released by the RBI in June and December.

- The report is prepared by the Financial Stability Unit (FSU) and is a joint evaluation by the Sub-Committee of the Financial Stability and Development Council (FSDC).
- The RBI published its first FSR in 2010.

ii. The report taking inputs from financial sector regulators i.e. RBI, Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority (PFRDA) and Ministry of Finance(MoF).

iii. The report assesses the financial system's resilience and the risks to financial stability.

Key Findings:

i.As per the RBI's FSR, the Indian economy is demonstrating strength and resilience thus it has projected that India's Gross Domestic Product **(GDP)** growth rate will be at **6.6%** in the Financial Year 2024-25(FY25).

- The report has outlined this growth will be mainly driven by a resurgence in rural consumption, an increase in government spending and investment, robust services exports, declining Non-Performing Assets (NPAs) and adequate capital and liquidity buffers.

ii. The report highlighted that India's GDP moderated to **6%** during the 1st half (H1:April to September) of FY25 from the 8.2% and 8.1% growth registered during H1 and H2 of FY24, respectively. The report noted that despite this latest deceleration, India's structural growth drivers' remains intact.

- Central government's debt-to-GDP ratio is expected to decrease to 56.8% by 2024-25 from 62.7% (2020-21). States' outstanding liabilities are projected to decline from 31% to 28.8% during the same period.

iii. The report highlighted that unhedged External Commercial Borrowings **(ECBs)** reached at **USD 65.49 billion**, nearly 34.4% of the total debt increased under this avenue.

- It further mentioned that increase in foreign currency borrowings by NBFCs could potentially pose currency risks to the extent they are unhedged.

iv. The report highlighted that new accretion of NPAs in the retail loan portfolios was led by slippages in the unsecured loan book, at 51.9% as of September 30, 2024.

v.As per the report, Liquidity Coverage Ratio**(LCR)** of the banking system declined from 135.7% (in September 2023) to **128.5%** (in September 2024). This decrease is mainly attributed by an increase in net cash outflows, which is further influenced by an increase in less stable sources of funding.

vi. The report underscored that the overall performance of listed Private Non-Financial Companies (NFCs) has remained stable in 2024 as sales growth Year-on-Year (Y-o-Y) remained at **6.2%** in H1 of FY25 as in H2 of FY24.

vii. Monetary penalties imposed by the RBI on regulated entities from June to November 2024 have decreased by 47% to **Rs 30 crore** as against Rs 57 crore in the same period a year ago.

- Of the total 153 monetary penalties, the central bank has imposed fines on 5 Public Sector Banks(PSBs) and five private sector banks. It has penalised 3 foreign banks, 2 Regional Rural Banks(RRBs), 116 Cooperative Banks(CBs), 14 Non-Banking Financial Companies (NBFCs), and eight housing financiers.
- NBFCs have healthier balance sheets.

viii. As of December 23, 2024, the liquidity deficit stood at **2.43 trillion rupees,** driven by tax outflows and the central bank's foreign exchange interventions.

India's GNPA Ratio Declined to 12-year Low to 2.6% in September 2024

i.As per the RBI's FSR, the asset quality of SCBs improved further with their Gross Non-Performing Asset**s(GNPA) ratio** declined to 12-year low of **2.6%** in September 2024.

- The stress test scenario has further projected that GNPA ratio could possibly increase to **3%** by the end of **March 2026,** for 46 banks under the baseline scenario, and 5% and 5.35%, respectively, under two different high risk scenarios.
- While, the Net NPA (NNPA) ratio of the SCBs continue to be at around **0.6%.**

ii. Similarly, the report has projected that the Capital Adequacy Ratio **(CAR)** could decrease to **16.5%** in March 2026 in the baseline scenario and decrease to 15.7% and 14.3% in two different high risk scenarios.CAR stood at 16.6% in September 2024.

iv. The Provisioning Coverage Ratio **(PCR)** of SCBs increased further to 77% in September 2024, mainly due to the proactive provisioning by PSBs.

Three Banks Continue to Display Risky Metrics:

i.The report showed that at the starting of the 2014, three-fourths**(75%)** out of 33 public and private sector banks examined under the 'Key Risk Indicators (KRIs)' framework were found deficient in 3 or more KRIs.

ii. The report noted that only 3 banks accounting 15% of total banking system assets have been found to be deficient in 3 KRIs in September 2024, despite sector-wide improvements.

iii. As per the report, loan sector registered the growth of 13.4% 3-Month Moving Average(3-MMA), in September 2024, investments reported lower growth of 7.6% 3-MMA, this resulted into the combined assets (loan +investments) growth of 11.2% (3-MMA), same as deposit growth of 11.2% (3-MMA).
iv. The report noted that increase in bank profits as well as increase in equity capital has been a significant additional source of funds, which contributed to an increase in loan-deposit ratio.

- Also, it observed that bank reliance on borrowings for bridging the financing gap increased as loan growth outpaced deposit growth leading to an increase in loan-deposit ratio.

About KRI Framework:

i.This framework was formulated by the International Monetary Fund (IMF), which measures vulnerability of banks by merging the Capital adequacy, Asset quality, Management, Earnings, Liquidity, and Systems(CAMELS) supervisory framework with market-based metrics and flags institutions based on specified thresholds that differ by jurisdictions.
ii. The framework evaluates the bank's overall risk based on 5 key indicators: capital adequacy, asset quality, profits, liquidity and market metrics.

Points to Note:

i.GNPA is the amount of the debts an establishment or people owe to the organization that has failed to collect their contractual obligations.
ii.NNPA is the remaining amount after the bank has deducted the provision for doubtful and unpaid debts from the total GNPA.
iii.CAR, also known as Capital to Risk Assets Ratio (CRAR), is the ratio of a bank's capital in relation to its risk weighted assets and current liabilities.
iv.PCR is the percentage of funds that a bank sets aside for covering losses due to bad debts.

About Financial Stability and Development Council (FSDC):

i.The FSDC is a non-statutory apex council under the Ministry of Finance(MoF).The Council is chaired by the Union Finance Minister.
ii. The Raghuram Rajan Committee (2008) on financial sector reforms had first proposed setting up of FSDC.

About Reserve Bank of India(RBI):

Governor- Sanjay Malhotra (26th Governor of RBI)
Headquarter- Mumbai, Maharashtra
Established-1 April, 1935

RBI's New Guidelines: Closure of Dormant, Inactive, and Zero Balance Accounts from January 1, 2025

The Reserve Bank of India **(RBI)** has issued a new guideline starting from **January 1, 2025**, which mandates the closure of 3 types of bank accounts. These include **Dormant Accounts, Inactive Accounts,** and **Zero Balance Accounts.** This move aims to enhance banking security, reduce fraudulent activities, and improve overall efficiency in banking operations.

- By enforcing this closure policy, the RBI aims to safeguard the financial ecosystem and ensure the banking system remains secure and functional.

Types of Closure Accounts:

i.Dormant Accounts: Accounts that have not seen any transaction activity for continuous **2 years** or more.

- These accounts are highly susceptible to fraudulent activities, as they tend to be neglected by their holders, making them targets for hacking and other malicious actions.

ii.Inactive Accounts: Accounts that have remained inactive for **12 months** or longer will be closed unless reactivated by the account holder.

- The aim is to reduce banking inefficiencies and to minimize the risks related to online fraud.

iii.Zero Balance Accounts: Accounts that have maintained a zero balance for an extended period will be closed.

- These accounts serve little purpose and may be vulnerable to misuse. The closure helps to streamline operations and ensures compliance with Know Your Customer (KYC) norms.

Steps to Avoid Closure for Account Holders':

- **Reactivate Inactive Accounts:** To ensure at least one transaction is carried out if the account has been inactive for over 12 months.
- **Engage with Dormant Accounts:** To visit the branch to reactivate accounts that have been dormant for 2 years.
- **Maintain a Positive Balance:** To avoid keeping an account with a zero balance for long periods.

RBI's new Fixed Deposits(FDs) rules:

The RBI also introduced new guidelines for Fixed Deposits(FDs) with Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs) which will come into effect from January 1 2025.Key changes include revised premature withdrawal rules.

i.For small deposits up to **Rs 10,000,** depositors can withdraw the entire amount within three months of depositing without interest.

ii. For larger deposits, partial withdrawals of up to **50% of the principal amount or Rs 5 lakh** (whichever is lower) are allowed within three months without interest.

iii. Additionally, in cases of critical illness, depositors can withdraw the entire principal amount prematurely without interest, regardless of the deposit term.

iv. Furthermore, NBFCs will now notify depositors of maturity details at least two weeks before the maturity date, providing more timely updates.

Types of Bank Accounts:

i.Current Account: Designed for businesses, traders, and entrepreneurs requiring frequent transactions.

- Overdraft facility (account holders withdraw more money than they have in their account), No interest earned, Free daily transactions and High minimum balance requirement.
- Ideal For: Businesses and professionals handling high transaction volumes.

ii.Savings Account: A standard deposit account aimed at individuals who want to save money while earning interest on deposits.

- Interest earnings (3% to 7% annually),Limited transactions per month and Zero-balance accounts available,auto sweep facilities, debit cards, bill payments, and cross-product benefits like discounts on demat accounts.
- **Types:** Regular Savings Accounts, Children's Savings Accounts, Senior Citizens' Savings Accounts, Women's Savings Accounts, Institutional and Family Savings Accounts.
- Ideal For: Individuals, students, homemakers, and salary earners.

iii.Salary Account:A type of savings account created to receive monthly salaries.

- No minimum balance requirement, Higher transaction limits and Additional benefits like loan offers.
- Ideal For: Salaried Employees.

iv.Fixed Deposit Account (FD): To invest a lump sum amount for a fixed tenure and earn interest.

- Fixed interest rates (5% to 7.5%), Penalty on premature withdrawal and Safe investment with guaranteed returns
- Ideal For: Individuals looking for secure investments.

v.Recurring Deposit Account (RD): To invest a fixed amount regularly and earn interest.

- Monthly deposit for fixed tenure, Interest rate similar to FDs and Premature withdrawal penalties.

- Ideal For: Individuals with a regular income.

vi. An account that stores shares, bonds, and securities in electronic form for easy trading.

- **Key Features:**Electronic storage of securities, Linkage to trading accounts and Monthly maintenance charges
- Ideal For: Investors in the stock market.
- In India, depository institutions like National Securities Depository Limited **(NSDL)** and Central Depository Services Limited **(CDSL)** oversee these accounts, necessary for stock market trading.

vii.Non Resident Indian (NRI) Accounts:

Non-Resident Ordinary **(NRO)** Account

- Rupee (Re) Account: Allows NRIs to manage income earned in India subject to taxes in India.
- Convertibility: Funds can be repatriated after paying applicable taxes.

Non-Resident External **(NRE)** Account

- Repatriable Funds: Both principal and interest can be repatriated without any restrictions and are not taxed in India.
- Foreign Earnings: Only foreign earnings can be deposited.

Foreign Currency Non-Resident **(FCNR)** Account

- Foreign Currency: Maintained in foreign currency (USD, GBP, EUR, etc.) and are not taxed in India
- Repatriable Funds: Both principal and interest are fully repatriable.

Ideal For: Non-resident Indians managing earnings from abroad or India.

viii.Money Market Account (MMA): Account that offers higher interest rates in exchange for higher balance requirements.

ix.Joint Account: Account shared by two or more individuals, couples, family members, or business partners. All account holders have equal rights to access and manage the funds.

- Shared Ownership, Signatures required to approve large transactions and Beneficiary Rights:

x.Student Account: An account designed for young people, under the age of 24, to manage their finances while studying.

- No Monthly Fees, Lower Minimum Balance Requirements, ATM Access and Limited Services (overdraft limits or loans, which are usually offered to working professionals).

xi.Basic Savings Bank Deposit Account (BSBDA): Offers essential banking services without high charges and provides access to banking services to those who cannot afford regular account charges.

- No Minimum Balance, Free Automated Teller Machine (ATM) Withdrawals, Limited free transactions allowed and Limited Services.
- Ideal For: Low-income individuals or people who need only basic banking services.

xii.Cash Credit Account(CCA): A short-term credit facility extended to businesses that provide businesses with working capital.

- Overdraft Facility and Interest on Used Portion.
- Ideal For: Small and medium-sized businesses for managing day-to-day operations.

xiii.Cash Management Account (CMA): Used by businesses to manage their finances effectively and to optimize liquidity and control cash flow.

- Automated Transfers and Interest on Funds.
- Ideal For: Large businesses with fluctuating cash flow.

RBI Lifts Business Restrictions on Arohan Financial Services Limited

On January 3 2025, the Reserve Bank of India **(RBI)** removed business restrictions imposed on Kolkata (West Bengal)-based microfinance institution **Arohan Financial Services Limited** following remedial measures initiated by the lender and its commitment to adhere to fair loan pricing.

- On October 17 2024, the regulator directed 4 non-banking finance companies (NBFCs) to cease and desist from sanctioning and disbursing loans, effective from the close of business on **October 21, 2024.**

i.The RBI had found that Arohan Financial Services, along with other NBFCs, were charging exorbitant interest rates and not following guidelines for assessing household income and considering repayment obligations for microfinance loans.
ii. While the restrictions on Arohan have been removed, those on Asirvad Micro Finance Limited **(AMFL)**(a subsidiary of Manappuram Finance Limited) and DMI Finance Private Limited **(DFPL)** remain in place.

RBI maintains the FRSB interest rate at 8.05% from January 1 to June 30, 2025

In January 2025, the Reserve Bank India (**RBI**) has announced the interest rate for RBI Floating Rate Savings Bonds (Taxable) **FRSB 2020 (T)** for the period of January 1 to June 30, 2025 will remains at **8.05%,** comprising the National Savings Certificate (NSC) rate of **7.70%** and an additional spread of **0.35%.**

- The interest rate on RBI FRSB is not fixed, adjusted semi-annually based on the interest rate of the NSC.

i.Interest earned on RBI FRSB is taxable, with no tax deductions allowed for the investment. Tax Deducted at Source (TDS) applies if annual interest exceeds Rs.10,000.
ii. The bonds require a minimum investment of **Rs.1,000** additional investments in multiples of Rs.1,000, and no upper limit. The bonds cannot be pledged as collateral for loans.
iii. The RBI FRSB has a **seven-year lock-in period** and does not allow early withdrawal, except for senior citizens.

- Seniors can withdraw early with a penalty after a minimum lock-in period include six years for aged 60–70, five years for aged 70–80, and four years for those aged over 80.

RBI releases MD on Credit Information Reporting

On January 6, 2025, the Reserve Bank of India (**RBI**) released a **'Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025'**, consolidating its various guidelines for banks and financial institutions regarding the reporting of Customer Credit Information(CCI).

- RBI issued these directions in the exercise of the powers conferred under **Section 11** of the Credit Information Companies (CICs) (Regulation) Act, 2005.
- The purpose of issuing the MD is to establish a standardized framework for the reporting and dissemination of credit information, ensure the confidentiality and security of sensitive credit data, and address other related objectives.

Key Points:

i.Credit Information Companies (**CICs**) are required to notify customers via Short Message Service(SMS) or electronic mail(e-mail) whenever their Credit Information Report (**CIR**) is accessed by specified users (SUs).

- CICs shall send alerts only when the Credit Information Report (CIR) inquiry is reflected in the customer's CIR.

ii. Credit Institutions (**CIs**), including banks and Non-Banking Financial Companies (**NBFCs**), must inform customers of the reasons for rejecting their requests for data correction, if applicable, to help them better understand the issues in their CIR.
iii. Complainants are entitled to a compensation of **Rs. 100** per calendar day if their complaint is not resolved within thirty (30) calendar days from the date of the initial filing with a CI or CIC.
Note: RBI has mandated that all lenders must update credit bureau records every 15 days, effective January 1, 2025.

About Credit Information Companies (CICs):

i.CICs collect public data, credit transactions, and payment histories of people and businesses, mainly for loans and credit cards.

ii. They collect data from banks, financial institutions, lenders, and other credit-granting entities, and then compile it into credit reports.

iii. Banks and financial institutions use CIC reports and scores to evaluate your creditworthiness before approving loans or credit cards.

iv.CICs in India are licensed by RBI and regulated by the Credit Information Companies Regulation Act, 2005 (CICRA), and RBI guidelines.

- Under Section 15 of the CICRA, every credit institution, such as banks, must be a member of at least one CIC.
- The act states that a CIC can only obtain information from its member institutions.

v.India currently has only **four** credit information companies registered with the RBI. They are

- Credit Information Bureau (India) Limited (CIBIL)
- Equifax Credit Information Services Private Limited
- Experian Credit Information Company of India Private Limited
- CRIF High Mark Credit Information Services Private Limited

KredX Receives RBI Approval to Operate as TReDS Platform

On 9 January, 2025, Bengaluru (Karnataka)-based **KredX**, India's largest supply chain finance platform, received approval from the Reserve Bank of India **(RBI)** to operate as a Trade Receivables Discounting System **(TReDS) platform**.

- The new business will operate under the brand name **DTX (Domestic Trade Exchange**).

Note: KredX is now the **fifth** company to receive this license after Receivables Exchange of India (RXIL), M1 Exchange, Invoice Mart, and C2FO (Collaborative Cash Flow Optimization) Factoring Solutions.

About Trade Receivables Discounting System (TReDS) platform:

TReDS platform launched in 2018 operate under the regulatory framework of the RBI, governed by the Payment and Settlement Systems Act, 2007 (PSS Act).

- It helps Micro, Small, and Medium Enterprises (MSMEs) access credit by selling their receivables (bills of exchange, also called factoring units) to financiers, including banks, government departments, and public sector undertakings (PSUs).

Eligibility:

i.To set up a TReDS platform, companies are required to have a **minimum** paid-up equity capital of Rs 25 crore.

ii. Businesses with a turnover of **Rs 250 crore or more** are required to register on the TReDS platform.

iii. Additionally, **sellers** are required to have been in operation for **more than a year** to participate.

Process:

i.On the TReDS platform, the process begins when the **seller uploads an invoice**, which is listed as a Factoring Unit (FU). Buyers, review and approve the FU, making it available for financiers to bid.

ii. The seller chooses the most favorable bid and receives an advance payment, typically **80-90**% of the invoice value.

iii. On the due date, the buyer settles the full invoice amount directly with the financier, ensuring timely payments and improved cash flow for the seller.

Point to Note: TReDS transaction volumes are expected to grow significantly, increasing from approximately USD 30 billion annually in January 2025 to around USD 50 billion annually by 2026.

RBI Introduced New 15-Day Credit Reporting Rule Effective from January 1, 2025

The Reserve Bank of India **(RBI)** has introduced new credit reporting rule. It has mandated that all lenders must update credit bureau records **every 15 days** instead of previous monthly cycle. This direction came into effect from **January 01, 2025.**

- This new change aims to enhance credit score accuracy and ensure timely reflection of financial activities of borrowers.
- This direction was previously issued by the RBI in August 2024, allows lenders and credit bureaus to transition to 15-day cycle to upgrade their systems and processes.

Key Impact on Borrowers and Lenders:

i.Halting loan 'evergreening': The new rule will help to curb loan 'evergreening', where borrower take new loan to repay old loan, creating an unsustainable debt cycle. The new rule enable the lender to detect such cases sooner, reducing financial risk for both financial institutions and borrowers.

ii.Faster Updating of Credit Scores: Earlier, under the monthly reporting system, missed payments or defaults could take up **40 days** to appear on credit report of borrower. The new 15-day reporting cycle will significantly reduce these delays and will enable the lenders to have access to more accurate and timely data.

Key Benefits:

i.Timely Update of Credit Score: The new 15-day reporting cycle will ensure that consumers credit histories are kept updated. For borrowers who pay their installments on regular basis, could help in improving their credit scores.

ii.Enhanced Credit Access: More accurate credit scoring will enable the faster access to loans for consumers with responsible repayment habits, thus making it easier for consumers to secure credit when required.

iii.Consumer Empowerment: This new change will help borrowers to have better understanding of their financial well-being, as changes in their credit scores will be promptly reflected.

iv.Improved Risk Management for Lenders: Regular updates will help the lenders in managing risk effectively by providing information of borrower's financial actions and will help in reducing default rates.

RBIHub partners with IIM-A to launch 'Swanari TechSprint 3.0' For Women's Financial Inclusion

On January 9 2025, the Reserve Bank Innovation Hub **(RBIH)**, the innovation arm and a wholly-owned subsidiary of the Reserve Bank of India **(RBI)** has partnered with Gujarat based Indian Institutes of Management Ahmedabad's (IIM-A) startup incubator, **IIMA Ventures** (Formerly IIMA-Centre for Innovation, Incubation and Entrepreneurship, CIIE) to launch the 3rd cohort of the **'Swanari TechSprint 3.0'** programme.

- The programme is designed to accelerate women-centric fintech startups to scale their businesses.
- This initiative aims to conceptualise, develop and support innovations in technology that enhance access, usage and quality of financial services for all women in India.

Key Points:

i.The Swanari TechSprint allows startups to develop and scale gender-inclusive financial solutions and provides expert mentorship, funding grants, and other forms of support.

ii. It focuses on empowering women-owned MSMEs (Micro, Small, and Medium Enterprises), self-help groups, and street vendors, addressing barriers such as inactive bank accounts, limited access to savings products, and difficulties in securing credit.

iii. India has over **556 million** women aged 15–64 who remain underserved in financial services (according to the World Bank, WB).

- The programme aims to overcome these challenges by supporting startups that address the unique financial needs of women.

iv. The programme is open to startups that have developed gender-focused financial solutions.

- Eligible applicants must have a minimum viable product and either pre-seed to pre-Series A funding or generate revenues or traction.

v.Previous cohorts have highlighted successful startups like **Kaleidofin, Merakal,** Vitto, Anniyam Payment, MaksPay, Manipal Business Solutions, **Sampatti Card, Haqdarshak** and Agripal which have introduced innovative solutions for women's financial empowerment.

About Reserve Bank Innovation Hub (RBIH):

It has been set up as a Section 8 company under the Companies Act, 2013 with an initial capital contribution of Rs. 100 crore.

Chairman- Senapathy (Kris) Gopalakrishnan
Chief Executive Officer**(CEO)** – Rajesh Bansal,
Headquarters- Bengaluru, Karnataka,
Established – 2022

RBI Lifts Restrictions on AMFL and DFPL

On January 8, 2025, the Reserve Bank of India **(RBI)** removed business restrictions imposed on Chennai (Tamil Nadu) based Ashirvad Micro Finance Limited **(AMFL)** and New Delhi (Delhi) based DMI Finance Private Limited **(DFPL)** following remedial measures initiated by the lenders and their commitment to adhere to fair loan pricing and regulatory guidelines.

i.The RBI directed the 2 Non-Banking Financial Companies (NBFCs) to cease and desist from sanctioning and disbursing loans, effective from the close of business on **October 21, 2024.**

ii. The RBI had found that AMFL and DFPL were charging excessive interest rates and not complying with regulatory guidelines, particularly concerning Weighted Average Lending Rates **(WALR)** and interest spreads.

RBI Decided to Conduct Daily VRR Operations to Boost Banking Liquidity amid Deficit

In January 2025, the Reserve Bank of India **(RBI)** has decided to conduct Variable-Rate Repo **(VRR)** auctions on a daily basis until further notice. This move will boost the banking liquidity amid deficit.

- The 1st such VRR was conducted on January 16, 2025 worth Rs 50,000 crore and standalone primary dealers were allowed to participate in the auction with other eligible bidders.

Key Points:

i.In order to manage liquidity deficit, RBI has decided to reduce the Cash Reserve Ratio **(CRR)** of all banks to **4%** of their deposits in two equal tranches of 25 basis points (bps) each with effect from the fortnight starting December 14, 2024 and December 28, 2024.

Need to Introduce Daily VRR:

i.According to the RBI data, the banking system liquidity deficit was at Rs 2.09 lakh crore as of January 14, 2025.

- VRR auctions allow the RBI to inject liquidity into the banking system, when it turns into deficit mode.

ii. On January 15 2025, RBI conducted a 5-day VRR auction with a notified amount of Rs 75,000 crore, and banks had submitted bids worth Rs 3,980 crore. This is in contrast to its 4-day VRR auction on January 13, 2025 worth Rs 50,000 crore which received total bids worth Rs 86,155 crore.

iii.RBI increasing intervention in foreign exchange has mainly been the reason behind this decrease in overall banking liquidity.

- The Forex Reserve of India has already decreased to 10-month low in January 03, 2025.

Important Terms:

i.VRR: It acts as means to infuse short-term liquidity into the banking system. It is a process through which RBI allows banks to borrow at rate determined by the market generally lower than Repo rate for maximum period of 14 days.

ii.CRR: RBI has mandated to all commercial banks in India to maintain certain percentage of total deposits with it in the form of cash.

RBI Introduces Changes to FEMA to Facilitate Cross-Border Trade in INR

On January 16, 2025, the Reserve Bank of India **(RBI)** introduced **new measures** under the Foreign Exchange Management Act **(FEMA) 1999,** to encourage the use of the Indian Rupee **(INR)** and other local currencies for international trade.

- These changes are the result of a detailed review of FEMA regulations 1999, conducted in collaboration with the Government of India (GoI).

Note: This move comes as the Indian currency faces depreciation.

Key Changes:

i.Overseas branches of Indian banks can now **open INR accounts (A/C)** for individuals or entities outside India. These accounts can be used for permissible current and capital account transactions with Indian residents.

ii.Non-residents are now **allowed** to settle legitimate transactions with other non-residents using balances in their repatriable INR accounts. These accounts include: Special Non-Resident Rupee Accounts **(SNRR)**, Special Rupee Vostro Accounts **(SRVA)**

iii. Additionally, **the balances** in these accounts can be used for investments, such as Foreign Direct Investment **(FDI)** in non-debt instruments.

iv.Indian exporters will now have the **flexibility** to open accounts in foreign currencies abroad. These accounts can be used to receive export payments and pay for imports, simplifying trade settlements.

Point to Note: To promote trade in local currencies, the RBI has signed agreements (MoUs) with the central banks of the United Arab Emirates (UAE), Indonesia, and the Maldives.

About Special Non-Resident Rupee (SNRR):

SNRR Account is a bank account in India that allows individuals and entities based outside India to hold funds in Indian Rupees.

- Any person or entity residing outside India with **business interests in India can open** this account provided they comply with the rules and regulations of the FEMA Act.The account's duration cannot exceed seven years.

Note: Nationals or entities from Pakistan and Bangladesh need prior approval from the Reserve Bank of India (RBI) to open an SNRR account.

About Special Rupee Vostro Accounts (SRVA) :

In July 2022, the RBI launched Special Rupee Vostro Accounts **(SRVA)** to boost the use of INR for international trade. This account is held by a domestic bank for a foreign bank in the domestic currency.

- Banks from partner countries need to approach an authorized domestic dealer bank to open an SRVA.

Note: Domestic banks **must ensure** that the correspondent bank is not from a high-risk or non-cooperative country listed by the Financial Action Task Force (FATF).

RBI Released NBFC Upper Layer List for 2024-25

In January 2025, the Reserve Bank of India **(RBI**) released the list of Non-Banking Finance Companies (NBFCs) in the Upper Layer **(UL) segment** under the Scale Based Regulation **(SBR)** for NBFCs for the Financial year 2024-25(FY25).

- RBI has retained **Tata Sons Private Limited** in the NBFC UL list despite its request to de-register as a NBFC, is under examination.
- The updated 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.

Key Points:

i.Muthoot Finance Limited (MFIN), a flagship of Muthoot Group is the **only gold loan NBFC** included in the RBI's 'UL' list for three consecutive years.

- The company received UL status for the 1st time in FY23.

ii. Piramal Enterprise Limited(PEL), which qualified for inclusion on the list based on scoring, has been eliminated for the year 2024-25 due to ongoing reorganization in the business group.

List of NBFC-UL for 2024-25:

S.No.	Name of the NBFC	Category of the NBFC
1	LIC Housing Finance Limited	Deposit taking Housing Finance Company (HFC)
2	Bajaj Finance Limited (BFL)	Deposit taking NBFC-Investment Credit Company (ICC)
3	Shriram Finance Limited (SFL)(formerly Shriram Transport Finance Company)	Deposit taking NBFC-ICC
4	Tata Sons Private Limited	Core Investment Company (CIC)
5	Cholamandalam Investment and Finance Company Limited (Chola)	Non-Deposit taking NBFC- ICC
6	L&T Finance Limited (formerly known as L&T Finance Holdings Limited)	Non-deposit taking NBFC-ICC
7	Mahindra & Mahindra Financial Services Limited (MMFSL)	Deposit taking NBFC-ICC
8	Aditya Birla Finance Limited (ABFL)	Non-Deposit taking NBFC-ICC
9	Tata Capital Financial Services Limited (TCFSL)	Non-deposit taking NBFC-ICC
10	Piramal Capital & Housing Finance Limited(PCHFL)	Non-deposit taking HFC

11	PNB Housing Finance Limited	Deposit taking HFC
12	HDB Financial Services Limited(HDBFS)	Non-deposit taking NBFC-ICC
13	Muthoot Finance Limited (MFIN)	Non-deposit taking NBFC-ICC
14	Samman Capital Limited (SCL)(formerly Indiabulls Housing Finance, IBHFL)	Non-deposit taking NBFC
15	Bajaj Housing Finance Limited (BHFL)	Non-deposit taking HFC

About SBR Framework:

i.In October 2021, the RBI introduced the SBR framework, which classifies NBFCs into 4 different layers based on their asset size and scoring methodology.

ii.4 different layers under which NBFCs are categorised:

- **NBFC-BL (Base Layer, BL):** It mainly consists of non-deposit taking NBFCs with assets less than Rs 1,000 crore.
- **NBFC-ML (Middle Layer, ML):** It consists of all-deposit taking NBFCs and non-deposit taking NBFCs with assets more than Rs 1,000 crore.
- **NBFC-UL (Upper Layer, UL):** NBFCs in this layer are subjected to enhanced regulatory requirements for at least 5 years, even if they fail to meet the criteria in subsequent reviews.
- **NBFC-TL (Top Layer, TL)**:NBFC-UL will be moved to TL if RBI recognizes a substantial increase in the potential systemic risk.

Recent Related News:

According to the CRISIL Ratings Limited (formerly Credit Rating and Information Services of India Limited), India's 1st credit rating agency, the growth in Assets Under Management (AUM) of Non-Banking Financial Companies (NBFCs) is expected to moderate to 15-17% in Financial Year 2024-25 (FY25) as well as in FY26.

- This marks a sharp decline of 600-800 basis points (bps) from a strong growth of 23% in FY24.

RBI Introduced Revised Guidelines for ARC-Borrower Settlements

On January 20 2025, the Reserve Bank of India **(RBI)** introduced revised guidelines for the settlement of dues payable by borrowers to Asset Reconstruction Companies **(ARCs)** under the Master Direction- **Reserve Bank of India (Asset Reconstruction Companies) Directions, 2024.** These guidelines came into force with immediate effect.

- These revised guidelines were issued through a circular in exercise of powers given by Sections 9 and 12 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security**(SARFAESI**) Act, 2002 (54 of 2002).
- These revised norms aimed to enhance transparency, accountability, and efficiency in settlement processes carried out by ARCs.

Key Changes:

i.As per the new norms, it is mandatory for every ARC to frame a Board-approved policy for settlement of dues payable by the borrowers.

- These policies are required to cover important aspects such as: cut-off date for one-time settlement eligibility, permissible concessions based on exposure categories, and valuation methodologies for settling dues.

- The revised norms mandated that the ARC's Board of Directors should include a minimum two independent directors.

Criteria Settlement of Dues Based on Outstanding Amount:

i.For Borrowers with outstanding dues more than 1 crore: In this case, settlement of dues will be done only after the proposal is thoroughly examined by an Independent Advisory Committee **(IAC),** which shall comprise professionals with expertise in finance, law, or technical fields.

ii.For Borrowers with outstanding dues of Rs 1 crore or below: In this case, settlements can be approved by an official who was not part of the acquisition (as an individual or part of a committee).

- A quarterly report detailing trends and recovery timelines for these accounts must be submitted before the Board or Committee of the Board.

Other Key Points:

i.ARC has been mandated to constitute an IAC for examining the proposals related to change in or takeover of management of business of the borrower.

ii. The Committee is chaired by an independent director and has at least two independent directors, including the chair.

- Or, it should consist of minimum 1/3rd (33%) of the total strength of the board or 3 directors, whichever is higher.

About Asset Reconstruction Company (ARC):

i.It is a Financial Institution (FI) that buys Non-Performing Assets (NPAs) or bad loans from banks and FI and help them to recover from the NPAs.

ii. They are registered with RBI and are regulated under SARFAESI Act, 2002.

iii. The Net Owned Funds (NOFs) of ARCs should be Rs 100 crore or more and they are also require to maintain a capital adequacy ratio (CAR) of 15% of its risk-weighted assets.

iv. Some of the renowned ARCs in India are: Edelweiss Asset Reconstruction Company Limited (EARCL), National Asset Reconstruction Company Limited (NARCL), among others.

RBI Sets Up MK Jain-Led Committee to Evaluate UB and SFB Applications

On January 20 2025, the Reserve Bank of India (**RBI**) formed a five-member Standing External Advisory Committee (**SEAC**) chaired by the former Deputy Governor of RBI, Mahesh Kumar (**MK**) **Jain** to evaluate the applications for Universal Banks (**UBs**) and Small Finance Banks (**SFBs**).

- The committee has a **three-year tenure**, supported by the Department of Regulation, RBI for secretarial assistance.

About Standing External Advisory Committee (SEAC) :

Members:

The other 4-members of the committee are **Revathy Iyer**, Director of Central Board of RBI; **Parvathy V Sundaram**, former Executive Director (ED) of RBI; **Hemant G Contractor**, former Managing Director (MD) of State Bank of India (SBI) and former Chairman of Pension Fund Regulatory and Development Authority (PFRDA) and **NS Kannan**, former MD & Chief Executive Officer (CEO) of ICICI Prudential Life Insurance Company Limited.

Key Points:

i.Under the licensing guidelines, the RBI will first assess the eligibility of applications for UBs and SFBs. After that, the committee made up of experts in banking, finance, and related fields, will evaluate the applications.

ii. The committee will not review applications from SFBs which have already applied for or intend to apply for a UB license, as their eligibility was assessed when they were initially granted the SFB license.

iii.Applicants under review:

- For UB license – Annapurna Finance Private Limited (AFPL) and AU Small Finance Bank Limited (AU SFB).
- For SFB license – Fino Payments Bank and VFS Capital Limited.

iv. The first SEAC, formed in March 2021, was chaired by Shyamala Gopinath, former Deputy Governor of RBI, for a three-year term.

Eligibility Criteria for Conversion into SFBs:

i.Existing Non-Banking Financial Companies (NBFCs), Local Area Banks (LABs), and Micro Finance Institutions (MFIs) owned by residents are eligible to apply for a license.

ii. The applicant must have a minimum of **Rs 200 crore** in paid-up capital

iii. The applicant must have a successful track record of at least 10 years

iv. The promoter must have at least 10 years of experience in the banking sector.

Eligibility Criteria for Conversion of SFBs into UBs:

i.SFBs must have a minimum net worth of **Rs 1,000 crore**, as per the audited figures at the end of the previous quarter.

ii. Interested SFBs must have scheduled status and a satisfactory performance record for at least 5 years.

iii. It must meet the prescribed Capital to Risk-Weighted Assets Ratio (CRAR) requirement of 15% for SFBs.

Note: CRAR is a measure of a bank's capital relative to its risk-weighted assets.

iv. Gross non-performing assets (G-NPA) and net NPA (N-NPA) must be less than or equal to 3% and 1%, respectively in the past two Financial Years(FYs)

v.The bank's shares should be listed on a recognized stock exchange.

Skydo Receives In-Principle Approval from RBI as Payment Aggregator for Cross-Border Payments

On 21 January 2025, **Skydo Technologies Private Limited,** a cross-border fintech company based in Bengaluru, Karnataka, received **in-principle approval** from the Reserve Bank of India **(RBI)** to operate as a Payment Aggregator-Cross Border **(PA-CB)**.

- Skydo also secured Payment Service Provider **(PSP)** approval from **Amazon**, an American multinational technology company headquartered in Washington, United States of America (USA).
- This approval allows Skydo to process payments for exporters participating in Amazon's Global Selling programme.

i.Founded in 2022, Skydo is among the **first in the cross-border payments industry** to receive RBI's approval.

- It primarily **serves small and medium-sized businesses** and freelancers by providing virtual foreign accounts for receiving international payments.

ii. The company works with global banks to provide a **comprehensive solution** for **invoicing, payments, and reconciliation**, processing over USD 250 million (mn) in annual export payments.

iii. Currently, only **five companies** have received final approval from the RBI to function as PA-CB, including Adyen India Technology Services Private, Amazon Pay India Private Limited, Cashfree Payments, IndiaIdeas.com, and Pay10 Services Private Limited.

RBI Cancels Registration of X10 Financial Services

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

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

i.The company **violated guidelines** related to **outsourcing financial services** by allowing external service providers (SPs) to handle key tasks such as credit appraisal, setting interest rates, and Know Your Customer (KYC) verification.

ii. The company had been offering loans through several mobile applications (apps), including Wecash Technology, XNP Technology, Yarlung Technology, Xinrui International, Omelette Technology, Mad-Elephant Network Technology, and Huidatech Technology.

RBI Announced Series of Steps to Inject Rs 1.50 lakh Crore into the Banking System

On January 27 2025, the Reserve Bank of India **(RBI)** announced a series of steps to inject about **Rs 1.5 lakh crore** into the banking system in a phased manner. The main objective of these steps is to address the liquidity shortfall caused by the RBI's intervention in selling dollars to stabilize the Indian Rupee (INR).

Other Key Measures:

i.RBI will purchase Government Securities **(G-secs) t**hrough Open Market Operations (OMO) worth **Rs 60,000 crore** in three tranches of Rs 20,000 crore each.

- The OMO auctions will be held on January 30, February 13, and February 20, 2025.

ii.RBI has further announced a 56-day Variable Rate Repo **(VRR)** auction for a notified amount of **Rs 50,000 crore** which is scheduled to be held on February 7, 2025.

- The VRR aims to ensure liquidity requirements of banks till March 31, 2025.

iii.As part of various steps to manage liquidity conditions, RBI announced a USD/INR Buy/Sell Swap auction of **USD 5 billion** for a tenor of 6 months to be held on January 31, 2025.

- Under this swap arrangement, RBI will borrow dollars in exchange for rupees, with the interest cost determined by the price at which it agrees to repurchase the dollars at the end of the tenure.

Important Terms:

i.VRR: It acts as a means to infuse short-term liquidity into the banking system. It is a process through which RBI allows banks to borrow at a rate determined by the market generally lower than Repo rate for a maximum period of 14 days.

ii.OMO: It is a quantitative tool of RBI's Monetary Policy, which is used to maintain liquidity in the banking system. It involves buying or selling of G-secs from or to the public and banks.

Points to Note:

- The RBI last conducted a USD/INR Buy/Sell Swap auction on March 26, **2019.** Then the swap was for USD 5 billion for 3 years.
- As of January 24, 2025, the banking system faced a significant liquidity deficit of Rs.2.82 lakh crore.
- The 1st such VRR was conducted on January 16, 2025 worth Rs 50,000 crore and standalone primary dealers were allowed to participate in the auction with other eligible bidders.

RBI Penalizes J&K Bank, BoI, Canara Bank for Regulatory Non-Compliance

In January 2025, the Reserve Bank of India **(RBI)** imposed penalties on 3 major banks for failing to comply with regulatory guidelines.

- The banks include the Srinagar, Jammu & Kashmir based Jammu and Kashmir Bank Limited (J&K Bank), Mumbai (Maharashtra) based Bank of India Limited (BoI) and Bengaluru (Karnataka) based Canara Bank Limited.

i.J&K Bank was fined **Rs 3.31 crore** for violations related to financial inclusion, particularly in areas like Basic Savings Bank Deposit Account (BSBDA) norms, Know Your Customer (KYC) compliance, and loan and advance restrictions.

ii.BoI faced a penalty of **Rs 1 crore** for non-compliance with specific provisions of the Banking Regulation Act, 1949.

iii.Canara Bank received a penalty of **Rs 1.63** crore for deficiencies in priority sector lending, deposit interest rate regulations, and financial inclusion measures, specifically around BSBDA.

RBI Approved Established of NUCFDC to boost UCBs

The Reserve Bank of India **(RBI)** has 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).**

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

Key Functions of NUCFDC:

RBI has mandated NUCFDC to provide two types of services: Fund-based support and Non-fund based support to UCBs which are its shareholder-members.

i.Fund-based support: NUCFDC is required to provide capital support to UCBs as per regulations and guidelines & terms and conditions.

- It is also required to offer secured credit lines on merits to UCBs to handle temporary liquidity mismatches.
- It will help in re-financing UCBs against their loans.
- It will manage deposits and borrowings from UCBs and Financial Institutions (FIs).
- Investments

ii.Non-Fund based services: NUCFDC will support the rollout of a shared Information Technology (IT) platform offering a comprehensive suite of services.

- It will provide treasury management, payment and settlement services, and other operational solutions to enhance the capabilities of UCBs.
- It will also provide training, consultancy and Human Resource (HR) support to ensure UCBs are well-equipped to adapt evolving regulatory and market demands.

Key Points:

i.In February 2024, NUCFDC obtained registration from RBI after raising paid up capital of Rs 117.95 crore.

ii.NUCFDC requires the RBI approval to act as Self-Regulatory Organisation (SRO) for UCBs, with functions prescribed by the RBI.

- However, NUCFDC will receive this approval only if it attains the paid up capital of Rs 300 crore within 1 year from the date of registration by RBI i.e. up to 7th February, 2025.

About National Urban Co-operative Finance and Development Cooperation (NUCFDC):

Chairman- Jyotindra M. Mehta

Chief Executive Officer (CEO) – Prabhat Chaturvedi
Headquarters- Mumbai, Maharashtra

RBI Takes Over AIHFPL Board Amid Governance and Payment Defaults

In January 2025, the Reserve Bank of India (**RBI**) replaced the board of directors of New Delhi (Delhi) based Aviom India Housing Finance Private Limited (**AIHFPL**) over governance issues and payment defaults after audits revealed fraud and governance lapses.

- This action was taken under Section 45-IE(1) of the RBI Act, 1934, following the recommendation of the National Housing Bank (NHB).

i.The RBI appointed **Ram Kumar**, former Chief General Manager (CGM) of Punjab National Bank (PNB), as the administrator of AIHFPL under Section 45-IE(2) of the RBI Act, 1934.
ii.RBI to initiate the resolution process of the company under the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 (FSP Rules, 2019).

About Aviom India Housing Finance Private Limited (AIHFPL):
Managing Director (**MD**) & Chief Executive Officer (**CEO**) – Kaajal Aijaz Ilmi
Headquarters – New Delhi, Delhi
Founded – 2016

SEBI

CFH Gets SEBI Approval to Launch Mutual Fund Business

Mumbai(Maharashtra) based Cosmea Financial Holdings(CFH) Private Limited**,** led by Sam Ghosh, was granted approval by the Securities and Exchange Board of India **(SEBI)** to sponsor a Mutual Fund(MF).

- The approval follows the submission of their application in May 2024 has a 6-month window to complete the necessary registration formalities as per the SEBI (Mutual Funds) Regulations, 1996.

i.CFH has partnered with WisdomTree, a global leader in Exchange-Traded Funds (ETFs) and Exchange-Traded Products (ETPs), which manages over USD 100 billion in assets to strengthen its position.

- CFH plans to invest **Rs 200 crore** (USD 23.3 million) in its Asset Management Company(AMC), focusing on Quant and Smart Beta strategies to meet the growing demands of Indian investors.

ii.CFH has secured licenses in Gujarat International Finance Tec-City (GIFT) for Category (CAT) III Alternate Investment Funds (AIF) and a Fund Management Entity.

SBI Life acquires 10% stake in Bima Sugam India Federation

In December 2024, Mumbai (Maharashtra) based SBI Life Insurance Company Limited (**SBI Life**) has acquired a **10% stake** in Mumbai (Maharashtra) based **Bima Sugam India Federation**.

- The investment, totalling **Rs. 6.6 crore** was made through the purchase of 66 lakh equity shares with a face value of Rs 10 each.

i.The board of directors of SBI Life Insurance has approved an aggregate investment in Bima Sugam, not exceeding 10% of its paid-up equity share capital.
ii. Bima Sugam India Federation is an unlisted company founded on June 18, 2024, and is supported by the Insurance Regulatory and Development Authority of India (**IRDAI**).
Note: In November 2024, ICICI Lombard General Insurance Company had approved an investment of Rs 5 crore in Bima Sugam.

SEBI eases Settlement Norms for Inactive Brokerage Accounts

On January 06 2025, the Securities and Exchange Board of India **(SEBI)** eased settlement norms for **brokerage accounts** that remain inactive for **over 30 calendar days**. It will takes effect immediately, replacing SEBI's August 2024 circular on the same matter.

- This change aims to reduce procedural inefficiencies for brokers, making the process smoother by eliminating the daily settlement requirement.

i.Previously, brokers were obligated to identify inactive clients and return their funds within **3 working days.**

ii. The new SEBI guidelines allow brokers to settle the funds of clients who haven't traded for 30 calendar days on the upcoming settlement dates as per the monthly cycle, specified in stock exchanges' **annual calendars.**

Note:A brokerage account is considered inactive if the client has not made any trades (buying or selling stocks) for 30 days in a row.

SEBI Grants License to Strata for SM REIT

In January 09 2025, the Securities and Exchange Board of India (**SEBI**) granted the licence to Bengaluru (Karnataka) based Strata Capital Management Private Limited**(SCMPL)** , a real estate fractional ownership platform, for its Small and Medium Real Estate Investment Trust (SM REIT), named **Strata SM REIT**.

- This is SEBI's **fourth** approval, following similar licenses issued to Property Share, Rudrabhishek Enterprises Limited (REPL), and Emberstone.
- Strata Capital will serve as the Investment Manager for the SM REIT, with Axis Trustee acting as the trustee.

About Strata SM REIT:

i.Strata SM REIT will provide retail and institutional investors with access to premium commercial properties in key locations, streamlining real estate investments. It also enhances transparency, safeguards investors, and ensures a regulated investment environment.

- It aligns with SEBI's regulations to streamline fractional ownership platforms into a structured investment model.

ii. Strata plans to list assets worth Rs. 2,000 Crore by Financial Year 2025–26 (FY26), offering retail and institutional investors access to commercial real estate through SM REIT.

- It aims to launch up to six SM REIT schemes in FY26 and gradually introduce one scheme each month.

About Small and Medium Real Estate Investment Trusts (SM REIT):

i.SM-REIT was introduced by SEBI in March 2024 to encourage smaller real estate investments and increase participation in the sector.

ii.SM-REITs are a type of Real Estate Investment Trust (REIT) that enables individual investors to invest in properties such as office buildings, hotels, hospitals, and retail malls.

- They provide an opportunity for smaller investors to participate in the real estate market with lower capital requirements.

iii.Regulations:

- SM REITs can invest in real estate assets valued between **Rs. 50 crore and Rs. 500 crore.**
- It must have a minimum of 200 investors, excluding the investment manager and their associates.
- The minimum investment amount for SM REITs is Rs.10 lakh.

SEBI Unveils 'Dharohar': A Digital Repository for India's Securities Market

On January 26, 2025, during India's 76th Republic Day celebrations, Mumbai, Maharashtra based Securities and Exchange Board of India (**SEBI**) unveiled '**Dharohar – Milestones in the Indian Securities Market**,' a digital knowledge repository.

- This initiative highlights SEBI's commitment to preserving India's securities market legacy while enhancing awareness and understanding among diverse stakeholders.
- This is designed for a broad audience, including students, investors, researchers, journalists, market participants, and the general public.

i.Dharohar documents the 150-year history and evolution of the Indian securities market, showcasing its diverse products, participants, and institutions.

ii. It includes a website with an interactive timeline of significant events and three-dimensional (3D) galleries, providing an engaging experience for visitors.

iii. It currently contains over 3,000 assets, including articles, regulatory evolution, interviews with notable personalities, historic newspaper clippings, share certificates, infographics, videos, committee reports, and more.

iv. It is set to expand, with new content being added regularly to enhance its value for users.

v.Users can access the Dharohar repository at https://www.mism.org

SEBI Launches 'iSPOT Portal' for Reporting Technical Issues

In January 2025, Mumbai (Maharashtra) based Securities and Exchange Board of India (**SEBI**) launched a web-based portal named the 'Integrated SEBI Portal for Technical Glitches (**iSPOT**)' for submission of preliminary and final Root Cause Analysis (RCA) reports of technical glitches by stock exchanges and other Market Infrastructure Institutions (MIIs).

- The portal will be operational from **3rd February, 2025.** It is integrated with SEBI's Intermediary (SI) portal, allowing MIIs to access it using their existing login credentials.
- It aimed to simplify the reporting process of technical glitches across MIIs and establish a centralized repository for all such incidents.

i.With the introduction of iSPOT, MIIs will now share preliminary and RCA reports of technical glitches with SEBI through this portal, ensuring better data quality, traceability, and improved compliance monitoring.

- Previously, MIIs, including stock exchanges, clearing corporations, and depositories, were required to report technical glitches and submit RCA reports to SEBI via a dedicated electronic mail Identification (email ID).

iii.iSPOT will send automated reminders to MIIs for RCA submissions and generate system-driven reports for regulatory monitoring.

HDFC Securities Partners with KFin Technologies to Enhance NPS Access

In January 2025, Mumbai (Maharashtra) based **HDFC Securities** Limited, a subsidiary of HDFC Bank Limited, entered into a strategic partnership with Hyderabad (Telangana) based **KFin Technologies** Limited to improve accessibility and adoption of the National Pension System (**NPS**).

- The partnership aims to simplify NPS management by offering features like flexible transaction downloads and real-time Short Message Service (SMS) notifications.
- The collaboration brings together HDFC Securities' network of more than 3.5 lakh subscribers and 2,700 corporate clients with KFintech's Central Recordkeeping Agency (CRA) platform.

i.CRAs are crucial to the NPS ecosystem as they manage subscriber records, ensure transparency, and facilitate smooth account operations.
ii.CRA platform includes advanced security features such as dual-factor authentication, utilizing passwords, and one-time passwords (OTPs).
iii. Subscribers can also use dedicated portals, WhatsApp services, and a missed-call facility to easily monitor investments and make changes.
Note: In 2024, the Government of India(GoI) has increased tax benefits under corporate NPS from 10% to **14%** of basic income.

Economy

55th Annual Meeting of WEF held in Switzerland from January 20– 24, 2025: Part II

The **55th** Annual Meeting of the World Economic Forum **(WEF 2025)** was held, with the theme "**Collaboration for the Intelligent Age**", from January 20 to 24, 2025 in Davos-Klosters, **Switzerland**.

Highlights of WEF 2025:

C4IR India released its Impact Journey Report:

i.The Centre for the Fourth Industrial Revolution **(C4IR) India,** liaison office of WEF in India, launched its 6-year **Impact journey report** during the WEF Annual meeting 2025.
ii.The **C4IR** India was launched in **2018** in Mumbai(Maharashtra) with NITI(National Institution for Transforming India) Aayog and Reliance Industries as founding partners for promoting responsible and inclusive technological development.

- It has impacted the lives of 1.25 million people and aims to expand its reach to **10 million** citizens.
- The Centre is focusing on cutting-edge areas such as climate technology, and space technologies with key projects like Artificial Intelligence **(AI) for India 2030**, the **Space Economy initiative**, and the **AVIATE** (Aviation – Innovation Autonomy and Technology for Everyone).

iii.WEF has recognized **India** as an emerging global leader in **technological** innovation and economic growth and becoming a startup and digital innovation hub
iv.The WEF's partnership with India is over **40** years old and has made integrated efforts across government, business, academia, and civil society to make development in areas like including AI-driven agricultural programs, healthcare solutions, and sustainable urban frameworks.

India's WASH Innovations Lead Global Discourse:

i.A high-profile discussion on "**India's WASH Innovation: Driving Global Impact in Climate and Water Sustainability"** was held at the India Pavilion in WEF 2025 which highlighted India's efforts towards Water, Sanitation, and Hygiene **(WASH)** and its significant role in global climate resilience and sustainable development.
ii.India's achievements through the Swachh Bharat Mission**(SBM)** (the construction of over 95 million toilets) and the Jal Jeevan Mission **(JJM)** (widespread household tap water connections) were highlighted as WASH initiatives.
iii.The session was followed by two insightful panel discussion,

- The keynote address was followed by two panel discussions: one on "**Bringing Global Impact in Water Sustainability**" and another on "**Innovation in Global Health Through Sanitation."**
- These discussions included views from National Mission for Clean Ganga(NMCG), United Nations Children's Fund(UNICEF), WaterAid, the Gates Foundation, Riseberg Ventures, and actor-advocate Vivek Oberoi on advancing water sustainability and sanitation worldwide.

iv. During the event, Union Minister C. R. Patil highlighted India's significant role in advancing the United Nations(UN) Sustainable Development Goals (SDGs), with a focus on SDG 6 (Clean Water and Sanitation) and SDG 13 (Climate Action).

WEF released "Blueprint to Close the Women's Health Gap" Report :

During the meeting, the **WEF**, in collaboration with New York City(the United States of America, USA) based McKinsey Health Institute**(MHI)**, released a report titled **'Blueprint to Close the Women's Health Gap: How to Improve Lives and Economies for All'** that highlights the global health condition of women and the need to close the health gap.

Highlights:

i.The report projected that addressing key women-specific health challenges could contribute **USD 400 billion** in global Gross Domestic Product (GDP) annually by **2040**.

ii. The report also emphasizes that women spend **25%** more of their lives in poor health as compared to men.

iii. It has highlighted **9 key health conditions** to be focused upon which could reduce the global disease burden by **27 million** disability-adjusted life years and equally add **2.5 healthy days** per woman each year.

- **Five** of these conditions are related to the **total number** of years lived – maternal hypertensive disorders, postpartum hemorrhage, ischemic heart disease, cervical cancer, and breast cancer.
- **Four** conditions show focus on how many of those years are lived in **good health**– endometriosis, menopause, migraine, and premenstrual syndrome.

v.The report has introduced Women's Health Impact Tracking **(WHIT)** platform, which will be used to measure and track health gaps for women.

It emphasizes **five** key actions to be undertaken-

- **Count women**– globally collect data to measure women's health and health outcomes
- **Study women** – understanding hormonal health and women's biology
- **Care for women** – implement clinical practice guidelines for women-specific conditions
- **Include all women** – develop ways for early treatment for women around the world
- **Invest in women** – promote financing for women's health research and interventions

India Secures USD 250 Million Investment from Belgium's AB InBev

During the WEF 2025, Union Minister for Food Processing Industries (MoFPI), Chirag Paswan, announced that Belgium based **AB InBev** will provide India with an investment of **USD 250 million** for developing its **beverage sector**, which will span over the next two to three years.

- States like Maharashtra, Uttar Pradesh(UP), and regions in South India are set to benefit from these investments

Telangana secures Rs.1.78 lakh crore investments :

The **Telangana** government secured an investment of **Rs 1,78,950 crore**, which will create 49,550 jobs, on the sidelines of the WEF 2025 in Switzerland.

- The state government signed several Memorandum of Understandings (MoUs), with major focus on establishing data centres, followed by pumped storage facilities.

MoUs signed by Telangana Government:

Company	Investment	Purpose
Megha Engineering and Infrastructures Limited (MEIL)	Rs.15000 crore	i.A state-of-the-art 2160 Megawatt (MW) Pumped Storage Project worth Rs.11000 crore, to strengthen Telangana's renewable energy

		capabilities. ii.Establishment of 1,000-Megawatt Hour (MWh) Battery Energy Storage System (BESS) at various strategic locations across the state Rs.3,000 crore. iii.Development of a luxury wellness resort at Ananthagiri worth Rs.1000 crore
Skyroot Aerospace Private Limited	Rs.500 crore	Establishment of an integrated private rocket manufacturing, integration and testing facility in Telangana.
JSW UAV Limited	Rs. 800 crore	To set up a facility in the state for manufacturing Unmanned Aerial Systems (UAV) through the use of technology of a leading US-based defense technology company.
Sun Petrochemicals Private Limited	Rs.45,500 crore	To establish three Pumped Storage Hydro Power projects in the districts of Nagarkurnool, Mancherial, and Mulugu in Telangana. These projects will have a combined capacity of 3,400 MW accompanied by 5,440 MW downstream integrated solar power plants.
Akshat Greentech Private Limited	Rs.7000 crore	Set up a 6.9 GW solar cells and 6.9 GW solar modules manufacturing unit in Hyderabad and is expected to create over 2,500 direct jobs
Amazon Web Services (AWS)	Rs 60,000 crore	To expand its data centre infrastructure in Telangana
Tillman Global Holdings(TGH)	Rs 15,000 crores	To invest in a 300 MW hyperscale data center facility in Telangana.
CtrlS Datacenters Limited	Rs 10,000 crores	For the establishment of an AI data center cluster with a capacity of 400 megawatt (MW).
Ursa Clusters	Rs 5,000 crore	To establish a 100 MW AI-powered data centre hub in Hyderabad.
Blackstone Inc.,	Rs 4,500 crore	To develop a 150MW data centre facility in Hyderabad.

Others:

i.The Ramky Group decided to invest in integrated industrial parks, a dry port and townships, while the MTS Group LLC also committed significant investments.

ii.Software majors such as Infosys Limited (17,000 jobs), HCL Technologies Limited(5,000) and Wipro Limited(5,000) unveiled their plans for expansions in Hyderabad, Telangana.

Maharashtra sign 61 MoUs worth Rs 15.70 lakh crore

Maharashtra government has signed **61** MoUs, including 54 investment proposals and 7 strategic cooperation, at WEF2025 of investment worth **Rs 15.70 lakh crore** and having the potential to provide 16 lakh jobs in the state.

- The sectors include artificial intelligence (AI), data, green energy, hydrogen, and water conservation.

MoUs signed by Maharashtra:

Company	Investment	Purpose
Amazon Web Services(AWS)	Rs.71,795 crore	To set up a data centre.
Hiranandani Group	Rs.51,600 crore	For the infrastructure Project.
Paras Defence & Space Technologies Limited	Rs 12,000 crore	i.Establishment of country's first optics park in Maharashtra. ii.The project is expected to start in 2028 and will continue till 2035. iii.It will also create a technology hub for defence, space, automotive, semiconductor and other applications.
Essar Renewables Limited (ERL)	Rs.8,000 crore	i.Develop 2 Gigawatt (GW) of renewable energy capacity for its green mobility initiative. Support the Electric Vehicle truck charging ecosystem of Blue Energy Motors and Greenline. ii.The projects will start in the fiscal year 2026-27.
JSW Group	Rs.3 trillion	i.Investment made in 3 regions of Maharashtra including naxal-infested Gadchiroli. ii.The investments will include integrating steel manufacturing capacities with clean green technology, green energy projects, advanced manufacturing units for new-age electric vehicles and high-performance EV batteries and strengthening the solar energy ecosystem.

Salam Kisan	Rs.300 crore	i.Invest in 'Drone-as-a-Service' (DaaS) initiative over the next seven years which will involve manufacturing drones, setting up training centres and creating a network of 2,00,000 trained Drone Service Providers (DSPs). ii.Maharashtra will co-invest Rs 300 crore to support infrastructure and training in Marathwada. iii.Aim to integrate drone technology into farming practices, covering 5 million acres annually by 2030. iv.Microsoft will act as a technology partner providing Artificial Intelligence (AI), machine learning and cloud computing solutions in agricultural practices.
Tembo Defence Products Private Limited	Rs1,000 crore	To strengthen defense sector in Maharashtra by building strong defense infrastructure. To generate 300 new job opportunities.
Taural India Private Limited	Rs. 500 crores	i.To expand the company's modern manufacturing facility in Supa, Ahilya Nagar, Maharashtra. ii.Help to boost industrial growth and create job opportunities.
Economic Explosives Limited	Rs.12,780 crores	i.Develop an Anchor Mega Project. ii.It falls under the "Thrust Sector Incentive Scheme" of the Maharashtra government iii.Inlcudes increase of defence products such as Propellant, War head explosives, Ammunitions, Defence electronics, Drones and UAVs, New Generation Explosives, Energetic binders and new products such as Military transport aircraft.
Mumbai Metropolitan Region Development Authority (MMRDA)	USD 40 billion (around Rs 3.5 lakh crore)	i.Crossrail International (UK) and University of Birmingham Centre for Railway Research and Education (UK) – Strategic study to optimise and to achieve sustainable urban transport in MMR. ii.Brookfield Corporation (Canada) (USD 12 billion), Blackstone Inc. (USA) (USD 5 billion), Temasek Capital Management (Singapore) (USD 5 billion) and Sumitomo Realty &

		Development (Japan) (USD 5 billion) – for urban, regional, and infrastructure development. iii.Hiranandani Group (India + Dubai) (USD 6 billion), K Raheja Corp Pvt. Ltd. (India + Singapore) (USD 5 billion), Everstone Group (Singapore) (USD 1 billion)- investment to boost the economy. iv.Sotefin Bharat Pvt. Ltd. (India + Switzerland) – USD 1 billion investment to improve parking solutions in the region. v.MTC Business Pvt. Ltd. + Mitsui (India + Japan) – Develop a Circular Economy Park in MMR

Others:

- Other companies that have decided to invest in Infrastructure sector are Blackstone Inc (Rs.43,000 crore), Temasek Capital Management Pte. Ltd. (Rs.43,000 crore), K Raheja Corporation (Rs.43,000 crore) and Sumitomo Realty & Development Company Limited, a leading comprehensive real estate developer in Japan, which will also invest Rs.43,000 crore.
- Reliance Group, which has committed Rs.3.05 lakh crore for investments across petrochemicals, polyester, renewable energy, bioenergy, green hydrogen, green chemicals, retail, telecommunications, data centers, industrial development, hospitality, and real estate.
- One of the key agreements includes MSN Holdings Ltd, which plans to establish an advanced lithium battery and cell manufacturing project under the state's 'Ultra Mega Project' initiative. The project, requiring an investment of Rs.14,652 crore.

Click Here to View part I of Highlights of WEF 2025

About World Economic Forum(WEF):
President and Chief Executive Officer (CEO)- Børge Brende(Norway)
Headquarters– Cologny, Switzerland
Founded– 1971

Nomura forecasts India's GDP down to 6% in FY25

On January 03 2025, Japan brokerage **Nomura** forecasted that India's economy will grow more slowly in the coming years. The agency's revised prediction indicates that India's Gross Domestic Product **(GDP)** growth will decelerate to **6%** in the Financial Year 2024-25 **(FY25)**, a significant drop from **8.2%** in the FY24. In **FY26**, the GDP growth is expected to be around **5.9%**.

- Previously, the growth projections were set at **6.7%** for FY25 and **6.8%** for FY26.
- This is primarily attributed to various macroeconomic indicators signaling an overall slowdown.

Key Points:

i.Inflation: The Consumer Price Index (CPI) inflation is expected to ease to **4.9%** in FY25, down from **5.4%** in FY24, and will go even lower to **4.3%** in FY26.

ii.Sector-wise Growth: For FY25, the agency has predicted weaker growth in high-demand categories, such as cars and paints, while categories like two-wheelers (2Ws) and staples are expected to see stronger growth.

- In FY26, most consumer categories are expected to continue growing below the long-term trend, with premium segments gaining market share.

iii.Investment Outlook: Due to slow demand and increasing competition, **margin risks** are likely to rise, making it crucial for investors to be highly selective in FY26.

- The agency highlighted that most companies could pass on commodity costs post-COVID until 2025 due to high demand for their products.

SBI Report: Rural Poverty Ratio Drops Below 5% for the 1st time in FY24

According to the State Bank of India **(SBI)'s** Research report released on January 03 2025, **rural poverty ratio** dropped below 5% for the 1st time to **4.86%** in Financial Year 2023-24 (FY24) from 7.2% in FY23 and 25.7% in 2011-12.

- This reduction in poverty ratio in rural areas of the country is mainly driven by higher consumption growth among the bottom 0-5% fractile, supported by Government of India(GoI) led initiatives.
- The **urban poverty ratio** decreased marginally to **4.09%** in FY24 from 4.6% in FY23 and 13.7% in 2011-12.
- The report estimates that national poverty rates are now between 4-4.5%, marking a significant improvement in living conditions across the country.

Note: The report has used the data of the latest annual Household Consumption Expenditure Survey (HCES) for August 2023-July 2024 released by the Ministry of Statistics and Programme Implementation (MoSPI) in December 2024.

Key Findings:

i.The report highlighted that decrease in rural poverty ratio further led to shift in poverty line from 5-10% decile (in FY23) to 0-5% decile (in FY24).

ii. The report has estimated the poverty lines at **Rs 1,623** for rural areas and **Rs 1,944** for urban areas in FY24 by adjusting for decadal inflation and the imputation factor in the poverty line set by the Suresh Tendulkar Committee in 2011.

iii. The consumption inequality has decreased from 0.266 and 0.314 (in FY23) to 0.237 and 0.284, respectively in rural and urban areas of the country.

iv. The report showed that overall, the poverty rate in India is in the range of 4-4.5%, with almost negligible existence of extreme poverty.

v.The report revealed that the difference between rural and urban Monthly Per Capita Consumption Expenditure (MPCE) to rural MPCE has decreased significantly from 88.2% (in 2009-10) and 71.2% (in FY23) **to 69.7%** (in FY24).

- This decrease is mainly attributed to GoI led initiatives like Direct Benefit Transfer (DBT), investments in rural infrastructure, increasing farmer's income and improving the rural livelihood significantly.

v.As per the report, most of the high-income Indian states show a savings rate greater than the national average of 31%.

- The report also showed that states like: Uttar Pradesh (UP) and Bihar have low saving rates due to higher outward migration.

IRFC Signs MoU with REMCL to Finance RE Projects for Indian Railways

On January 03 2025, the Indian Railway Finance Corporation Limited(**IRFC**) has entered into a Memorandum of Understanding (**MoU**) with Railway Energy Management Company Limited (**REMCL**),a Joint Venture(JV) of the Ministry of Railways (MoR) and Rail India Technical and Economic Service(RITES), to support the financing of Renewable Energy (**RE) projects** developed by REMCL to supply power to Indian Railways(IR).

- The MoU establishes a framework for collaboration between IRFC and REMCL to support IR in reducing dependence on fossil fuels and achieving net-zero carbon emissions by 2030

i.The collaboration also includes exploring funding opportunities for thermal, nuclear, and renewable energy projects set up under a captive model through JV between IR and other partners.
ii. Under the MoU, REMCL will help IR by sourcing affordable conventional and renewable power and managing bidding for RE projects, while IRFC will handle project evaluation and fundraising.

India's GDP Expected to Grow by 6.4% in FY25 against 8.2% in FY24: First Advanced Estimates by NSO

On January 07 2025, the National Statistics Office **(NSO),** Ministry of Statistics and Programme Implementation **(MoSPI)** released the First Advanced Estimates (FAE) of Annual Gross Domestic Product (GDP) for the Financial Year 2024-25 (FY25), along with its expenditure components both at Constant (2011-12) and Current Prices.

Key Highlights

i.Real GDP Growth: As per the NSO data, India's Real GDP is expected to grow at a 4-year low i.e. at 6.4% in FY25 against the growth rate of 8.2% in Provisional Estimate (PE)of GDP for FY24 (2023-24).

- Real GDP or GDP at Constant **(2011-12)** prices is estimated at **Rs 184.88 lakh crore** in **FY25,** compared to the PE of GDP at Rs 173.82 lakh crore in FY24.

ii.Nominal GDP Growth: Nominal GDP has registered a growth rate of 9.7% in FY25 compared to the growth rate of 9.6% in FY24.

- Nominal GDP or GDP at Current Prices in FY25 is estimated at **Rs 324.11 lakh crore** as against Rs 295.36 lakh crore in FY24, reflecting a growth rate of 9.7%.

iii.Gross Value Added (GVA):

- Real Gross Value Added(GVA) registered a growth of **6.4%** (FY25) as compared to 7.2% (FY24). It is estimated to grow from Rs 158.74 lakh crore PE for (FY24) to **Rs 168.91 lakh crore** in (FY25).
- Nominal GVA registered a growth rate of **9.3% in FY25** as against the growth rate of 8.5% in FY24. It is estimated to achieve **Rs 292.64 lakh crore** during FY25, against Rs 267.62 lakh crore in FY24.

iv.Private and Government Consumption:

- **T**he report highlighted that Private Final Consumption Expenditure (PFCE) at Constant Prices grew by 7.3% in FY25, compared to 4.0% in FY24.
- While, Government Final Consumption Expenditure **(GFCE),** which refers to centre government spending on goods and services, at Constant Prices, has rebounded to a growth rate of **4.1%** as against the growth rate of 2.5% in FY24.

v.Investment: The report has further estimated that Gross Fixed Capital Formation **(GFCF),** an indicator of new investments in the economy, will grow at 6.4% in FY25 compared with a 9% increase in FY24.

Sector-Wise Real GVA Growth in FY25:

i.The report highlighted that out of 8 broad economic sectors, only two are estimated to register higher growth than previous year.

1.Primary Sector:

- Agriculture and its allied sector are estimated to increase to 3.8% (in FY25) from 1.4% (in FY24).
- Public, Administration, Defence and Other Services, estimated to increase from 7.8% (in FY24) to 9.1% (in FY25).
- GVA growth of Mining & Quarrying is expected to increase to 2.9% in FY25, compared to 7.1% registered in FY24.

2.Secondary sector:

- The cumulative growth of sectors like: electricity, gas, water supply and other utility services from 7.5% (in FY24) to 6.8% (in FY25).
- The construction segment is estimated to grow at 8.6% in FY25 from 9.9% during the previous financial year.
- While, GVA growth of manufacturing sector is expected to decelerate to 5.3% (in FY25) from a high of 9.9% recorded (in FY24) .

3.Tertiary sector: According to NSO data, GVA of sectors like: financial, real estates and professional services expected to grow at 7.3% (in FY25), down from 8.4% (in FY24).

- The combined growth rate of hotel, trade, transport, and services related to broadcasting, is estimated to grow at **5.8%** (in FY25) as against 6.4% registered in last financial year.

Assessment:

i.These estimates are indicator based and compiled using the bench-mark indicator method(estimates available for FY24) are extrapolated using the relevant indicators showing the performance of indicators.
ii. The sector-estimates are prepared using different indicators/data sources like: Index of Industrial Production (IIP), financial performances of listed companies based on available quarterly financial results of these companies for Q1 and Q2 of FY25, premium related information of life and non-life insurance companies, among others.

About Ministry of Statistics and Programme implementation (MoSPI):

Minister of State **(MoS)** (Independent Charge, IC)–Rao Inderjit Singh (Constituency- Gurugram, Haryana)

SBI Lowers India's GDP Growth Forecast to 6.3% for FY25

On January 07 2025, the State Bank of India **(SBI)** released its latest Ecowrap Research Report. It has lowered India's Gross Domestic Product (GDP) forecast to **6.3%** for Financial Year 2024-25(FY25), which is marginally lower than the National Statistics Office **(NSO)**'s estimate of 6.4%.

- The report noted a **"downward bias"** in its projection and has cited several challenges affecting economic growth of the country, including a slowdown in lending and manufacturing, coupled with the effects of a large base effect from the preceding year.
- Also, slowdown in total demand during the fiscal year is reflected in the First Advance Estimates (FAE) for GDP released by NSO in January, 2025.

Key Points:

i.The report highlighted the contributions of certain sectors towards India's overall GDP growth. Government Consumption is expected to grow at **8.5%** in nominal terms and **4.1%** in real terms, providing some boost to the economy.
ii. The report raised concern over the deceleration in key industrial segments. Industry segment is estimated to grow at 6.2%, decrease from 9.5% registered in FY24.

- The services sector is expected to increase marginally to 7.2% in FY25, from 7.6% in FY24.
- Agriculture and allied sectors are expected to register significant growth of 3.8% in FY25 compared to 1.4% registered in FY24.

iii.SBI' s report highlighted that Private Consumption has emerged as an important driver of economic growth, with an estimated real growth rate of 7.3% in FY25, an increase from 4.0% in FY24.

- This growth is mainly attributed to strong agricultural growth and lower food inflation.
- The report showed that the per capita Private Final Consumption Expenditure (PFCE) registered a growth of 6.3% higher than the per capita GDP growth of 5.3%.

iv. Despite slowdown in real GDP and stagnant nominal GDP, per capita nominal GDP is projected to be approximately Rs 35,000 in FY25 higher than in FY23.

- However, nominal GDP growth is anticipated to remain stagnant, growing by 9.7% in FY25 compared to 9.6% in FY24.
- The Gross Value Added (GVA) growth is also pegged at 6.4%.

v.The report showed that as of December 31, 2024, All Scheduled Commercial Banks(ASCBs) incremental credit slowed to Rs 11.5 lakh crore, Year to Date (YTD) 7.0%, compared to growth of Rs 21.0 lakh crore (YTD 15.4%) in FY24.

CIL and IREL Partner for Critical Minerals Developments

On January 7 2025, Kolkata (West Bengal) based Coal India Limited (**CIL**) under the Ministry of Coal(MoC), signed a non-binding Memorandum of Understanding (**MoU**) with Mumbai (Maharashtra) based Indian Rare Earths Limited (**IREL**), a Public Sector Undertaking(PSU) under the Department of Atomic Energy (DAE) to collaborate on the development of **critical minerals.**

- The partnership aims to boost India's ability to mine, extract, refine, and source critical minerals like mineral sands and Rare Earth Elements (REE), essential for electronics, Renewable Energy(RE), and defense industries.
- This collaboration is a key component of CIL's initiative to lessen India's reliance on essential minerals such as lithium and cobalt imports.

i.Under this partnership, the two companies will work together to acquire assets, source raw materials domestically or internationally, and develop mining, extraction, and refining capabilities.
ii. In the Union Budget 2024-25, the Government of India (GoI) announced the Critical Mineral Mission to boost domestic production, recycling, and asset acquisition.
Note: India, one of the few countries producing rare earth elements, relies on IREL to achieve self-sufficiency in mining, processing, and refining, while **China** remains the dominant player in critical minerals.

Tata Elxsi Partners With CSIR-NAL for AAM Solutions

On January 8, 2025, Tata Elxsi Limited, Bengaluru (Karnataka)-based global design and technology services provider, signed a Memorandum of Understanding (MoU) with the Council of Scientific & Industrial Research–National Aerospace Laboratories (CSIR-NAL) to innovate in Advanced Air Mobility (AAM).

- The collaboration aimed to develop **cutting-edge technologies** for Unmanned Aerial Vehicles (UAVs), Urban Air Mobility **(UAM)** and electric vertical take-off and landing **(eVTOL) aircraft.**
- It focuses on technologies such as aerodynamic design, autonomous systems and secure communications to address the unique needs of both manned and unmanned AAM.

The partnership combines NAL's extensive aeronautical research expertise with Tata Elxsi's advanced capabilities in electrification, Artificial intelligence **(AI)**, Machine Learning **(ML)**, sensor fusion and certification processes.

WEF Future of Jobs Report 2025:78 Million New Job Opportunities by 2030

On January 7, 2025, the World Economic Forum (WEF) published its **5th edition** of "Future of Jobs Report 2025 – Insights Report January 2025," revealing that job disruption will equate to **22%** of jobs by 2030 globally. This transformation is driven by technological advancements, demographic changes, economic pressures, and geopolitical tensions.

- The report forecasts the creation of **170 million** new jobs and the displacement of **92 million,** leading to a net increase of 78 million jobs.
- This analysis is based on the perspectives of over 1,000 global employers, representing more than **14 million workers** from 55 economies.
- The report highlights key macrotrends shaping jobs and skills and discusses the workforce transformation strategies that companies will adopt from 2025 to 2030.

Skill Demand and the Need for Reskilling:

By 2030, around **40%** of existing skills are expected to become outdated. Employers recognize that skill gaps are a major barrier to business transformation, with **63%** of employers identifying this issue.

- According to the report, if the global workforce were composed of 100 people, 59 would need training by 2030.
- However, **11 of these workers** are unlikely to receive the necessary training, putting them at risk of redundancy.
- To meet the demand for emerging roles, 85% of employers plan to prioritize workforce upskilling, with 70% seeking talent with new skills.

Highlights of the Report:

i.Broadening Digital Access: By 2030, **60%** of employers expect expanding digital access to transform their businesses.

- This trend, coupled with advancements in artificial intelligence (AI), information processing, and robotics, will drive the creation of new roles and change existing job functions.
- AI and big data is expected to be the leading catalyst for these shifts.

ii.Impact of Advancing Technologies: AI and robotics are among the top technologies anticipated to be transformative.

- **86%** of employers foresee AI and information processing to have a profound impact, followed by **58%** anticipating the influence of robotics and automation.
- Additionally, **41%** of employers expect advancements in energy generation, storage, and distribution to drive transformations.

iii.Economic Shifts: The rising cost of living is the 2nd-most transformative trend, with **50%** of employers expecting it to reshape businesses by 2030.

- The global inflation is expected to decrease, the general economic slowdown will continue to affect **42%** of businesses.
- These economic factors are predicted to displace **1.6 million job**s globally, while also driving demand for roles requiring creative thinking, resilience, and agility.
- Employers are expected to face job displacement globally, with an estimated 92 million jobs being lost by 2030, despite an expected **7% net growth** in total employment, creating 78 million new jobs.

iv.Climate Change Mitigation: Climate-related trends are the 3rd-most transformative trends that are expected to drive demand for roles in renewable energy, environmental engineering, and electric vehicles.

- These roles are expected to grow alongside climate change adaptation, with **47%** of employers expecting it to transform their businesses in the next **5 years.**

Fastest Growing and Declining Roles:

i.Fastest Growing Jobs:

- Frontline job roles include Farmworkers, Delivery Drivers, Construction Workers, Salespersons, and Food Processing Workers.
- Technology-related roles such as Big Data Specialists, FinTech Engineers, AI & Machine Learning Specialists, and Software Developers.
- Green transition jobs like Autonomous & Electric Vehicle Specialists,Environmental Engineers and Renewable Energy Engineers.
- Care economy jobs, such as Nursing Professionals and Social Work roles, will grow as populations age.

ii.Fastest Declining Jobs:

- Clerical and secretarial roles, including Cashiers and Ticket Clerks, Administrative Assistants and Executive Secretaries are expected to see the largest decline in absolute numbers.
- Similarly, businesses expect the fastest-declining roles to include Postal Service Clerks, Bank Tellers and Data Entry Clerks.

About World Economic Forum (WEF):
President and Chief Executive Officer (CEO)– Børge Brende
Headquarters- Cologny, Geneva, Switzerland
Established – 1971

UN-DESA's WESP 2025 Report: Indian Economy Likely to Grow 6.6% in 2025

In January 2025, United Nations- Department of Economic and Social Affairs **(UN-DESA)** released a report titled "World Economic Situation and Prospects (WESP) 2025". The report has projected that India economy will grow by **6.6%** in 2025, mainly driven by strong private consumption and investment growth.

- Indian economy is further expected to expand by **6.7%** in 2026.
- The report revealed that Indian economy registered the growth rate of **6.8%** in 2024.
- The report has projected that global economic growth rate will be at **2.8%** (in 2025) and **2.9%** (in 2026).

India-Specific Findings:

i.The report highlights that capital expenditure (capex) on infrastructure will significantly boost India's economic growth in the coming years.
ii. The report underscored that strong export growth in services and certain categories, particularly pharmaceuticals and electronics,along with expansion in the manufacturing and services sectors will strengthen economic activity for India.
iii. The public sector in India continues to fund large-scale infrastructure projects, physical and digital connectivity, and social infrastructure, including improvements in sanitation and water supply. Strong investment growth is estimated to continue through 2025.
iv. Consumer price inflation in India is expected to decelerate from an estimated 4.8% (in 2024) to 4.3% (in 2025). This is in line with the Reserve Bank of India (RBI)'s 2 to 6% medium-term target range.

- Easing inflation has led most central banks to halt rate hikes or reduce policy rates in 2024. The RBI has kept its **6.5% policy rate unchanged since February 2023** due to ongoing inflation risks.

v.The United Nations (UN) estimates India's growth rate at 6.6% for this FY 2025-26, slightly higher than the **National Statistics Office (NSO)** projection of 6.4% for 2024-25.
Note – National Statistics Office (NSO) is an Indian government agency under the Ministry of Statistics and Programme Implementation (**MoSPI**).

Key Findings Related to South Asia Region:

i.As per the report, South Asia Region(SAR) is expected to remain robust, with growth rate at **5.7%** (in 2025) and **6.0%** (in 2026).

- This growth is mainly driven by strong performance in India as well as economy recovery in countries like: Bhutan, Nepal,Pakistan and Sri Lanka.
- Pakistan and Sri Lanka are projected to see modest GDP growth of 3.4% and 4.0%, respectively.
- Bhutan and Nepal are expected to grow by over 5%, while Bangladesh's economy may slow due to unrest and ongoing political uncertainty in mid-2024.

ii. The report observed that investment growth has remained strong particularly in East and South Asia region, partly supported by domestic and foreign investments in new supply chains in countries like: Indonesia, and Vietnam.

iii. The report has outlined certain challenges like: weaker external demand, persistent debt challenges, social unrest and political uncertainties in some countries may dampen the outlook for SAR.

Global Scenario:

i.The report has projected that global economic growth rate will be at **2.8%** (in 2025) and **2.9%** (in 2026). These projections are largely same from the rate of 2.8% registered in 2023 and estimated for 2024.

ii. The report highlighted that Global inflation has decreased from 5.6% (in 2023) to an estimated 4.0% (in 2024) and is expected to further decrease **to 3.4% in 2025.**

iii. The United States of America **(USA)** is expected to grow at **1.9%** in 2025 and recover marginally to 2.1% in 2026 amid weaker labour market performance, modest income growth and cuts in public spending.

iv. As per the report, the growth rate of China is estimated at **4.9%** for 2024 and is expected to decrease marginally by 10 basis points (bps) i.e. to 4.8% in 2025.

v.The Economic growth in the Least Developed Countries **(LDCs)** is projected to increase from 4.1% estimated for 2024 to 4.6% in 2025.

- While, the growth rate for Small Island Developing States **(SIDS)** is projected to increase by an average of 3.4% in 2025, decrease from 3.8% in 2024.

About United Nations Department of Economic & Social Affairs (UN-DESA):

Under-Secretary-General for Economic and Social Affairs – Li Junhua
Headquarters- New York, the United States of America (USA)
Establishment- 1948

Google Cloud & UP Partner to Launch Open Network for Agriculture

In January 2025, Uttar Pradesh (**UP**) government signed a Memorandum of Understanding (**MoU**) with **Google Cloud (India)** to launch the Gemini-powered and Beacon-enabled UP Open Network for Agriculture (**UPONA**).

- The open and decentralized network will give millions of farmers easy access to services like advice, credit, machinery, and market links to sell their produce.
- This project is **India's first** state-level initiative using Artificial Intelligence (AI) to revolutionize agriculture.

Key people: The MoU was signed by Manoj Kumar Singh, the Chief Secretary of UP, and Anil Bhansali, the Vice-President (VP) of Google Cloud (India).

i.The network is built as a Digital Public Infrastructure (DPI) using Google Cloud's DPI-in-a-box and the Beckn Protocol, an open standard that allows products and services to be easily discovered and accessed.

ii. It is a key step in doubling farmers' income in UP. It offers fast, accurate information on weather and market prices, using data from weather stations in nearly every tehsil.

iii. Farmers can access the network using voice commands in their preferred language. Currently, it supports Hindi, Bangla, Telugu, Kannada, Gujarati and Punjabi, with more languages to be added in the future.

BHEL and ONGC Signed MoU to Collaborate on RE Projects

In January 2025, New Delhi (Delhi)-based Bharat Heavy Electronics Limited **(BHEL),** a leading Central Public Sector Enterprise (CPSE) under the Ministry of Heavy Industries (MHI) and New Delhi -based 'Maharatna' CPSE, Oil & Natural Gas Corporation Limited **(ONGC)** have signed a Memorandum of Understanding (MoU) to explore collaboration in the area of New and Renewable Energy (NRE) sector.

i.As per the MoU, this strategic partnership will focus on key areas of NRE such as: fuel cell, electrolyser and battery energy storage system projects.

ii. Both Public Sector entities will leverage the combined strengths for promoting innovations in the clean energy ecosystem and will also support India's National Green Hydrogen Mission(NGHM).

- This partnership marks a significant step in aligning India's RE targets and promoting the adoption of clean energy solutions.

India Set to Become World's 4th Largest Economy by 2026; GDP to Grow 6.8% in FY25: PHDCCI

According to New Delhi (Delhi)-based PHD Chamber of Commerce and Industry **(PHDCCI)**'s latest report titled **'Economic Outlook 2025'**, India is set to become the World's **4th largest economy by 2026,** surpassing Japan.

- The report has further projected that India's Gross Domestic Product (GDP) will grow at **6.8%** in Financial Year 2024-25(FY25) and **7.7%** in FY26.
- This growth projection is mainly driven by strong macroeconomic fundamentals and policy reforms.

Key Findings:

i.The report has also projected India will become **USD 7 trillion** economy by **2030,** which will further increase to USD 10 trillion by 2034 and USD 34 trillion by 2047.

- It has expected India to achieve ambitious target of USD 2 trillion exports by 2030.

ii. Ahead of the Union Budget for FY26, the industry chamber has suggested that peak rate of income tax, which is currently applicable at 30% on income above Rs 15 lakh should be applicable only to individuals having income above Rs 40 lakh.

- It has further suggested reducing the tax rate on proprietorships, partnerships and LLPs from the current 33% to 25%.

iii. As per the report, **Inflatio**n in India is expected to be around **4.5%** for the current fiscal year (FY25) and around 4% for the next fiscal year(FY26)

- PHDCCI has estimated that Consumer Price Index (CPI) inflation should decrease significantly between 4% and 2.5% in the coming quarters.

iv. The Gross Fixed Capital Formation (GFCF) at 33.5% of GDP is indicative of steady and sustainable capacity expansion, signalling strong industrial growth in the coming quarters.

v.PHDCCI has outlined 5-pronged strategy which will help in sustaining India's high growth: increased capital expenditure, ease of doing business, reducing the cost of doing business, and improving labour-intensive manufacturing.

About PHD Chamber of Commerce and Industry (PHDCCI):

It is a non-governmental organization in India dedicated to promoting industry, trade, and entrepreneurship.

President- Hemant Jain

Headquarters- New Delhi, Delhi

Established- 1905

FICCI: India estimated to grow by 6.4% & CPI inflation projected at 4.8% in FY25

In January 2025, the Federation of Indian Chambers of Commerce and Industry **(FICCI)** released its **Economic Outlook Survey**. It projects India's Gross Domestic Product (GDP) growth for 2024-25 is projected at **6.4%** from the **7.0%** estimated in September 2024 reflecting a decline as compared to the 8.2% growth achieved in 2023-24.

- The survey was conducted in December 2024, attributes the economic moderation to global uncertainties and domestic challenges.
- Consumer Price Index (**CPI)-based inflation** has been projected at **4.8%** for 2024-25, aligning with the Reserve Bank of India's (RBI) forecast in its December 2024 monetary policy whereas the food inflation is expected to decline.

Key Highlights:

i.According to the FICCI Survey, India's consumer spending, agriculture and rural consumption is expected to recover.

- The **agriculture** sector, including allied activities, is estimated to grow at **3.6%,** while the **industrial** and **services** sectors are expected to rise by **6.3%** and **7.3%** respectively.

ii.The survey reported that the growth will be driven by government-led investments in infrastructure, housing, and logistics.

iii.The growth in private capital expenditure is expected to remain low due to geopolitical uncertainties and uneven domestic demand.

iv.Furthermore, India is expected to benefit from a considerable growth in manufacturing, electronics, and pharmaceuticals sectors.

v.Economic growth will be supported by factors such as softening inflation in advanced economies, easing monetary policies, and recovery in interest-effected sectors.

- However, risks can be faced by challenges like geopolitical tensions, trade uncertainties, and climate-induced disruptions and increased public debt levels.

vi.The survey has estimated the median forecast for **exports** at **USD 450.5 billion** and for **imports** at **USD 729.6 billion** in 2024-25.

About Federation of Indian Chambers of Commerce and Industry (FICCI):

President– Harsha Vardhan Agarwal

Headquarters– New Delhi, Delhi

Founded– 1927

WEF Includes CEAT and HUL in the Global Lighthouse Network

In January 2025, Switzerland based World Economic Forum (**WEF**) announced that Sriperumbudur(Tamil Nadu, TN) based **CEAT Limited** and Tinsukia(Assam) based facility of Hindustan Unilever Limited (**HUL**), the Fast Moving Consumer Goods (FMCG) Company have joined its Global Lighthouse Network (**GLN**) for driving manufacturing transformation through innovation.

- Other 15 new members include companies from the United Arab Emirates (UAE), China, Germany, Malaysia, Saudi Arabia, the United Kingdom (UK), the United States of America (USA), and Morocco (Home to the first Lighthouse site in Africa).

Note: As of January 2025, a total of **16 Indian companies** joined WEF's GLN, with Bharuch (Gujarat) based Jubilant Ingrevia which became a member in October 2024.

Key points:

i.The WEF announced that 17 innovative industrial sites have joined the GLN, bringing the total to 189 facilities, 25 of which are Sustainability Lighthouses that use advanced Fourth Industrial Revolution (4IR/Industry 4.0) technologies in manufacturing.

- 13 sites have been named 4IR Lighthouses for driving significant performance improvements through technology-driven transformation.
- 5 sites have been named Sustainability Lighthouses ((one of which was already a Factory Lighthouse) for using advanced solutions to lower their environmental impact.

ii. The latest cohort of Lighthouses has seen an average 53% increase in labor productivity and a 26% reduction in conversion costs, driven by digital solutions like Artificial Intelligence (AI), Machine Learning (ML), Advanced Analytics (AA), and more.

About Global Lighthouse Network (GLN):

i.GLN is an initiative by the World Economic Forum (WEF) and co-founded with McKinsey & Company. Launched in 2018.

ii. The network aims to enhance the performance of manufacturing and supply chains by adopting 4IR technologies.

iii. It helps shape the future by using digital and analytics tools across the value chain to boost growth, productivity, resilience, and environmental sustainability.

iv. It recognizes and awards the world's most advanced operational sites.

About CEAT Limited:

Managing Director & Chief Executive Officer**(MD & CEO)**– Arnab Banerjee

Headquarters – Mumbai, Maharashtra

Founded – 1924

About Hindustan Unilever Limited (HUL):

Chief Executive Officer (**CEO**) – Rohit Jawa

Headquarters – Mumbai, Maharashtra

Founded – 1933

Indian Economy Expected to Grow by 6.7% in Next Two Fiscal Year: World Bank

In January 2025, **The World Bank(WB)** released its biannual report titled **Global Economic Prospects (GEP) for January 2025.** The report has projected that India's Gross Domestic Product (GDP) will grow at a rate of **6.7%** over the next two financial years i.e. for Financial Year 2025-26 (FY26) and FY27.

- The projection for FY26 remained same from its GEP for June 2024 and growth rate for FY27 was revised downwards by 10 basis point (bps), from its previous estimate of **6.8%.**

India-Specific:

i.The report has estimated India's GDP growth rate for the current financial year (FY25) at **6.5%,** down from the 8.2% in FY24, due to slowdown in investment and weak manufacturing growth.

ii. The report underscored that India's services sector is expected to maintain its growth, while manufacturing activity is projected to strengthen, supported by government initiatives to improve logistics infrastructure and business conditions through tax reforms.

- It further highlighted that Private Consumption growth is expected to increase due to a stronger labour market, expanding credit, and decreasing inflation.

iii. As per the report, investment growth is expected to be stable, strengthened by increasing private investment, strong balance sheets, and easing financing conditions.

Global Scenario:

i.The report has estimated that global growth will remain stable at **2.7%** in both **2025** and **2026.** This projection is based on the gradual decline in inflation and interest rates.

- However, the report highlighted that this projection for global growth rate is less than 3.1% recorded in the decade before the COVID-19 pandemic.

ii. The report has cautioned about certain risks that may pose certain challenges to the global economy such as heightened policy uncertainty and adverse trade policy shifts, geopolitical tensions, persistent inflation, and climate-related natural disasters.
iii. The report projected that South Asia Region (**SAR)** is estimated to grow at **6.2%** in **2025** and **2026, c**ompared to a 6% growth in 2024. This projection is mainly driven by the robust growth in India.

About World Bank (WB):

President– Ajay Banga
Headquarters– Washington, DC, the United States of America (USA)
Established– 1944

IREDA Partners with SJVN, GMR and NEA for 900 MW Upper Karnali Hydropower Project in Nepal

On 17th January 2025, New Delhi(Delhi) based Indian Renewable Energy Development Agency Limited (**IREDA**) entered into a Joint Venture **(JV)** Agreement with Shimla, Himachal Pradesh(HP) based **SJVN Limited**(formerly known as Satluj Jal Vidyut Nigam), **GMR Energy Limited,** and Nepal Electricity Authority (**NEA**) for the development of the 900 megawatt (MW) Upper Karnali Hydro-electric Project over River Karnali, the largest hydro-electric power project in Nepal.

- The agreement was signed in the presence of senior officials from IREDA, SJVN, and GMR Energy Limited in New Delhi, Delhi.
- The project is partly funded by the Asian Development Bank(ADB), and is expected to be completed within five years of commencement of construction.

Key Points:

i.The joint venture agreement provides a thorough framework for the planning, building, operation, and maintenance of the project using a Build-Own-Operate-Transfer (**BOOT**) model.

- The **USD1.5 billion project** will be in operation for 25 years from its Commercial Operation Date (CoD).

ii. Nepal, will be utilising only 108 Megawatt(MW) of the total power generated for domestic consumption, leaving 792 MW of power for export to countries like India and Bangladesh.
iii. This strategic initiative aims to promote renewable energy sources and enhance regional energy security.
iv. This project will be an example of cross-border cooperation by utilizing the enormous potential of hydropower, providing both environmental and economic advantages.
v.IREDA will invest Rs174.22 crore to acquire a 5% stake with SJVN also investing a similar amount to acquire up to 10% joint stake in GMR Upper Karnali Hydro Power Ltd and Karnali Transmission Co Pvt Ltd, both of which are being executed by GMR Nepal, in association with SJVN.

About Indian Renewable Energy Development Agency Limited (IREDA) :

Chairman & Managing Director(CMD) – Pradip Kumar Das
Headquarters – New Delhi, Delhi
Founded – 1987

BPCL Signs Loan Agreement with SBI – led Consortium for Expansion Projects

On January 2025, Mumbai, Maharashtra based Bharat Petroleum Corporation Limited **(BPCL),** India's 2nd-largest oil marketing company has signed a loan agreement worth **Rs 31,802 crore** with a consortium of banks led by State Bank of India (SBI).

- It aims to finance the expansion of its refinery to 11Million metric tonnes per annum(MMTPA) from 7.8 MMTPA and setting up of a petrochemical complex in Bina, Madhya Pradesh (MP).

i.Other consortium members include Punjab National Bank (PNB), Union Bank of India (UBI), Canara Bank (CNB), Bank of India (BOI), and Export-Import Bank of India (EXIM).
ii.BPCL Said that it will construct petrochemicals complex that produces Downstream polymers and Chemicals such as Linear Low Density Polyethene(LLDPE), High Density Polyethene(HDPE), Polypropylene(PP), benzene, toluene, and mixed xylene.

ILO's WESO Report 2025: Global unemployment slow down at 5%

On January 18 2025, the International Labour Organization **(ILO)** released its flagship report titled ~~'World Employment and Social Outlook : Trends 2025(WESO Trends 2025)',~~ highlighting the current state of global labour markets and the social outlook. The report provides an in-depth analysis of global employment trends, challenges, and prospects for the near future.

- According to the report, the global unemployment rate slowed down at **5%** in 2024 and is projected to tick lower again in 2026 to 4.9%. However, Youth unemployment remain high at **12.6%** in 2024.
- The unemployment rates for the overall number of jobs missing, stood around **402.4 million** in 2024 globally.

Highlights of the Report:

Global Economic Recovery:

i.According to the report, Global growth rates remain stable, hovering around **3.2%** in 2024 and 2025.

- Inflation rates have come down from **6.7%** in 2023 to 5.9% in 2024 and are expected to decelerate further in 2025.

ii. The global Labour Force Participation Rate**(LFPR)** remained at **61%** in 2024.
ii. In 2024, the number of young people Not in Education, Employment, or Training (NEET) in Low-Income Countries(LICs) increased.

- Around 15.8 million young men (20.4%) and 28.2 million young women (37.0%) were **NEET,** which is an increase of 500,000 and 700,000 compared to 2023.

iii. Globally, there were 85.8 million young men (13.1%) and 173.3 million young women (28.2%) who were NEET in 2024, marking an increase of 1 million and 1.8 million, respectively, in 2023.
iv. The global jobs gap in 2024 is estimated to reach **402.4 million** people, that includes 186 million unemployed people, 137 million discouraged workers, and 79 million people who want to work but are unable to due to other responsibilities like caring for others.

Southern Asia Recovery:

The ILO report indicates a strong economic performance in **Southern Asia** which is expected to experience a **6.2%** growth in Gross Domestic Product (GDP) in 2024, with a slight slowdown to **5.8%** in **2025**.

- While some European countries like **South Africa**, reported unemployment fall at stubbornly high levels above **30%** in 2024.

National Economic Recovery:

i.According to the report, the unemployment rate in **India** is projected to grow by **6.2%** in **2024** and **5.8%** in **2025**.
iii. This performance is primarily attributed to **monetary policy easing**, robust domestic demand, and public investment in infrastructure.

About International Labour Organization (ILO):
Director- General **(DG)-** Gilbert Fossoun Houngbo
Headquarters- Geneva, Switzerland
Established- 1919

India's GDP Growth Likely to Reach 6.7% in FY26: CRISIL

According to the **CRISIL Ratings Limited's** (formerly Credit Rating and Information Services of India Limited)Report, India's Gross Domestic Product (GDP) growth is likely to improve to **6.7%** in Financial Year 2025-26 **(FY26).**

- The report has outlined 3 main drivers i.e. the Reserve Bank of India (RBI) rate cuts, lower crude oil prices and a normal monsoon, that are expected to support this growth projection.

Key Findings:

i.The report cited that a sustained decrease in food inflation, along with stable non-food inflation, could possibly lead to rate cut by the RBI in the next months.

ii. As per the report, headline inflation is making progress towards the RBI's 4% inflation target as Consumer Price Index (CPI) inflation has decreased from 5.5% (in November) to 5.2% (in December).

- Similarly, food inflation has declined from 9% to 8.4%, while non-food inflation remained stable at 3.1%.

iii. As per the report, CPI inflation is projected to average **4.6%** for the current fiscal year (FY25), with a slight upward bias in the forecast.

iv. The report revealed that the Index of Industrial Production **(IIP)** has increased to 5.2% in November, up from 3.7% in October (revised from previous estimate of 3.5%).

- This growth was mainly attributed to strong performance in investment goods and consumer durables, supported by a low base effect.

v.The report has estimated that agricultural growth is likely to increase, as high reservoir levels bode well for rabi crop output, which is further expected to boost farm incomes and rural consumption.

- Additionally, increased agricultural production is expected to reduce pressure on food inflation during the remainder of the current fiscal year, which could further boost discretionary consumption.

About CRISIL Ratings Limited:

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

IMF Retains India's GDP growth forecast at 6.5% for FY26 & FY27

On January 19, 2025, the International Monetary Fund (IMF) maintained its growth forecast for India's economy at **6.5%** for both Financial Year 2025-26 **(FY26)** and **FY27**.

- The IMF's World Economic Outlook report stated that India's growth is expected to remain solid at **6.5%**, consistent with previous projections made in **October 2024**.

India's Economic Performance:

i.India's Gross Domestic Product **(GDP)** growth slowdown in the 2nd quarter of Financial Year 2025 **(FY25)** to **5.4%**, lower than the **6.7%** recorded in the same period of the previous financial year 2024 (FY24). The slowdown is attributed to a sharp deceleration in industrial activity.

ii. In FY24, India's GDP growth was **8.4%**, indicating a significant slowdown compared to the previous year 2023.

Global Economic Outlook:

i.The IMF's global growth forecast remains at **3.3%** for both **2025** and **2026**, which is below the historical average of **3.7%**.

ii. The global economy faces risks such as protectionist policies, geopolitical tensions, and inflationary pressures, which could negatively impact trade and investment.

Key Risks:

i.The IMF warned of risks such as the intensification of protectionist policies, could lead to higher tariffs,

disrupt global trade flows, and lower investment.
ii. Geopolitical tensions in regions like the Middle East and Ukraine could affect commodity prices, particularly in energy and food sectors.

About International Monetary Fund (IMF):

Managing Director**(MD)** – Kristalina Georgieva
Headquarters – Washington, D.C., the United States of America(USA)
Founded – 1944

Moody's Lowers India's Economic Growth Forecast to 7% for FY 2024-25

On January 20, 2025, Moody's Corporation revised India's economic growth forecast for the financial year 2024-25 (FY25), lowering it to 7%, down from 8.2% in the previous FY2024.

- The slowdown is partly due to **tight monetary policies** aimed at curbing inflation and global challenges, including geopolitical tensions and adverse weather conditions.

Key Points:

i.Economic Outlook: India's Gross Domestic Product (GDP) growth is projected to slow to 7% in FY25, down from 8.2% in FY24.While the growth rate is lower, it remains strong compared to global averages.
ii.Sector Contributions: Despite the slowdown, sectors such as **agriculture** and services continue to show positive growth. Agriculture grew by **3.5%**, and services expanded by **7.1%**. However, industrial growth remained weak at **3.6%** year-on-year.
iii. India's **GDP per capita**, adjusted for purchasing power parity, increased by **11%** year-on-year, reaching **USD 10,233** in FY 2023.

Points to be noted

- The Federation of Indian Chambers of Commerce and Industry **(FICCI)** also revised its growth forecast for FY25 down to **6.4%**, from **7%**.
- The Asian Development Bank **(ADB)** lowered its forecast to **6.5%** for FY2024.The ADB also revised its **FY2025-26** forecast to **7%** from **7.2%** due to tighter **monetary policies** impacting demand.
- Reserve Bank of India (**RBI**) projected a growth rate of 7.2% for FY 2025, but due to changing economic conditions, it lowered the forecast to 6.6%.

CSE & NCDEX signs MoU for Commodities and Derivatives Trading

On January 20, 2025, Colombo Stock Exchange**(CSE)** of Sri Lanka and National Commodity and Derivatives Exchange**(NCDEX)** of India signed a Memorandum of Understanding **(MoU)** to enhance commodities and derivatives trading in Sri Lanka.

- The MoU aims to foster knowledge transfer between NCDEX and CSE, focusing on the development of trading systems, regulatory frameworks, and innovative product design benefiting traders and market participants in both countries.

As part of the agreement, NCDEX and CSE will:
i.Knowledge Transfer: Both exchanges will share technical expertise in product development, trading mechanisms, and regulatory frameworks.
ii.Technology and Infrastructure Support: Assistance will be provided in setting up advanced trading systems and operational infrastructure.
iii.Capacity Building: Joint training programs will be conducted to develop the skills of personnel in areas such as technology, trading systems, and regulations.

ICRIER Report: India's Digital Economy to Contribute One-Fifth of GDP by 2030

In January 2025, the Ministry of Electronics and Information Technology (**MeitY**) released a comprehensive report titled 'Estimation and Measurement of India's Digital Economy', prepared by the Indian Council for Research on International Economic Relations (**ICRIER**). This marks the first attempt to quantify the digital sector's impact on India's income and employment.

- According to the report, India's digital economy is projected to grow nearly twice as fast as the overall economy, contributing to almost **one-fifth of national income** by **2029-30**.
- In less than six years, the digital economy's share will surpass that of agriculture or manufacturing in India.

Methodologies:

i.The report uses global methods from the Organisation for Economic Co-operation and Development (**OECD**) and the Asian Development Bank (**ADB**) to estimate the size of India's digital economy as a share of national income and employment.

ii. It also includes the digital shares of industries such as trade, Banking, Financial Services, and Insurance (BFSI), and education.

iii. The survey was conducted in partnership with the Confederation of Indian Industry (CII) and supported by MeitY, especially for data from the banking sector. The sample was restricted to the corporate sector and comprised the top 10-30 companies in each industry, especially those in which digitalisation was most likely.

Key Findings:

Current contribution:

The report estimates that India's digital economy accounted for **11.74%** of India's income in 2022-23, contributing **Rs. 28.94 lakh crore** (Approximately USD 368 billion) in Gross Value Added (**GVA**) and **Rs. 31.64 lakh crore** (Approximately USD 402 billion) in Gross Domestic Product (**GDP**).

- This share is projected to rise to **13.42%** by 2024-25

Key Contributors:

i.The largest contribution, **7.83%** of the national GVA, is driven by sectors such as Information and Communication Services, Telecommunications (ICT), and the manufacturing of electronics, computers, and communication equipment.

- While the traditional ICT sector remains the largest component of the digital economy, digital platforms and the digitalization of brick-and-mortar sectors are growing rapidly

ii. The new digital industries, including Big Tech, digital platforms, intermediaries, and firms reliant on digital intermediaries, contribute nearly 2% of the national GVA.

iii. The digital contribution of three traditional industries (BFSI, trade, and education), not included in the OECD framework but part of the estimates, makes up 2% of the national GVA.

Contribution to Employment:

i.In 2022-23, the digital economy accounted for **14.67 million** workers or **2.55%** of India's workforce.

ii. Agriculture accounted for 263.6 million workers (or 45.8% of the total workforce), while manufacturing employed 65.6 million workers (or 11.4% of the workforce).

Global Rank :

According to India's Digital Economy Report 2024 states that India is the **third largest** digitalised country in the world in terms of overall economy-wide digitalisation after the United States of America (**USA**) and **China**.

- It ranks **12th** among (Group of 20) G20 nations in individual user digitalisation.

About Indian Council for Research on International Economic Relations (ICRIER):

ICRIER is an autonomous, policy-oriented, not-for-profit, economic policy think tank.

Chairman – Pramod Bhasin

Headquarters – New Delhi (Delhi)
Founded – 1981
About Ministry of Electronics and Information Technology (Meity):
Union Minister– Ashwini Vaishnaw (Rajya Sabha- Odisha)
Minister of State (**MoS**)- Jitin Prasada (Constituency- Pilibhit, Uttar Pradesh, UP)

Jio Financial Services and BlackRock Expanding Into Stock Broking Sector

In January 2025, Mumbai based Jio Financial Services Limited (**JFSL**) announced that its joint venture, Jio BlackRock Investment Advisers Private Limited, has established a wholly owned subsidiary called **'Jio BlackRock Broking Private Limited'** to enter the broking business, subject to regulatory approvals.
i.Jio BlackRock Investment Advisers Private Limited was established with the primary goal of providing investment advising services.
ii. In September 2024 JFSL and US based BlackRock, Inc. contributed **Rs 3 crores each** to the joint venture. **iii.** In October 2024, Jio BlackRock Investment Advisers Private Limited received approval from Securities Exchange Board of India(SEBI) to start its Mutual fund business.

NTPC Partners with Sri Lanka for Major Solar Project

In January 2025, New Delhi(Delhi) based NTPC Limited(formerly known as National Thermal Power Corporation) has partnered with Ceylon Electricity Board of Sri Lanka to develop a 50 Megawatt (MW) (extendable to 120 MW) solar project in Sampoor, Trincomalee, Sri Lanka.

- Trincomalee Power Company Limited (**TPCL**) which is a joint venture (JV) between NTPC Limited and the Ceylon Electricity Board, will see the establishment of the solar facility in Sampoor.

i.After discussions with a number of Sri Lankan stakeholders, the tariff for the project has been fixed at **5.97 US cents** per unit.
ii. This solar project would diversify Sri Lanka's energy mix by significantly increasing Sri Lanka's clean energy capacity and reducing reliance on fossil fuels.
iii. With this initiative, NTPC, India's leading power generation company under the Ministry of Power (MoP), makes a significant step toward sustainable energy practices and strengthens regional ties.

55th Annual Meeting of WEF held in Switzerland from January 20-24, 2025 : Part I

The **55th** Annual Meeting of the World Economic Forum **(WEF 2025)** was held from January 20-24, 2025 in Davos-Klosters, **Switzerland**.

- The annual meeting is based on the theme "**Collaboration for the Intelligent Age"** with the event organized around five sub-themes: Reimagining growth, Industries in the intelligent age, Investing in people,Safeguarding the planet and Rebuilding trust
- The event witnessed the participation of around 3,000 global leaders featuring over 350 government leaders (including 60 heads of state), business and civil society leaders, prominent scientific and cultural thinkers from more than 130 countries.

Highlights of 55th Annual Meeting of WEF:

India's participation at WEF 2025:

i.The Indian delegation to the WEF 2025 was headed by Union Minister **Ashwini Vaishnaw**, Ministry of Railways(MoR), Ministry of Information and Broadcasting(MIB) and Ministry of Electronics and Information Technology(MeitY) with a vision of the country's growth as One Nation, One Voice.

- He led the largest ever Indian delegation to the forum, with 5 Union ministers, 3 Chief Ministers(CMs) and several other state leaders.

ii.The delegation also included Union Minister Chandrakant Raghunath Patil, Ministry of Jal Shakti (MoJS), Union Minister Ram Mohan Naidu Kinjarapu, Ministry of Civil Aviation (MoCA), Union Minister Chirag Paswan, Ministry of Food Processing Industries (MoFPI),Union Minister of State(MoS) (Independent Charge I/C) Jayant Chaudhary, Ministry of Skill Development & Entrepreneurship (MSDE), Andhra Pradesh CM N Chandrababu Naidu, Telangana CM Revanth Reddy and Maharashtra CM Devendra Fadnavis.

- **Jayant Chaudhary** represented India at the forum to share the country's vision of developing a skilled workforce, promoting innovation, and advancing sustainable development.

iii.8 Indian **states** represented at WEF 2025 – Kerala, Telangana, Uttar Pradesh (UP), Andhra Pradesh (AP), Maharashtra, Tamil Nadu(TN), Karnataka, and West Bengal(WB).

- The meeting was attended by more than **65** Indian business representatives.

iv.India participated in the '**A**rtificial Intelligence (AI) and Foreign Direct Investment (FDI): Challenges and Opportunities for Sustainable Investment' session, which was jointly organized by **Invest India,** Department for Promotion of Industry and Internal Trade(DPIIT), Ministry of Commerce and Industry(MoC&I) and World Association of Investment Promotion Agencies**(WAIPA)** and supported by World Investment for Development Alliance (**WIDA**).

- WIDA is a global platform of 13 organizations that focuses on promoting sustainable and inclusive investment through collaborative efforts.

13 industrial clusters join WEF:

i.**13** new industrial clusters from **Australia, Brazil, Colombia, India(5), the Netherlands, Saudi Arabia, Sweden, Thailand,** and the United Kingdom **(UK)** have joined the WEF's Transitioning Industrial Clusters initiative, bringing the total to **33** across **16** countries and **5** continents.

- This initiative was launched at COP26 in 2021 with an aim to reduce Greenhouse Gas emissions (GHGs) while promoting economic growth and job creation.

ii.These clusters can reduce **832 million tonnes** of carbon dioxide(CO_2)-equivalent emissions annually while contributing **USD 492 billion** to global Gross domestic product (GDP) and support 4.3 million jobs.

5 new Indian industrial clusters join WEF:

i.**Gopalpur Industrial Park (Odisha)–** Focused on attracting investments in green energy.

ii.**Kakinada Cluster (AP)–** A port-based hub for decarbonization solutions like green ammonia and hydrogen.

iii.**Kerala Green Hydrogen Valley (Kerala):–** supports hydrogen-powered transport strategy.

iv.**Mundra Cluster (Gujarat)–** Integrates green power with infrastructure for large-scale industrial projects.

v.**Mumbai Green Hydrogen Cluster (Maharashtra)–** Promotes the green hydrogen economy.

Note: The **other** clusters include – Cartagena Industrial Cluster (Colombia), Hunter Region (Australia), Jubail Industrial City (Saudi Arabia), Port of Açu Low Carbon Hub (Brazil), Port of Rotterdam (the Netherlands), Saraburi Sandbox (Thailand), The Solent Cluster (the UK) and Tranzero Initiative (Sweden).

Crystal Award Winners 2025:

i.The **31st** Annual Crystal Award was announced at the WEF 2025 in Davos-Klosters.

- The Crystal Awards 2025 was presented by **Hilde Schwab**, Chairwoman and Co-Founder of the WEF's World Arts Forum.

ii. The recipients of the award included renowned architect and 2024 Pritzker Prize laureate **Riken Yamamoto** from Japan, celebrated fashion designer, philanthropist and champion of women's rights **Diane von Furstenberg** from Belgium, and UNICEF Goodwill Ambassador and global advocate for children's rights **David Beckham** from UK.

About Crystal Award:

The Crystal Award is given to those cultural leaders who have made notable contributions in promoting social, environmental and creative progress worldwide.

India Slips to 3rd Place in Edelman Trust Barometer 2025 Rankings; China topped

The **25th** edition of **Edelman Trust Barometer** was launched during the WEF 2025 in Switzerland. According to the report**, India** slipped to **3rd** spot in terms of the trust of the general population in the government, businesses, media and NGOs. **China** topped the list followed by Indonesia at the 2nd spot.

- The report was made after a survey of more than **33,000** respondents across **28** countries with Japan replacing the UK at the bottom.

Key Points:

i.India ranked low at **13th** place when it comes to trust of people in other countries, in companies with Indian headquarters.

- Within the high-income group, **India** was ranked **fourth** after Indonesia, Saudi Arabia and China.

ii.Canada topped this list of **foreign-headquartered companies**, followed by **Japan**, **Germany**, the UK, France and the United States of America (USA), while those ranked higher than India also included Mexico, South Africa, Saudi Arabia, China and Brazil.

iii.Despite the overall decline in trust, **India** (75) remains one of the most trusted countries among developing nations including China (77%), Indonesia (76), and the UAE (72).

- Five of the largest 10 global economies were among the least trusting nations – **Japan** (the least trusting at 37%), Germany (41), the UK (43), the US (47) and France (48).

WMO Unveiled Framework for Business Engagement in EWS:

During the WEF 2025, Celeste Saulo, Secretary-General of the World Meteorological Organisation **(WMO)** presented a white paper titled 'Catalysing Business Engagement in Early Warning Systems (EWS)' co-authored with the WEF and The Australian National University(ANU), Australia.

- It presented a strategy to use private sector capabilities in innovation, data utilization, and operational efficiency to adapt and mitigate the impacts of extreme weather.
- The WMO will work with governments and businesses to execute the strategies mentioned in the white paper, to close the global early warning gap by 2030, in alignment with the **Early Warnings For All Initiative**.

Key Highlights:

The report introduced a framework to increase business participation through:

i.Innovation in Technology– Use of Artificial Intelligence (AI), Internet of Things (IoT), and big data can help businesses to make weather-driven operational decisions.

ii.Operational Optimization– Companies can use EWS data to make preventive supply chain adjustments, reduce operational risks, and create climate-resilient products.

iii.Corporate Social Responsibility (CSR)- EWS can help in achieving CSR goals by helping businesses protect communities and build trust.

With 7 new members GPAP expands to 25 countries:

During the WEF 2025, **7** countries from Africa **– Angola, Bangladesh, Gabon, Guatemala, Kenya, Senegal**, and **Tanzania**– joined the Global Plastic Action Partnership **(GPAP)**, bringing a total to **25** countries with a combined population of over 1.5 billion people.

- GPAP was launched during the WEF's Sustainable Development Summit in 2018.
- **Maharashtra** state, through its Ministry of Environment and Climate Change, has joined the GPAP in 2022.
- It will find solutions to tackle challenges such as promoting sustainable materials, strengthening recycling systems, reducing GHGs etc.

Note: The plastics sector is responsible for an estimated 1.8 billion tonnes of GHGs emissions annually, and much of this comes from the disposal and degradation of plastics.

Growing geoeconomic fragmentation can decrease global GDP by USD 5.7 trillion: WEF

i.The Navigating Global Financial System Fragmentation report : January 2025 developed in collaboration with **Oliver Wyman** was released at the event which estimated that fragmentation resulting from statecraft policies could cost the global economy USD 0.6 trillion to **USD 5.7 trillion** – up to **5%** of global Gross Domestic Product (GDP) – due to reduced trade and cross-border capital flows as well as lost economic efficiencies.

- It could also increase global inflation by more than **5%** in a very high fragmentation scenario.
- The report shows that the economic impact of rising geoeconomic fragmentation could cross the disruptions caused by the 2008 financial crisis or the COVID-19 pandemic.

ii. In the most extreme fragmentation scenario, Eastern and Western blocs could observe GDP growth decline by over **10%** – with **India**, **Brazil**, **Türkiye**, and emerging economies in **Latin America**, **Africa** and **South-East Asia** bearing the greatest burden.

Anant Singh appointed to GACC:

i.Indian-origin South African filmmaker **Anant Singh** has been appointed to the Global Arts and Culture Council **(GACC)** at the GACC's inaugural meeting held at WEF 2025.

- He is known for highlighting apartheid, Human Immunodeficiency Virus(HIV)/Acquired Immuno Deficiency Syndrome(AIDS), and gender-based violence through his films and one such film is 'Long Walk to Freedom, a biopic of Nelson Mandela.
- He was honored with WEF's Crystal Award in **2001**.

ii. Other notable members of the council include- Sharmeen Obaid-Chinoy (Academy award-winning film director); George Osbourne (Chair of the British Museum); Renee Fleming (World-renowned Soprano) and Hany Ulrich Obrist (Artistic Director of the Serpentine Gallery).

- Andrea Bocelli (World-renowned Tenor); Deborah Rutter (President of the John F Kennedy Centre for the Performing Arts in the US); Nile Rodgers (Musician, Producer and Founder of the We Are Family Foundation; Jin Xing (Dancer – Actress and Transgender Activist); Yana Peel (Global Head of Arts & Culture – Chanel) and Misty Copeland (Dancer, Author, Producer) are other notable members of the council.

About World Economic Forum(WEF):

President and Chief Executive Officer (**CEO)**– Børge Brende(Norway)

Headquarters– Cologny, Switzerland

Founded– 1971

India's AIonOS signs MoU with Indosat to boost Indonesia's AI growth

In January 2025, New Delhi (Delhi) based **AIonOS** India Private Limited signed a Memorandum of Understanding **(MoU)** with Indosat Ooredoo Hutchison **(Indosat or IOH)**, a leading Indonesian digital telecommunications company to transform Indonesia's Artificial Intelligence (AI) ecosystem.

- This partnership marks the **1st large scale** AI-focused collaboration between India and Indonesia, under the visionary, Government-to-Government (G2G) initiative.
- The MoU aims to harness the potential of AI to fuel innovation, stimulate economic growth, and drive socio-cultural transformation in Indonesia.

Note: AIonOS, founded in April 2024, is a joint venture between InterGlobe and Assago Group, focused on transforming businesses into AI-driven enterprises.

Key Areas :

The collaboration focuses on AI^3 (AI for Indonesia and India), an initiative powered by Indosat and AIonOS aimed at reshaping Indonesia's digital economy using AI technology.

i.Transformative Solutions: AI^3 aims to create transformative solutions, in areas like tourism, knowledge economy, and sustainable agriculture, driving innovations to strengthen Indonesia's global networks.
ii.Knowledge Economy Development: The partnership will collaborate with top educational institutions to build an AI-skilled workforce, strengthening Indonesia's position in the knowledge economy.
iii.Sustainable Food Security: AI^3 will use AI to boost agricultural productivity, improve climate resilience, and support local farmers, enhancing food security across Indonesia..

Key Points:

i.Indosat and AIonOS will also establish a Centre of Excellence(CoE) in Jakarta (Indonesia) in collaboration with a China-based company, **DeepSeek** that focuses on AI technology**.**
ii. In January 2025, DeepSeek launched its open-source AI model, **DeepSeek-R1,** designed to compete with major players like **OpenAI**, offering advanced capabilities in areas such as mathematical reasoning and code generation.

About Indonesia:

President- Prabowo Subianto Djojohadikusumo
Capital- Jakarta
Currency- Indonesian Rupiah **(IDR)**

RDCL Receives RBI Approval to Transform India's Mortgage-Backed Securitisation Market

In January 2025, Mumbai (Maharashtra) based RMBS(Residential Mortgage-Backed Securitisation) Development Company Limited **(RDCL)** received its Certificate of Registration **(CoR)** from the Reserve Bank of India (RBI) marking a major milestone for India's housing finance sector.

- The paid-up Capital of RSDL is **Rs.500 crore** and is expected to commence operations in **March 2025.**
- RDCL is designed to create new opportunities for long-term institutional investors, including Insurance Companies, Pension Funds (PFs), and Provident Funds (PFs).

About RDCL:

i.The National Housing Bank **(NHB),** a statutory body under the Government of India (GoI), has set up RDCL as the single largest shareholder.
ii.RDCL is supported by a diverse group of investors, including Banks, Housing Finance Companies (HFCs), Non-Banking Financial Companies (NBFCs), and Insurance Companies.
iii.RDCL aims to drive innovation in securitisation, boost investor confidence, support housing finance policies, and collaborate with key stakeholders.

Key Objectives :

i.Enhancing Housing Finance Liquidity: RDCL will invest in RMBS issuances to support liquidity in the housing finance sector.
ii.Providing Risk Management Solutions: By offering 2nd-loss credit enhancements, RDCL will help manage risks in the RMBS market.
iii.Addressing Liquidity Challenges: RDCL will offer liquidity solutions to Primary Lending Institutions (PLIs), helping them overcome short-term funding challenges.
iv.Standardizing Practices: RDCL will focus on standardizing processes and documentation to ensure transparency and foster trust among stakeholders.

Significance of RMBS Market Development:

i.The RMBS market plays a crucial role in meeting the growing demand for housing finance in India by broadening funding sources, complementing traditional funding methods, providing liquidity to PLIs, and creating opportunities for investment in the secondary market.
ii. Between March 2019 and March 2024, the outstanding individual housing loans in India grew from **Rs 17.95 Lakh Crore** to **Rs. 33.19 Lakh** Crore, achieving a Compound Annual Growth Rate (CAGR) of 13.1%.

Awards & Recognitions

IBA Technology Awards 2024: CUB Wins 7 Awards for 2nd Consecutive Year

In January 2025, the Indian Banks' Association (**IBA**) presented the technology awards in **seven categories** to honor top technology providers in the banking industry at the **20th** Annual Banking Technology Conference, Expo, & Citations, 2024 held in Mumbai, Maharashtra.

- The conference was organized by Indian Banks Association (IBA) and awards presented by RBI Deputy Governor T. Rabi Sankar.
- City Union Bank Limited(**CUB**) and Bank of Maharashtra (**BoM**) win awards in all seven categories, while Karnataka Bank Limited(**KBL**) secures wins in six categories.

IBA Technology Awards 2024:

The awards are presented across 7 categories of Banks in 7 citation categories. Each award was presented to various Banks under three status :Winner, Runner-Up and Special mention.

i.Best Digital Sales, Payments & Engagement
ii. Best Information Technology (IT) Risk Management
iii. Best Fintech & Digital Payment Index (DPI) Adoption
iv.Best Financial Inclusion (FI)
v.Best Artificial Intelligence (AI) & Machine Learning (ML) Adoption
vi.Best Technology Talent & Organization and
vii. Best Technology Bank

Highlights:

i.CUB received awards in all 7 categories for the **second consecutive year**.

- In the winner category, CUB won awards in Best Digital Sales, Payments & Engagement, Best IT Risk Management, Best Fintech & DPI Adoption and Best FI.
- In the winner category, BoM won awards in Best Digital Sales, Payments & Engagement, Best IT Risk Management and Best Fintech & DPI Adoption.

ii.HDFC Bank Limited won the award for Best Digital Sales, Payments & Engagement.
iii. State Bank of India (**SBI**) won the Best Fintech & DPI Adoption and Best FI awards.
iv. Bank of Baroda (**BOB**) won the Best AI & ML Adoption and Best IT Risk Management awards.
v.Union Bank of India (**UBI**) won the Best Technology Talent & Organization and Best Technology Bank awards.
vi. Central Bank of India (**CBI**) won the Best Technology Bank award.
vii. Indian Overseas Bank (**IOB**) won the Best Technology Talent & Organization award.
viii.ESAF Small Finance Bank Limited won the Best FI awards

Click here for the full list of IBA 2024 award winners.

About IBA awards:

The IBA awards are designed to honor top technology providers in the banking industry, fostering competition and encouraging the showcase of innovative products, purposeful initiatives, and substantial value through best practices in customer service.

Recent Related News:

In December 2024, the Financial Intelligence Unit (FIU) of Central Bank of Sri Lanka has imposed monetary penalty of Rs 5.85 Lakhs (2 million Sri Lankan rupees(LKR)) on Chennai (Tamil Nadu (TN))-based Public Sector Bank (PSB), Indian Bank Limited for not complying with the provisions of Sri Lanka's Financial Transactions Reporting Act No.6 of 2006 (FTRA). At present, Indian Bank has its two branches in Sri Lanka i.e. in Jaffna and Colombo.

About Indian Banks Association (IBA):
Chairman – Matam Venkata Rao
Headquarters – Mumbai, Maharashtra
Founded – 1946

Appointments

Rajat Verma Appointed as CEO of DBS Bank India

In December 2024, **Rajat Verma** was appointed as the Chief Executive Officer(**CEO**) of the DBS Bank India Limited **(DBIL)**, a subsidiary of the Singapore-based DBS Group, effective from 1st March 2025. He will also become a member of DBS's Group Management Committee.

- He will succeed **Surojit Shome**, who is set to retire on February 28 2025 after successfully leading the bank for 10 years.
- Currently, he serves as the head of Institutional Banking Group (IBG) at DBIL..
- The Reserve Bank of India(RBI) has approved Rajat Verma's appointment following DBS Bank's proposal.

About Rajat Verma:

i.He is an experienced banker with 27 years of expertise in areas like consumer and corporate banking, transaction banking, financial institutions, sustainable finance, SME banking, and branch banking.
ii. He joined DBIL in June 2023. Under his leadership, DBIL was also recognized as the Best Bank for Sustainable Finance – India by Global Finance in 2024.
iii. Before joining DBIL, Verma was the Managing Director (MD) and Country Head of Commercial Banking at Hongkong and Shanghai Banking Corporation Limited (HSBC) India.

About DBS Bank India Limited(DBIL):

In 2019, DBS Bank announced the launch of DBIL, which was the first large foreign bank in India to operate as a wholly-owned subsidiary of a global bank. DBIL has expanded to over 350 locations across 19 states in India.
Chief Executive Officer**(CEO)** – Rajat Verma
Headquarters – Mumbai, Maharashtra

Anup Kumar Sinha Reappointed As Non-Executive Chairman of Bandhan Bank

In December 2024, the Reserve Bank of India **(RBI)** approved the re-appointment of **Anup Kumar Sinha** as the Non-Executive (Independent) Chairman of the Bandhan Bank Limited. He will hold the office for the period from January 07, 2025 to July 04, 2026.
i.Anup Kumar Sinha, an economist, was the former Director of Heritage Business School ('HBS'),West Bengal (WB) and currently designated as Chief Mentor.

- He has also authored publications on various topics including economics, rural economy, management.

ii. He served **3 terms** on the Board of Governors at IIMC and also as the Dean during 2003-06.He has also served on the Board of National Bank for Agriculture and Rural Development (NABARD).

TATA AIG General Insurance Company Appointed Amit Ganorkar as MD & CEO

Mumbai(Maharashtra) based TATA AIG General Insurance Company Limited has appointed **'Amit Ganorkar'** as its Managing Director(**MD**) and Chief Executive Officer (**CEO**), effective from 1st January 2025.

- He succeeds **Neelesh Garg**, who resigned from the company after leading it for over nine years.

i.He previously held the position of MD at Chennai (Tamil Nadu,TN) based Royal Sundaram General Insurance Company. He has also held the role of Chief Operating Officer(COO) at TATA AIG General Insurance.
ii. With over twenty years of experience in the general insurance industry, Ganorkar has specialized expertise in key areas such as sales and distribution, along with product development.
Note: TATA AIG General Insurance Company Limited is a Joint Venture(JV) between the TATA Group and American International Group (AIG), and it began its operations in India on 22nd January 2001.

MoF Appoints C S Setty, Uday Kotak as Governing Council Members of NIIFTL

In January 2025, the Ministry of Finance (MoF) appointed **Challa Sreenivasalu Setty,** Chairman of State Bank of India (SBI) and **Uday Kotak**, Founder and Director of Kotak Mahindra Bank Limited(KMBL) as the governing council **member** of the National Investment and Infrastructure Fund Trustee Limited (**NIIFTL**), which provides strategic guidance on a number of matters including investment of the corpus of NIIF.

- C S Setty replaced **Dinesh Khara**, former Chairman of SBI, while Uday Kotak replaced **T V Mohandas Pai**, Chairman of Bangalore (Karnataka) based Aarin Capital.
- According to the circular issued by the Department of Economic Affairs (DEA), MoF, the nomination was approved by **Nirmala Sitharaman**, the chairperson of the Governing Council.

About National Investment and Infrastructure Fund Limited (NIIFL):
i.NIIFL, an Indian Public Sector Company, was established in December 2015 with the goal of boosting infrastructure financing by investing in new (greenfield), existing (brownfield), and stalled projects.
ii.NIIFTL was established to serve as an advisory council to NIIF, offering strategic guidance on matters such as the investment of NIIFL's corpus.
iii.NIIFTL is a six member council chaired by Finance Minister Nirmala Sitharaman.

- The other members of the council include **Ajay Seth**, Secretary of the DEA; **M. Nagaraju**, Secretary of the Department of Financial Services (DFS), MoF; and **Hemendra Kothari**, Chairman of the Mumbai-based DSP Mutual Fund.

ACC Approves Ashok Chandra as PNB MD & CEO, Binod Kumar as Indian Bank MD & CEO

The Appointments Committee of the Cabinet **(ACC)** has approved the appointment of **Ashok Chandra** as the Managing Director **(MD)** and Chief Executive Officer **(CEO)** of Punjab National Bank (PNB) and **Binod Kumar** as the MD and CEO of Indian Bank (IB). .

- Both appointments are for a tenure of three years, effective from the date they assume charge, or until further orders. Binod Kumar tenure may be extended by an additional two years after a performance review.
- Ashok Chandra succeeds Atul Kumar Goel, who retired on December 31, 2024.Binod Kumar takes over from Shanti Lal Jain, who also retired on December 31, 2024.

Note: The appointments were recommended by the Financial Services Institutions Bureau **(FSIB)**, a part of the Department of Financial Services. The FSIB is chaired by Bhanu Pratap Sharma.

About Ashok Chandra:

i.Holds a postgraduate degree in Economics and began his banking career in 1991 with Corporation Bank as a Probationary Officer (PO).
ii. He is a Certified Associate of the Indian Institute of Bankers (CAIIB).He also served as director in the Board of The Union Trustee Company Private Limited and as a Director in The National Asset Reconstruction Company Limited (NARCL).
iii. He served as Executive Director **(ED)** at **Canara Bank Limited** before being appointed as MD and CEO of PNB.

About Binod Kumar:

i.Holds a Postgraduate (PG) Diploma in Banking & Finance from the National Institute of Bank

Management (NIBM) and is certified as a Financial Risk Manager (FRM) by the Global Association of Risk Professionals (GARP), United States of America (USA).

ii. He is also a Certified Associate Member of the Indian Institute of Bankers (CAIIB).

iii. Before his appointment as MD and CEO of Indian Bank, he served as the **ED** at **PNB**.

About Punjab National Bank (PNB):

Established- 1894

Headquarters- New Delhi, Delhi

Tagline– The Name You Can Bank Upon

About Indian Bank (IB):

Established- 1907

Headquarters- Chennai, Tamil Nadu

Tagline– Your own bank

RBI Assigns Deputy Governor M Rajeshwar Rao to head monetary policy

The Reserve Bank of India (RBI) has redesigned portfolios of its deputy governors as the 5-year term with two one-year extended tenure of **Dr. Michael Debabrata Patra** ended on **14th January 2025.**

- The central bank has reshuffled its **33** departments among the **three** deputy governors - Rajeshwar Rao, T Rabi Sankar and Swaminathan Janakiraman.

i.The key **Monetary Policy department** under Michael Debabrata Patra was given to Deputy Governor **M Rajeshwar Rao.**

- M Rajeshwar Rao will handle **11** portfolios – Co-ordination, Department of Communication, Department of Economic and Policy Research, Department of Regulation, Department of Statistics and Information Management, Enforcement Department, International Department, Legal Department, Monetary Policy Department, Risk Monitoring Department and Secretary's Department.

ii.Rabi Sankar will look after **13** departments, including Currency Management, Information Technology, Financial Markets Operations and Financial Markets Regulation.

iii.Swaminathan Janakiraman will look after **9** departments, including Supervision and Deposit Insurance and Credit Guarantee Corporation (DICGC).

iv. Dr. Michael Debabrata Patra was first appointed as the RBI deputy governor in 2020 for three years. In 2023, his term was extended by one year and by another year in 2024.

- He was a member of the Monetary Policy Committee (MPC) since it was established in 2016.

Note: The RBI has four deputy governors, an economist to oversee the monetary policy department, one commercial banker, and two from within the ranks.

DoT Extends Robert Jerard Ravi's Tenure as CMD of BSNL and MTNL until April 2025

In January 2025, the Department of Telecommunications (DoT), Ministry of Communications (MoC) has extended the additional charge of Chairman and Managing Director (**CMD**) of **BSNL** (Bharat Sanchar Nigam Limited) and **MTNL** (Mahanagar Telephone Nigam Limited) assigned to **Robert Jerard Ravi** for another **three months** with effect from January 15, 2025, till April 14, 2025, or until further orders, whichever is earlier, subject to approval by the Appointments Committee of the Cabinet (ACC).

i.Ravi is currently serving as **Deputy Director General** (Standards Research and Innovation) and was assigned additional charge of telecom public sector undertakings as their CMD on July 13, 2024.

ii. He has played a vital role in finalizing the tender for the third phase of the **BharatNet** project and boosting BSNL's 4G network rollout during his tenure as CMD.

- BharatNet Phase 3 aims to provide broadband connectivity to 6.4 lakh villages and all 2.64 lakh Gram panchayats across India.

Alok Kumar Agarwal Appointed MD and CEO of Zurich Kotak General Insurance

Alok Kumar Agarwal was appointed as the Managing Director **(MD)** and Chief Executive Officer **(CEO)** of Mumbai (Maharashtra) based Zurich Kotak General Insurance. He took charge of this post from January 01, 2025, succeeding Suresh Agarwal.

- His appointment came following Zurich completed the strategic majority stake acquisition of Mumbai based Kotak Mahindra General Insurance Company Limited (KGI) in June 2024.

i.Alok Agarwal has an extensive experience of more than 20 years in the insurance industry.
ii. Earlier, he served at various senior positions at ICICI Lombard General Insurance, managing diverse segments like: corporate, government, rural, crop and retail businesses.

IDBI Bank Re-appoints Rakesh Sharma as MD & CEO for 3 years

In January 2025, Mumbai (Maharashtra) based **IDBI Bank** Limited has reppointed **Rakesh Sharma** as Managing Director (**MD**) and Chief Executive Officer (**CEO**) of the bank for **three years** with effect from March 19 2025.

- The decision, approved by the Board of Directors after receiving approval from the Reserve Bank of India (RBI).

i.In 1980, he started his career at the State Bank of India (SBI) as Chief General Manager (CGM). Later, he moved to Lakshmi Vilas Bank Limited, where he served as MD & CEO from March 2014 to September 2015.
ii. He joined Canara Bank as MD & CEO in September 2015 and led the organization for three years before retiring in July 2018.
iii. In October 2018, he became the MD & CEO of IDBI Bank, a role he held until his reappointment.
iv. He currently serves as the President of the Governing Body at the Entrepreneurship Development Institute of India (EDII) and is a member of the Managing Committee of the Indian Banks' Association (IBA).
Note: The reappointment comes as IDBI Bank's promoters — Life Insurance Corporation of India (LIC), holding 49.24%, and the Government of India (GoI), with 45.48% — work to reduce their stakes.

Acquisitions & Mergers

RBL Bank Sells Entire Stake in DAM Capital Advisors

Mumbai (Maharashtra) based **RBL Bank Limited** has **sold** its **entire 8.16% stake** in **DAM Capital Advisors Limited**, also based in Mumbai. As a result of this transaction, RBL Bank Limited no longer holds any shares in DAM Capital Advisors Limited.
i.The sale, involving 57.71 Lakh equity shares with a face value (FV) of Rs. 2 each, was conducted through an **offer for sale** (OFS) following DAM Capital's initial public offering (IPO), which took place from December 19 to 23, 2024.
ii. The shares were sold at Rs. 283 each, with the total **transaction value** amounting to **Rs. 163.32 crore**.Before the IPO, the bank had already sold 10.60 lakh shares, or 1.5%, of DAM Capital Advisors Limited through a secondary market transaction.

- DAM Capital Advisors Limited(DAM Capital),an investment bank in India ,established in 1993, made its stock market debut on December 27, 2024.
- RBL Bank, formerly known as Ratnakar Bank Limited, is an Indian private sector bank founded in 1943 and R Subramaniakumar is Managing Director(MD)& CEO of the Bank since June 23, 2022.