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*Happy
New Year
2025*

M O N T H L Y N E W S L E T T E R

TIRUPUR BRANCH OF SICASA

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Dear Future Chartered Accountants,

A very Happy New Year to all of you! As we step into 2025, I hope this year brings you success, happiness, and new opportunities to achieve your goals.

December was a momentous month for the Tirupur Branch of SICASA, as we successfully conducted our first MCS batch. The enthusiasm and dedication shown by participants have set a high standard for the sessions to come. Moving forward, January 2025 is set to be equally vibrant with the 21st batch of Advanced ITT and the 60th Orientation batch scheduled to commence. These programs are pivotal in shaping your professional acumen and honing your skills for a successful career.



To all the students appearing for the CA Intermediate and Foundation exams this January, I wish you the very best. The path to becoming a Chartered Accountant is undoubtedly challenging, but it is also immensely rewarding. With focus, hard work, and determination, I am confident you will achieve your aspirations.

As you approach the exams, remember to balance your preparation with self-care. Stay positive, trust your abilities, and take each challenge as a stepping stone towards your dream. The journey you've embarked upon is a testament to your courage and ambition, and every step you take brings you closer to becoming a proud member of this prestigious profession.

We are thrilled to announce that our CA fraternity has grown to over 500 members! This milestone reflects the strength and unity of our community. A heartfelt congratulations to all students who have joined this esteemed profession. Your journey as part of the CA fraternity begins now, and we wish you all the best in your endeavors. Together, let's continue to achieve excellence and inspire the future!

On behalf of the Tirupur Branch of SICASA, I extend my heartfelt wishes for your success in the exams and for a fulfilling and prosperous 2025. Stay inspired, stay determined, and continue striving towards excellence.

Thanks and Regards

CA Saravana Raja K,

Chairman,

Tirupur Branch of SICASA

"CHANGING GUARDS AT RBI"

What Sanjay Malhotra's Appointment Means for India's Economy"

Introduction:

The Reserve Bank of India (RBI) plays a critical role in shaping India's economic and financial landscape. In 2024, a significant shift occurred as Sanjay Malhotra took over as the new Governor of the RBI, succeeding Shaktikanta Das, whose term ended after a successful tenure. This change in leadership comes at a crucial time when India is navigating inflationary pressures, global economic uncertainties, and a quest for sustained growth.

1. Sanjay Malhotra: A New Chapter for India's Monetary Policy

Sanjay Malhotra, an Indian Administrative Service (IAS) officer from the 1990 batch, brings extensive experience in financial administration, revenue management, and policy formulation. Before becoming RBI Governor, he served as the Revenue Secretary in the Ministry of Finance. During his tenure as Revenue Secretary, Malhotra played a crucial role in tax administration, revenue collection, and policy reforms aimed at increasing government revenue. His experience in handling complex fiscal issues is seen as a valuable asset as he takes charge of India's central bank.

Why Was He Chosen as RBI Governor?

The appointment of Malhotra reflects the government's intent to have a leader who understands public finance, taxation, and economic management. His administrative background and experience in dealing with economic policies make him a fitting choice to lead the RBI during this transitional phase.

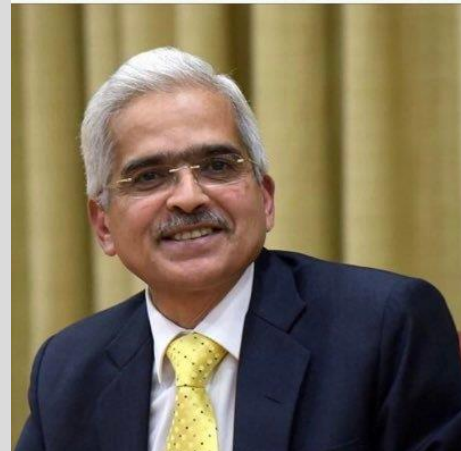


2. Shaktikanta Das: The Legacy He Leaves Behind

Before Sanjay Malhotra, Shaktikanta Das served as the RBI Governor from December 2018 to December 2024. Known for his steady and pragmatic approach, Das guided India's economy through major challenges like:

- ❖ **COVID-19 Crisis:** Das played a key role in stabilizing the economy during the pandemic, introducing loan moratoriums, interest rate cuts, and liquidity measures to support businesses and individuals.
- ❖ **Inflation Control:** While inflation remained a challenge, Das ensured it stayed within manageable limits.
- ❖ **Digital Payments Boom:** He supported the rapid expansion of UPI (Unified Payments Interface) and India's fintech ecosystem, transforming the way Indians make payments.
- ❖ **Global Recognition:** Das's efforts were praised globally, with international institutions like the IMF and World Bank commending his policies during the pandemic.

Shaktikanta Das leaves behind a legacy of stability and bold decision-making. The expectations are now high for Sanjay Malhotra to continue this momentum while introducing his fresh perspective.



3. Challenges Facing Sanjay Malhotra as RBI Governor:

Sanjay Malhotra takes charge at a time when India's economy faces multiple challenges. Here are some of the key issues he will need to address:

❖ Controlling Inflation:

Inflation is a critical issue in India. Although wholesale inflation fell to 1.89% in November 2024 and retail inflation declined to 5.48%, it is still above the RBI's comfort zone of 4%. High inflation affects the cost of essential goods, making it harder for ordinary people to manage daily expenses. To control inflation, Malhotra will have to use tools like interest rate adjustments and liquidity management. The goal is to keep prices stable while supporting economic growth.

❖ Managing Interest Rates:

The RBI's current repo rate is 6.50%, and there is speculation that a rate cut may happen in early 2025. Lowering interest rates can boost borrowing and encourage economic activity, but it could also increase inflation. Malhotra will have to carefully balance the need for growth with the risk of higher inflation.

❖ Ensuring Financial Stability:

With global issues like the U.S.-China trade tensions and slower global economic growth, India's economy could face shocks. Malhotra's challenge will be to stabilize the rupee and ensure foreign exchange reserves remain sufficient. He will also need to safeguard India's financial system from external crises.

❖ Reviving Corporate Earnings:

The July-September 2024 quarter was one of the worst for corporate earnings in four years. Many companies faced slow growth due to reduced government spending and bad weather affecting agriculture. Malhotra will have to ensure that businesses get access to affordable loans so they can expand production, hire more workers, and boost profits.

❖ Supporting India's Infrastructure Push:

The government's \$576 billion infrastructure investment plan aims to develop roads, railways, and ports. As RBI Governor, Malhotra will have to ensure that the financial system supports these infrastructure projects by providing loans and enabling large-scale funding.

❖ Driving Digital Transformation:

The RBI is working on the Digital Rupee, a type of Central Bank Digital Currency (CBDC). This will function like cash but in digital form. As Governor, Malhotra will oversee the rollout of the Digital Rupee and ensure it is safe, secure, and easy for people to use. He will also support the growth of UPI payments and other fintech innovations.

4. Policy Expectations from Sanjay Malhotra

Sanjay Malhotra's policies as RBI Governor will be shaped by his experience in government finance and economic management. Here's what experts expect from him:

❖ Focus on Economic Growth:

The government has set a target of 6.5% to 7% GDP growth for 2024-25. Malhotra will support this goal by encouraging banks to provide loans to businesses and consumers. Policies that make loans cheaper, reduce financial stress on businesses, and boost employment will be his priority.

❖ Balanced Approach to Inflation:

While controlling inflation is essential, Malhotra is likely to avoid drastic rate hikes that could hurt growth. If inflation remains stable, he may introduce gradual rate cuts to make loans cheaper and stimulate business activity.

❖ Boosting MSME Growth:

Small and medium enterprises (MSMEs) are the backbone of India's economy. As RBI Governor, Malhotra is expected to ease access to loans for MSMEs, reduce the compliance burden, and offer incentives for banks to lend to small businesses.

❖ Digital Currency Expansion:

The rollout of India's Digital Rupee will be one of Malhotra's key projects. He will aim to make the CBDC widely accepted, easy to use, and secure from cyberattacks. His policies will shape India's future role in the world of digital currencies.

❖ Reforms in Banking and Compliance:

To support businesses, Malhotra may introduce simpler banking regulations and ease the compliance process. This will help companies get loans faster and reduce administrative delays in the financial system.

5. Impact of Leadership Change:

The change in the RBI's leadership has both short-term and long-term implications.

Short-Term Impacts:

- ❖ **Stable Interest Rates:** Interest rates will likely remain steady for a few months, reducing uncertainty for borrowers and businesses.
- ❖ **Positive Market Sentiment:** Investors and markets view Malhotra as a seasoned leader, so his appointment has inspired confidence.

Long-Term Impacts:

- ❖ **Digital Rupee Rollout:** Malhotra's leadership will be crucial for the success of India's Digital Rupee.
- ❖ **Economic Growth vs. Inflation:** Malhotra's ability to balance growth and inflation will be tested. If he succeeds, India could achieve higher GDP growth.
- ❖ **Banking Reforms:** New reforms to support MSMEs, ease banking processes, and promote sustainable finance are expected.

Conclusion:

The appointment of Sanjay Malhotra as RBI Governor marks the start of a new era in India's monetary policy. With his experience as Revenue Secretary, he is well-equipped to address issues like inflation, interest rates, and financial stability. He will

have to balance growth with inflation, roll out the Digital Rupee, and ensure support for businesses and MSMEs. His policies will shape India's economic future for years to come.

With India aiming for 6.5% to 7% GDP growth, the spotlight is now on Sanjay Malhotra. His decisions will affect borrowers, businesses, investors, and the Indian rupee. His leadership offers both challenges and opportunities for India's economic future.

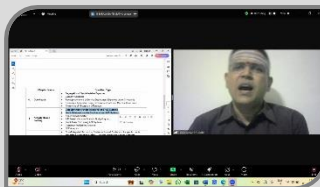
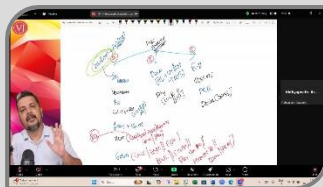
KOUSHICK PARAMASIVAM

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PHOTO GALLERY



SICASA DAY CELEBRATION ON 01ST DEC



HOW TO FACE CA INTERMEDIATE EXAMS WAS CONDUCTED FROM DEC 02ND



HALF DAY WORKSHOP ON 06TH DEC



ADV. ITT PROGRAM WAS CONDUCTED FROM 10TH DEC



INDUSTRIAL VISIT ON 11TH DEC

BLOOD DONATION CAMP ON 14TH DEC



ADV. MCS PROGRAM WAS CONDUCTED FROM 24TH DEC