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DAILY NEWS DIGEST BY BFSI BOARD

10 March 2025



ECONOMY

Govt set to explain in Parliament Trump's claim on India's tariff cuts, trade pact plans with US: With Opposition parties seeking an explanation on US President Donald Trump's claim of India agreeing to cut its tariffs "way down", Commerce & Industry Minister Piyush Goyal is likely to brief Parliament on his recent visit to Washington DC for talks on the proposed bilateral trade agreement (BTA) with the US, sources have said. "Negotiations on the BTA are set to begin, so the government is fast-tracking work on a list of items such as cars, motorbikes and electronics, where tariff cuts can be offered to appease the US. It is also putting together lists of sensitive items to protect farmers and vulnerable sections and of offensive asks," a source tracking the matter told.

(Business Line)

FPI outflows persist, but selling pressure eases amid market rebound: Foreign Portfolio Investors (FPIs) continued their equity selling spree in the first week of March 2025, net selling ₹24,753 crore in five trading sessions this past week as of March 7, taking the total outflows so far this calendar year to ₹1,37,354 crore, depositories data showed.

(Business Line)

COP30 chair moots 10-year road map to move away from fossil fuels: Brazil, which will chair this year's UN-sponsored climate talks (COP30), is doubling down on accelerating the implementation of climate action. To this end, it has suggested setting up "additional governance structures" under the UN, "complimentary" to the existing process under UNFCCC, to follow up on commitments that have been made on climate action. Despite acknowledging potential slowdowns due to the US's Paris Agreement withdrawal, Brazil emphasizes global cooperation and a 10-year roadmap to mitigate adverse environmental impacts.

(Economic Times)



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BANKING & FINANCE



AGS Transact's troubles hurt many banks' ATM operations: The collapse of ATM service provider AGS Transact is causing significant disruptions in India's banking infrastructure. Major banks including State Bank of India, ICICI Bank and Axis Bank are facing challenges in servicing about 38,000 ATMs, many of which are running out of cash, people in the know said. The collapse of ATM service provider AGS Transact is causing widespread disruptions, affecting major banks like SBI, ICICI Bank, and Axis Bank. SBI is the most impacted with 14,000 unserviceable ATMs, while ICICI Bank and Axis Bank are migrating their ATMs to other service providers to mitigate the issues.

(Economic Times)

Banking sector must continue to innovate, lead amid changing global landscape: FM Nirmala Sitharaman: Finance Minister said the banking sector must continue to innovate and lead amid changing global landscape, and exuded confidence that the country's largest bank SBI will embrace technology, sustainability and inclusivity as its guiding principles. Speaking at the launch of Platinum Jubilee celebrations of Foundation Day of SBI, the minister also said SBI has continuously evolved to meet the changing landscape and retained its position as a market leader despite regulatory tightening. "The banking sector must continue to innovate and also to lead. I am confident that SBI will rise to the occasion embracing technology, sustainability and inclusivity as its guiding principles," Sitharaman said.

(Economic Times)

IMF's Pak loan review: India to question Pakistan's Brics Bank stake plan: Even as the International Monetary Fund (IMF) has kicked off its first review of a \$7 billion bailout facility extended to Pakistan last year, India is set to red-flag Islamabad's plan to invest nearly \$600 million in the New Development Bank (NDB) set up by Brics nations when the loan's second tranche is considered by the IMF board. India has generally abstained from voting on loans sought by Pakistan in the IMF's executive board meetings. However, in January 2024, when the board was reviewing an earlier \$3 billion short-term Stand-By Arrangement (SBA) granted to Pakistan, India had urged the IMF.

(Business Standard)



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INDUSTRY OUTLOOK



IIFL Finance opens 7 'Shakti' branches on Women's Day: NBFC firm IIFL Finance has opened seven new gold-loan branches run by female employees across the National Capital Region (NCR) and Mumbai Metropolitan Region (MMR) on the occasion of International Women's Day. Branded as 'Shakti' branches, the new outlets celebrate the strength and resilience of women who drive social and economic change in their communities, IIFL Finance said in a statement. These branches will cater to all borrowers, offering special benefits and financial literacy programmes tailored for female entrepreneurs, it added.

(Economic Times)

Indian corporates need Rs 120 lakh cr debt by FY30 for Capex and working capital: **Crisil:** The corporate in India will need to raise about Rs 115-125 lakh crore in debt between FY26 and FY30 to fund capital expenditure (capex), working capital, and the financing needs of NBFCs, according to a report by Crisil. The report highlighted that around Rs 45-50 lakh crore of this debt will be required for capital expenditure, while the remaining Rs 70-75 lakh crore will be used by NBFCs and for meeting working capital requirements. It said "Corporate India will need to raise approx. Rs 115-125 lakh crore of debt between fiscals 2026 and 2030 to meet private and public sector capex".

(Economic Times)

Govt committed to EV infrastructure, local manufacturing: **Ashwini Vaishnaw:** Union Minister for Electronics and IT Ashwini Vaishnaw on Saturday laid the foundation stone for four manufacturing units at the Electronics Manufacturing Cluster in Mahabubnagar district of Telangana. As part of the ceremony, foundation stones were laid for upcoming Giga Factory-1 of Amara Raja company, critical minerals refining and battery recycling unit of Lohum company, cell casing manufacturing unit of Scell Energy, and first LFP-CAM Giga Factory of Altmin, an official release said. Addressing the gathering, Vaishnaw said electric mobility remains a focus area for the government. The government is committed to developing the right infrastructure and ecosystem for the promotion and adoption of EVs.

(Business Standard)



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REGULATION & DEVELOPMENT

State govts boost farmer incentives amid concerns over fiscal strain: Many state governments over the past few weeks have announced incentives for farmers either by topping up the Centre's PM-KISAN disbursement with their own allocation, benefits of cultivation per hectare, or a bonus on minimum support price (MSP). While most of the announcements have been part of election manifestos, the increase is bound to put a greater burden on their resources. In Madhya Pradesh, the Cabinet recently approved an extra incentive of ₹4,000 per hectare for paddy growers, which would cost the state around ₹480 crore.

(Business Standard)

Waiting for a fair wind: Shadow bank risks persist despite RBI relief: Towards the end of February, the Reserve Bank of India (RBI) restored the risk weighting on banks loans to non-banking financial companies (NBFCs; including to microfinance institutions, or MFIs) to 100 – back to its November 2023 position – from 125. It is only a partial relief though. “Higher risk weighting on unsecured lending continues to be in place while the same on bank funding to NBFCs has been done away with. This is a positive step by RBI,” says Rajiv Sabharwal, managing director (MD) and chief executive officer (CEO), Tata Capital.

(Business Standard)

Govt levies 10% duty on masur, offers free import of yellow pea till May 31: The government has imposed a 10 per cent import duty on lentils (mosur) and extended the duty-free import of yellow peas by three months till May 31 this year to enhance domestic availability, according to a finance ministry notification. Through the notification, the government has imposed 5 per cent basic customs duty and 5 per cent Agriculture Infrastructure and Development Cess (AIDC) on lentils with effect from March 8. So far, the import of lentils has been exempt from duty. The government had initially allowed the duty-free import of yellow peas in December 2023 and subsequently extended it thrice till February 28.

(Business Standard)



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FINANCIAL TERMINOLOGY

CONSUMER SURPLUS

- ❖ Consumer surplus is defined as the difference between the consumers' willingness to pay for a commodity and the actual price paid by them, or the equilibrium price.
- ❖ Total social surplus is composed of consumer surplus and producer surplus. It is a measure of consumer satisfaction in terms of utility.
- ❖ Graphically, it can be determined as the area below the demand curve (which represents the consumer's willingness to pay for a good at different prices) and above the price line. It reflects the benefit gained from the transaction based on the value the consumer places on the good. It is positive when what the consumer is willing to pay for the commodity is greater than the actual price.
- ❖ Consumer surplus is infinite when the demand curve is inelastic and zero in case of a perfectly elastic demand curve.



RBI KEY RATES

Repo Rate: 6.25%
SDF: 6.00%
MSF & Bank Rate: 6.50%
CRR: 4.00%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 87.0612
INR / 1 GBP : 112.2201
INR / 1 EUR : 94.1979
INR /100 JPY: 59.0200

EQUITY MARKET

Sensex: 74332.58 (-7.51)
NIFTY: 22552.50 (+7.80)
Bnk NIFTY: 48497.50 (-130.20)

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