

DAILY NEWS DIGEST BY BFSI BOARD

15 April 2025



ECONOMY

European Union tariffs on US goods suspended until July 14: The European Union on Monday said that it will pause its planned retaliatory tariffs on US goods worth 21 billion euros until July 14 to allow more time for negotiations with Washington. The US had earlier imposed a 20% tariff on the EU as part of former President Trump's wider trade measures on April 2, but later put those tariffs on hold for 90 days just a week after imposing them. In response, the EU last week decided to temporarily halt its own counter-tariffs on US steel, aluminium, and car imports. However, the original US tariffs on those items are still in effect. The EU's pause will "take legal effect" on Tuesday, the European Commission said.

(Moneycontrol)

Retail inflation likely at 3.8-4% in March: Retail inflation based on the Consumer Price Index (CPI) is likely to have closed fiscal year 2024-25 between 3.8 per cent and 4 per cent in March. The official data will be released on Tuesday. Vegetable prices have shown a mixed trend, while gold prices continue to rise. This suggests that food inflation is expected to remain flat, but core inflation (headline inflation excluding food and fuel) may witness an uptick. Still, headline inflation is expected to hover around 4 per cent — the median of the targeted inflation range of 2 to 6 per cent. This provides comfort to the Monetary Policy Committee as it reviews the policy interest rate, commonly known as the repo rate (the rate at which the Reserve Bank of India lends to scheduled commercial banks), especially after two successive cuts.

(Business Line)

BANKING & FINANCE



Mehul Choksi Arrest: Belgium confirms India's extradition request for PNB scam co-accused: India has filed for the extradition of PNB scam co-accused Mehul Choksi, Belgium confirmed on Monday. Choksi, who was arrested on April 12, is currently under detention, Belgian federal public service of Justice was quoted by news agency ANI. The 65-year-old fugitive businessman has been one of the accused in Rs 13,000 crore PNB fraud along with his nephew Nirav Modi. After living in Antigua for some time, Choksi had reportedly travelled to Belgium for a medical treatment. From India, both Enforcement Directorate as well as CBI are in touch with Belgian authorities. While the Interpol Red Notice against the fugitive businessman was deleted a while back, India has been actively looking for ways to bring back Choksi. A Times of India report said that to substantiate the extradition request, the Indian officials have added both 2018 and 2021 arrest warrants that were issued against Choksi by the Mumbai Special Court.

(Moneycontrol)

Large banks cutting deposit rates by 25 bps to hit savers: Depositors' savings plans are set to be affected as leading banks have cut interest rates on fixed deposits and savings accounts, a move that was expected after the Reserve Bank of India slashed the repo rate by 25 basis points (bps) last week. The RBI's saying that liquidity will be maintained at a surplus level enabled lenders to cut deposit rates even though the deposit mobilisation challenge persists. The country's largest lender State Bank of India (SBI) has cut the fixed deposit rate on the 1-3 year tenure by 10 bps (as reflected in table below). These rate cuts will be effective April 15. Similarly, the country's largest private lender HDFC Bank slashed the savings account interest rate by 25 bps to 2.75 per cent, effective April 12.

(Business Line)

Mudra Yojana: Rs 33 lakh crore of collateral-free loans sanctioned, 68 pc beneficiaries women: Union minister Pankaj Chaudhary on Monday said more than Rs 33 lakh crore of collateral-free loans have been given to 52 crore people under Mudra Yojana for starting businesses and 68 per cent of the beneficiaries are women. The Minister of State for Finance was addressing a gathering at the valediction ceremony of the 77th batch of Indian Revenue Service (IRS) officers at the National Academy of Direct Taxes in Nagpur. Talking about the country's vision for economic development, he said, "In the last ten years, our government has given more than Rs 33 lakh crore of collateral-free loans to 52 crore people. These loans ranged from Rs 50,000 to Rs 20 lakh."

(Economic Times)

Banks seek common insurance repository, shared customer data access to curb policy-backed loan fraud: Banks have pitched for creation of a common insurance repository and shared access to key customer data to help curb fraud in loans backed by life insurance policies. The suggestion was made to the government earlier this month after discussions centered on strengthening KYC norms and enhancing fraud prevention mechanisms, according to two executives aware of the developments.

(Economic Times)

INDUSTRY OUTLOOK



NITI Aayog lays out roadmap to boost auto component manufacturing in India: To double India's automotive component production to \$145 billion by FY30, a Niti Aayog report recommends a mix of fiscal and non-fiscal measures, including operational expenditure support, cluster development, and free trade agreements (FTAs) with key markets. In "Automotive Industry: Powering India's Participation in Global Value Chains," the report outlines a Vision 2030 to triple exports from \$20 billion to \$60 billion. Achieving this target would generate a trade surplus of roughly \$25 billion, expand India's share of the global automotive value chain from 3% to 8%, and create 2–2.5 million additional direct jobs—raising total sector employment to 3–4 million.

(Financial Express)

As shipments resume, US buyers want Indian sellers to split tariff cost: Days after the 90-day pause on America's country-specific reciprocal tariffs kicked in, exporters are seeing a resumption of outbound shipments to the United States (US) on the basis of existing orders although the fate of fresh orders remains uncertain. With the US now imposing a 10 per cent import tariff on all its trade partners except China, American buyers are asking Indian sellers to absorb one-third to half the additional tariff imposed, exporters said. In sectors such as apparel, sellers are trying to utilise the 90-day window to send their shipments to the US before July 9.

(Business Standard)

Centre to revamp guidelines for Ratna CPSEs to improve performance: The Centre is planning to revise the guidelines governing the classification and performance assessment of Central Public Sector Enterprises (CPSEs) -- which are categorised in four Ratna groups -- and may introduce a provision to downgrade a CPSE if its performance dips, a senior government official said. CPSEs are divided into four groups, Maharatna, Navaratna, Mini Ratna Category 1, and Mini Ratna Category 2. "The proposed changes aim to enhance the overall quality and efficiency of CPSEs which are into four

various categories. The government is also working on the revised framework that may include provisions to downgrade the status.

(Business Standard)



REGULATION & DEVELOPMENT

Portal to track and transfer dividend, unclaimed shares worth Rs 1 lakh crore by August: In a bid to expedite the refund of unclaimed shares and dividends to their rightful recipients, the Investor Education and Protection Fund Authority (IEPFA) is all set to roll out is 'integrated portal' by August 2025, as per report from sources familiar with the development. The total number of unclaimed shares lying with the IEPFA is over 1.1 billion, valued about Rs 1 lakh crore, while the total value of unclaimed dividends stands at about Rs 6,000 crore. The one-stop digital platform is designed to streamline the claims process by offering real-time tracking, direct communication with companies, and instant data validation through interfaces with PAN, depositories, and banks. The portal aims to provide investors with a more efficient, transparent, and user-friendly experience.

(Moneycontrol)

Taxing times: I-T department tightens scrutiny of FPIs based in Mauritius: The income-tax (I-T) department has intensified its scrutiny of foreign portfolio investors (FPIs) in Mauritius who are claiming tax benefits under the India-Mauritius treaty. In the past two weeks, over half a dozen Mauritius-based FPIs have received notices from the I-T department regarding their Tax Residency Certificates (TRCs), according to sources. "The department requested copies of TRC applications. Some FPI administrators declared no permanent place of business in Mauritius, which could justify denying tax benefits. Five to seven FPIs received demands to recover taxes on derivatives income," said a source with direct knowledge of the developments.

(Business Standard)



Account Information Service Provider (AISP)

- ❖ Account Information Service Provider (AISP) or a company with an AISP license, is a type of financial institution providing access to the financial information of the user on the accounts that are held with other institutions.
- ❖ Account information service providers (AISPs) and payment initiation service providers (PISPs) are essential to open banking. Whether it's enabling a host of new financial products or providing a better way to accept payments, open banking is changing the way that consumers and businesses alike manage their money. Essentially, open banking lets approved companies access bank accounts with the account holders' permission.
- ❖ AISPs offer account information services (AIS) by gathering read-only financial information. They can compile data from multiple bank accounts, but they can't initiate activity such as payments from those accounts.
- ❖ AISP stands for Account Information Services Provider. AISP status is awarded and regulated by the Financial Conduct Authority (FCA), and accredited firms can help customers to access account information from separate bank accounts via a single portal.
- ❖ Examples of AISPs often include: financial institutions, consumer credit companies, such as Experian, financial software providers etc.



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RBI KEY RATES

Repo Rate: 6.00%
SDF: 5.75%
MSF & Bank Rate: 6.25%
CRR: 4.00%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 86.1441
INR / 1 GBP : 112.0057
INR / 1 EUR : 97.1097
INR /100 JPY: 59.8200

EQUITY MARKET

Sensex: 75157.26 (+1310.11)
NIFTY: 22828.55 (+429.40)
Bnk NIFTY: 51002.35 (+762.20)

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