

DAILY NEWS DIGEST BY BFSI BOARD

17 April 2025



ECONOMY

India eyes ending import tax on US ethane and LPG in trade talks, sources say: India plans to end taxes on US ethane and liquefied petroleum gas (LPG) imports under broader negotiations with Washington as it looks to reduce its trade surplus and ease its tariff burden, three sources familiar with the matter said. The proposal to get rid of duties for the products used for cooking gas and petrochemical production comes as India mulls scrapping import tax for U.S. liquefied natural gas (LNG) and boosting purchases of the fuel from the United States. As President Donald Trump's sweeping duties rattle economies and markets, several Asian countries running trade surpluses with Washington are looking to import more U.S. energy in hopes of avoiding heavier tariffs.

(Business Line)

India increases US energy purchases to show strength in trade talks: India's crude oil purchases from the US surged to the highest in 27 months in April as state-run oil companies pressed the pedal on sourcing liquefied natural gas (LNG) from US projects — even as New Delhi raced ahead to conclude a bilateral trade agreement with Washington, industry sources said and ship tracking data showed. State-run oil companies are leading the charge for New Delhi by increasing US energy purchases — after private refiners turned more cautious, weighing profitability and margins, industry officials said.

(Business Today)

Trade deficit with China nears \$100 bn in FY25 amid dumping concerns: India's trade deficit with China neared \$100 billion in FY25, amid escalating concerns of dumping, data released by the commerce department on Wednesday showed. Chinese imports rose by 11.5 per cent to \$113.45 billion, while outbound shipments to the neighbouring country saw 14.5 per cent contraction to \$14.2 billion. As a result, the trade deficit with China widened to \$99.2 billion in FY25 from \$85 billion a

year ago. The sharp rise in imports from China has sparked fresh concerns amid the intensifying trade war between Washington and Beijing. Both the countries are slapping more than 100 per cent tariffs.

(Business Today)

BANKING & FINANCE



48% of policyholders opt for health insurance coverage of Rs 5 lakh or less:

Policybazaar: Indians continue to severely underestimate healthcare costs—nearly 48% of policyholders opt for coverage of Rs 5 lakh or less. At the same time, 47.6% of Indians remain unaware of term insurance and its benefits, as per the second edition of 'How India Buys Insurance' report released by Policybazaar. The report also stated that Indians continue to favor traditional financial instruments such as gold, fixed deposits, insurance-linked savings schemes, and real estate. However, now health insurance is also joining this list of preferred investments, as 28.3% of respondents ranked health insurance above equities, mutual funds, and government bonds.

(Business Today)

CCI clears Patanjali, 5 other entities' proposal to acquire 98 pc stake in Magma Gen Insurance:

The Competition Commission of India (CCI) has cleared a proposal of Patanjali Ayurved and five other entities to acquire a majority stake in Magma General Insurance. "The proposed combination is being notified under the green channel route in consonance with section 6(4) of the Competition Act, 2002," CCI said in a notice. Under the green channel route, a transaction which does not pose any risk of an appreciable adverse effect on competition is deemed to be approved on being intimated to the competition watchdog. Apart from Patanjali Ayurved, the entities participating in the transaction are S R Foundation, Riti Foundation, RR Foundation, Suruchi Foundation and Swati Foundation.

(Economic Times)

Yes Bank gets demand notice of Rs 244 cr from I-T dept: Yes Bank on Wednesday said it has received a demand notice of Rs 244.20 crore for assessment year 2016-17. The reassessment order considered the income reported in the return of income instead of assessed income, for computing the reassessed income and tax thereon, Yes Bank said in a regulatory filing. Towards this, on April 15, 2025, the Jurisdictional Assessing Officer (JAO), passed the rectification order rectifying the mistake and recomputed the tax demand, it said. "The said rectification order read with Computation Sheet and Notice of Demand has however resulted into additional tax demand of Rs 244.20 crore...has been recomputed significantly upwards, without any cogent reasons," it said.

(Economic Times)

Financial Intelligence Unit slaps Rs 37-lakh penalty on Union Bank of India: The Financial Intelligence Unit (FIU) has slapped a Rs 37 lakh penalty on Union Bank of India for discrepancies in reporting suspicious transactions for 2011-2014. In a regulatory filing on Wednesday, Union Bank said it "has taken necessary preventive measures to avoid recurrences of such non-compliances". Financial Intelligence Unit-India (FIU-IND) in its order dated April 15 imposed a penalty of Rs 37 lakh for "discrepancies observed in a matter for the year 2011 to 2014 in reporting of suspicious transaction".

(Economic Times)

INDUSTRY OUTLOOK



Vijay Shekhar Sharma forgoes 2.1 crore Paytm ESOPs amid SEBI notice: Paytm's parent company One 97 Communications announced that Founder and CEO Vijay Shekhar Sharma has chosen to relinquish 2.1 crore shares. These shares were allocated to him through the One97 Employees Stock Option Scheme (ESOPs), 2019, as per the filing. The move follows a SEBI notice issued in August 2024, which raised concerns over the grant of ESOPs to Sharma, citing violations of norms that bar large shareholders with significant influence from holding such benefits. In response, Paytm's Nomination and Remuneration Committee cancelled the unvested options and returned them to the ESOP pool under the 2019 scheme.

(Business Today)

Not a single Indian named in Time's 100 most influential list; Trump, Musk and Ed Sheeran shine: TIME magazine has officially revealed the 2025 edition of the TIME100, its annual list of the 100 most influential people in the world. This year's list celebrates a wide spectrum of global figures from politics, entertainment, science, and business, each recognised for their significant impact and contributions over the past year. However, no Indian names feature on the list this year. Among the world leaders and political heavyweights included on this year's list are US President Donald Trump, Elon Musk and Mexican presidential front-runner Claudia Sheinbaum. Other global power players featured include JD Vance, Robert F. Kennedy Jr., Keir Starmer, Javier Milei, Tedros Adhanom Ghebreyesus and Friedrich Merz.

(Financial Express)

Moody's Ratings revises forecast of India's 2025 GDP growth to 5.5-6.5%: Moody's Ratings on Wednesday said Indian economy could grow in the band of 5.5 to 6.5 per cent during the calendar year 2025, a shade lower than its February projection of 6.6 per cent as the ratings agency factored in the "unpredictable" US tariffs which it said will hit business planning, stall investment and "raise the risk of a global economic recession". The agency's report on 'Tariffs and trade turmoil' said that the tariffs will weigh on global trade activity, reduce demand for regional exports and undermine business confidence, leading to reduced investment in the Asia-Pacific region.

(Business Standard)



REGULATION & DEVELOPMENT

Cash txns over ₹2 lakh must be notified by courts, registry to IT dept: SC: The Supreme Court on Wednesday ruled that courts must intimate the respective jurisdictional income tax authorities if a suit filed before the said court has any claims of cash transaction of Rs 2 lakh or more. In a slew of directions regarding transactions above Rs 2 lakh, the top court also said that whenever a sum of Rs 2 lakh and above is "claimed to be paid by cash towards consideration for conveyance of any immovable property in a document presented for registration", the sub-registrar shall inform the same to the income tax department of that jurisdiction, a bench of Justice J B Pardiwala and Justice R Mahadevan said in their judgment. In all such cases where the income tax authorities have been intimated of cash transactions above Rs 2 lakh, the department shall conduct an enquiry into whether the transactions are legal and fall afoul of Section 269ST of the Income Tax Act. Section 269ST of the Income Tax Act bars individuals and entities from receiving cash payments of Rs 2 lakh or more from a single source, even if the transaction is split across multiple tranches.

(Business Standard)

RBI expands NBFC audit ambit to cover their service providers: The banking regulator has widened the scope of its audits for non-banking financial companies that collaborate with multiple fintech firms acting as loan service providers (LSPs), multiple sources aware of the matter told ET. RBI officials are directly engaging with LSPs, focusing on KYC compliance, data handling, and customer communication transparency. The regulator is also evaluating concentration risks arising from over-reliance on a few LSPs, concerned about potential systemic vulnerabilities and cybersecurity threats.

(Economic Times)



FINANCIAL TERMINOLOGY

CONSUMER PRICE INDEX (CPI)

- ❖ The Consumer Price Index (CPI) is one of the most important economic indicators used to measure changes in the general level of retail prices over time. It reflects how much households need to spend on a fixed basket of goods and services they typically consume, such as food, clothing, housing, and fuel. In India, the CPI is compiled by the National Statistical Office (NSO) under the Ministry of Statistics and Programme Implementation (MoSPI) and is currently calculated using the base year 2012.
- ❖ The CPI measures price changes by comparing the current cost of this fixed basket of goods and services to what it cost in a previous period. Since the contents of the basket are kept constant in terms of quantity and quality, any change in the index reflects only the change in prices. When prices increase, the CPI goes up, signalling inflation; when they fall, the CPI declines, indicating lower inflation or deflation.
- ❖ Originally, CPI figures were developed to track changes in the cost of living for workers so that their wages could be adjusted in line with price movements. Over time, however, the CPI has evolved into a widely used macroeconomic tool.
- ❖ In India, along with the general CPI (CPI–Combined), segment-specific indices are also published to cater to different population groups: CPI (IW) – Consumer Price Index for Industrial Workers, CPI (AL) – Consumer Price Index for Agricultural Labourers and CPI (RL) – Consumer Price Index for Rural Labourers.



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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 : 85.6464
INR / 1 GBP : 113.6625
INR / 1 EUR : 97.3668
INR /100 JPY: 60.1800

EQUITY MARKET

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NIFTY: 23437.20 (+108.65)
Bnk NIFTY: 53117.75(+738.25)

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