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DAILY NEWS DIGEST BY BFSI BOARD

18 April 2025

ECONOMY

Markets soar to record highs, reversing all losses of 2025: Markets rallied for the fourth consecutive session on Thursday, with the Sensex surging 1,508.91 points or 1.96 per cent to close at a record high of 78,553.20, while the Nifty 50 jumped 414.45 points or 1.77 per cent to finish at 23,851.65. This remarkable performance has erased all losses from 2025, in what can be called the best week for markets in four years. The market breadth remained positive, with 2,396 advances against 1,563 declines on the BSE, with 83 stocks reaching their 52-week highs. All sectoral indices closed in the green, with financial services and the banking sectors leading the charge, gaining 2.27 per cent and 2.21 per cent, respectively.
(Business Line)

Gold hits fresh record as trade war, Powell fire up haven demand: Gold hit another all-time high as warnings from Federal Reserve Chief Jerome Powell about the impact of the trade war fuelled volatility on Wall Street, leading to sharp declines in stocks and the dollar. Bullion rose as much as 0.4 per cent to $3,357.78 an ounce on Thursday, before paring gains. The metal added 3.5 per cent on Wednesday in its biggest one-day gain since March 2023, as the dollar fell to a fresh six-month low. Traders were again whiplashed by a slew of tariff headlines, while Powell quelled hopes the Fed would act quickly to soothe investors, highlighting the unpredictability of tariff announcements from Washington.
(Business Line)

Fitch cuts India's GDP projection by 10 bps to 6.4% as trade war escalates: Fitch Ratings on Thursday revised India's FY26 gross domestic product (GDP) growth downwards by 10 basis points to 6.4 per cent compared to its March outlook, before the announcement of US tariffs amid trade war escalation. The ratings agency, however, has retained India's FY27 growth projection at 6.3 per cent. Fitch Ratings, in its Global Economic Outlook April 2025, said that world growth is projected to fall below 2 per cent this year and that, excluding the pandemic, this would be the

weakest global growth rate since 2009. In its March update, the ratings agency had said that while more aggressive-than-expected US trade policies are “an important risk” to its forecast, India was somewhat insulated given its low reliance on external demand.
(Business Standard)

BANKING & FINANCE

RBI gets double the bids in Rs 40,000 crore open market operation auction: The Reserve Bank of India's open market operation (OMO) purchase on Thursday saw strong demand, with banks and primary dealers offering bonds more than double the notified amount to cash in on higher prices, treasury heads said. Bids offered for this OMO were worth ₹81,015 crore, versus the notified amount of ₹40,000 crore. The longer tenured bonds were auctioned at a discount from the market prices, while prices of the shorter tenured bonds were almost at market levels, experts said. Longer-tenured bonds were auctioned at a discount, while shorter-tenured bonds traded near market levels. Ample system liquidity, supported by RBI actions, has driven bond yields below 6.40%, with further OMOs planned to maintain stability.
(Economic Times)

State-run banks to tighten scrutiny of ₹250 cr+ loans: To bolster risk management, banks will increase scrutiny of loans exceeding ₹250 crore, emphasizing post-sanction monitoring. State-run banks will re-engage Agencies for Specialised Monitoring (ASMs) in consortium lending, enhancing early warning systems for fund diversions. These measures align with the government's strategy for early recognition and resolution of stressed assets, promoting prudent lending.
(Economic Times)

Deposit growth outpaces credit demand in early April amid liquidity boost and high interest schemes: In early April, deposit growth significantly outpaced loan demand, with deposits rising by 2.4% compared to a 0.9% loan increase. While yearly deposit growth trails credit growth, recent liquidity improvements and attractive deposit schemes have boosted savings. Experts anticipate credit growth to rebound in subsequent quarters, driven by economic expansion and increased capital expenditure, potentially growing by 1-2% in FY26. Deposit growth stood at 2.4% as on April 4 compared to the previous fortnight, while loan growth was at 0.9%. However, on a yearly

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basis, deposit growth (10%) trailed credit growth (nearly 11%), in continuation of trends seen in the past many months.
(Economic Times)

RBI imposes penalty on Kotak Mahindra Bank, IDFC First Bank, PNB: The RBI on Thursday said it has imposed penalties on Kotak Mahindra Bank, IDFC First Bank, and Punjab National Bank for certain deficiencies in regulatory compliance. The Reserve Bank of India (RBI), in a statement said a penalty of Rs 61.4 lakh has been imposed on Kotak Mahindra Bank for non-compliance with certain directions on 'Guidelines on Loan System for Delivery of Bank Credit' and 'Loans and Advances - Statutory and Other Restrictions'. In another statement, RBI said a penalty of Rs 38.6 lakh has been imposed on IDFC First Bank for non-compliance with certain directions of 'Know Your Customer (KYC)'. Penalty of Rs 29.6 lakh has been imposed on Punjab National Bank for non-compliance with certain directions issued by RBI on 'Customer Service in Banks'.
(Economic Times)

FinMin sets Rs 17.31 trillion MSME lending target for PSBs in FY26: Amid increasing focus by the Union government for the micro, small, and medium enterprises (MSME) sector, the finance ministry has set a target for total MSME credit outstanding across all public sector banks (PSBs) at ₹17.31 trillion for the financial year 2025-26 (FY26). This represents a projected increase of 19.5 per cent over the expected outstanding loans of ₹14.49 trillion for FY25, according to a senior government official. As per the latest data sourced by Business Standard, the total MSME credit outstanding of PSBs as of February 28, 2025 stood at ₹13.04 trillion, reflecting a year-to-date (YTD) growth of 11.17
(Business Standard)

FinMin to hold high-level talks on 'One State, One RRB' execution on May 6: The Union finance ministry is scheduled to hold a meeting with the chairpersons of all Regional Rural Banks (RRBs) on May 6 to discuss execution strategies and the implementation roadmap for the state-wise amalgamation of RRBs, a senior government official said. “A national-level review meeting of RRBs will be held under the chairmanship of M Nagaraju, secretary, Department of Financial Services (DFS), on May 6 at Vigyan Bhawan in New Delhi," the official said, requesting anonymity. The official further added that the meeting will include a discussion on the performance of the RRBs in FY25.
(Business Standard)

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INDUSTRY OUTLOOK

Infosys to hire 20,000 freshers in FY26, on track to roll out wage hikes: IT services giant Infosys said on April 17 that it has already started rolling out wage hikes for FY26 from January onwards, coming at a time when peers Tata Consultancy Services (TCS) and Wipro took a cautious stance on increments amidst an uncertain business environment. Infosys has also set a target to hire over 20,000 freshers in FY26, and it has already met its target of adding 15,000-20,000 freshers in FY25.Speaking at the company's earnings conference, Jayesh Sanghrajka, CFO, Infosys said, "We are on track on wage hikes. Large part of the increments were rolled out in January and the balance will be rolled out effective April 1. We plan to hire 20,000 plus freshers in FY26."
(Moneycontrol)

Infosys Q4 profit falls 11.7% YoY; cuts FY26 revenue guidance: IT services giant Infosys fell short of market expectations by lowering its FY26 revenue growth guidance to 0–3 per cent in constant currency (cc) terms, down from the 4.5–5 per cent forecast for FY25 in the previous quarter. The company posted a net profit of ₹7,033 crore for the March quarter, reflecting a 3.3 per cent sequential increase, but an 11.7 per cent decline year-on-year from ₹7,969 crore in Q4FY24. During the quarter, revenue from operations stood at ₹40,925 crore, with a 2 per cent QoQ degrowth from last quarter's ₹41,764 crore. However, it grew by 7.9 per cent on an annual basis. For the full year, Infosys recorded a revenue of $19.2 billion, up 3.9 per cent in reported terms from FY24's $18.56 billion. Full year PAT stood at $3.15 billion , a decline of 0.3 per cent in reported terms.
(Business Line)

Sebi proposes higher mutual fund investment limits in Reits, InvITs: The Securities and Exchange Board of India (Sebi), in a consultation paper on Thursday, proposed to enhance investment limits for mutual funds (MFs) in Real Estate Investment Trusts (Reits) and Infrastructure Investment Trusts (InvITs). The move aims to provide greater diversification opportunities for mutual fund schemes while increasing capital inflows and liquidity in these relatively new instruments. Currently, Sebi regulations cap mutual fund investments in Reits and InvITs at 10 per cent of a scheme's net asset value (NAV), with a maximum of 5 per cent in a single issuer.
(Business Standard)

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REGULATION & DEVELOPMENT

FIU-IND and RBI sign MoU for enhanced coordination and information exchange: The Financial Intelligence Unit- India (FIU-IND) and the Reserve Bank of India (RBI) signed a Memorandum of Understanding (MoU) at New Delhi, today, as part of continued coordinated efforts in effective implementation of requirements of the Prevention of Money Laundering Act and Rules framed thereunder. According to the MoU, FIU-IND and RBI will cooperate with each other in the areas of mutual interest including the following: Sharing of relevant intelligence and information, available in their respective databases. Laying down procedure and manner in which the regulated entities/ reporting entities report to FIU-IND under the PML Rules. Assessment of Money Laundering/Terror Financing (ML/TF) risks and vulnerabilities in the relevant financial sub-sectors. Identification of red flag indicators for Suspicious Transactions. Supervising and monitoring the compliance of reporting entities regulated by RBI with their obligations under PMLA, PML Rules and RBI instructions etc.
(PiB)

MOSPI continues its endeavor to reduce timelines in release of its statistical products; Index of Industrial Production will now be released on 28th of every month reducing its release timeline from 42 days to 28 days.: The Ministry of Statistics & Programme Implementation (MoSPI) releases consumer price indices within 12 days after the end of the reference month, which is among the best globally. Similarly, survey reports of NSS are now released within 90 days of completion of fieldwork. The Calendar of release of National Accounts Statistics has been rationalized by obviating the need for the 3rd Revised Estimates of GDP. On the same lines, MOSPI now plans to release the Index of Industrial Production (IIP) within 28 days instead of 42 days. The compilation and release of IIP in India commenced with base year 1937, which was successively revised to 1946, 1951, 1956, 1960, 1970, 1980-81, 1993-94, 2004-05 and 2011-12. MoSPI presently releases the monthly all India IIP on the 12th of every month (previous working day if 12th is a holiday) within 42 days from the reference month. It has been decided to reduce the timeline of release of IIP from 42 days to 28 days from reference month and also to do-away with second revision of IIP. Accordingly, MoSPI will henceforth release the monthly “All India Index of Industrial Production (IIP)”on 28th of every month at 4:00 PM (next working day if 28th is a holiday). The Quick estimate for a specific month will undergo revision only once, in the next month as the final

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estimate, as per the revised revision policy. Thus, MOSPI will now release only two estimates (Quick estimate and Final estimate) of a particular month instead of the earlier practice of releasing three estimates (Quick estimates followed by a 1st Revised estimate and a 2nd Revised (final) estimate).
(PiB)

10% premium cap for seniors only on new or repriced plans: IRDAI has clarified that the 10% cap on health insurance premium hikes for senior citizens applies only to new or repriced products filed after January 31. Existing policies can still face increases exceeding 10%, potentially up to 60%, based on claims experience. Insurers await written clarification, especially regarding long-term products and renewals without repricing.
(Economic Times)

FINANCIAL TERMINOLOGY

THROUGH BILL OF LADING

- A Through Bill of Lading (Through BOL) is a single legal document that covers the entire transportation of goods from the origin to the final destination, even if the shipment uses multiple modes of transport (like sea, land, and air). It's like an umbrella bill of lading that covers the whole journey, rather than just one leg of the trip.
- It consolidates all the details of a shipment that travels across different transportation modes under one document.
- The carrier named in the Through BOL is responsible for the entire journey, including any transhipments or on-carriage arrangements with other carriers.
- It's particularly common in international trade where goods often need to travel across borders and use various transportation methods.

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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 : 85.5703
INR / 1 GBP : 113.1975
INR / 1 EUR : 97.2552
INR /100 JPY: 59.9600

EQUITY MARKET

Sensex: 78553.20 (+1508.91)
NIFTY: 23851.65 (+414.45)
Bnk NIFTY: 54290.20 (+1172.45)

Courses conducted by BFSI Board

- Certificate Course on Concurrent Audit of Banks
- Certificate Course on Credit Management of Banks
- Certificate Course on Treasury and International Banking
- Certificate Course on Investment Management
- Certificate Course on General Insurance.
- Advance Certificate Course on FinTech

For details please visit BFSIB portal of the ICMAI

Publications by BFSI Board

- Aide Memoire on Infrastructure Financing.
- Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).
- Guidance Note on the Internal Audit of General Insurance Companies.
- BFSI Chronicle (quarterly issue of BFSIB)
- Handbook on Stock & Book Debts Audit (Revised and Enlarged 2nd Edition)

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