

DAILY NEWS DIGEST BY BFSI BOARD

01 April 2025



ECONOMY

India's FY26 growth faces headwinds, but fundamentals stay strong: The growth outlook for the Indian economy in the financial year beginning April 1 may be under a shadow of the looming threat of reciprocal tariffs, trade uncertainty, and geopolitical tensions, but economists argue that the inherent strengths and declining inflation would keep India in good stead. Last week, the Union Ministry of Finance (FinMin) cautioned about growth implications of the escalating tariff war unleashed by US President Donald Trump as part of his 'America First' policy. Trump has promised to launch reciprocal tariffs on trading partners on April 2, after imposing substantial tariffs on steel, aluminium, and automobiles.

(Business Standard)

India, US to begin tri-service HADR exercise 'Tiger Triumph' on Tuesday: Amid India's ongoing Operation Brahma to assist Myanmar following last week's devastating earthquake, India and the United States (US) will commence the fourth edition of Exercise Tiger Triumph, a bilateral tri-service humanitarian assistance and disaster relief (HADR) exercise, on Tuesday. The 13-day exercise, taking place on the Eastern Seaboard, will continue till April 13. "The exercise is aimed at developing interoperability for conducting HADR operations and for the formulation of standard operating procedures to establish a combined coordination centre that would enable rapid and smooth coordination between Indian and US joint task forces during exercises and in times of crises or contingencies," said an Indian Navy spokesperson.

(Business Standard)

BANKING & FINANCE



Indian Bank hikes lending rate linked to repo rate by 10 bps: State-owned Indian Bank on Monday announced an increase in lending rate linked to repo rate by 10 basis points to 9.05 per cent, making retail loans expensive. The Asset Liability Management Committee (ALCO) of the bank has reviewed the Marginal Cost of funds-based Lending Rate (MCLR), Treasury Bills Linked Lending Rates (TBLR), Base Rate, Benchmark Prime Lending Rate (BPLR) and Repo Linked Benchmark Lending Rates (RBLR) and decided for revision in TBLR, Base Rate, BPLR and RBLR, Indian Bank said in a regulatory filing. Repo Linked Benchmark Lending Rates (RBLR) has been raised to 9.05 per cent from the existing 8.95 per cent, it said. The lending rate hike comes despite the Reserve Bank cutting repo rate from 6.5 per cent to 6.25 per cent last month.

(Economic Times)

PNB banks on strategies like QR code feedback to boost customer service, smart lending: Punjab National Bank (PNB), the country's second-largest public sector lender, is charting a fresh course under its new Managing Director and CEO, Ashok Chandra, with customer service, retail lending, and selective corporate financing at the heart of its strategy. Taking charge in January, Chandra is driving a tech-enabled customer feedback system, ensuring that all front-facing employees collect at least 50 reviews via QR codes. "Customer service is one area where we must step up and therefore it will be our top priority. Customer feedback will be part of the annual assessment of each employee," he told TOI.

(Economic Times)

New loan sale rule to give Rs 20k-cr lift to bank profits: Mainstream and non-bank lenders are expected to boost their aggregate bottom lines by up to ₹20,000 crore in the March quarter after the regulator eased rules-albeit with relevant caveats-that allow financiers to immediately book recoveries on assets sold to the state-sponsored bad bank. RBI allowed lenders across the spectrum and ownership types to reverse excess provisions in their profit and loss (P&L) accounts if a loan is transferred to an asset reconstruction company (ARC) at a value exceeding its net book value.

(Economic Times)

INDUSTRY OUTLOOK



Renault takes complete ownership of Nissan's India unit, acquires 100% stake: Renault Group said on Monday it would acquire the remaining 51% shareholding of Renault Nissan Automotive India Private Ltd (RNAIPL), currently held by Nissan Motor Corp. Nissan will maintain its presence in India with a strong focus on increasing market coverage. "RNAIPL would continue to produce Nissan models, including the New Nissan Magnite, and will serve as a crucial pillar for the company's future expansion plans," the company said in a statement.

(Moneycontrol)

Vedanta to set up aluminium park in Odisha's Jharsuguda over 253 acres: Vedanta Ltd on Monday said it will set up a modern aluminium park in Odisha's Jharsuguda, close to its aluminium smelter. Spanning over 253 acres, the park will attract more than 100 micro, small and medium enterprises (MSMEs) and generate 200,000 employment opportunities, the company said in a statement. Vedanta would invest Rs 1 trillion for setting up of the park and an aluminium plant of 3 million tonnes per annum (MTPA) capacity in Rayagada district, it said.

(Business Standard)



REGULATION & DEVELOPMENT

Centre set to increase limit for auto settlement of PF withdrawal: To expand the 'Ease of Living' of its 7.5 crore members, Employees Provident Fund Organisation (EPFO) has decided to enhance the auto settlement of advanced claim (ASAC) limit by five times from current Rs 1 lakh, sources told ANI. Sumita Dawra, Secretary, Ministry of Labour and Employment, had approved the proposal to enhance the limit from Rs 1 lakh to Rs 5 lakh in the 113th meeting of Executive Committee (EC) of Central Board of Trustees (CBT), held last week, according to sources.

(Moneycontrol)

Mediclaim policy amount can't be deducted from medical expenses compensation: HC:

A sum received by a person under a mediclaim policy cannot be deducted from the compensation amount payable to the claimant for medical expenses under provisions of the Motor Vehicles Act, the Bombay High Court has said. The amount under a mediclaim policy is received in view of a contract entered into by the claimant with the insurance company, a full bench of Justices A S Chandurkar, Milind Jadhav and Gauri Godse said in its judgement on March 28.

(Economic Times)

IndusInd Bank fiasco prompts large state-run banks to tap CD market: Following the disclosure that it had found discrepancies in its derivatives portfolio, IndusInd Bank has aggressively tapped the certificate of deposits (CD) market to raise funds amid a flight of deposits. In March, the bank raised Rs 16,550 crore in CDs at a coupon rate of 7.75-7.9 per cent. This is about five times higher than the average amount it has typically raised from the CD market previously.

(Business Standard)



FINANCIAL TERMINOLOGY

CONTAGION

- ❖ A contagion can be explained as a situation where a shock in a particular economy or region spreads out and affects others by way of, say, price movements.
- ❖ The contagion effect explains the possibility of spread of economic crisis or boom across countries or regions. This phenomenon may occur both at a domestic level as well as at an international level. The failure of Lehman Brothers in the United States is an example of a domestic contagion.
- ❖ The fundamental underlying this scenario where price movements in one market are resultant of shocks or volatility in the other market is that there is a perfect information flow. With increasing interdependence and correlation between economies, this possibility has increased. While internationally, there could be a number of other factors governing trade, which may influence the extent of this contagion effect across geographies.



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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 : 85.5814
INR / 1 GBP : 110.7389
INR / 1 EUR : 92.3246
INR /100 JPY: 56.7500

EQUITY MARKET

Sensex: 77414.92 (-191.51)
NIFTY: 23519.35 (-72.60)
Bnk NIFTY: 51564.85 (-11.00)

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