

DAILY NEWS DIGEST BY BFSI BOARD

24 April 2025



ECONOMY

Indus Waters Treaty suspended, Attari border closed, Pak nationals asked to leave: Key CCS decisions after Pahalgam attack: The Ministry of External Affairs on Wednesday announced a slew of decisions taken at the Cabinet Committee on Security chaired by PM Narendra Modi at his residence, which included temporary suspension of the Indus Waters Treaty with Pakistan. Addressing the press briefing after the conclusion of meeting of the CCS at 7 LKM, Foreign Secretary Vikram Misri also announced immediate closure of the Integrated Check Post at Wagah-Attari border. "Those who have crossed over with valid endorsements may return through that route before May 1," he said. Misri said that Pakistani nationals will not be permitted to travel to India under the SAARC Visa Exemption Scheme (SVES) visas. He further stated that any SVES visas issued in the past to Pakistani nationals are deemed cancelled. The decisions have been made in wake of the dastardly terror attack in Jammu and Kashmir's Pahalgam, which has claimed 26 lives, mostly tourists. The Resistance Front, a proxy for Pak-sponsored Lashkar-e-Toiba has claimed responsibility for the attack.

(Moneycontrol)

US tariffs could shave up to half a percentage point off India GDP, says Finance Secretary: The direct hit from tariffs introduced by Donald Trump's administration on India could shave off between 0.2-0.5 percentage points from GDP growth, the country's Finance Secretary Ajay Seth said on Wednesday. "Now there is a sign of that...we grow about 6.5% in the current year," said Seth, speaking at a Hudson Institute event on the sidelines of the Spring Meetings of the International Monetary Fund and World Bank in Washington. "Second order (effects) would be important," said Seth, referring to concerns that trade turmoil would slow global growth. He added that he expected potential growth rate of around 7% could be achieved over the next decade, though India needed to expand its economy at a rate faster than that to achieve its ambitious longer-term targets.

(Moneycontrol)

World Bank cuts India's growth forecast to 6.3% for FY26: Indian economy will grow at 6.3 percent in FY26, 0.4 percentage point lower compared with October forecast, as increasing uncertainty makes global environment more challenging, World Bank said on April 23 India's growth is also expected to slow down from the previous fiscal growth of 6.5 percent, the World Bank noted as it pointed out that fiscal measures will help keep the economy on path. "The benefits to private investment from monetary easing and regulatory streamlining are expected to be offset by global economic weakness and policy uncertainty. Private consumption is expected to benefit from tax cuts, and the improving implementation of public investment plans should boost government investment, but export demand will be constrained by shifts in trade policy and slowing global growth," it said.

(Moneycontrol)

BANKING & FINANCE



Non-life insurers' gross direct premium up 6.11% at ₹3.07 lakh cr in FY25: Gross Direct Premium (GDP) underwritten by general insurers increased 6.11 per cent in the financial year ended March 31, 2025 at ₹3,07,381 crore as against ₹2,89,673 crore in the previous fiscal year. According to GDP flash figures of non-life insurers released by the Insurance Regulatory and Development Authority of India on Wednesday, the GDP of general insurers grew by 5.10 per cent at ₹2,57,861 crore in the year under review compared to ₹2,45,343 crore in same period of previous year. The standalone private health insurers' GDP surged 15.99 per cent at ₹38,413 crore (₹33,118 crore) while specialised PSU insurers' GDP declined 0.93 per cent at ₹11,106 (₹11,211 crore) as per insurance regulator's data. There are 34 registered non-life insurers in the country.

(Business Line)

BankBazaar enters gold loan biz with Muthoot tie-up: BankBazaar.com, a fintech platform focused on co-branded credit cards and credit score services, has entered the secured lending space with a digital-first gold loan product. The company on Wednesday made a strategic partnership with Muthoot FinCorp, a gold loan-focused NBFC under the Muthoot Pappachan Group. As part of the tie-up, Muthoot FinCorp has also invested in BankBazaar's ongoing Series D2 round. The fintech has raised Rs 55 crore (\$6.44 million) in fresh funding from a group of investors, including Muthoot FinCorp and existing backer Walden International. The investment values the company at around Rs 1,700 crore (approximately \$200 million), with Muthoot FinCorp contributing Rs 15 crore for a 1% stake.

(Financial Express)

Bank of Baroda aims to achieve net-zero target by 2057: Bank of Baroda has announced its Environment, Social, and Governance (ESG) policy and aspiration to achieve net-zero emissions by 2057. The move reinforces the bank's long-standing commitment to promoting responsible and sustainable banking practices, mitigating ESG risks and seizing opportunities for a low-carbon future, Bank of Baroda said in a release. Prioritizing renewable energy financing, the bank has also planted over 30,000 trees in 2025 through its 'Plant a Tree' program. They have introduced sustainable finance products like Green Deposits and Solar Loan Schemes.

(Economic Times)

Indian banks outperform global peers in digital transition, daily services: Indian banks have recorded significant strides in digital transformation, positioning themselves ahead of global counterparts in several core banking functions, according to Deloitte's 2024 Digital Banking Maturity (DBM) report. The second edition of the India-focused DBM survey assessed 12 leading Indian banks and revealed that nine have earned the title of 'Digital Champions', a classification reserved for the top 10 per cent of global banks surveyed. The country's average DBM index jumped from 43 per cent in 2022 to 59 per cent in 2024 — a 16 percentage point improvement — surpassing the global average and reflecting a growing digital maturity in customer-facing channels.

(Business Standard)

INDUSTRY OUTLOOK



India's steel trade deficit skyrockets 330% to \$4.7 billion under Chinese import onslaught: India's steel industry is reeling from a brutal 330 per cent surge in its trade deficit, rocketing to \$4,748 million in FY25 — highest in recent memory, according to Steel Ministry data, accessed by businessline. Trade deficit was just \$1092 million last year. If converted to rupee terms, India's steel trade deficit for FY25 is valued at ₹40,152 crore; then a near 345 per cent jump, against FY24's import-to-export gap of ₹9,035 crore. Domestic mills are haemorrhaging market share, out-priced by ruthless price calibration, by Chinese, in export markets; and have also been battered by Europe's slowing demand.

(Business Line)

US' nod to ToRs for trade pact with India sets the stage for trade talks in Washington: With the US finally giving its official approval to the Terms of Reference for the India-US bilateral trade agreement (BTA), the stage is now set for officials from the two sides, who are meeting this week in Washington DC, to flesh out details of the areas and issues to be covered in the negotiations. The

going, however, is likely to be tough for India, with US Trade Representative Office reinforcing on Wednesday the need for tariff cuts in agricultural products, an economically and politically sensitive area for India. “The US has one of the lowest average applied tariff rates on agricultural products. But many of our trading partners maintain prohibitive tariff rates that constrain export opportunities for American farmers and ranchers,” said USTR in a social media post.

(Business Line)

RBI provides export relaxations through warehouses in Bharat Mart in UAE: The Reserve Bank on Wednesday relaxed norms to facilitate export through warehouses in 'Bharat Mart', a multimodal logistics network-based marketplace in the United Arab Emirates, that will provide Indian traders, exporters, and manufacturers access to the markets around the world. In a circular, the RBI said banks may allow exporters to realise and repatriate full export value of goods exported to 'Bharat Mart' within nine months from the date of sale of the goods from the warehouse. Further, banks have been asked to allow opening/hiring of a warehouse in 'Bharat Mart' by an Indian exporter with a valid importer exporter code without any pre-conditions, after verifying the reasonableness of the same.

(Business Standard)



REGULATION & DEVELOPMENT

SEBI cracks unique front-running scam which ran on a simple hack; impounds Rs 2.72 crore: The market regulator has uncovered a front-running scam that ran on a simple hack--of physical proximity to information. That is, people who were passing on information to the front-runners sat close to the dealing desks of several brokers who were placing the orders of a big client. On April 23, the Securities and Exchange Board of India (SEBI) passed an interim-cum-showcause notice to Madhav Stock Vision Pvt Ltd, two of its directors and other associates asking them to disgorge over Rs 2.72 crore, which was earned by illegally front-running trades of a big client. In the order, SEBI said that they were prima facie found to be in violation of various provisions of the SEBI Act and the Prohibition of Fraudulent and Unfair Trade Practices (PFUTP) Regulations.

(Moneycontrol)

Finance ministry plans unified portal for govt-sponsored schemes: The Union finance ministry is planning a one-stop portal for all government sponsored schemes (GSS) in areas such as loan sanction, disbursement, interest subsidy and claims processing. This is set to boost efficiency and

reduce redundancy while providing greater convenience to bank functionaries implementing these schemes, said a senior government official. The move comes amid increasing calls from the banking sector to streamline the digital infrastructure used for administering welfare and credit-linked schemes.

(Business Standard)

BHIM app rolls out the UPI Circle feature with partial delegation: NPCI BHIM Services (NBSL), a wholly owned subsidiary of the National Payments Corporation of India (NPCI), launched the UPI Circle feature with partial delegation on the Bharat Interface for Money (BHIM) application on Wednesday. The latest feature on India's real-time payments system, Unified Payments Interface (UPI), enables a primary user, the UPI account holder, to authorise up to five secondary users to transact using UPI from their account. Transactions initiated by these secondary users will require explicit approval from the primary users via their UPI PIN on the application. Secondary users' transactions are visible to primary ones in real time.

(Business Standard)



JUNK BOND

- ❖ Junk bonds are bonds that carry a higher risk of default than most bonds issued by corporations and governments. A bond is a debt or promise to pay investors interest payments along with the return of invested principal in exchange for buying the bond. Junk bonds represent bonds issued by companies that are financially struggling and have a high risk of defaulting or not paying their interest payments or repaying the principal to investors.
- ❖ Because of the higher risk, investors are compensated with higher interest rates, which is why junk bonds are also called high-yield bonds.



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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 : 85.4372
INR / 1 GBP : 113.6884
INR / 1 EUR : 97.2976
INR /100 JPY: 60.2000

EQUITY MARKET

Sensex: 80116.49 (+520.90)
NIFTY: 24328.95 (+161.70)
Bnk NIFTY: 55370.05 (-277.15)

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