

DAILY NEWS DIGEST BY BFSI BOARD

29 March 2025



ECONOMY

India's current account deficit remains unchanged at 1.1% of GDP in Q3FY25: India's current account deficit (CAD) widened to \$11.5 billion in the third quarter (Q3) of FY25 from \$10.4 billion in the year-ago quarter due to increase in merchandise trade deficit. However, CAD was unchanged at 1.1 per cent in terms of percentage of GDP. CAD is a measure of a country's trade where the value of the goods and services it imports exceeds the value of the products it exports. In the reporting quarter, CAD moderated from \$16.7 billion (1.8 per cent of GDP) in the preceding quarter, per RBI's statement on "Developments in India's Balance of Payments during the Third Quarter (October-December) of 2024-25." Merchandise trade deficit increased to \$79.2 billion in Q3FY25 from \$71.6 billion in the year-ago period.

(Business Line)

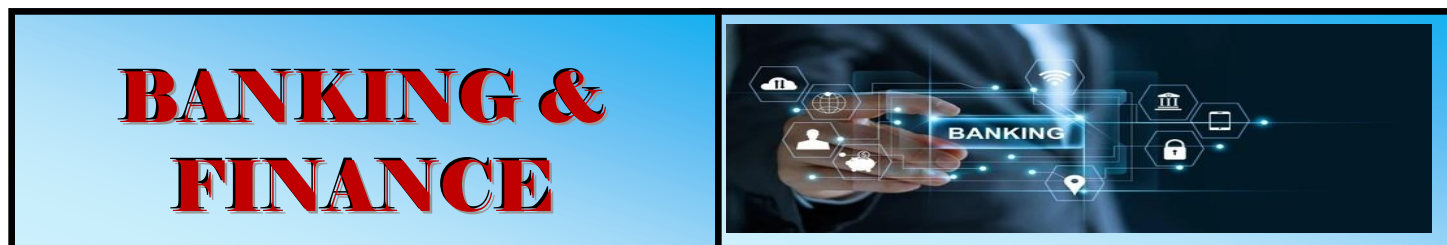
Infra sector growth slows to 2.9% in Feb; fiscal deficit reaches 86% in April-Feb of FY25: Key infrastructure industries slowed down to a five-month low of 2.9 per cent in February, government data released on Friday showed. Another set of data revealed fiscal deficit touched 86 per cent in April-February period of FY25. Meanwhile, capital expenditure was less than 80 per cent during the period. Going by the trend, it could be lower than revised estimate. On a monthly basis, growth rate in the production of eight key infra sectors in February was lower than the 5.1 per cent expansion recorded in January. In February, production of crude oil and natural gas recorded a negative growth. Production growth of coal, refinery products, steel and electricity moderated to 1.7 per cent, 0.8 per cent, 5.6 per cent, and 2.8 per cent, respectively, against 11.6 per cent, 2.6 per cent, 9.4 per cent and 7.6 per cent in the corresponding month of the previous year.

(Business Line)

Centre's capex slows in February, April to February capex 80% of full year target: The centre's capital expenditure in the first 11 months of the fiscal came in at just about 80% of the full year with the pace of spending easing in February compared to the previous month. As per official

data released by the Controller General of Accounts on Friday, the Centre's capital expenditure was Rs 8.11 lakh crore between April 2024 and February 2025, which amounted to 79.7% of the revised target of Rs 10.18 lakh crore. It had spent an almost similar Rs 8.05 lakh crore as capital expenditure in the same period last fiscal.

(Business Today)



RBI increases ATM withdrawal fee to Rs 23 from May 2025: The Reserve Bank of India (RBI) announced on Friday that it has increased the maximum fee banks can charge customers for ATM cash withdrawals to Rs 23. This new fee, which will come into effect on May 1, 2025, replaces the previous cap of Rs 21. The RBI had earlier approved an increase in the ATM interchange fee that banks pay each other, raising it to Rs 19 and Rs 7 for non-financial transactions.

(Economic Times)

Federal Bank signs pact to acquire additional 4 pc stake in Ageas Federal Life Insurance: Federal Bank on Friday said it has signed an agreement to acquire an additional 4 per cent stake in Ageas Federal Life Insurance Co Ltd (AFLIC) from Ageas Insurance International. In a BSE filing, Federal Bank said it has executed a "binding Memorandum of Understanding" today with Ageas Insurance International NV (Ageas) and Ageas Federal Life Insurance Co Ltd (AFLIC) for the acquisition. The acquisition is contingent upon execution of Share Purchase Agreement (SPA) between the parties, satisfaction of customary conditions precedent to be set forth in the SPA, and regulatory approvals, it added. With this, the stake of Federal Bank in Ageas Federal will rise to 30 per cent, from 26 per cent.

(Economic Times)

Indian households' gold stash outweighs reserves with top 10 central banks: India's love affair with gold has reached new heights. According to a study by HSBC Global, Indian households now possess more gold than the collective reserves of the world's top 10 central banks. Currently, Indian household gold reserves stand at 25,000 tonnes. This is much larger than gold holdings with the central banks of the United States (which leads with 8,133 tonnes), Germany (approximately 3,300 tonnes), Italy, France, Russia, China, Switzerland, India, Japan, and Turkey. As of December 2024, India's central bank, the Reserve Bank of India, held 876.18 tonnes in gold reserves.

(Business Standard)

INDUSTRY OUTLOOK



Cabinet approves electronic component manufacturing PLI scheme at outlay of Rs 22,919 crore: The Union Cabinet on March 28 approved a production-linked incentive scheme for passive or non-semiconductor electronics components with an outlay of Rs 22,919 crore, Union Electronics and IT Minister Ashwini Vaishnaw said. It is the first scheme that focuses on promoting the manufacturing of passive electronic components. The minister said that the scheme will create direct employment for 91,600 people and attract investment of around Rs 59,350 crore. "Passive components are approved under the Electronics Component PLI scheme. It has a total package of Rs 22,919 crore. This will be over six years," Vaishnaw said.

(Moneycontrol)

Blackstone-backed ASK Asset & Wealth Management gets initial SEBI approval for mutual fund venture: ASK Asset & Wealth Management Group, supported by Blackstone, has acquired an initial in-principle approval from the Securities and Exchange Board of India (SEBI) to launch its mutual fund venture. This strategic move signifies ASK's ambition to enhance its portfolio of investment solutions, which currently includes listed equity portfolio management, alternates, and wealth management. According to a statement released by the company, ASK currently offers portfolio management, alternate investments, and wealth management services. The upcoming mutual fund launch is aimed at broadening its range of services to cater to retail, high-net-worth (HNI), and institutional investors. The new mutual fund offering aims to provide a broader range of opportunities for investors across various segments, thereby solidifying ASK's position in the Indian financial market.

(Business Today)

India slaps Samsung with tax demand of \$601 million for telecom imports: India has ordered Samsung and its executives in the country to pay \$601 million in back taxes and penalties for dodging tariffs on import of key telecoms equipment, a government order showed, for one of the biggest such demands in recent years. The demand represents a substantial chunk of last year's net profit of \$955 million for Samsung in India, where it is one of the largest players in the consumer electronics and smartphones market. It can be challenged in a tax tribunal or the courts. The company, which also imports telecoms equipment through its network division, received a warning in

2023 for misclassifying imports to evade tariffs of 10% or 20% on a critical transmission component used in mobile towers. It imported and sold these items to billionaire Mukesh Ambani's telecom giant, Reliance Jio.

(Financial Express)



REGULATION & DEVELOPMENT

Govt leaves interest rates on small savings schemes unchanged for April-June: "The rates of interest on various Small Savings Schemes for the first quarter of FY 2025-26 starting from 1st April, 2025 and ending on 30th June, 2025 shall remain unchanged from those notified for the fourth quarter (1st January, 2025 to 31st March, 2025) of FY 2024-25," said a finance ministry notification. Deposits under the Sukanya Samriddhi scheme will attract an interest rate of 8.2%, while the rate on a three-year term deposit remains at 7.1 per cent. Additionally, the interest rates for Public Provident Fund (PPF) and post office savings deposit schemes will also remain unchanged at 7.1 per cent and 4 per cent, respectively. Meanwhile, the interest rate on the Kisan Vikas Patra will be 7.5 per cent, and the investments will mature in 115 months.

(Moneycontrol)

SEBI sets new guidelines for intraday index derivative monitoring from April 1, delays penalties: Markets regulator Securities and Exchange Board of India (SEBI) has instructed stock exchanges to begin monitoring the existing position limits for index derivatives on an intraday basis starting April 1, 2025. However, there will be no penalties for breaching these limits until further notice, the regulator clarified in a recent circular. Under the new guidelines, exchanges will monitor these positions by taking at least four snapshots of market positions during the trading day, with the timing of these snapshots to be randomly selected within pre-defined windows. The regulator has stated that exchanges can increase the number of snapshots beyond the minimum requirement but must ensure that at least four are taken each day.

(Business Today)



FINANCIAL TERMINOLOGY

COINSURANCE

- ❖ Coinsurance is the amount, generally expressed as a fixed percentage, an insured must pay toward a covered claim after the deductible is satisfied. It is common in health insurance.
- ❖ Some property insurance policies also contain coinsurance provisions. In this case, coinsurance is the amount of coverage that the property owner must purchase for a structure.
- ❖ Coinsurance is the percentage under an insurance plan that the insured person pays toward a covered expense or service.
- ❖ The coinsurance clause in a property insurance policy requires that a home is insured for a percentage of its total cash or replacement value.



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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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