

## **DAILY NEWS DIGEST BY BFSI BOARD**

***05 April 2025***



### **ECONOMY**

**US stock market wipes out over \$5 trillion on Trump's tariff war:** The S&P 500 Index declined to the lowest level in 11 months, slashing \$5.4 trillion in market value in just two sessions as Federal Reserve Chairman Jerome Powell said the Trump administration's tariffs "could have a persistent impact on inflation." The S&P 500 closed 6% lower in its worst day since March 2020, with all but 14 members in the red. The Nasdaq 100 plunged 6.1%, entering a bear market. The swiftness of the gauge's 20% drop from its February peak is rivaled only by the pandemic meltdown in 2020 and 2000's dot-com implosion. All 11 sectors in the S&P 500 declined. Nvidia Corp. and Apple Inc. fell at least 7%, while Tesla Inc. lost 10%.

***(Moneycontrol)***

**China hits back at Trump's tariffs with 34% tariffs on American goods:** China retaliated against new US tariffs with a slew of measures — including levies on all American imports and export controls on rare earths — delivering on a promise to strike back after President Donald Trump imposed duties and escalating a trade fight. Beijing will impose a 34 per cent tariff on all imports from the US starting April 10, matching the level of Trump's so-called reciprocal tariffs on the world's second-largest economy. Chinese authorities also said they will immediately restrict exports of seven types of rare earths, start an anti-dumping probe into medical CT X-ray tubes from the US and India, and halt imports of poultry products from two American companies. Additionally, it's adding 11 American defense companies to an unreliable entity list, and imposing export controls on 16 US firms.

***(Business Line)***

**US tariffs: Govt tightens vigil on China imports amid dumping concerns:** India has tightened surveillance of incoming shipments amid mounting concerns that Chinese goods could flood its market, following the US' decision to slap reciprocal tariffs on major trading partners. The Department of Commerce has been holding back-to-back internal meetings, chaired by Commerce Secretary Sunil Barthwal, to firm up a strategy in this connection. "The commerce department is

alert,” said a person familiar with the matter. “It had been closely monitoring the import situation even before the US announced its reciprocal tariffs on Wednesday. The US has been levying additional tariffs on Chinese goods.”

**(Business Standard)**

## BANKING & FINANCE



**LIC refutes claims of 'favouritism' by government:** State-run Life Insurance Corp (LIC) Friday refuted US claims of 'special treatment' from the Indian government and regulators, concessions that Washington said helped it secure business from ordinary citizens at the expense of privately-run insurers. In its response to 'favouritism' claims by the US Trade Representative (USTR), LIC also said it operates in a competitive market alongside other insurers in an industry that has witnessed phased deregulation through this millennium.

**(Economic Times)**

**Lenders to pursue 'wilful defaulter' proceedings against Ex-IL&FS directors:** The National Company Law Appellate Tribunal (NCLAT) on Friday allowed Canara Bank and Indian Bank to continue with proceedings to declare former directors of Infrastructure Leasing & Financial Services (IL&FS) who are not part of the new board of IL&FS as "wilful defaulters". The new board appointed by the government took over IL&FS on October 1, 2018. The appellate tribunal said: "Certain professional directors who were earlier the directors of the company have been reappointed in the board. We are of the view that this protection shall extend only to professional directors who have been reappointed and at present part of the new board."

**(Economic Times)**

**Federal Bank ED resigns to pursue entrepreneurial opportunities:** Federal Bank executive director (ED) Shalini Warriar, has resigned from the Kerala based lender after almost a ten-year stint. The board has accepted her resignation today and she will be relieved from her services on any date between May 15th to May 31st, 2025, the bank said. In a hand-written letter posted by the bank accompanying the stock market notice, Warriar said she is stepping out of the bank to “pursue a potential entrepreneurial journey.”

**(Economic Times)**

**Union Bank of India to BoI: Large PSBs miss FY25 deposit growth targets:** Large state-owned lenders like Union Bank of India, Bank of India, and Indian Bank have missed the deposit

growth targets they had set for the recently concluded financial year FY25. These lenders' credit growth was higher than their deposit growth. Union Bank's loan and deposit portfolios both grew at single digits. Its deposits grew by 6.05 per cent year-on-year (Y-o-Y) to Rs 12.71 trillion, while loan growth increased by 8.28 per cent to Rs 9.46 trillion. The lender had projected 9–11 per cent growth in deposits and 11–13 per cent growth in loans. Latest data released by RBI showed scheduled commercial banks clocked loan growth of 11 per cent for FY25, while deposits grew by 10.3 per cent. Chennai-based Indian Bank reported gross advances growth of 10.1 per cent to Rs 5.88 trillion, while deposit growth was 7.1 per cent to Rs 7.37 trillion. Indian Bank had given guidance of 8–10 per cent growth for deposits and 11–13 per cent for advances.

**(Business Standard)**

## INDUSTRY OUTLOOK



**DMart adds highest number of stores amid q-comm surge:** Avenue Supermarts, best known for its DMart chain of stores, is accelerating store additions as competition intensifies within grocery retail. The value retailer added as many as 28 stores in the March quarter (Q4) of FY25, its latest business update said, the highest in four years. The latest addition will also see the value retailer add a total of 50 stores in FY25, the highest in three years. The company had last added 50 stores after the Covid-19 pandemic in FY22.

**(Financial Express)**

**7 Years of Stand-Up India:** Since its launch on 5th April 2016, the Stand-Up India Scheme has been on a mission to empower SC, ST, and women entrepreneurs. It aimed to break barriers by providing bank loans to help them start new businesses. Over the past 7 years, the scheme has not just funded businesses—it has nurtured dreams, created livelihoods, and driven inclusive growth across India. The Stand-Up India Scheme has shown remarkable growth over the years, with the total amount sanctioned rising from Rs. 16,085.07 crore as of 31st March 2019 to an impressive Rs. 61,020.41 crore by 17th March 2025, since its launch. This reflects a substantial increase, highlighting the scheme's expanding impact in empowering entrepreneurs across the country. From 2018 to 2024, women entrepreneurs saw growth from 55,644 to 1,90,844 accounts, with sanctioned amounts rising from Rs. 12,452.37 crore to Rs. 43,984.10 crore.

**(PiB)**



## REGULATION & DEVELOPMENT

**RBI proposes regulations on export, import transactions:** The Reserve Bank on Friday released revised draft regulations covering export and import transactions under FEMA, aiming to promote ease of doing business. As per the revised draft, if an exporter's proceeds remain unrealised beyond two years from the due date and the cumulative unrealised export proceeds exceed ₹25 crore, further exports shall be undertaken only against full advance payment or an irrevocable letter of credit. On the import of gold and silver, the RBI has proposed that no advance remittance shall be permitted by an authorised dealer, as per the Regulation of Foreign Trade under Foreign Exchange Management Act (FEMA), 1999 – Draft Regulations and Directions.

**(Moneycontrol)**

**Prime Minister participates in the 6th BIMSTEC Summit, Thailand:** Prime Minister Shri Narendra Modi today participated in the 6th BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) Summit hosted by Thailand, the current chair. The theme of the Summit was - "BIMSTEC: Prosperous, Resilient and Open". It reflected the priorities of the leaders and the aspirations of the peoples of the BIMSTEC region, as well as the efforts of BIMSTEC in ensuring shared growth in times of global uncertainties. Prime Minister announced several India-led initiatives towards institution and capacity building in BIMSTEC. These include setting up of BIMSTEC Centres of Excellence in India on Disaster Management, Sustainable Maritime Transport, Traditional Medicine, and Research and Training in Agriculture. He also announced a new programme for skilling the youth – BODHI [BIMSTEC for Organized Development of Human Resource Infrastructure] under which training and scholarships would be provided to professionals, students, researchers, diplomats and others. He also offered a pilot study by India to assess regional needs in Digital Public Infrastructure and a capacity building programme for cancer care in the region. Calling for greater regional economic integration, Prime Minister offered to establish BIMSTEC Chamber of Commerce and to organize BIMSTEC Business Summit every year in India.

**(PiB)**

**Cabinet approves “Vibrant Villages Programme-II (VVP-II) for financial years 2024-25 to 2028-29:** The Union Cabinet approved the Vibrant Villages Programme -II (VVP-II) as a Central Sector Scheme (100% Centre funding), furthering its commitment for the vision of Viksit Bharat@2047 for ‘Safe, Secured & Vibrant land borders’. The Programme would help in the



comprehensive development of the villages located in the blocks abutting international land borders (ILBs), other than the Northern border already covered under VVP-I. With a total outlay of Rs.6,839 crore, the programme shall be implemented in select strategic villages in the States/UTs of Arunachal Pradesh, Assam, Bihar, Gujarat, J&K (UT), Ladakh (UT), Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Sikkim, Tripura, Uttarakhand, Uttar Pradesh and West Bengal till the FY 2028-29. The objective of the programme is to create better living conditions and adequate livelihood opportunities to ensure prosperous and safe borders, control trans-border crime and assimilate the border population with the nation.

**(PiB)**



## FINANCIAL TERMINOLOGY

### RESERVE CURRENCY

- ❖ A reserve currency is a large quantity of currency maintained by central banks and other major financial institutions to prepare for investments, transactions, and international debt obligations, or to influence their domestic exchange rate. A large percentage of commodities, such as gold and oil, are priced in the reserve currency, causing other countries to hold this currency to pay for these goods.
- ❖ A reserve currency reduces exchange rate risk since there's no need for a country to exchange its currency for the reserve currency to do trade.
- ❖ Since 1944, the U.S. dollar has been the primary reserve currency used by other countries. As a result, foreign nations closely monitor the monetary policy of the United States to ensure that the value of their reserves is not adversely affected by inflation or rising prices.
- ❖ In 1944, following the Bretton Woods Agreement, delegates from 44 nations formally agreed to adopt the U.S. dollar as an official reserve currency. Since then, other countries pegged their exchange rates to the dollar, which was convertible to gold at the time. Because the gold-backed dollar was relatively stable, it enabled other countries to stabilize their currencies.



**ICMAI**  
THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA  
(Statutory Body under an Act of Parliament)

[www.icmai.in](http://www.icmai.in)

Telephones: +91-33- 2252-1031/1034/1035  
+ 91-33-2252-1602/1492/1619  
+ 91-33- 2252-7143/7373/2204  
Fax :+91-33-2252-7993  
+91-33-2252-1026  
+91-33-2252-1723

### **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 : 85.2281  
INR / 1 GBP : 111.5295  
INR / 1 EUR : 94.3401  
INR /100 JPY: 58.4100

### **EQUITY MARKET**

Sensex: 75364.69 (-930.67)  
NIFTY: 22904.45 (-345.65)  
Bnk NIFTY: 51502.70 (-94.65)

### **Courses conducted by BFSI Board**

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

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### **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 2<sup>nd</sup> Edition)**

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