

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

**02 May 2025**



### **ECONOMY**

**Economy delivers a strong start to the fiscal with GST, UPI touching new highs:** India's economy delivered a stellar start to the new fiscal, with the Goods and Services Tax collection rising to an all-time high and digital transactions continuing their double-digit growth, even as US and China, two major global economies faced pressure from tariff-related uncertainties. The US economy unexpectedly shrunk by 0.3 percent during the first quarter of 2025, its first contraction in nearly three years. On the other hand, China's factory activity contracted at the fastest pace in 16 months in April, data shared on May 1 showed. The GST collection reached an all-time high of Rs 2.37 lakh crore compared with Rs 1.96 lakh crore in March 2025, while beating previous April's high of Rs 2.1 lakh crore. In terms of annualised growth, the pace of GST collection reached a 17-month high of 12.6 percent compared with 9.9 percent growth seen in the previous month. The rise in consumption also reflected in the rise in digital transactions, with UPI transactions moved closer to the mark of 600 million transactions per day.

#### ***(Moneycontrol)***

**Gold slides as prospect of US trade talk deals cuts haven demand:** Gold fell for a third day on signs of potential trade-talk progress between the US and several other nations, quelling demand for havens even as signs of slowdowns have emerged in the largest economies. Prices shed as much as 1.8 per cent as investors weighed improving sentiment on Wall Street after Donald Trump's trade representative said he was nearing an announcement of a first tranche of deals. Adding to the optimism, China Central Television said the US had reached out to Beijing through various channels.

#### ***(Business Line)***

**MGNREGA work demand down 6.6% at 20.1 million in April, shows data:** Households demanding work under the flagship Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) dipped to 20.1 million in April, which was 6.6 per cent lower than the same month last year, and the lowest for the month since 2020-21. In comparison to pre-Covid years, the work

demand for April remains high but the gap is narrowing. Sequentially, the number of workers demanding work under the scheme in April 2025 was higher than March 2025. The FY26 Union Budget allocated ₹86,000 crore for MGNREGA, which is the same as the Revised and Budget Estimates.

**(Business Standard)**

## BANKING & FINANCE



**IndusInd Bank could tap Rajiv Anand for CEO role, sources say:** Private sector lender IndusInd Bank may tap Axis Bank deputy MD Rajiv Anand for the MD, CEO role at the lender, after former CEO Sumant Kathpalia resigned from his post taking moral responsibility for the discrepancies found in the lender's derivatives portfolio, sources say. "...Obviously, Rajiv would be one of the candidates. Whether he wants (to be the CEO) is up to his discretion. The size of IndusInd Bank, its brand, is very different from Axis. He came from a mutual fund background, he is a CA, and handled retail, wholesale segments and understands treasury quite well...", a source said.

**(Business Line)**

**Regional rural banks consolidate, to achieve operational ease:** India's one state-one Regional Rural Bank (RRB) policy cuts RRBs from 43 to 28, aiming for operational efficiency, improved digital services, and stronger credit flow. Covering 700 districts, the move supports financial inclusion and rural development with enhanced governance and capital base. The Centre's one state-one Regional Rural Bank (RRB) policy came into effect on Thursday, leading to a reduction in the number of RRBs across states/union territories from 43 to 28. The consolidation is intended to achieve better operational efficiency and cost rationalisation. Post amalgamation, the 28 RRBs in 26 states and 2 union territories with more than 22,000 branches covering 700 districts.

**(Financial Express)**

**Nifty's share in India's market capitalisation at 20-year low, shows data:** The contribution of companies in the premier Nifty 50 index to India's total market capitalisation (mcap) fell to 45.5 per cent in 2024-25 (FY25), the lowest in two decades. In FY14, these 50 blue-chip companies had accounted for almost two-thirds of India's mcap. The steady decline in the dominance of Nifty 50 companies is on the back of an influx of new companies in the listed arena, and sustained outperformance of stocks in the broader market.

**(Business Standard)**

**NaBFID plans to raise up to ₹70,000 crore in FY26 for development push:** National Bank for Financing Infrastructure and Development (NaBFID) is looking to borrow — including through market debt and credit lines — up to ₹70,000 crore in the current financial year (FY26), as against just over ₹23,000 crore raised in FY25, both from international and domestic markets. The current financial year may also see the development finance institution tapping the overseas market for its maiden fundraise through external commercial borrowings (ECBs).

**(Business Standard)**

## INDUSTRY OUTLOOK



**Air India sees Pakistan airspace ban costing it \$600 million over 12 months, seeks aid:**

Air India expects to face around \$600 million in additional costs if a ban from Pakistan's airspace lasts for a year, and has asked the federal government to compensate it for the hit, a company letter seen by Reuters shows. Indian airlines are bracing for higher fuel costs and longer journey times after Pakistan shut its airspace to the country's carriers in a tit-for-tat retaliation following an attack on tourists in Kashmir last week. Air India on April 27 asked the Indian government for a "subsidy model" proportionate to the economic hit, estimating a loss of more than 50 billion Indian rupees (\$591 million) for each year the ban lasts, according to a letter sent by the airline to the Civil Aviation Ministry seen by Reuters.

**(Business Line)**

**Commercial LPG price slashed by ₹14.50, ATF prices cut by 4.4%:** The price of jet fuel, or ATF, was reduced by 4.4 per cent on Thursday — marking the second major cut within a month. Additionally, the price of commercial LPG used in hotels and restaurants was lowered by ₹14.50 per cylinder, in line with international benchmarks. The Aviation Turbine Fuel (ATF) price was reduced by ₹3,954.38 per kilolitre, or 4.4 per cent, to ₹85,486.80 per kl in the national capital — home to one of the busiest airports in the country, according to State-owned fuel retailers. The price cut follows a steep 6.15 per cent (₹5,870.54 per kl) reduction effected on April 1. These two reductions have effectively offset the price increases that occurred earlier this year.

**(Business Line)**

**Total exports jump to \$825 bn in FY25 as services shipments rise over 13%:** India's exports of goods and services hit an all-time high of \$825 billion in 2024-25, driven by a record surge in the shipments of services that reached \$386.5 billion in the last fiscal despite global trade headwinds, according to the commerce ministry data. Following the release of March services exports

data by the RBI, the country's overall exports for 2024-25 have been revised to \$824.9 billion from the earlier estimate of \$820.93 billion, announced on April 15. Total exports were worth \$778.13 billion in 2023-24. The data showed that services exports jumped to a record high of \$387.5 billion in 2024-25, registering a robust 13.6 per cent growth over \$341.1 billion in 2023-24.

**(Business Standard)**



## REGULATION & DEVELOPMENT

**Centre formulates Sugar (Control) Order, 2025:** The Government of India has undertaken a comprehensive review of the Sugar (Control) Order, 1966, leading to the formulation of the Sugar (Control) Order, 2025. This revision aims to simplify and streamline the regulatory framework governing the sugar sector in line with current industry dynamics and technological advancements. The Objective of the Sugar (Control) Order, 2025 is a step toward building a more efficient, transparent, and accountable sugar ecosystem, fostering both domestic stability and global competitiveness.

**(PiB)**

**Prime Minister Shri Narendra Modi inaugurates WAVES 2025:** Prime Minister Shri Narendra Modi inaugurated the WAVES 2025, India's first-of-its-kind World Audio Visual and Entertainment Summit at the Jio World Centre, Mumbai today. Addressing the gathering on the occasion, he greeted everyone on the occasion of Maharashtra day and Gujarat Statehood day being celebrated today. "Braving the Odds, Scripting a New Narrative": WAVES 2025 celebrates courage, equality and resilience in M&E

**(PiB)**



## FINANCIAL TERMINOLOGY

### BONDED WAREHOUSE

- ❖ A bonded warehouse is a secure storage facility, often owned by a third-party logistics (3PL) provider, where imported goods can be stored without immediate payment of customs duties.
- ❖ These warehouses operate under customs authority supervision, allowing businesses to defer duty payments until the goods are either exported or released for domestic consumption, enhancing cash flow and inventory management.
- ❖ The deferral of duty payments improves the importer's cash flow and Businesses can store goods for extended periods and manage their inventory more effectively.



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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 : 85.0535  
INR / 1 GBP : 113.8770  
INR / 1 EUR : 96.7370  
INR /100 JPY: 59.6200

### **EQUITY MARKET**

Sensex: 80242.24 (-46.14)  
NIFTY: 24334.20 (-1.75)  
Bnk NIFTY: 55087.15 (-304.10)

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

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- ❖ **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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