



# The Institute of Cost Accountants of India (ICMAI)

(Statutory body under an Act of Parliament)

H.Q: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi – 110 003

Kolkata Office: CMA Bhawan, 12 Sudder Street, Kolkata – 700 016

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

**22 May 2025**



### **ECONOMY**

#### **Morgan Stanley sees Sensex at 1,00,000 in bull case, base target raised to 89,000:**

Morgan Stanley has reiterated its bullish stance on Indian equities, calling the recent correction from September 2024 highs a buying opportunity. In its latest mid-year outlook, the brokerage raised its Sensex target for June 2026 to 89,000, implying an 8 percent upside from current levels. In a more optimistic scenario, it sees the index touching 1,00,000. Despite global uncertainties, Morgan Stanley argues that India's fundamentals remain intact. It cites strong macroeconomic stability—low inflation volatility, improving terms of trade, fiscal consolidation, and a dovish central bank—as key pillars supporting growth. Corporate earnings are expected to grow at mid-to-high teens annually over the next three to five years, driven by a revival in private investment, improving balance sheets, and rising discretionary consumption.

#### **(Moneycontrol)**

**India's crude oil import dependence rises to record 90%:** India's crude oil import dependency rose to an all-time high of 90 per cent during April 2025 as it procured more cargoes to meet the demand of an expanding industrial and commercial base. The rising dependence is also reflected on the continuously declining production in the nomination blocks operated by State-run E&P majors — ONGC and OIL — which accounts for more than 75 per cent of India's overall output. Production by the PVT/ JVs companies in the Production Sharing Contracts (PSC) or Revenue Sharing Contracts (RSC) regime has also been languishing.

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

**Outlook for India is one of cautious optimism, says the RBI report:** Amid uncertainties in the global economy due to tariff wars and weak consumer sentiments, the Indian economy is exhibiting resilience with various high frequency indicators of industrial and services sectors sustaining their momentum in April, the monthly state of the economy report of the Reserve Bank of India (RBI) said. The optimism on domestic growth, along with the news of a temporary freeze on tariff measures by the US, led to a significant recovery of financial markets by mid-April, the report



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said. It also observed the domestic equity market, which declined initially in response to the tariff announcements by the US, gained momentum in the second half of April in the wake of robust corporate earnings reports for the Jan-March period by some banking and financial sector companies.

**(Business Standard)**

## BANKING & FINANCE



**IndusInd Bank reports a worse-than-feared net loss of Rs 2328.92 crore for Q4FY25, NPAs rise:** Private sector lender IndusInd Bank on May 21 reported a net loss of Rs 2328.92 crore in the fourth quarter of the financial year 2024-25, much higher than the analyst estimate of Rs 304 crore met loss polled by Moneycontrol, compared to a net profit of Rs 2,349 crore in Q4FY24. The bank's Q4FY25 Net Interest Income (NII) came in at Rs 3,048.3 crore, and provisions stood at Rs 2522.08 crore compared to Rs 1,743.63 crore a quarter ago. The Gross Non-performing Asset (NPA) of the bank stood at 3.13 percent in Q4FY25 as compared to 2.25 percent in Q3FY25 and 1.92 percent in Q4FY24. The Net NPA ratio stood at 0.95 percent for the March quarter as compared to 0.68 percent in a quarter ago period and 0.57 percent in a year ago period.

**(Moneycontrol)**

**IndusInd Bank flags fraud of Rs 172.58 cr, suspects staff involvement in recent accounting lapses:** IndusInd Bank on Wednesday disclosed a suspected case of internal fraud involving its microfinance operations, with Rs 172.58 crore wrongly recorded as fee income across three quarters in the financial year 2024-25. The irregularity came to light following investigations by an external professional firm and the bank's Internal Audit Department (IAD). The IAD has on May 20, 2025 submitted its report which determines that a cumulative amount of Rs. 172.58 crores was incorrectly recorded as fee income in the microfinance business over three quarters ending December 31, 2024 and reversed in Q4 of FY 24-25, said the bank in an exchange filing.

**(Economic Times)**

**Half of India's vehicles still uninsured, says New India Assurance chief:** Despite data availability, nearly half of India's vehicles are uninsured, posing risks, according to New India Assurance CMD Girija Subramanian. She advocates for revised third-party motor insurance premiums, unadjusted for years despite rising court awards. New India Assurance aims to regain market share in private car and two-wheeler segments and expand its digital presence through partnerships and investments.

**(Economic Times)**



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## INDUSTRY OUTLOOK



**India better placed than peers to weather US tariffs: Moody's Ratings:** India is better positioned than many other emerging markets to deal with US tariffs and global trade disruptions due to robust internal growth drivers, a sizable domestic economy, and a low dependence on goods trade, Moody's Ratings said on Wednesday. "Government initiatives to boost private consumption, expand manufacturing capacity, and increase infrastructure spending will help offset the weakening outlook for global demand," the ratings agency said. It added, however, that export-linked sectors, such as automobiles, remain exposed to global trade challenges, despite diversified operations. While higher defence spending could weigh on India's fiscal strength and slow fiscal consolidation.

**(Business Standard)**

**Govt workers retiring a day before hike to get notional increment: Centre:** Central government employees retiring a day before their annual pay hike date would be eligible to get notional increment for the purpose of calculating the pension admissible to them, an official order said. The move follows a Supreme Court order in this regard. "It is advised that in pursuance of the above referred order dated 20.02.2025 of the Hon'ble Supreme Court, action may be taken to allow the increment on July 1/January 1 to the Central government employees who retired/are retiring a day before it became due, i.e., on June 30/December 31, and have rendered the requisite qualifying service as on the date of their superannuation with satisfactory work and good conduct for calculating the pension admissible to them," the order issued by the personnel ministry said.

**(Business Standard)**

**Google introduces 'AI Mode' for agentic web search experience:** At the keynote session of Google I/O 2025, Google shared details on the evolution of its AI Mode, designed to deliver an agentic web search experience. Initially introduced in March, AI Mode has since been enhanced to offer users faster, more intuitive, and more comprehensive search results. Google said that the AI Mode represents a significant shift in how web searches are conducted. Instead of requiring users to sift through multiple pages of results, the tool autonomously handles the more tedious aspects of online research.

**(Business Standard)**



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## REGULATION & DEVELOPMENT

**DoT Introduces "Financial Fraud Risk Indicator (FRI)" to strengthen Cyber Fraud Prevention:** In a major step towards combating cyber fraud and financial crime, the Department of Telecommunications (DoT) has announced sharing of "Financial Fraud Risk Indicator (FRI)" with stakeholders- an output from a multi- dimensional analytical tool developed as part of the Digital Intelligence Platform (DIP) to empower financial institutions with advance actionable intelligence for cyber fraud prevention. This will enhance cyber protection and validation checks in case of mobile numbers flagged with this tool when digital payment is proposed to be made to such numbers. It is a risk-based metric that classifies a mobile number to have been associated with Medium, High, or Very High risk of financial fraud. This classification is an outcome of inputs obtained from various stakeholders including reporting on Indian Cybercrime Coordination Centre (I4C's) National Cybercrime Reporting Portal (NCRP), DoT's Chakshu platform, and Intelligence shared by banks and financial institutions.

**(PiB)**

**60% resolution plans under IBC approved in last three years: IBBI data:** As much as 60 per cent of all resolution plans under Insolvency and Bankruptcy Code (IBC) were approved in the last three years alone, with over 30,000 cases having an underlying default of ₹13.8 trillion getting settled even before admission, according to data till December 2024 released by the Insolvency and Bankruptcy Board of India (IBBI). Out of 1,194 Resolution Plans over the past eight years, 708 resolutions were approved in the past three years. The insolvency regulator said that this showed the effectiveness of the legal framework in facilitating the revival of insolvent businesses under IBC.

**(Business Standard)**

**SC urges Centre to set up permanent bodies for timely consumer redressal:** The Supreme Court on Wednesday (May 21) asked the central government to respond within three months about the possibility of setting up a permanent forum to handle consumer disputes. A bench comprising Justices Abhay S Oka and MM Sundresh said that consumer rights are rooted in the Constitution, and therefore, there should be no reason to have temporary appointments for staff, members, and presidents of consumer forums. "The Union of India is directed to file an affidavit on the feasibility of a permanent adjudicatory forum for consumer disputes, either in the form of a consumer tribunal or a consumer court, within a period of three months from today, on the touchstone of the constitutional mandate."

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## FINANCIAL TERMINOLOGY

### FROTH

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- ❖ Froth refers to a market condition where an asset's price begins to increase beyond its intrinsic value.
- ❖ Froth refers to market conditions preceding an actual market bubble, where asset prices become detached from their underlying intrinsic values as demand for those assets drives their prices to unsustainable levels.
- ❖ A frothy market is characterized by overconfident investors that ignore market fundamentals and bid up an asset's price beyond the asset's quantitative worth.
- ❖ Two examples of burst bubbles include the dot-com bust of 2001 and the housing crash of 2007-08.





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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 : 85.5546

INR / 1 GBP : 115.1371

INR / 1 EUR : 97.0343

INR /100 JPY: 59.6000

## EQUITY MARKET

Sensex: 81596.63 (+410.19)

NIFTY: 24813.45 (+129.55)

Bnk NIFTY: 55075.10 (+197.75)

## Courses conducted by BFSI Board

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

For details please visit  
BFSIB portal of the ICMAI

## 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)

## TEAM BFSIB

**Banking, Financial Services & Insurance Board**

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