

DAILY NEWS DIGEST BY BFSI BOARD

29 April 2025



ECONOMY

India's industrial production growth edges up to 3% in March 2025, slows compared to last year: India's industrial production growth marginally accelerated to 3 per cent in March 2025 from 2.7 per cent in February, according to official data released on Monday. However, on an annual basis, the growth in March was down from 5.5 per cent in the corresponding month of the previous fiscal, mainly due to poor performance of manufacturing, mining and power sectors. The government also revised downward the industrial growth figure to 2.7 per cent for February 2025 from the provisional estimate of 2.9 per cent released earlier this month. The factory output, measured in terms of the Index of Industrial Production (IIP), rose by 5.5 per cent in March 2024, the data showed. The data released by the National Statistics Office (NSO) also showed that the manufacturing sector's output growth slightly decelerated to 3 per cent in March 2025 from 5.9 per cent in the year-ago month.

(Financial Express)

Rupee rallies to under 85 vs dollar intraday on strong equity inflows: The rupee strengthened and traded under 85 per dollar intraday on Monday, buoyed by strong inflows into domestic equities and greenback sales by foreign banks, dealers said. The rupee appreciated to as much as 84.96 during the day's trade, before paring gains on technical resistance to settle at 85.03 per dollar — its highest closing since December 20, 2024. It had closed at 85.49 on Friday. Earlier, the Indian currency traded under 85 levels intraday on April 4, when it reached 84.95 versus the dollar. Up 0.49 per cent, the local currency posted its best single-day gain against the dollar since April 11. "This strengthening was underpinned by a robust performance in domestic equity markets, notably with Reliance Industries surging over 5 per cent to a six-month high after beating analyst estimates for quarterly earnings, alongside renewed foreign portfolio inflows,"

(Business Standard)

RBI to infuse Rs 1.25 trillion worth of liquidity via bond purchases: The Reserve Bank of India will purchase government bonds worth 1.25 trillion rupees (\$14.71 billion) via open market operations over four tranches in May, its latest measure to infuse liquidity into the banking system. The first tranche of Rs 50,000 crore is scheduled for May 6, followed by three tranches of Rs 25,000 crore each on May 9, 15 and 19, respectively. The announcement on Monday is the RBI's latest liquidity infusion measure, with 1.2 trillion rupees added in April via debt purchases and FX swaps. It is scheduled to buy bonds worth Rs 20,000 crore on Tuesday, its last tranche for the current month.

(Business Standard)

BANKING & FINANCE



Arun Khurana steps down as IndusInd Bank deputy CEO with immediate effect: IndusInd Bank said on Monday that its deputy CEO, Arun Khurana has resigned with immediate effect. Arun Khurana, in his resignation letter, wrote, "Considering the recent unfortunate developments, wherein the Bank determined an adverse accounting impact on P&L, on account of incorrect accounting for internal derivative trades, I having oversight of the Treasury Front office function, as the Whole Time Director, Deputy CEO and a part of senior management of the bank, hereby resign, effective immediately."

(Moneycontrol)

FM Nirmala Sitharaman reviews UPI ecosystem, sets goal of 1 billion daily transactions: Union Finance Minister Nirmala Sitharaman on Monday chaired a high-level meeting to review the Unified Payments Interface (UPI) ecosystem, with a focus on strengthening infrastructure, scaling operations, and expanding global reach. The meeting focused on strengthening UPI's resilience, scalability, and real-time monitoring to maintain uninterrupted services and build user confidence. Finance Minister Sitharaman highlighted the need to quickly address infrastructure shortcomings, bolster cybersecurity measures, and elevate the overall user experience. Officials shared that UPI has grown rapidly, adding that the platform added 26 crore users and 5.5 crore merchants between FY 2021–22 and FY 2024–25. UPI currently has around 45 crore active users annually. In FY 2024–25, transaction values reached Rs 261 lakh crore, showing a 30% year-on-year rise, while transaction volumes increased by 42% to Rs.18,586 crores.

(Moneycontrol)

IDBI Bank reports record net profit of Rs 7,515 crore in FY25, up 33% YoY: PSU lender IDBI Bank announced its results for the fourth quarter and full year ended March 31, 2025, reporting

a 33 percent year-on-year jump in net profit at Rs 7,515 crore. In a statement following the Board meeting held on April 28, the bank revealed that operating profit for FY25 rose 16 percent to Rs 11,079 crore, while the Net Interest Margin (NIM) stood at 4.56 percent. Return on Assets (ROA) improved to 1.98 percent, and Return on Equity (ROE) climbed to 20.15 percent. Its business (deposits plus net advances) crossed the Rs 5 lakh crore mark, with total deposits rising 12 percent to Rs 3,10,294 crore and net advances growing 16 percent to Rs 2,18,399 crore. In terms of asset quality, its Gross Non-Performing Assets (NPA) declining sharply to 2.98 percent from 4.53 percent a year ago, and Net NPA improving to a mere 0.15 percent. For the January-March quarter (Q4 FY25), IDBI Bank reported a 26 percent year-on-year rise in net profit to Rs 2,051 crore

(Moneycontrol)

Central Bank of India reports 28% increase in Q4FY25 net profit at ₹1,034 crore: Central Bank of India (CBoI) reported a 28 per cent year-on-year increase in fourth quarter standalone net profit at ₹1,034 crore, with the bottomline being supported by healthy growth in other income and decline in tax expenses. The public sector bank had recorded a net profit of ₹807 crore in the year ago quarter. Net interest income declined 4 per cent y-o-y to ₹3,399 crore (₹3,541 crore in the year ago quarter). Other income, including fee-based income, treasury income, profit/ loss (including revaluation) from sale of investment, dividend received, recoveries from advances written off, etc, was up 33 per cent y-o-y to ₹1,814 crore (₹1,362 crore). Gross non-performing assets (GNPAs) position improved to 3.18 per cent of gross advances as at March-end 2025 against 4.50 per cent as at March-end 2024. Net NPAs position too improved to 0.55 per cent of net advances from 1.23 per cent.

(Business Line)

RBI ask banks to ensure ATMs dispense Rs 100, Rs 200 notes: The Reserve Bank of India has directed banks and White Label ATM Operators to ensure ATMs regularly dispense Rs 100 and Rs 200 notes to improve public access to these denominations. A phased implementation requires 75% of ATMs to dispense these notes from at least one cassette by September 2025, increasing to 90% by March 2026.

(Economic Times)

INDUSTRY OUTLOOK



Chinese companies can now apply for PLI under Electronic Component Manufacturing Scheme:

The Indian government is going to allow Chinese companies to receive linked incentives (PLI) for the manufacturing of electronics under the Electronics Component Manufacturing Scheme. CNBC-TV18 reported that Chinese companies would be eligible for PLI only when they formed a joint venture with an Indian company. This comes 2 days after the Union Minister for Electronics and Information Technology, Ashwini Vaishnaw, launched the portal and guidelines for the component manufacturing scheme. The scheme with a budget of Rs 22,919 crore was launched on April 8. As per the CNBC-TV18 report, the Chinese companies have to form a joint venture with an Indian company to be eligible to receive policy-linked incentives, . Chinese companies cannot hold more than a 49 percent stake in the joint venture. Additionally, the control of the management of the joint venture must remain in the hands of the Indian companies.

(Financial Express)

US tariff jitters: Auto part exporters may take a Rs 4,500 crore hit: Indian auto component exporters may suffer a hit of ₹2,700 crore to ₹4,500 crore on their earnings after the imposition of steep US tariffs on key automotive parts, credit rating agency ICRA said in a note on Monday. The new 25 per cent tariff on engines, transmission, electrical components, and other auto parts may moderate the overall auto component industry's revenue growth to 6-8 per cent in 2025-26 (FY26), down from an earlier projection of 8-10 per cent. The US, which accounted for around 8 per cent of the Indian auto component industry's revenues in FY24, recently imposed a 25 per cent import duty effective from May 3. Around 65 per cent of India's auto component export basket is estimated to fall under this tariff regime. Prior to this, a 25 per cent tariff on steel and aluminium content in auto parts was implemented in March.

(Business Standard)

Govt sets up panel to draft plan for new National Manufacturing Mission: The government has formed an inter-ministerial committee to design the main plan for new national manufacturing mission, an official said. The mission was first announced in the Budget on February 1 to boost the Make in India initiative. The committee is led by Niti Aayog CEO B V R Subrahmanyam and is holding several meetings with important stakeholders. "Stakeholders' consultations are on, including with states and domestic industry. The committee will look at the framework of the

mission,” an official said. The mission will focus on five key areas: making it easier and cheaper to do business, preparing a future-ready workforce, strengthening the MSME sector, providing better technology, and ensuring high-quality products. It will cover small, medium, and large industries.

(Business Standard)



REGULATION & DEVELOPMENT

Sebi directs brokers to collect margins by T+1 settlement day: SEBI has directed brokers to collect all other margins, except value at risk (VaR) and Extreme Loss Margin (ELM), by the T+1 settlement day, due to the shift from T+2 to T+1 settlement cycle. Trading members or clearing members are required to mandatorily collect upfront VaR margins and ELM from their clients. Earlier, they had time till 'T+2' working days to collect margins (except VaR margins and ELM) from their clients. "With effect from January 27, 2023, the settlement cycle has been reduced from T+2 to T+1 across all scrips in the cash market.

(Business Standard)

India to raise ₹300 bn via new 2035 bond, replacing 6.79% 2034 benchmark: India will auction a new 10-year benchmark bond on Friday, replacing the existing paper that has seen a sell-off in the past week. The weekly auction will include raising Rs 300 billion through a new security maturing in 2035, the auction calendar released on Monday showed. The new bond will replace the 6.79 per cent 2034 bond as the benchmark government security, which has an outstanding amount of Rs 1,840 billion. The 2034 bond saw a fall in prices and a consequent spike in yields last week, with traders listing factors ranging from soaring geopolitical tensions following the attack in Kashmir to investors selling their positions ahead of the issue of the new benchmark.

(Business Standard)

IEPFA Signs MoU with Kotak Mahindra Bank to Enhance Investor Education through Digital outreach: In a significant move to enhance investor education and protection, the Investor Education and Protection Fund Authority (IEPFA), under the aegis of the Ministry of Corporate Affairs, Government of India, has signed a Memorandum of Understanding (MoU) with Kotak Mahindra Bank Limited (KMBL), one of India's premier financial institutions. This strategic partnership aims to amplify the dissemination of critical investor awareness messages through Kotak Mahindra Bank's extensive physical and digital network across the country.

(PiB)



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FINANCIAL TERMINOLOGY

ASSET RETIREMENT OBLIGATION

- ❖ In accounting, an asset retirement obligation (ARO) describes a legal obligation associated with the retirement of a tangible, long-lived asset, where a company will be responsible for removing equipment or cleaning up hazardous materials at some future date.
- ❖ AROs should be included in a company's financial statement to present a more accurate and holistic snapshot of the enterprise's overall value.
- ❖ Companies are required to detail their AROs on their financial statements to accurately portray their overall values.



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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 : 85.1980
INR / 1 GBP : 113.4303
INR / 1 EUR : 96.8605
INR /100 JPY: 59.3200

EQUITY MARKET

Sensex: 80218.37 (+1005.84)
NIFTY: 24328.50 (+289.15)
Bnk NIFTY: 55432.80 (+768.75)

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