



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

31 May 2025



ECONOMY

Govt starts year with capex push as spending rises 61%, fiscal deficit stays in check: The central government started the year with a capex spending push of Rs 1.6 lakh crore in a single month, up 61 percent from April last year. Data released by the government on Friday showed that capex spending at 14.3 percent of the budgeted Rs 11.2 lakh crore was higher than 8.9 percent spent in April 2024. The capex spending spree continues from the previous month, when the government had spent Rs 2.4 lakh crore exceeding the full year revised capex target. The Centre has disbursed nearly a quarter of Rs 2.26 lakh crore loans it had envisaged in the Budget.

(Moneycontrol)

India's GDP growth rises to a four-quarter high of 7.4% in Q4FY25, full-year at 6.5%:

The GDP growth touched a four-quarter high of 7.4 percent in the last and final quarter of FY25, with full-year growth ending at 6.5 percent, as investment demand, helped by public spending, lifted the economy, according to data released by the government on May 30. "The Q4 growth print partly reflects the back loaded spending effect of the government, both centre and states, led more by public capex spending. As a whole the growth has been in line with the government estimates, with capital formation staying broadly steady," "At real GDP growth at 6.5 percent for FY25 India outshines in view of other economies still recovering from Covid," said chief economic advisor V Anantha Nageswaran at a press conference post GDP release.

(Moneycontrol)

Fiscal deficit contained at targeted 4.8% despite revenue shortfall: The Centre's fiscal deficit came in at 4.77% of GDP for 2024-25, marginally lower than the 4.84% projected in the revised estimate (RE) for the year, despite a shortfall in revenues, especially tax receipts. The fiscal deficit stood at Rs 15.77 lakh crore, 100.5% of FY25RE. Yet the fiscal deficit/GDP ratio was contained as the nominal GDP size came in about 2% higher than the first advance estimate.

(Financial Express)



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BANKING & FINANCE



FSIB recommends Asheesh Pandey, Kalyan Kumar for MD of Union Bank, Central Bank of India: Asheesh Pandey and Kalyan Kumar were recommended for the post of MD of Union Bank of India and Central Bank of India, respectively, by Financial Services Institutions Bureau (FSIB). Senior banker Pandey, who is currently executive director (ED) in Bank of Maharashtra, will replace A Manimekhalai, who would complete three-year tenure at Union Bank of India next month. A Manimekhalai has not been given an extension amid row over ordering 2,00,000 copies of KV Subramanian's book. Meanwhile, Kalyan Kumar, who is serving as ED in PNB, will succeed M V Rao as MD of Central Bank of India after his superannuation in July, PTI reported.

(Moneycontrol)

Finance Ministry urges RBI to exempt small ticket gold loans from proposed guidelines: Responding to concerns raised by Tamil Nadu Chief Minister MK Stalin on gold loan draft regulations, the Finance Ministry on Friday said it has suggested exempting borrowers up to ₹2 lakh to be exempted. It also favours implementation of the guidelines from January 1, next year. In a series of tweets, the Ministry said the Financial Services Department examined draft Directions on Lending Against Gold Collateral issued by the Reserve Bank of India (RBI) under the guidance of Finance Minister Nirmala Sitharaman.

(Business Line)

Street vendors to get credit cards, bigger loans: The PM SVANidhi scheme is being revamped to provide street vendors with higher subsidised loans and credit cards with a limit of Rs 30,000, facilitated by banks, ToI reported on May 30. The revamped scheme, which will soon be presented to the Cabinet for approval, aims to extend subsidised loans to street vendors from rural areas migrating to cities. The revamped PM SVANidhi scheme is set to offer enhanced financial support to street vendors. Banks are coming on board to provide credit cards with a limit of Rs 30,000. These credit cards will be issued to street vendors who have successfully repaid the initial three tranches of subsidised loans, which were Rs 10,000, Rs 20,000, and Rs 50,000. The scheme's expansion includes extending subsidised loans to street vendors from rural areas who move to cities for their livelihood. Sources indicate that an additional Rs 10,000 will be included as part of the enhanced loan amount. The credit card facility is designed to provide street vendors with better credit ratings access to more rolling capital for their businesses. The repayment norms for these credit cards will be determined by the banks..

(Economic Times)



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Govt to buyback ₹25,000 crore in bonds via RBI auction on June 5: The government has offered to repurchase ₹25,000 crore worth of government securities through a buyback auction to be conducted by the Reserve Bank of India (RBI) on Thursday. The securities targeted for buyback include the 7.27 per cent 2026 bond maturing on 8 April, the 6.99 per cent 2026 bond maturing on 17 April, the 6.97 per cent 2026 bond maturing on 6 September, the 7.33 per cent 2026 bond maturing on 30 October, and the 8.24 per cent 2027 bond maturing on 15 February. By repurchasing its own outstanding bonds from the market before maturity, the government reduces its liabilities and strengthens its fiscal position. The process involves using government funds to buy back these bonds, which are then typically retired, decreasing the total outstanding debt. This strategy allows the government to improve its debt profile by repurchasing higher-cost or shorter-term bonds.

(Business Standard)

INDUSTRY OUTLOOK



India cuts customs duty on crude edible oils to 16.5%, extends duty-free import of yellow peas: The Indian government late on Friday cut the import duty on crude edible oils such as palm, soyabean and sunflower oil to 16.5 per cent overall from 27.5 per cent. However, it extended duty-free import of yellow peas until March 31, 2026. A gazette notification said the duty cut will come into effect from May 31 (Saturday). The edible oil sector has welcomed the duty cut since it widens the duty differential between crude and edible cooking oils to 19.25 per cent.

(Business Line)

FSSAI bans use of '100%' on food labels, says term misleads consumers: The Food Safety and Standards Authority of India (FSSAI) has issued a strong advisory against the use of the term "100%" in food labelling, citing concerns over its potential to mislead consumers. The apex food regulator, in a statement, said it has asked all Food Business Operators (FBOs) to refrain from using the term on food labels, packaging, and promotional content, owing to its ambiguity and potential for misinterpretation within the existing regulatory provisions. In the advisory issued on Thursday, FSSAI highlighted a noticeable surge in the use of the term "100%" across food product labels and promotional platforms. The Authority emphasised that such terminology is not only undefined under current regulations but also misleading and likely to create a false impression among consumers.

(Business Standard)

ADB commits up to \$4.5 billion in annual sovereign loans for India: Asian Development Bank (ADB) President Masato Kanda on Friday announced that the bank is prepared to provide India with sovereign loans amounting to as much as \$4.5 billion each year. "Yesterday, I met Finance



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Minister Nirmala Sitharaman in New Delhi to deepen ADB's partnership with India and advance Prime Minister Narendra Modi's Viksit Bharat 2047 vision," Kanda said in a post on X.

(Business Standard)



REGULATION & DEVELOPMENT

Taxpayers can now use Excel utility to file ITR-1, ITR-4 for AY 2025-26: Now, you can file your income tax returns (ITR) using the supporting Excel utility. "The Excel Utility for ITR-1 and ITR-4 for AY 2025-26 has been enabled and is now available for taxpayers," the Income Tax department said in a social media post. The due date for filing returns by salaried and non-audited entities is September 15. Incomes earned between April 1, 2024, and March 31, 2025, will be reported using these forms. These forms were notified on April 30. ITR-1 and ITR-4 are also known as SAHAJ and SUGAM, respectively. The latest version of these forms includes sections for taxpayers to disclose capital gains income under Section 112A of up to ₹1.25 lakh, provided there are no brought-forward or carry-forward losses under the capital gains head.

(Business Line)

Govt to regulate sale of walkie-talkies on e-commerce platforms: The Central Consumer Protection Authority (CCPA) on Friday notified comprehensive guidelines to curb the illegal listing and sale of radio and wireless devices equipment, including walkie-talkies, on e-commerce platforms. "It was observed that walkie-talkies are being sold on e-commerce platforms without mandatory and clear disclosures regarding the requirement of a wireless operating license or compliance with applicable laws," according to an official statement. The aim of these guidelines is to curb the unauthorized sale of wireless devices that may pose risks to consumer safety, mislead consumers regarding their legal position and interfere with critical communication networks, including those used by law enforcement and emergency services, according to an official note.

(Financial Express)

Retired Central Government NPS Subscribers with minimum 10 years of qualifying service can claim additional benefits under Unified Pension Scheme (UPS): The Central government NPS subscribers who retired on or before 31/03/2025 with minimum 10 years of qualifying service or their legally wedded spouse can claim the following additional benefits under Unified Pension Scheme (UPS), over and above the NPS benefits already claimed: Lumpsum payment (one time) one-tenth of last drawn basic pay and dearness allowance thereon, for each completed six months of qualifying service., Monthly Top-up amount is calculated based on admissible UPS payout



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+ Dearness relief (DR) minus representative annuity amount under NPS., Arrears with simple interest as per applicable PPF rates.

(PiB)



FINANCIAL TERMINOLOGY

DIGITAL CREDIT LINE

- ❖ A digital credit line is a flexible loan facility provided by financial institutions that allows consumers or businesses to access funds as needed. Unlike traditional loans, where you receive a lump sum upfront, a digital credit line enables users to borrow varying amounts within a pre-approved limit. This option offers more flexibility and control over finances, especially for those who prefer borrowing in smaller amounts without the commitment of a full loan.
- ❖ With the entire process managed digitally, from application to fund withdrawal, users can access funds quickly and easily through an app or online platform.
- ❖ Digital credit lines are particularly useful for businesses managing fluctuating cash flows or for individuals facing unexpected expenses.



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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 : 85.4778

INR / 1 GBP : 115.1420

INR / 1 EUR : 96.9375

INR /100 JPY: 59.3600

EQUITY MARKET

Sensex: 81451.01 (-182.01)

NIFTY: 24750.70 (-82.90)

Bnk NIFTY: 55749.70 (+203.65)

Courses conducted by BFSI Board

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- ❖ Certificate Course on Credit Management of Banks
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For details please visit
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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 2nd Edition)

TEAM BFSIB

Banking, Financial Services & Insurance Board

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