

DAILY NEWS DIGEST BY BFSI BOARD

07 May 2026



ECONOMY

India's growth to moderate to 6.6% in FY27; reforms key to achieve Viksit Bharat goal: S&P: India's GDP growth is projected to moderate to 6.6 percent in the current fiscal from the earlier estimated 7.1 percent, and energy and food security reforms would be essential to achieve the Viksit Bharat goal by 2047, S&P Global said on Wednesday. S&P Global and Crisil's joint report, titled 'India Forward', said India is facing external economic shock from energy supply disruptions, rising oil and gas prices and currency volatility, and India should devise a comprehensive energy storage policy to create strategic buffers.

(Moneycontrol)

S&P Global cuts India FY27 growth outlook to 6.6%: India's economic growth is expected to moderate in 2026-27 amid the ongoing West Asia conflict, with GDP projected at 6.6% compared with 7.1% projected earlier. Retail inflation is projected to rise to an average of 5.1% from 2% in FY26, according to S&P Global's "India Forward" report. The report highlights that the conflict is exerting broad-based pressure on key macroeconomic indicators, including growth, inflation, current account balance and bond yields. Elevated crude oil prices—expected to stabilise around \$90-95 per barrel—are seen as a key transmission channel affecting the economy.

(Financial Express)

Services sector growth accelerates in April; e-commerce surge lifts PMI to 5-month high: India's services activity accelerated in April, recording the strongest expansion in five months, driven by robust domestic demand, a surge in e-commerce, and greater reliance on local suppliers amid global supply chain challenges caused by

the conflict in Middle East, S&P Global said on Wednesday. The HSBC India Services Purchasing Managers' Index (PMI) climbed to 58.8 in April from 57.5 in March. A PMI above the 50-mark signals month-on-month growth in the sector. "Consumer Services led April's expansion in new orders and output, followed by Transport, Information & Communication," the report noted.

(Financial Express)

BANKING & FINANCE



Review cyber risks in 2 months: RBI to banks: RBI has asked banks to conduct an internal review of their cybersecurity preparedness and place a detailed assessment before their respective boards within the next two months. The exercise is part of an advisory issued by the central bank on April 27 directing lenders to further strengthen their cyber defence frameworks amid rising digital and AI-linked risks. The move comes at a time when concerns over vulnerabilities in financial systems have intensified globally, particularly after reports surrounding Anthropic's advanced AI model, Mythos, and its potential ability to identify weaknesses in software systems.

(Financial Express)

Paytm reports first full year net profit at Rs 552 crore, revenue rises 22% to Rs 8,437 crore: One97 Communications, the parent firm of Paytm, swung to a net profit of Rs 183 crore in the quarter ended March 31, a stock filing said on May 6. The Noida-based payments firm has reported its first annual net profit of Rs 552 crore, compared to a Rs 663 crore loss in the previous fiscal. The company had registered a net loss of Rs 545 crore in the corresponding period of the previous financial year. However, Paytm's net profit has fallen on a sequential basis as it had reported a net profit of Rs 225 crore in the December quarter.

(Financial Express)

EAC-PM calls for changes in priority sector lending to enhance efficiency; greater flexibility to banks: A working paper by the Economic Advisory Council to the PM (EAC-PM) has proposed changes in the focus of priority sector advances (PSAs), saying they are economically less efficient when compared to public funds. This, it said, will give banks more flexibility in allocating capital. A working paper by the Economic Advisory Council to the PM (EAC-PM) has proposed changes in the focus of priority sector advances (PSAs), saying they are economically less efficient when compared to public funds. This, it said, will give banks more flexibility in allocating capital.

(Economic Times)

Star Health to launch affordable health insurance plans targeting tier 2, 3 markets: As healthcare expenses soar, Star Health is bracing for premium increases in the next fiscal year. In a proactive move, the insurer is rolling out a series of affordable health insurance options tailored for smaller urban areas. These plans will incorporate a curated list of hospitals to not only streamline costs but also enhance accessibility for policyholders in these communities.

(Economic Times)

J&K Bank posts highest ever annual profit of Rs Rs 2363 crore in FY26: Jammu and Kashmir Bank achieved its highest-ever annual profit of Rs 2,326.47 crore for the financial year 2025-26. This marks a significant year-on-year growth of over 13 percent. The bank also reported a strong quarterly net profit of nearly Rs 800 crore. Despite challenges, the bank demonstrated resilience and improvement in asset quality.

(Economic Times)

INDUSTRY OUTLOOK



Andhra Pradesh’s SIPB clears Rs.1.5 lakh crore investment for Reliance data centre: Reliance will set up a new data centre in Visakhapatnam with an investment of Rs.1.08 lakh crore. A proposal in this regard was approved by the Andhra Pradesh State Investment Promotion Board (SIPB) chaired by Chief Minister N Chandrababu Naidu in Amaravati on Wednesday. Reliance first announced its intention to invest in the state at the CII Partnership Summit held last year. The SIPB also approved other investment proposals including Adani Energy Hydro Energy Pumped Storage Project (Rs.12,000 crore) and Motorcycle manufacturing plant in Tirupati by Royal Enfield (Rs.2,500 crore).

(Business Line)

Air India cuts over 500 international flights: Air India has reduced more than 500 international flights a month from its schedule this summer as rising jet fuel prices and airspace restrictions weigh on the profitability of long-haul operations. According to data from aviation analytics firm Official Airline Guide (OAG), the airline’s international operations fell sharply year-on-year in April and May, with the steepest reductions seen on routes to North America and parts of Europe. In April, Air India operated 1,987 international flights, down from 2,549 a year earlier, while May schedules show 2,072 flights compared with 2,588 in the same month last year..

(Financial Express)

India’s FY26 exports hit \$863.11 billion after upward revision led by services surge: Overall exports from India in the just concluded financial year 2025-26 climbed to \$ 863.11 billion in 2025-26, up 4.59% from \$ 825.26 in the previous year, Commerce Ministry data showed. Earlier the FY 26 total exports were reported to be \$ 860.09 billion as the data for services exports for the month of March was not available. The updation of services exports numbers by the Reserve Bank of India (RBI) has resulted in the revision of the figures. “This marks the highest level of overall exports so far,

sustained by steady performance across sectors despite ongoing global challenges. Moreover, the highest ever total exports were recorded in each quarter of 2025-26,” the ministry officials said.

(Financial Express)



REGULATION & DEVELOPMENT

Cabinet approves Emergency Credit Line Guarantee Scheme 5.0: In view of the financial stress faced by airlines due to the sharp increase in ATF prices, compounded by airspace closures and reduced operations, particularly on international routes, leading to lower aircraft utilisation and liquidity constraints, the Union Cabinet, chaired by Prime Minister Shri Narendra Modi, has approved the ECLGS 5.0 scheme to provide targeted credit support to Indian airlines. The scheme aims to provide credit guarantee coverage of 100% for MSMEs and 90% for non-MSMEs as well as airline sector, to Member Lending Institutions (MLIs) by National Credit Guarantee Trustee Company Limited (NCGTC) for the amount in default under the additional credit facility extended to the eligible borrowers to tide over any short-term liquidity mismatches, against the backdrop of ongoing West Asia situation. For the aviation sector, the scheme has specifically earmarked Rs.5,000 crore for airlines. The scheme provides structured financial relief with a maximum loan limit of Rs.1,000 crore per borrower, and an additional Rs.500 crore subject to equivalent equity infusion by the borrower. The loans will have a tenure of up to 7 years, including a 2-year moratorium on repayment, thereby easing short-term liquidity pressures.

(PiB)

Sebi asks 'significant indices' providers to register within six months: The Securities and Exchange Board of India (Sebi) has directed index providers of 'significant indices' to register with the market regulator within the next six months under the Index Provider Regulations. However, index providers whose indices are notified by the Reserve Bank of India (RBI) as 'significant benchmarks' or 'authorised benchmarks' are exempt. As per the definition, benchmarks or indices will be

considered 'significant indices' if the daily average cumulative assets under management (AUM) tracking them across mutual fund schemes exceeds Rs.20,000 crore for each of the previous six months ending June 30 and December 31 each year..

(Business Line)

Centre appoints Shashi Shekhar Vempati as new chairperson of CBFC: Shashi Shekhar Vempati, former CEO of the Prasar Bharati, was on Wednesday appointed as the chairperson of the Central Board of Film Certification (CBFC) by the government. Official sources said that Vempati will succeed Prasoon Joshi, who has been appointed as the chairman of the Prasar Bharati recently. An alumnus of the IIT Bombay, Vempati is an author and also the co-founder of the AI4India Org, which works towards democratising access to Artificial Intelligence technology..

(Business Standard)



OUTPUT GAP

- The term output gap refers to the difference between the actual output of an economy and the maximum potential output of an economy expressed as a percentage of gross domestic product (GDP). A country's output gap may be either positive or negative.
- A negative output gap suggests that actual economic output is below the economy's full capacity for output while a positive output suggests an economy that is outperforming expectations because its actual output is higher than the economy's recognized maximum capacity output.



RBI KEY RATES

Repo Rate: 5.25%
SDF: 5.00%
MSF & Bank Rate: 5.50%
CRR: 3.00%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 95.1643
INR / 1 GBP : 129.2744
INR / 1 EUR : 111.6474
INR /100 JPY: 60.8400

EQUITY MARKET

Sensex: 77958.52 (+940.73)
NIFTY: 24330.95 (+298.15)
Bnk NIFTY: 55981.05 (+1434.00)

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TEAM BFSIB

Banking, Financial Services & Insurance Board The Institute of Cost Accountants of India (ICMAI)

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