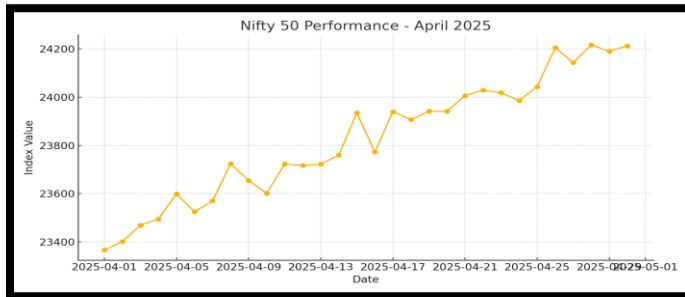
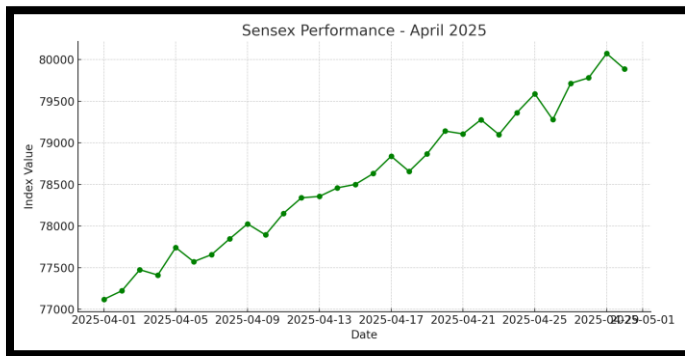


May Newsletter

May 1, 2025

May 2025 – Key Financial Developments in India

- Stock Market Performance – April 2025**

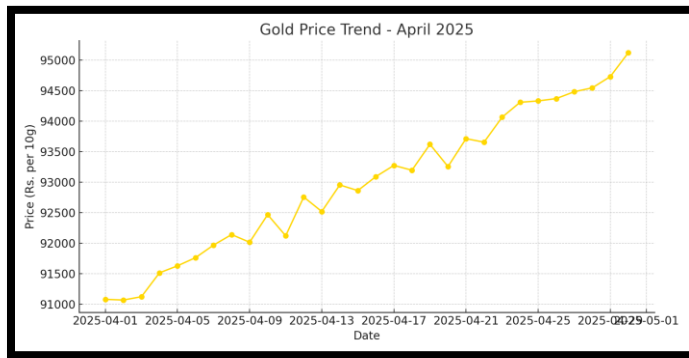


The Indian equity markets witnessed a robust performance in April 2025. The Nifty 50 closed the month at 24,246, recording a 3.5% gain, while the BSE Sensex surged to 80,016, up 3.4%. This rally was fueled by strong quarterly earnings from banking and IT sectors, and healthy foreign institutional inflows. Banking stocks rose on improved credit growth figures, and IT companies reported better-than-expected margins. Mid-cap and small-cap stocks saw mixed movement, with slight corrections observed towards the end of the month due to profit booking. However, volatility returned late April due to geopolitical tensions in Kashmir, which briefly spooked investor sentiment.

- **Currency Update – USD/INR**

In April, the Indian Rupee appreciated by 1.2% against the US Dollar, ending the month at Rs.84.49/USD. This appreciation was driven by softer dollar trends globally, strong portfolio inflows into Indian markets, and strategic dollar sales by exporters. While this provides short-term import cost relief and strengthens investor confidence, the outlook remains cautious due to ongoing cross-border tensions, which could influence capital flows and external sector dynamics.

- **Gold Prices Surge**



Gold prices saw a notable rise during April, with 24-carat gold reaching approximately Rs.95,070 per 10 grams in Delhi by the end of the month. This sharp increase was driven by a confluence of factors: global geopolitical uncertainties, inflation concerns, and strong festival-season demand during Akshaya Tritiya. A weaker rupee also contributed to higher domestic prices. Despite the rally, Indian consumers continued buying, often exchanging old jewelry for new items to manage cost impact, reflecting continued trust in gold as a safe-haven asset.

- **RBI Maintains Repo Rate at 6.5%**

The Reserve Bank of India, in its April monetary policy meet, decided to keep the benchmark repo rate unchanged at 6.5%. The central bank emphasized the need to strike a balance between controlling inflation—particularly food inflation—and supporting economic growth. The RBI's stance remains “withdrawal of accommodation,” signaling a cautious approach toward monetary easing in the near term.

- **SEBI Introduces T+0 Settlement**

SEBI has announced a phased rollout of T+0 (same-day) settlement for select stocks starting May 2025. This is a major reform aimed at increasing market efficiency and transparency. The move is expected to enhance liquidity and reduce counterparty risk, especially benefiting active traders and institutional investors. Full implementation will depend on market infrastructure readiness and broker adoption.

- **New Digital Lending Guidelines**

The Reserve Bank of India implemented new digital lending norms effective May 15. These include mandatory disclosure of the annualized cost of borrowing, prohibition of automatic credit limit enhancements, and the requirement that all loan servicing must be routed through regulated financial institutions. The objective is to protect consumers from exploitative practices and bring greater transparency to digital credit delivery.

- **RERA Enhances Homebuyer Protections**

The Real Estate Regulatory Authority has introduced stricter enforcement norms. Builders who delay possession timelines must now deposit compensation amounts within 30 days. This step enhances accountability and aims to reduce delays in project completion. It also signals stronger protection for homebuyers, particularly in metro areas where delays are more frequent.

- **EPFO Interest Rate Update**

The Employees' Provident Fund Organisation (EPFO) has announced an increase in the interest rate to 8.25% for FY 2024–25, up from 8.15% the previous year. This is good news for salaried individuals relying on provident fund savings as part of their long-term retirement planning. The rate will be credited to employee accounts after formal approval by the Ministry of Finance.

- **International Credit Card Spending Under LRS**

As per the updated FEMA guidelines, international credit card expenses incurred while traveling abroad will now be counted under the Liberalised Remittance Scheme (LRS) limit of \$250,000 per year. This means such expenses may be subject to Tax Collected at Source (TCS), depending on the purpose of spending and threshold amounts. The rule aims to improve monitoring of overseas remittances and align all outward remittances under a single regulatory framework.

- **Income Tax Filing Season Commences**

The Income Tax Department has opened the ITR filing window for Assessment Year 2025–26. Salaried individuals must file their returns by July 31, 2025. Taxpayers are advised to reconcile data from Form 26AS, AIS, and TIS before filing to avoid errors. With the revised tax slabs in effect, many middle-class earners may find themselves within the expanded exemption limits introduced in April. **(See Note Below)**

- **Mutual Fund Risk-O-Meter Updates**

Mutual fund companies are now required to update their scheme risk levels on a weekly basis, instead of monthly. This enhanced disclosure will provide investors with more timely insights into volatility and risk profiles of their investments, helping them make informed decisions, especially in dynamic market conditions.

Thank you

Disclaimer:

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Note: Contact us for Expert Advice on Income Tax & GST Consultancy, Accounting Consultancy, & Investment Advisory (Portfolio Management , Insurance...)

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