



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
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DAILY NEWS DIGEST BY BESI BOARD

01 Dec, 2023

BANKING & FINANCE



RBI fines Bank of America, N.A., HDFC Bank: The Reserve Bank on Thursday said it has imposed a penalty of Rs 10,000 each on Bank of America, N.A. and HDFC Bank Ltd for violation of certain norms. The penalty on Bank of America, N.A. has been imposed for violation of Reserve Bank of India's instructions on reporting requirements under Liberalised Remittance Scheme of FEMA 1999, it said in a statement. In another statement, the central bank said penalty on HDFC Bank is for violation of directions on acceptance of deposits from non-residents.

(Economic Times)

Lending rates rise faster than deposit rates in October: Bank lending rates rose sequentially at a faster pace than their deposit rates in October, data released by RBI indicates. While lending rates rose up to 12 bps, deposit rates were up only 6 bps. The weighted average lending rate (WALR) on fresh rupee loans of commercial banks was at 9.50 per cent in October, up from 9.38 percent in September this year. At the same time the WALR on outstanding rupee loans moved to 9.84 per cent from 9.83 percent in September 2023. On the deposit side, the weighted average domestic term deposit rate (WADTDR) on outstanding rupee term deposits went up to 6.75 percent in October 2023 from 6.69 percent in September 2023. The weighted average domestic term deposit rate (WADTDR) on fresh rupee term deposits moved to 6.31 per cent in October 2023 from 6.32 per September 2023.

(Economic Times)

Pine Labs launches new credit issuing stack for businesses: Digital payments infrastructure provider Pine Labs said it has launched a new credit issuance platform called Credit+, targeting banks, fintechs and large merchants. The new platform from Pine Labs, which is diversifying operations from offline payments, will help fintechs and banks manage credit programmes, launch co-branded credit cards and in rewards and loyalty management. It will also provide online merchants the ability to provide embedded credit offerings to users.

(Economic Times)



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ECONOMY

India's GDP grew 7.6% in Jul-Sep quarter, higher than RBI MPC projection: India's Gross Domestic Product (GDP) registered a growth of 7.6 per cent in the July-September quarter, according to the government data released on Thursday. It was 5.4 per cent in the same quarter last year. It is much higher than the projection of the Reserve Bank of India's Monetary Policy Committee (MPC) last month. In the first quarter of 2023-24 (FY24), India's GDP grew by 7.8 per cent. The jump in GDP figures in the second quarter was led by manufacturing and construction industries. The highest growth was registered in the manufacturing industry at 13.9 per cent in Q2 as compared to a fall of 3.8 per cent in the same quarter last year. The MPC last month, had predicted the second quarter GDP growth at 6.5 per cent. However, at the Business Standard BFSI Summit last month, RBI Governor Shaktikanta Das said that the Q2 GDP figure is likely to surprise everyone on the upside.

(Business Standard)

Core industries' output grew 12.1% in October 2023: The output of eight key infrastructure sectors jumped by 12.1 per cent in October 2023 against 0.7 per cent expansion in the year-ago period on account of a sharp uptick in production of coal, steel, cement and electricity, according to the official data released on Thursday. These numbers assume significance as the eight core sectors -- coal, crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity -- contribute 40.27 per cent to the Index of Industrial Production (IIP).

(Business Standard)

Better tax collection limit fiscal deficit to 45% of budget estimate: Sustained growth in tax collections helped the Centre limit fiscal deficit (difference between income and expenditure) during April-October period to 45 per cent of the budget estimate for FY24. The period under consideration also showed strong growth in capital expenditure. With this, the expectation is that the Centre will be able to contain the deficit within the budget estimate of ₹17.87-lakh crore i.e. 5.9 per cent of GDP or perhaps even lower than that. Revised number of the full-year deficit will be out on February 1, when Finance Minister Nirmala Sitharaman presents the interim budget.

(Business Line)



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Retail inflation for industrial workers eases to 4.45 per cent in October: Retail inflation for industrial workers in India eased to 4.45% in October from 4.72% in September, primarily due to lower prices of certain food items. The All-India Consumer Price Index for Industrial Workers (CPI-IW) was at 6.08% in October 2022. Food inflation for October 2023 stood at 6.27%, a decrease from 6.52% in the previous month and the corresponding month in 2022.

(Economic Times)

All-India House Price Index moderates to 3.4 per cent in Q2FY24: RBI data: The all-India House Price Index (HPI) for the July-September quarter of 2023-24 showed a moderation to 3.4% from 4.5% in the same period the previous year, according to data released by the Reserve Bank of India. The HPI is based on transaction-level data from 10 major cities: Ahmedabad, Bengaluru, Chennai, Delhi, Jaipur, Kanpur, Kochi, Kolkata, Lucknow, and Mumbai.

(Economic Times)

India's agricultural growth records sharpest decline in 4.5 yrs on account of erratic monsoon: India's July-September agricultural growth saw a sharp contraction on account of an erratic monsoon, as it fell to 1.2 percent, down from 3.5 percent during the April-June quarter. This is the lowest in four-and-a-half years. With rainfed agriculture accounting for 51 percent of India's sown area and 40 percent of food production, an erratic monsoon has affected sowing adversely. Farmers, who were already struggling with the delayed onset of the southwest monsoon in June, witnessed heavy showers and a 13 percent surplus rainfall in July. But a strengthening El Nino disrupted the India Meteorological Department's predictions in August, which ended with a 36 percent deficit in rainfall, making it the driest August since 1901.

(Moneycontrol)

INDUSTRY OUTLOOK



Grounded airline Go First chief executive officer Kaushik Khona steps down: Go First's Chief Executive Officer (CEO) Kaushik Khona resigned from his position nearly seven months after the airline filed for insolvency. Khona was appointed as the CEO of the no-frills airline in 2020 after the incumbent and current Akasa Air CEO, Vinay Dube, stepped down from the position. Khona said that despite requests to stakeholders, including the resolution professional (RP), committee of creditors and the Wadia group, the airline had failed to pay salaries to its employees "for almost six



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months". "The company which we all built for the last 18 years has significant value. But unfortunately RP has not found anyone who can take this company forward," Khona said in a message to the airline's staff.

(Business Standard)

DMart's Radhakishan Damani is India's richest self-made entrepreneur: Radhakishan Damani, the founder of the hugely popular DMart chain of hypermarkets, has topped a latest rich list of the country's self-made entrepreneurs—a unique distinction considering the list is dominated by much younger founders of start-ups like Paytm, Zomato, Cred, Zerodha, Swiggy, Flipkart and Razorpay. Damani occupies the top slot in the 'IDFC FIRST Private Hurun India Top 200 Self-Made Entrepreneurs of the Millennium 2023' with his company, Avenue Supermarts, boasting of a market capitalisation of Rs 2,38,188 crore.

(Business Today)



REGULATION & DEVELOPMENT

'India has walked the talk on climate action', says PM Modi ahead of his departure to Dubai for COP28: Ahead of his visit to Dubai to attend the World Climate Action Summit, Prime Minister Narendra Modi Thursday said that India has walked the talk when it comes to climate action adding that during the G20 Presidency, climate was high on priority. "India has walked the talk when it comes to climate action. Our achievements in different sectors like renewable energy, energy efficiency, afforestation, energy conservation, and Mission LiFE are testament to the commitment of our people towards Mother Earth. I look forward to joining special events including on climate finance, the Green Credit initiative and LeadIT.

(Mint)

Free foodgrain extension doesn't hurt fiscal consolidation, says Finance Secretary Somanathan: The five-year extension to the provision of free foodgrain under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) has not hurt the government's medium-term fiscal consolidation roadmap, Finance Secretary TV Somanathan has said. "The announcement on the PM Garib Kalyan Anna Yojana does not by itself mean anything for our fiscal consolidation path," Somanathan told reporters on November 30.

(Moneycontrol)



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FINANCIAL TERMINOLOGY

Application-Specific Integrated Circuit (ASIC) Miner

- ❖ An application-specific integrated circuit (ASIC) is an integrated circuit chip designed for a specific purpose. An ASIC miner is a computerized device that uses ASICs for the sole purpose of "mining" digital currency. Generally, each ASIC miner is constructed to mine a specific digital currency. So, a Bitcoin ASIC miner can mine only bitcoin. One way to think about bitcoin ASICs is as specialized bitcoin mining computers optimized to solve the mining algorithm.
- ❖ Developing and manufacturing ASICs as mining devices is costly and complex. However, because ASICs are built especially for mining cryptocurrency, they do the job faster than less powerful computers. As a result, ASIC chips for cryptocurrency mining have become increasingly efficient.



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RBI KEY RATES

Repo Rate: 6.50%
SDF: 6.25%
MSF & Bank Rate: 6.75%
CRR: 4.50%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 83.3500
INR / 1 GBP : 105.8684
INR / 1 EUR : 91.4816
INR /100 JPY: 56.6800

EQUITY MARKET

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