



**ICMAI**  
THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA  
(Statutory Body under an Act of Parliament)

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## **DAILY NEWS DIGEST BY BFSI BOARD**

**01 June 2024**



### **ECONOMY**

**India's GDP grows 8.2% in FY24 against 7% in FY23:** India's economy grew 7.8 per cent in the March quarter, pushing up the annual growth rate to 8.2 per cent, according to official data released on Friday. Growth in the January-March period was lower than the 8.6 per cent expansion in the December quarter. "Real GDP or GDP at Constant Prices is estimated to attain a level of ₹173.82 lakh crore in the year 2023-24, against the First Revised Estimates (FRE) of GDP for the year 2022-23 of ₹160.71 lakh crore. The growth rate in Real GDP during 2023-24 is estimated at 8.2 per cent as compared to 7.0 per cent in 2022-23. Nominal GDP or GDP at Current Prices is estimated to attain a level of ₹295.36 lakh crore in the year 2023-24, against ₹269.50 lakh crore in 2022-23, showing a growth rate of 9.6 per cent," the government said in a press release. The NSO in its second advance estimate of national accounts had pegged the country's growth at 7.7 per cent for 2023-24.

***(Business Line)***

**Core sector growth accelerates to 6.2% in April led by electricity, natural gas:** India's eight core sectors grew by 6.2 percent in April, primarily driven by robust performances in electricity and steel, according to data released by the Ministry of Commerce and Industry on May 31. This marks an increase from the revised 6 percent growth recorded in the previous month. Output increased at a higher rate for natural gas (8.6% vs 6.3% in March 2024) and refinery products (3.9% vs 1.5%).

***(Business Line)***

**RBI moves 100 tonnes of gold back home amid global uncertainty:** The RBI decision to bring back 100 tonnes of gold reserves from the UK to India reflects the confidence of the central bank in managing the reserves dynamically amid the growing global economic uncertainty. The gold purchased by RBI in the UK are usually stored in the Bank of England vault and it is also used as hedge for clearing global transactions. RBI has been on a gold-buying spree and added 25 tonne of gold since the start of the year taking the overall gold holding to a new peak of 822 tonne as of April-



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end. The central bank's net gold acquisitions in this year has already exceeded last year purchase of 16 tonnes. On average, the RBI has been purchasing about 6 tonnes of gold a month this year. As of early May, gold comprises 8.5 per cent of total reserves, up from 7.7 per cent at the close of 2023.

***(Business Line)***

## **BANKING & FINANCE**



**Canara Bank to dilute 14.50% stake in Canara HSBC Life Insurance via IPO:** Public sector lender Canara Bank approved a proposal to dilute 14.50 percent stake in insurance arm Canara HSBC Life Insurance Company via initial public offering (IPO), the lender informed on the exchanges on May 31. The same shall be subject to approval of Reserve Bank of India and Department of Financial Services, Government of India, the bank said.

***(Moneycontrol)***

**Unsecured retail credit growth slows down in April 2024: RBI data:** The pace of growth in unsecured retail credit, loans without collateral, and credit cards slowed sharply in April 2024, showing the impact of the Reserve Bank of India's (RBI's) steps to curb high growth in these segments. The RBI data showed the credit card outstanding rose 23 per cent year-on-year (Y-o-Y) in April 2024, down from 31 per cent a year ago. Also, sequential growth in April 2024 over March 2024 was 1.6 per cent compared to 3 per cent in April 2023 over March 2023. Growth in the other retail loans category, which predominantly covers unsecured credit, nosedived to 17.1 per cent Y-o-Y in April 2024 from 25.7 per cent a year ago.

***(Business Standard)***

**RBI imposes monetary penalty on SBM Bank (India):** The Reserve Bank of India (RBI) on Friday said it has imposed a penalty of Rs 88.70 lakh on SBM Bank (India) for non-compliance with certain regulatory norms. In a statement, the central banks said the penalty has been imposed for non-compliance with licensing conditions imposed by the RBI, and specific directions to stop undertaking Liberalised Remittance Scheme (LRS) transactions with immediate effect.

***(Economic Times)***

**Credit growth slows in April across major sectors:** Bank lending slowed down marginally in April to 15.3 percent from 16.2 percent a year ago as lending to all major sectors except agriculture



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slowed, according to the data on sectoral deployment of bank credit released by the Reserve bank of India.

*(Economic Times)*

## INDUSTRY OUTLOOK



**Rooftop solar installations fall 26% to 367 MW in January-March: Report:** Rooftop solar capacity installations in India registered a 26 per cent year-on-year decline to at 367 megawatts during January-March period, mainly on account of rise in input cost, according to Mercom Capital. The country had witnessed 485 megawatt (MW) of rooftop solar installations during the first quarter of 2023, the research firm said in a report on Friday. India added 367 MW of rooftop solar in the March quarter. Installations fell nearly 10 per cent quarter-over-quarter from 406 MW and dropped over 24 per cent year-on-year from 485 MW, the report titled 'Q1 India Rooftop Solar Market' said.

*(Moneycontrol)*

**Reliance Retail plans 30-minute delivery model for quick commerce re-entry:** Reliance Retail is re-entering the quick commerce market with a 30-minute delivery model, focusing on a wider assortment of products than existing players like Blinkit and Zepto. They will leverage their network of stores and kiranas, connected through the JioMart Partner initiative, for product sourcing. Unlike competitors, Reliance will not set up dark stores for under-ten-minute delivery but will optimize delivery routes using tech platforms like FYND and Locus. The venture will start with groceries and expand to apparel and electronics, utilizing the 19,000-plus store network.

*(Economic Times)*



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## REGULATION & DEVELOPMENT

**Centre spends 99% of capex target at Rs 9.48 lakh cr in FY24:** The Union government spent Rs 9,48,506 crore on capital expenditure in 2023-24 as against the revised estimates of Rs 9,49,555 lakh crore for 2023-24, showed government data on May 31. The amount utilised by the Centre in 2023-24 was up 28.8 percent compared with expenditure on capital formation worth Rs 7,36,319 crore by the Centre last year in 2022-23. After briefly getting affected due to heavy monsoon in the country in July and August last year, execution of formation work gathered pace in September. In the month of March last year, Centre utilised Rs 1,42,893 crore as compared with Rs 1,49,292 crore in March last year, indicating a faster pace of approvals and implementation ahead of the Lok Sabha elections.

***(Moneycontrol)***

**India's fiscal deficit improves to 5.6% of GDP in FY24, lower than target of 5.8%:** India's fiscal deficit stood at Rs 16.54 lakh crore in FY24 as against the budgetary target of Rs 17.86 lakh crore. With this, the fiscal gap has reached 95.3 per cent of the budgetary target, data from the Comptroller General of Accounts showed on Friday. The central government's fiscal deficit stood at 5.6 per cent of GDP in FY24, below the revised estimate of 5.8 per cent. The centre's net tax receipts for FY24 were higher than projected at Rs 23.27 lakh crore, and 100.1 per cent of the year's target.

***(Economic Times)***



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## FINANCIAL TERMINOLOGY

### Broad Money to Reserve Money

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- ❖ It is a measure of money multiplier. Money multiplier shows the mechanism by which reserve money creates money supply in the economy. It is again dependent on two variables, namely currency deposit ratio and reserve deposit ratio.
- ❖ M3 is a measure of broad money and includes currency with the public and deposits. The Reserve Money factor shows the reserve money and includes required reserve and the excess reserves of the banking system. If the reserve requirement as stipulated by the RBI increases, the Reserve Money value will increase and the multiplier will fall. Similarly, if banks keep more money as excess reserves, it will have an adverse effect on the money multiplier.



### **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 : 83.2988  
INR / 1 GBP : 105.9283  
INR / 1 EUR : 90.1210  
INR /100 JPY: 53.0800

### **EQUITY MARKET**

Sensex: 73961.31 (+75.71)  
NIFTY: 22530.70 (+42.05)  
Bnk NIFTY: 48983.95 (+301.60)

### **Courses conducted by BFSI Board**

- ❖ **Certificate Course on Concurrent Audit of Banks**
- ❖ **Certificate Course on Credit Management of Banks**
- ❖ **Certificate Course on Treasury and International Banking**
- ❖ **Certificate Course on Investment Management**
- ❖ **Certificate Course on General Insurance.**

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 2<sup>nd</sup> Edition)**
- To purchase please visit  
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### **TEAM BFSIB**

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