ICMAI
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)
www.icmai.in

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

DAILY NEWS DIGEST BY BFSI BOARD

03 September 2024

ECONOMY

Outlook positive for India, says S&P Global MI, retains FY25 growth at 6.8%: India's outlook remains positive despite the dip in growth in the first quarter of FY25 to 6.7 percent compared to 7.8 percent in the previous quarter, S&P Global Market Intelligence said on September 2. The global research firm retained India's GDP output at 6.8 percent for FY25. "With private consumption, fixed investment, manufacturing and services all showing solid expansion, underlying momentum remains strong, with our real GDP outlook for FY 2024-25 retained at 6.8 percent," the agency noted. The agency highlighted that growth had slipped in the first quarter due to weaker government spending and prolonged heatwave.
(Moneycontrol)

Cabinet approves Rs 14,235 crore outlay for 7 agri programmes to improve farmers' livelihood: In a significant move aimed at bolstering the agricultural sector, the Union Cabinet, chaired by Prime Minister Narendra Modi, approved a substantial outlay of Rs 14,235 crore for seven key programmes on September 2. These initiatives, ranging from digital agricultural mission to crop science, are designed to improve the livelihood of farmers across the country, Union Minister Ashwini Vaishnaw said. "The Cabinet has approved Rs 14,235.30 crore for programs aimed at improving farmers' livelihoods. States will play a crucial role in ensuring that the schemes approved today reach farmers effectively," Vaishnaw said during a media briefing following the Cabinet meeting. The comprehensive package approved by the Cabinet underscores the government's commitment to modernising Indian agriculture and ensuring the long-term welfare of farmers.
(Moneycontrol)

Labour ministry's eShram portal achieves 300 mn registration milestone: The national database of informal sector workers eSharm portal has crossed the 30-crore registrations milestone in a period of three years, the labour ministry said on Monday. This achievement highlights the social impact and the government's commitment to support unorganised workers across the country, a

labour ministry statement said. According to the statement, the Ministry of Labour & Employment (MoLE) launched the eShram portal on August 26, 2021. In three years since its launch, eShram has registered more than 300 million unorganised workers, showcasing its rapid and widespread adoption among the unorganised workers, it stated.
(Business Standard)

BANKING & FINANCE

FSIB recommends Ram Mohan Rao Amara as managing director of SBI: The Financial Services Institutions Bureau (FSIB) has recommended Ram Mohan Rao Amara as one of the managing directors of State Bank of India (SBI). SBI has four managing directors. One of the MD posts fell vacant after C S Setty took charge as chairman last week, following Dinesh Khara's term ending. Amara, who is currently the chief risk officer, is one of the deputy managing directors of SBI.
(Business Standard)

SBI mulls complete shift to cash-flow based assessment for SME credit: The State Bank of India (SBI), the country's largest lender, is aiming for a complete shift with regard to loans to the SME sector of up to Rs 5 crore, from collateral-based assessment to cash flow-based loans backed by credit guarantees to improve access to funds, according to its chairman C S Setty. This will also help entice borrowers to stay with the lender, said Setty, who took charge as SBI chairman last week.
(Business Standard)

PSBs trim G-Sec holdings under HTM by 50%: Public sector banks have reduced parking government securities (G-Secs) under the held-to-maturity (HTM) category by more than 50% following a revision in the investment norms by the Reserve Bank of India (RBI). The banking regulator's guidelines, implemented from April 2024, mandate banks to classify their investments under HTM, available for sale (AFS) and fair value through profit and loss. In the new order of things, banks would not find it profitable to hold a higher percentage of G-Secs under HTM because they can no longer shuffle their investments to the other two heads — AFS and fair value. Said a dealer with a public sector bank, "Now, the RBI has allowed sale of only 5% of our holdings in the HTM. So, it does not make sense to hold a higher percentage of G-Sec in the HTM category."
(Financial Express)

ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)
www.icmai.in

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

LCR plan: Banks ask RBI to reduce 'run off' factor increase: In recent feedback to the RBI, banks have suggested that the regulator impose an additional "run-off factor" of 2% to 2.25% as against the 5% increase prescribed in a recent draft guideline, sources aware of the development told ET. "Some banks have also proposed a gradual increase of three years in maintaining the liquid stocks under the new LCR (Liquidity Coverage Ratio) norms. They have requested a similar proportion of requests for other categories," a banker said on condition of anonymity.
(Economic Times)

INDUSTRY OUTLOOK

ICICI Bank says no salary or ESOPs paid to Sebi chief Buch since 2017: Dismissing allegations that Sebi chief, Madhabi Puri Buch, was drawing salary from ICICI Bank and its affiliate since 2017 when she joined the market regulator, ICICI Bank said that neither the bank or its group companies have paid any salary or granted any employee stock options plans (ESOPs) to her. “ICICI Bank or its group companies have not paid any salary or granted any ESOPs to Ms. Madhabi Puri Buch after her retirement, other than her retiral benefits. It may be noted that she had opted for superannuation with effect from October 31, 2013,” the bank said in a statement to the media. Addressing a press conference in Delhi, Congress leader Pawan Khera alleged Buch of continuing to draw salary from ICICI Bank and its affiliates in addition to salary from Sebi.
(Moneycontrol)

SEBI study finds 54% of IPO shares allotted to retail were sold within a week: More than half of the investors in IPOs between April 2021 and December 2023 sold the shares within a week of listing, a study by capital market regulator Sebi revealed on September 2. This number rose to 70 percent of shares by value, within a year of listing, the study found. A strong pattern of disposition was evident among investors, Sebi said, implying selling of assets that have increased in value while holding on to those that have decreased. Sebi's study was based on investor behaviour in 144 Main Board public issues, and found that "flipping" was highly prevalent among individual investors. Returns heavily influenced the investor behaviour, Sebi found, as investors sold 67.6 percent of shares by value within a week, when IPO returns exceeded 20 percent. In contrast, only 23.3 percent of shares by value were sold on instances when the returns were negative.
(Moneycontrol)

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

Rs 80,000 crore 'Digital Bharat Nidhi' fund to boost urban telecom services: The Rs 80,000 crore Digital Bharat Nidhi will now fund telecommunication services in urban areas, the central government said on Monday. For the funds, the projects have to meet certain criteria, such as improving telecom service affordability and security. The funding will support mobile and broadband services, as well as telecommunication equipment, an official press release issued by the Centre on Monday read. The scheme, under the Telecommunications Act 2023, was notified on Saturday.
(Business Standard)

REGULATION & DEVELOPMENT

Government constitutes 23rd Law Commission: As the term of current panel who was functioning without a chairperson ended on Monday, the government constituted 23rd Law Commission, said a Law Ministry order. According to a law ministry order issued late Monday through a gazette notification, the panel will have a full-time chairperson and four full-time members including member-secretary. The secretary of the Department of Legal Affairs and the secretary of the Legislative Department will be its ex-officio members. There cannot be more than five part-time members, according to the order. It said the chairperson/members "who are serving judges of the Supreme Court/High Court shall perform their functions on a whole-time basis up to the date of retirement from the Supreme Court/High Court or expiry of the term of the Commission, whichever be earlier".
(Economic Times)

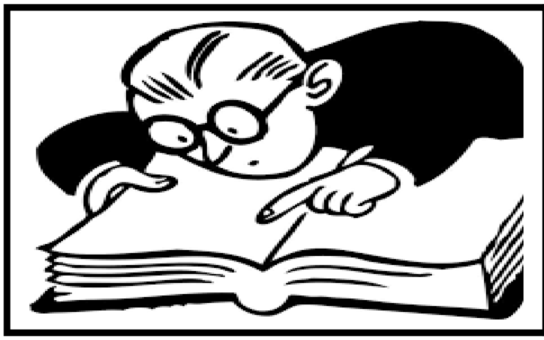
Cabinet approves the Digital Agriculture Mission today with an outlay of Rs. 2817 Crore, including the central share of Rs. 1940 Crore: The Union Cabinet Committee approved the Digital Agriculture Mission on 2nd September with an outlay of Rs. 2817 Crore, including the central share of Rs. 1940 Crore. The Mission is conceived as an umbrella scheme to support digital agriculture initiatives, such as creating Digital Public Infrastructure, implementing the Digital General Crop Estimation Survey (DGCES), and taking up other IT initiatives by the Central Government, State Governments, and Academic and Research Institutions. In the Budget 2024-25, the augmentation of the Digital Public Infrastructure (DPI) initiative for the agricultural sector has also been announced. The Digital Public Infrastructure (DPI) for Agriculture aims to provide comprehensive and useful data on farmers comprising of authenticated demographic details, land

ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)
www.icmai.in

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

holdings and crops sown. It will include cultivators & tenant farmers, as per the policy of the State Government. The three DPIs to be built under the Mission are Agristack, Krishi Decision Support System, and Soil Profile Mapping. Besides enabling farmer-centric digital services, these DPIs will make timely and reliable information available for the agriculture sector.

(PiB)



FINANCIAL TERMINOLOGY

CONSUMER SURPLUS

- Consumer surplus is defined as the difference between the consumers' willingness to pay for a commodity and the actual price paid by them, or the equilibrium price.
- Total social surplus is composed of consumer surplus and producer surplus. It is a measure of consumer satisfaction in terms of utility.
- Graphically, it can be determined as the area below the demand curve (which represents the consumer's willingness to pay for a good at different prices) and above the price line. It reflects the benefit gained from the transaction based on the value the consumer places on the good. It is positive when what the consumer is willing to pay for the commodity is greater than the actual price.
- Consumer surplus is infinite when the demand curve is inelastic and zero in case of a perfectly elastic demand curve.

ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)
www.icmai.in

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

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 : 83.8759
INR / 1 GBP : 110.1906
INR / 1 EUR : 92.7679
INR /100 JPY: 57.3500

EQUITY MARKET

Sensex: 82559.84 (+194.07)
NIFTY: 25278.70 (+42.80)
Bnk NIFTY: 51439.55 (+88.55)

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.
- Advance Certificate Course on FinTech

For details please visit BFSIB portal of the ICMAI

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)

To purchase please visit BFSIB portal of ICMAI

TEAM BFSIB

Banking, Financial Services & Insurance Board

The Institute of Cost Accountants of India (ICMAI)