



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

04 December 2024



ECONOMY

Family-owned businesses contribute over 75 percent to India's GDP, says Amitabh Kant: India's ambition to have a \$30 trillion GDP by 2047 cannot be achieved without family-owned businesses, according to Amitabh Kant, G20 Sherpa. Delivering the keynote address at Moneycontrol's Indian Family Business Awards in New Delhi on November 3, Kant said family-owned businesses are critical for the country growth because they have good governance and effective succession which ensures sustained success. The event was co-created by Moneycontrol Pro and Waterfield Advisors. Talking about the challenge before India, he said, "For India to grow at high rates of 8-9 percent per annum over three decades, or if India should become a Viksit Bharat, meaning its GDP has to grow from \$4 trillion to \$30 trillion - the country's GDP has to grow to 9x. Its per capita income has to grow 8x and manufacturing has to grow 16x. That is the challenge for India." "My belief is that this cannot be done without family-owned businesses, because they contribute over 75 percent of India's GDP," he added.

(Moneycontrol)

India ranks sixth globally 127 companies committed to net-zero targets, UK tops the list, reveals ICRA ESG Ratings report: India ranks sixth globally in corporate climate action, with 127 companies committed to science-based target initiative or SBTi net-zero targets, and these companies are primarily from non-hard-to-abate sectors like textiles, software, and pharmaceuticals, stated a report by ICRA ESG Ratings. Out of these 127 companies with net-zero commitment from India, around 7 per cent belong to high emissions sectors like construction materials and mining and the rest hail from sectors like textiles, software and services, typically considered to be having low to medium level of carbon footprint. The report revealed a significant shift towards renewable energy in the power sector, particularly among companies with net-zero commitments, resulting in reduced emissions.

(Financial Express)



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



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

www.icmai.in

Govt official slams COP29 as missed opportunity for climate finance goals: Describing COP29 as one steeped in "semantics and not solutions", a senior Indian official has called the proceedings a missed opportunity to mobilize meaningful climate finance for adaptation and mitigation efforts in developing nations. Leena Nandan, Secretary of the Environment, Forest, and Climate Change Ministry, highlighted India's strong stance during negotiations and its leadership role in articulating concerns of the developing world. Speaking about the outcomes of COP29 at a session, she said the conference, which was anticipated to focus on implementation, fell short of expectations. "This was to be an enabling COP, a COP which was going to be focused on the means of implementation and what is means of implementation other than funds and resources. And here it was that we found semantics and not solutions. We found rhetoric and not results. And that has been the biggest disappointment," she said, adding that the sentiment was echoed across the Global South. Nandan criticized the failure to meet financial commitments, pointing to the stark gap between the widely discussed goal of \$1.3 trillion in annual funding and the finalized New Collective Quantified Goal (NCQG) of \$300 billion by 2035.

(Business Standard)

BANKING & FINANCE



Lok Sabha clears Banking Bill, to strengthen governance: After five days of pandemonium, the Lok Sabha on Tuesday resumed business to pass the Banking Laws (Amendment Bill, 2024). Among the important provisions of the statute are inclusion of four nominees in a bank deposits/accounts/lockers and enhancement in the threshold for shareholding of a beneficial interest by an individual to ₹2 crore from ₹5 lakh. Moving the Bill for consideration and passage, Finance Minister said: "The proposed amendments will strengthen governance in the banking sector and enhance customer convenience with respect to nomination and protection of investors." Once the Bill becomes the law, deposit holders or locker holders can name up to four persons as nominees. Currently, only one nominee is permitted for these cases with some conditions. The higher number of nominees for depositors' money aims to reduce unclaimed deposits in banks. Unclaimed deposits with banks have witnessed a 26 per cent jump year on year to ₹78,213 crore at the end of March 2024, as per the RBI Annual Report.

(Business Line)



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



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

www.icmai.in

No proposal under consideration for merger of Public Sector Banks, says Finance Ministry: There is no proposal under consideration for merger of Public Sector Banks, Finance Ministry informed the Rajya Sabha on Tuesday while acknowledging that mergers in recent past have given very good results. On Tuesday, when asked whether the merger of public sector banks is being considered, Minister of State in the Finance Ministry Pankaj Chaudhry said in a written response: 'No.' He, however, said that mergers in recent past have helped in improved synergies, economies of scale, better technology integration and also resulted in uniform improvement across all key financial parameters.

(Business Line)

Banks should adopt 'bottom-up' approach for preparing credit plan: RBI's Swaminathan: Banks should adopt a "bottom-up" approach for preparing credit plans to fulfil fund requirements for different segments in districts, RBI Deputy Governor Swaminathan J has said. Addressing a conference for lead district managers of Maharashtra last week, the Deputy Governor said the aspect of design and development starts with the credit plans, according to a RBI release. "Credit planning should adopt a bottom-up approach to convey the needs of the centres and then designing a plan best suited to address those," he said. It is also important to understand that, while the targets should strive to be aspirational in ideas, they should be realistic enough to translate into execution and reflect the local credit needs, the senior Reserve Bank official said.

(Economic Times)

RBI advises banks to organize special campaigns like Aadhaar updation for facilitating activation of frozen accounts: The Reserve Bank of India (RBI) has directed banks to take immediate steps to reduce the number of inoperative or frozen accounts and to make the activation process smoother and more hassle-free. To achieve this, the RBI has advised banks to organize special campaigns focused on activating inoperative or frozen accounts.

(Economic Times)

INDUSTRY OUTLOOK



IndiGo takes Mahindra Electric to Delhi HC for using '6E' in its new car: InterGlobe Aviation, which operates IndiGo airline, has filed a trademark infringement lawsuit against Mahindra Electric Automobile Limited (MEAL) in the Delhi High Court for using '6E' in its new car called Mahindra BE 6e , which is expected to be released in February 2025. Last week, Mahindra &



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

Mahindra (M&M) expanded its electric vehicle portfolio in the country with the introduction of two all-new models. M&M said it does not see any conflict with the "standalone '6E'" used by IndiGo and that it seeks to "find an amicable solution".

(Business Line)

Bill Gates calls India 'a laboratory to try things,' sparks outrage online: Microsoft co-founder Bill Gates' recent podcast appearance with Reid Hoffman has set off a storm of controversy, particularly among Indian commentators, after the tech mogul referred to India as a "laboratory to try things." His statement, intended to highlight India's role in global development initiatives, has been met with backlash from many, especially on social media platforms, where people voiced their concerns about his comments. During the conversation, Gates said, "India is an example of a country where there's plenty of things that are difficult there - the health, nutrition, education is improving and they are stable enough and generating their own government revenue enough that it's very likely that 20 years from now people will be dramatically better off and it's kind of a laboratory to try things that then when you prove them out in India, you can take to other places."

(Business Standard)



REGULATION & DEVELOPMENT

SEBI proposes online monitoring of system audit of stock brokers: In a consultation paper issued on December 3, the regulator said that this framework will make the auditor more responsible for the system audit, ensure that the auditor is physically visiting stock broker's premises to check IT systems and not outsourcing the audit activity, and enable auditors to submit audit evidences and audit report through web portal for speedy processing, to cover technical glitch related aspects in system audit. A risk-based system audit of stock brokers has been in place since November 2013. The new provisions will be applicable to all the stock brokers who would be required to carry out the system audit as per the SEBI circular dated November 6, 2013.

(Business Line)

43,30,121 accounts opened under Mahila Samman Savings Certificate Scheme (MSSC) till 31.10.2024: The Mahila Samman Savings Certificate Scheme (MSSC) was launched on 31.03.2023 to commemorate the 'Azadi ka Amrit Mahotsav' exclusively for the women and minor girls, and so far, 43,30,121 accounts have been opened under it till 31.10.2024. This was stated by Union Minister of State for Finance Shri Pankaj Chaudhary in a written reply to a question in Rajya



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



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

www.icmai.in

Sabha, today. The scheme was launched by the Government to promote financial independence of the woman of the country by allowing attractive rate of interest and to also help in achieving objectives of financial inclusion as set by Government of India. The account under this MSSC shall be opened by a woman for herself, or by the guardian on behalf of a minor girl, on or before 31st March, 2025.

(Economic Times)



FINANCIAL TERMINOLOGY

INFLATION SWAP

- ❖ An inflation swap is a contract used to transfer inflation risk from one party to another through an exchange of fixed cash flows.
- ❖ In an inflation swap, one party pays a fixed rate cash flow on a notional principal amount while the other party pays a floating rate linked to an inflation index, such as the Consumer Price Index (CPI). The party paying the floating rate pays the inflation-adjusted rate multiplied by the notional principal amount. Usually, the principal does not change hands. Each cash flow comprises one leg of the swap.
- ❖ An inflation swap can provide a pretty accurate estimation of what would be considered the "break-even" inflation rate.



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 : 84.7450
INR / 1 GBP : 107.2047
INR / 1 EUR : 88.9054
INR /100 JPY: 56.4700

EQUITY MARKET

Sensex: 80845.75 (+597.67)
NIFTY: 24457.15 (+181.10)
Bnk NIFTY: 52695.75 (+586.75)

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)**

Disclaimer: Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICMAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICMAI. For Restricted Circulation only. A Compilation of News in this regard from Secondary Sources.