



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

10 June 2024



ECONOMY

FPIs take out Rs 14,800cr from equities in Jun on poll results, attractive Chinese stock valuations: Foreign investors withdrew nearly Rs 14,800 crore from domestic stocks in the first week of this month, influenced by India's Lok Sabha election results and attractive valuations of Chinese stocks. The outflow came following a net outflow of Rs 25,586 crore in May on poll jitters and more than Rs 8,700 crore in April on concerns over a tweak in India's tax treaty with Mauritius and a sustained rise in US bond yields.

(Moneycontrol)

448 infrastructure projects hit by cost overrun of Rs 5.55 lakh crore in April: As many as 448 infrastructure projects, each entailing an investment of Rs 150 crore or above, were hit by a cost overrun of more than Rs 5.55 lakh crore in April 2024, according to an official report. According to the Ministry of Statistics and Programme Implementation (MoSPI), which monitors infrastructure projects worth Rs 150 crore and above, out of 1,838 projects, 448 reported cost overruns and 792 projects were delayed.

(Economic Times)



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BANKING & FINANCE



PNB to expand overseas footprint, to open representative office in Dubai: State-owned Punjab National Bank plans to open a representative office in Dubai, as part of its plan to expand its global footprint. The bank has got the board of directors' approval for opening a representative office in Dubai and the process is on for seeking regulatory clearance, PNB managing director Atul Kumar Goel told PTI. Hopefully, he said, the representative office should come up during the current financial year, if all regulatory approvals are in place. As on March 31, 2024, PNB had presence in six countries by way of two subsidiaries (London-UK and Bhutan), one joint venture (Nepal), two representative offices (Myanmar and Bangladesh).

(Business Standard)

RBI opens gates for investors, companies to invest in overseas funds: Investors and companies based in India will now be able to invest in overseas funds, including those set up in the United States and Singapore, without any restrictions. The move follows an amendment by the Reserve Bank of India (RBI) last week regarding Overseas Portfolio Investments (OPIs). The RBI issued a circular on Friday amending the Foreign Exchange Management (Overseas Investment) Directions, 2022, lifting several restrictions. The amendments remove restrictions that permitted Indian Limited Partners (LPs) to invest only in units issued by overseas funds. Now, investment is allowed in any instrument, regardless of its form, whether in units or not. Further, the changes eliminate the condition that investment could only be made in funds directly regulated by the financial regulator of the host country and not those regulated through their investment managers (IMs). For instance, regulators in Singapore and in the US (in some cases) regulate the fund manager rather than the fund.

(Business Standard)

Public sector banks pin hopes on new Govt for higher PLI for employees: State-run banks are optimistic about a more lucrative performance-linked incentive (PLI) for employees and are advocating for a five-day banking week as a new coalition government takes charge. Bank unions and employee associations seek a review of the current PLI scheme, introduced in 2020, which currently offers up to 15-days salary for growth exceeding 15%. Recent wage settlements have included a 17%



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salary increase and proposed a five-day week, pending government approval. Banks' cumulative profit exceeded ₹1.4 lakh crore in FY 2024.

(Economic Times)

INDUSTRY OUTLOOK



Adani Ports receives LOI for O&M of container terminal at Kolkata port: Adani Ports and Special Economic Zone Limited (APSEZ) on Friday announced that it has received the letter of intent (LOI) for the operation and maintenance (O&M) of the container facility at the Netaji Subhas Dock at the Syama Prasad Mookerjee Port in Kolkata. In a regulatory filing, APSEZ said that it has won the five-year O&M contract through a competitive bidding process, which mandates the successful bidder to deploy cargo handling equipment within seven months from the letter of acceptance (LOA) date.

(Financial Express)

Adani Capital and Adani Housing Finance rebrands as Tyger Capital and Tyger Home Finance: Adani Capital and Adani Housing Finance on Friday announced that they have rebranded themselves as Tyger Capital and Tyger Home Finance, respectively. The new brand name and visual identity was unveiled today by Gaurav Gupta, Founder, MD and CEO. The Tyger brand will advance the companies' principal mission to empower entrepreneurs, borrowers, and homeowners with convenient and immediate access to the financing they need to meet their goals and ambitions.

(Financial Express)

CFI elects Tata Projects MD & CEO Vinayak Pai as President of national council: Construction Federation of India (CFI) has elected Tata Projects MD & CEO Vinayak Pai as President of its national council. In a statement on Sunday, the CFI announced the formation of the National Council for a two-year term (FY25-FY26). The National Council elected Vinayak Pai, MD & CEO of Tata Projects Ltd, as President.

(Economic Times)



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REGULATION & DEVELOPMENT

Use of Facial Authentication Technology by the EPS pensioners for Digital Life Certificate Submission: To minimize difficulties among elderly on account of having to physically visit a bank/ post office etc. the MeitY and UIDAI developed the Face Authentication Technology (FAT) whereby face recognition technology can be used for proof of life certificate. EPFO adopted this technology in July, 2022. This introduced a completely new method of submitting DLCs by the pensioners from their homes making the process more accessible and affordable for the pensioners. They could simply use any Android based smartphone to complete the process thus avoiding hassles of travelling to banks, post offices etc in old age. This method allows the identification of a pensioner by a facial scan using a smartphone camera from the convenience of their homes. This authentication is carried out against UIDAI's Aadhaar database using UIDAI's Face Recognition App.

(PiB)

Sebi proposes tighter rules for derivatives trading on individual stocks: India's markets regulator has proposed tighter rules on trading in individual stock derivatives, arguing the rules were needed to avert risks of market manipulation after recent explosive growth particularly in options trading. The move comes after two sources familiar with the matter told Reuters in April that India's top financial regulators would form a committee to assess stability risks emerging from a surge in derivatives markets. Options trading has soared in India in the last five years, fueled mainly by retail investors so that the notional value of index options traded more than doubled in 2023-24 to \$907.09 trillion from the year before, exchange operator NSE has said. A discussion paper published on Sunday on the website of the Securities and Exchange Board of India (SEBI) said derivatives contracts on individual stocks should have sufficient liquidity and trading interest from market participants - currently a requirement only for contracts on indexes.

(Mint)



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FINANCIAL TERMINOLOGY

ORIGINAL ISSUE DISCOUNT (OID)

- ❖ An original issue discount (OID) is the discount in price from a bond's face value at the time a bond or other debt instrument is first issued. Bonds can be issued at a price lower than their face value—known as a discount. The OID is the amount of discount or the difference between the original face value and the price paid for the bond.
- ❖ Original issue discounts are used by bond issuers to attract buyers to purchase their bonds so that the issuers can raise funds for their business. Many zero-coupon bonds use large OIDs to entice buyers to their products.



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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 : 83.4257
INR / 1 GBP : 106.6631
INR / 1 EUR : 90.8439
INR /100 JPY: 53.7200

EQUITY MARKET

Sensex: 76693.36 (+1618.85)
NIFTY: 23290.15 (+468.75)
Bnk NIFTY: 49803.20 (+511.30)

Courses conducted by BFSI Board

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

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- ❖ **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)**
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TEAM BFSIB

**Banking, Financial Services & Insurance Board
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