



**ICMAI**  
THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA  
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## **DAILY NEWS DIGEST BY BFSI BOARD**

**11 May 2024**



## **ECONOMY**

**India's industrial output growth slows to 4.9% in March as mining production loses steam:** India's industrial growth slowed to 4.9 percent in March from 5.7 percent in February, data released by the Ministry of Statistics and Programme Implementation on May 10 showed. For FY24, India's Index of Industrial Production (IIP) stood at 5.8 percent against 5.2 percent in the previous year. In March 2023, India's industrial output had grown by 1.9 percent. The decline in industrial growth in April compared to a month ago was down to the mining sector, whose output grew by 1.2 percent as opposed to an 8.0 percent increase in the February. The slowdown in mining production growth did offset the greater rate of increase in the other two key sectors - manufacturing and electricity of 5.2 percent and 8.6 percent respectively.

***(Moneycontrol)***

**Govt to purchase chana at market rate from farmers for buffer:** With prices ruling above minimum support price (MSP), the government has asked agencies — farmers cooperative Nafed and National Cooperative Consumers' Federation of India (NCCF) — to purchase chana (gram) from farmers in Madhya Pradesh, Rajasthan and Maharashtra at predetermined market driven prices. Sources told FE that two agencies will produce chana, which has 50% share in country's pulses output, from the farmers under the mechanism such as minimum assured procurement price (MAPP) or dynamic buffer procurement price derived on the basis of average prices of previous three days across all the three key producing states.

***(Financial Express)***

**Gold hits two-week high on US rate cut speculation; silver surges marginally:** Gold prices surged on Friday, marking their most substantial weekly gain since early April, driven by pessimism surrounding the weak U.S. employment data, which bolstered expectations of interest rate cuts by the Federal Reserve in the coming months. Spot gold saw an impressive 1.1% increase, reaching \$2,372.46 per ounce by 1203 GMT, achieving its highest level in over two weeks. Throughout the



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week, prices have soared by more than 3%. "Gold is driven higher by rise in festive demand in India with additional support from a weaker U.S. dollar, which is down on rising bets for an early rate cut by the U.S. Federal Reserve. Safe-haven demand due to geo-political issues and mixed momentum in global equities too is seen supportive to the bullion," said Pranav Mer, VP - Research (Commodity & Currency) BlinkX and JM Financial.

*(Economic Times)*

## **BANKING & FINANCE**



**RBI appoints R Lakshmi Kanth Rao as new Executive Director:** The Reserve Bank of India (RBI) has appointed R. Lakshmi Kanth Rao as Executive Director (ED) with effect from May 10, 2024. Prior to being promoted as ED, Rao was serving as Chief General Manager-in-Charge in the Department of Regulation, the central bank said in a statement. As Executive Director, Rao will look after Deposit Insurance and Credit Guarantee Corporation, Right to Information Act (FAA), Department of Communication, RBI added. Rao has experience of over three decades in the Reserve Bank having worked in the areas of Regulation of Banks and NBFCs, Supervision of Banks and Consumer Protection. He had served as Banking Ombudsman at RBI Chennai and as Regional Director of Uttar Pradesh at Lucknow. He has also served as a member of several Committees and Working Groups and has been contributing to policy formulation.

*(Moneycontrol)*

**Bank of Baroda Q4 net profit rises 2.3% to Rs 4,886 cr, asset quality improves:** Public sector lender Bank of Baroda on May 10 reported a net profit of Rs 4,886 crore for the January-March quarter of the financial year 2023-24, which marks a 2.3 percent jump as compared to a net profit of Rs 4,775 crore clocked in the year-ago period. The bank's gross NPA stood at 2.92 percent, down from 3.79 percent in the corresponding quarter last year. On the other hand, net NPA for the quarter stood at 0.68 percent as compared to 0.89 percent a year ago. The lender's net interest income for the quarter stood at Rs 11,793 crore from Rs 11,525 crore from last year. The bank saw a compression in its net interest margin which fell to 3.18 percent from 3.31 percent last year. Total domestic deposits of the bank stood at Rs 11.28 lakh crore, growing 7.7 percent yearly from Rs 10.47 lakh crore. And domestic advances grew by 12/9 percent from Rs 7.95 lakh crore in Q4FY23 to Rs 8.98 lakh crore in Q4FY24.

*(Moneycontrol)*



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**RBI 'expected' to transfer ₹1-lakh cr as dividend to the Centre in FY25:** The Reserve Bank of India is likely to transfer approximately ₹1,00,000 crore to the government in FY25, according to a report by Union Bank of India. The report said the RBI can be expected to maintain a robust dividend payout for FY25. This projection represents a slight increase from the ₹87,400 crore transferred in the previous fiscal year." The government has budgeted the FY25 dividend from the RBI and PSU banks and financial institutions at ₹1,02,000 crore vis-a-vis ₹1,04,400 crore in FY24.

**(Business Line)**

**Bank of India Q4 profit rises 7% to ₹1,439 crore on higher net interest income:** Bank of India (BoI) reported a 7 per cent year-on-year (yoy) increase in fourth quarter standalone net profit at ₹1,439 crore, supported by growth in net interest income (NII) and decline in total provisions, including tax. Net interest income/NII (difference between interest earned and interest expended) was up 7 per cent yoy at ₹5,937 crore (₹5,523 crore in Q4FY23). Asset quality improved, with gross NPA declining to 4.98 per cent of gross advances as at March-end 2024 against 5.35 per cent as at December-end 2023. NNPA's nudged lower to 1.22 per cent of net advances from 1.41 per cent.

**(Business Line)**

## INDUSTRY OUTLOOK



**CPSEs encouraged to join NPS as Finance Ministry steps up efforts:** In a significant move, the Department of Public Enterprises(DPE) in the Finance Ministry has shot off letters to various Administrative Ministries and government departments to sensitise the Central Public Sector Enterprises (CPSEs) under their control about the benefits of adopting National Pension System (NPS) for their employees.

**(Business Line)**

**LIC's April premium hits decade high of Rs 12,384 cr:** State-owned Life Insurance Corporation of India (LIC) on Friday said its premium collection in April was Rs 12,384 crore, the highest for the month since 2014. Quoting Life Insurance Council's latest figures, the insurance behemoth said the total premium collected by LIC in April 2024 was Rs 12,383.64 crore -- 113.14 per cent higher than the Rs 5,810.10 crore premium collected the same month a year ago.

**(Economic Times)**



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## REGULATION & DEVELOPMENT

**SEBI bans SME firm from capital market for misusing IPO proceeds:** Capital markets regulator SEBI has passed an interim order against Varanium Cloud, a company listed on NSE's SME platform, banning the company and its managing director from accessing the securities market until further notice. The latter has been restrained from acting as a director or key managerial personnel of any listed company or its subsidiary. The order observed that the money raised through the IPO and a subsequent rights issue was not used for the intended purpose mentioned in the offer document. Instead, the promoter shifted part of the IPO funds to an entity, BM Traders, and the end use of such funds is not known.

***(Business Line)***

**FIU-India to lift ban on world's largest crypto exchange Binance soon:** The Financial Intelligence Unit-India (FIU-India), the national agency responsible for analysing suspicious financial transactions, will soon lift the ban on the world's largest crypto exchange Binance after completing due diligence, a top government official said on Friday. FIU-India lifted the ban on another offshore crypto exchange, KuCoin, in March after imposing a penalty of Rs 34.5 lakh. Vivek Aggarwal, director of FIU-IND and additional secretary in the Department of Revenue, said in his first-ever interaction with media that Binance proceedings were still ongoing as a penalty was yet to be decided.

***(Business Standard)***

**Irdai directs cos to meet social sector obligations:** With the objective to meet insurance for all by 2047, the sector regulator Irdai on Friday issued a master circular directing life and non-life players to do a certain percentage of business compulsorily towards meeting rural, social sector and motor third-party obligations. All life insurers shall ensure a minimum percentage of lives in identified and allocated gram panchayat, the master circular on rural, social sector and motor third party obligation said. The Life Insurance Council, in consultation with the Ministry of Panchayati Raj, will identify gram panchayat for fulfilling rural sector obligations, it added.

***(Economic Times)***



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## FINANCIAL TERMINOLOGY

### ADJUSTED NET BANK CREDIT (ANBC)

ANBC is computed for measuring Priority Sector Lending by Banks in India as per RBI guidelines. ANBC denotes the outstanding Bank Credit in India and computed as follows;

1. First of all Net Bank Credit (NBC) is calculated which is equal to Bank Credit in India minus Bills Rediscounted with RBI and other approved Financial Institutions.
2. The following are added to the Net Bank Credit, that are: i) Outstanding Deposits under RIDF and other eligible funds with NABARD, NHB, SIDBI and MUDRA Ltd in lieu of non-achievement of priority sector lending targets/sub-targets + outstanding PSLCs, ii) Other investments eligible to be treated as priority sector (e.g. investments in securitization notes), iii) Bonds/debentures in Non-SLR categories under HTM category.
3. The following items are deducted to Net Bank Credit, that are; i) Eligible amount for exemptions on issuance of long-term bonds for infrastructure and affordable housing, ii) Advances extended in India against the incremental FCNR (B)/NRE deposits, qualifying for exemption from CRR/SLR requirements, iii) Investments made by public sector banks in the Recapitalization Bonds floated by Government of India and iv) Face Value of securities acquired and kept under HTM category under the TLTRO 2.0 and also Extended Regulatory Benefits under SLF-MF Scheme.

For UCBs: investments made after August 30, 2007 in permitted non SLR bonds held under 'Held to Maturity' (HTM) category to be added to Net Bank Credit to arrive ANBC. For the purpose of priority sector computation only. Banks should not deduct / net any amount like provisions, accrued interest, etc. from NBC.



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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 : 83.4946  
INR / 1 GBP : 104.6928  
INR / 1 EUR : 90.0133  
INR /100 JPY: 53.6600

### **EQUITY MARKET**

Sensex: 72664.47 (+260.30)  
NIFTY: 22055.20 (+97.70)  
Bnk NIFTY: 47421.10 (-66.80)

### **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.**

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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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