



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



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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**

**11 June 2024**



## **ECONOMY**

**NDA 3.0 banks on continuity and experience:** As Prime Minister Narendra Modi gears up to navigate coalition politics, he has stayed close to the script of Modi 2.0 by keeping his top four ministers unchanged. The cabinet under NDA 3.0 retains Rajnath Singh as Defence Minister, Amit Shah as Home Minister, Nirmala Sitharaman as finance minister and S. Jaishankar as Minister of External Affairs. In addition to the big four, Shivraj Singh Chauhan, as minister of agriculture and rural development is a strong reinforcement of the government's commitment to work with the farmers and spur growth in the agriculture sector. Ministry of heavy industries and steel has been given to HD Kumaraswamy of Janta Dal Secular. Kinjarapu Ram Mohan Naidu of the TDP has been appointed as Minister of Civil Aviation. He is the youngest in the council of ministers. Chirag Paswan, from the Lok Janshakti Party (Ram Vilas) has been given the Ministry of Food Processing.

***(Moneycontrol)***

**FII's buy shares worth Rs 2,572 crore, DIIs buy Rs 2,764 crore as Nifty, Sensex close lower:** On June 10, FIIs/FPIs net bought equities worth Rs 2,572 crore while Domestic Institutional Investors (DIIs) net bought equities worth Rs 2,764 crore. According to provisional data from the exchanges, FIIs bought Rs 13,722 crore and sold Rs 11,150 crore. Meanwhile, DIIs picked up Rs 16,934 crore in shares and offloaded equities worth Rs 14,169 crore in the session. "Indian markets have seen a sharp V-shaped recovery from last week's low and the index posted new record by surpassing last Monday's high. However, some profit booking was seen at higher levels as the index has rallied sharply in the last few days and the momentum readings on the lower time frame charts reached the overbought zone,"

***(Moneycontrol)***



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## **BANKING & FINANCE**



**NABARD plans to raise up to Rs 30,000 crore through bonds in FY25:** National Bank for Agriculture and Rural Development (Nabard) is planning to raise up to Rs 30,000 crore through bonds in the current financial year (FY25) to support lending operations, according to rating agency CRISIL. The money raised through the market covering bonds and money market instruments had about 51.5 per cent share in total borrowings by Nabard at the end of March 2024. The government-owned development finance institution's (DFI's) total borrowings stood at Rs 7.89 trillion as of March 2024, according to CRISIL analysis. It has assigned a "AAA" rating to the proposed bond offering, which factors in support from the government of India. Nabard declined to respond to queries from Business Standard.

***(Business Standard)***

**Microfinance market expands by a fourth in FY24 with asset quality showing significant improvement:** The microfinance market expanded by a fourth in FY24 with asset quality showing significant improvement following better loan recovery from the field and several rounds of balance sheet cleansing. The sector's gross loan portfolio grew 24.5% year-on-year to Rs 4.34 lakh crore at the end of March with bad loan ratio falling to 7.9% of it, from 8.6% a year back, according to Microfinance Institutions Network. The bad loan ratio was highest at 10.6% as on December 31, 2022 on account of pandemic-induced default. The microfinance industry served 7.8 crore unique borrowers, through 14.9 crore loan accounts, which increased by 15.4% over the past 12 months.

***(Economic Times)***

**Banks ask RBI to ease liquidity rule to keep credit taps open:** Indian banks want the industry regulator to ease the existing liquidity coverage mandate to free up more funds for lending at a time when Mint Road has cautioned financiers about deposits trailing credit disbursements in a booming economy, potentially creating future asset-liability imbalances for the lenders. Banking industry executives told ET that the lenders have urged the Reserve Bank of India (RBI) to relax the mandate in such a way that they would be required to set aside less funds in highly liquid investments, thus allowing them to lend more with the surpluses extracted from an easier liquidity coverage ratio (LCR) mandate. The requests coincide with a near-80 aggregate credit-deposit ratio for the industry, with banks often selling bond holdings to meet increasing demand for loans.

***(Economic Times)***



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## INDUSTRY OUTLOOK



**HCL Tech launches Enterprise AI Foundry to drive AI effectiveness across enterprise value chains:** HCL Tech on Monday announced the launch of HCLTech Enterprise AI Foundry to simplify and scale enterprise AI journeys. The integrated suite of assets combines data engineering and AI with cognitive infrastructure to accelerate Generative AI (GenAI)-led transformation across business value chains. HCLTech Enterprise AI Foundry is tuned for Amazon Web Services (AWS), Microsoft Azure and Google Cloud Platform (GCP), and is designed to scale for on-prem infrastructure. It removes the complexity of industrial-scale AI foundation models, data silos and overload of tools and frameworks, empowering IT leaders to establish seamless integration across IT and data assets.

*(Financial Express)*

**Modi 3.0's agenda for Indian Railways: Focus on capacity expansion with new Vande Bharat, Amrit Bharat trains and reduced wait times:** The Narendra Modi-led NDA government's third term focuses on infrastructure development, with Indian Railways enhancing passenger and cargo capacity. Key areas include increasing capacity, reducing waitlists, introducing new trains like Vande Bharat and Amrit Bharat, and enhancing safety measures. Modernization efforts aim to improve the passenger experience, with initiatives like the new sleeper variant of the Vande Bharat Express. The Integral Coach Factory is tasked with domestically producing bullet trains, reflecting a commitment to 'Make in India' and infrastructure growth

*(Financial Express)*

**SBI MF becomes first fund house to cross Rs 10 lakh crore in assets:** BI Mutual Fund, India's biggest assets management company (AMC) in terms of assets under management, has become the first mutual fund house in the country to cross Rs 10 lakh crore in Average Asset Under Management (AAUM) as on June 3. According to the data released by the Association of Mutual Funds of India (AMFI) -- the industry trade body for mutual funds -- on June 10, the overall assets under management of the mutual fund industry, including open-ended and closed-end funds, stood at Rs 58.91 lakh crore as of May end. The AUM for the month of April was Rs 57.26 lakh crore.

*(Moneycontrol)*



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## REGULATION & DEVELOPMENT

**Cabinet approves assistance for 3 crore more houses under PM Awas Yojana:** Prime Minister Narendra Modi-chaired Cabinet on June 10 announced the decision to provide assistance to 3 crore additional rural and urban households for the construction of houses, to meet the requirements arising out of the increase in the number of eligible families. From 2015-16, the Pradhan Mantri Awas Yojana or PMAY has been providing assistance to eligible rural and urban households for construction of houses with basic amenities. Under PMAY, a total of 4.21 crore houses have been completed for the eligible poor families under the housing schemes in the last 10 years, the government said in a release. The houses constructed under PMAY comes with amenities such as toilets, LPG connection, electricity, functional taps through convergence with other schemes of central and state governments.

**(Moneycontrol)**

**First decision of the new government shows commitment of government to farmer welfare:** After being sworn in as Prime Minister for the 3rd time, PM Narendra Modi signs his first file authorising release of 17th instalment of PM Kisan Nidhi. This will benefits 9.3 crore farmers and distribute around Rs 20,000 crores. After signing the file, PM Modi said “Ours is a Government fully committed to Kisan Kalyan. It is therefore fitting that the first file signed on taking charge is related to farmer welfare. We want to keep working even more for the farmers and the agriculture sector in the times to come.”

**(PiB)**



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## FINANCIAL TERMINOLOGY

### DEFERRED TAX ASSET

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- ❖ A deferred tax asset is an item on a company's balance sheet that reduces its taxable income in the future.
- ❖ Such a line item asset can be found when a business overpays its taxes. This money will eventually be returned to the business in the form of tax relief. Therefore, the overpayment becomes an asset to the company.
- ❖ A deferred tax asset is the opposite of a deferred tax liability, which indicates an expected increase in the amount of income tax owed by a company.



### **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 : 83.4919  
INR / 1 GBP : 106.1366  
INR / 1 EUR : 89.7788  
INR /100 JPY: 53.1400

### **EQUITY MARKET**

Sensex: 76490.08 (-203.28)  
NIFTY: 23259.20 (-30.95)  
Bnk NIFTY: 49780.90 (-22.30)

### **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  
BFSIB portal of ICMAI**

### **TEAM BFSIB**

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