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DAILY NEWS DIGEST BY BFSI BOARD

11 October 2024



ECONOMY

Centre releases Rs 1.78 lakh crore to States in festive boost: The Union Government has disbursed Rs 1.78 lakh crore to state governments as part of its tax devolution, including an advance instalment of Rs 89,086.50 crore. The announcement, made by the Press Information Bureau on Thursday, covers the regular instalment for October 2024, along with an additional advance to support states in managing their finances ahead of the festive season.

(Business Today)

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(Business Today)

World Bank: Raising female labour force participation rates in South Asia to increase regional GDP by up to 51%: While remaining upbeat about growth prospects



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in South Asia, the World Bank has highlighted that unlocking untapped potential by increasing women's participation in the labour force and further opening global trade and investment could help the region grow even faster and achieve its development goals. The World Bank's South Asia Development Update, October 2024 Women, Jobs and Growth has said that raising female labour force participation rates in the region to those of men would increase regional GDP by up to 51%. "Female labour force participation in South Asia is among the lowest in the world. Only 32% of working-age women were in the labour force in 2023, compared to 77% of working-age men in the region. For all South Asian countries except Bhutan, female labour force participation rates in 2023 were 5 to 25 percentage points lower than in countries at similar levels of development," said the report.

(Business Today)

BANKING & FINANCE



RBI asks asset reconstruction firms to standardise credit bureau reporting: India's central bank on Thursday directed asset reconstruction companies to establish a standard operating procedure for providing information to credit bureaus, in a move to harmonise loan data submission norms for ARCs with those governing financial institutions. In its circular, the RBI stressed that ARCs - firms that buy and resolve bad loans from financial institutions - give "top priority" to customer grievance redressal as well as timely submission and updation of loan data. The Reserve Bank of India has been publicly asking supervised entities to ensure compliance with norms and that consumer interest is protected. The records provided to credit bureaus were to be updated regularly and no instances of repayment were to be left unreported, the RBI said.

(Business Standard)

RBI asks REs to conduct internal risk assessments for terror financing: The Reserve Bank of India on Thursday asked regulated entities (REs) to carry out internal risk assessment (IRA) of their business models and business relationship with customers to detect threats from money laundering (ML) and terror financing (TF) and proliferation financing. There is always a likely exposure to the elevated money laundering ML, TF and PF risks in an ever changing business environment and the increasing level of complexities in the banking and financial products. The risks are further multiplied as use of emergent technologies and newer methods of payments enter the scene, RBI said in a guidance note to REs. The enterprise level risk assessment forms the bedrock of



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the approach as it would help the REs to understand how and to what extent they are vulnerable and decide the allocation of attention and resources to mitigate that risk. The REs should have appropriate level of control/mitigating measures, to ensure that the elevated risks do not result in the financial institution being misused for ML/TF.

(Business Standard)

RBI approves Partha Pratim Sengupta as MD and CEO of Bandhan Bank: The Reserve Bank of India has appointed Partha Pratim Sengupta as the MD & CEO of Bandhan Bank. He has been appointed to the post for three years from the date of taking charge, which should not be later than November 10, the lender has informed the stock exchanges. Sengupta, who has four decades of experience in the banking industry, was groomed at SBI where he rose to the role of deputy managing director and chief credit officer. He took charge as the MD & CEO of Indian Overseas Bank (IOB) in July 2020. He is credited to have turnaround the Chennai-based lender and brought it out of the prompt corrective action (PCA) framework. He retired from IOB in December 2022.

(Business Standard)

NCGTC to pay Bandhan Bank extra Rs 315 cr for claims under CGFMU scheme: Bandhan Bank on Thursday said the National Credit Guarantee Trustee Company (NCGTC), after conducting a forensic audit of the claims made by the bank regarding its loan portfolio under the Credit Guarantee Fund for Micro Units (CGFMU), has stated that the total claim payout to the bank under the scheme is Rs 1,231.29 crore as of March 31, 2024. Additionally, since they have already settled the bank’s first claim of Rs 916 crore, they will pay an additional claim of Rs 314.68 crore to the bank.

(Business Standard)

INDUSTRY OUTLOOK



NSE to discontinue weekly index derivatives for Bank Nifty, Nifty Midcap Select, Nifty Financial Services: The National Stock Exchange (NSE) will discontinue weekly index derivatives contracts for Bank Nifty, Nifty Midcap Select, and Nifty Financial Services, effective from November 13, 18, and 19, respectively, the exchange informed in a circular dated October 10. As per the changes, the NSE will retain only one tradable index – the Nifty 50 – for weekly derivatives contracts. SEBI’s recent circular outlines new regulations for the futures and options trading segment. Beginning November 20, exchanges will be required to limit weekly option expiries to one index per exchange.

(Moneycontrol)



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Mukesh Ambani retains top spot on Forbes India's rich list with \$108 bn net worth:

Mukesh Ambani, the chairman and managing director of Reliance Industries, retained the top spot on the 2024 Forbes' list of 100 richest Indian tycoons, in a year that saw the country's top 100 wealthiest cross a trillion dollar in collective net worth for the first time ever. Ambani, who announced bonus shares as Diwali gift for Reliance investors and made the news for the celebrations of his younger son Anant, was the second-biggest gainer in dollar terms, with wealth rising \$27.5 billion in the past one year to \$119.5 billion, the magazine said in a report on October 9. The RIL chief's current net worth stands at \$108.3 billion, making him the 13th richest person in the world.

(Moneycontrol)

Over 40 per cent of ICAI probes reveal CA misconduct: Four out of ten disciplinary actions initiated by the Institute of Chartered Accountants of India (ICAI) result in findings of culpability with or lapses by the CA or the CA firm concerned, and penal orders. Yet, the number of cases taken up for scrutiny by the institute continues to be a tiny fraction compared to the total strength of over 400,000 CAs registered in the country. Even though the CA Act, 1949 was amended in 2022 to further strengthen the accountability of the practitioners and firms, and to ensure that justice is delivered in a reasonable span of time, these disciplinary provisions are yet to be notified.

(Business Line)



REGULATION & DEVELOPMENT

SEBI extends securities-transfer timeline under T+1 to enable direct payout: The market regulator has made one more change to the Direct Payout system to ensure that securities under the T+1 settlement system are deposited into the clients' account on T+1 day. T is the day the trade is taken and T+1 is the next day when the money or securities comes into the client's account. Under the Direct Payout system, the clearing corporations (CCs) directly transfers the securities to the investors' account; this new system is yet to roll out. The regulator has extended the time given to the CCs to transfer securities to investors' account from 1.30 pm to 3.30 pm. With this, the securities will be credited to the investors' demat account on on the same trading day instead of one working day from the receipt of pay-out from the exchange, said the circular issued by the Securities and Exchange Board of India (Sebi) on October 10. That is, the securities will be credited to the client's account on the very day that the exchange makes the pay out (T+1) and not on T+2, which has been happening



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under the current system with a few brokers since they have been given an additional grace period of 24 hours from T+1 to do the payment.

(Moneycontrol)

Sebi extends deadline for direct pay out of securities to client account to November 11:

Markets regulator Sebi on Thursday extended the deadline to implement system mandating the direct pay-out of securities to clients' demat accounts to November 11. This rule was originally set to take effect on October 14. Under the direct-payout system, the clearing corporations (CCs) will directly transfer the securities to the investors' account. Under the current system, the securities are pooled at the brokers' end, from where the securities are transferred to the client's account. The direct-payout system was announced by the regulator through a circular issued on June 5, 2024. This system was introduced to "to protect clients' securities and to ensure that the stock broker segregates securities of the client or clients so that they are not vulnerable to misuse". Thus, the system of pooling of the securities by the brokers will be stopped.

(Moneycontrol)

Income Tax audit deadline extended to Nov 10: The Central Board of Direct Taxes (CBDT) has extended the deadline for filing income tax audit reports for trusts, institutions, and funds to November 10, 2024. The extension is due to cases where trusts, institutions, and funds failed to file the audit report in the correct form. Trusts, institutions and funds have time until November 10 to file audit reports via Form 10B or 10BB. Individuals with business or professional income, who are audited under Section 44AB of the Income Tax Act, can file their reports using Form 3CD, 3CA, and 3CB.

(Business Standard)



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FINANCIAL TERMINOLOGY

COST-OF-LIVING ADJUSTMENT (COLA)

- ❖ A cost-of-living adjustment (COLA) is an increase made to Social Security benefits and Supplemental Security Income (SSI) to counteract the effects of inflation and rising prices in the economy.
- ❖ COLAs are typically equal to the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for a specific period. The Consumer Price Index (CPI) represents the average prices of a basket of goods and is used to measure inflation.



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 : 83.9685
INR / 1 GBP : 109.7905
INR / 1 EUR : 91.8666
INR /100 JPY: 56.9200

EQUITY MARKET

Sensex: 81611.41 (+144.31)
NIFTY: 24998.45 (+16.50)
Bnk NIFTY: 51530.90 (+523.90)

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