



**ICMAI**  
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## **DAILY NEWS DIGEST BY BFSI BOARD**

**13 December 2024**



### **ECONOMY**

**Retail inflation eases to 5.48% in November from 6.21% in October:** India's retail inflation eased to 5.5 percent in November, easing from a 14-month high of 6.2 percent in the previous month, as food prices cooled off. Food inflation had eased to 9 percent for the month compared with 10.9 percent in October. December 2024 inflation at around 5.4 percent will translate in 3QFY25 inflation to be in line with RBI's forecast. A higher base effect of pulses, fruits, vegetables and spices inflation will be helpful in further decline in inflation in December 2024, which we expect to be around 5 percent. However, edible oils and personal care & effects may pose some challenge," added Paras Jasrai, senior analyst, India Ratings and Research.

***(Moneycontrol)***

**Industrial production marginally goes up to 3.5% in October, up from 3.1% in September:** In October 2024, India's industrial output, as measured by the Index of Industrial Production (IIP), witnessed a growth of 3.5 per cent, surpassing the 3.1 per cent recorded in September. According to official data released on December 12, the index rose from 144.9 in October 2023 to 149.9, indicating a positive trend in India's industrial sector. October saw a second consecutive increase in industrial output, following a slight decline in August. Among the major industries, mining saw a 0.9 percent rise, manufacturing grew by 4.1 percent compared to the previous month's 3.9 percent, and electricity showed a modest growth of 2 percent. The core sector industries, which make up 40 percent of the Index of Industrial Production, also performed well in October. India's core sector output expanded by 3.1 percent in October, up from a revised 2.4 percent in September, with four out of eight sectors experiencing accelerated growth.

***(Business Today)***

**Finance Ministry seeks approval of additional expenditure of over ₹44000 crore for FY25, impact on fiscal deficit unlikely:** Finance Ministry on Thursday sought approval of fresh cash expenditure of over ₹44000 crore mainly on farm sector. However, this is unlikely to impact the



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fiscal deficit target of 4.9 per cent, as prescribed in the full budget for Fiscal Year 2024-25, presented in July this year.

***(Business Line)***

**ECB cuts interest rates for fourth time this year:** The European Central Bank cut interest rates for the fourth time this year on Thursday and kept the door open to further easing ahead as inflation closes in on its goal and the economy remains weak. The central bank for the 20 countries that share the euro reduced the rate it pays on bank deposits, which drives financing conditions in the bloc, to 3.0% from 3.25%. It was at a record 4.0% only in June. It also signalled that further cuts are possible by removing a reference to keeping rates "sufficiently restrictive", economic jargon for a level of borrowing costs that curbs economic growth. "Financing conditions are easing, as the Governing Council's recent interest rate cuts gradually make new borrowing less expensive for firms and households," the ECB said.

***(Moneycontrol)***

## **BANKING & FINANCE**



**HDFC Bank gets warning letter from SEBI over alleged regulatory non-compliance:**

HDFC Bank informed the stock exchanges that it has received an administrative warning letter from the Securities and Exchange Board of India (SEBI). The regulator issued an administrative warning letter to HDFC Bank regarding alleged non-compliance with multiple regulations. The warning pertains to non-compliance with certain provisions of SEBI's regulations related to merchant bankers, issue of capital and disclosure requirements, and prohibition of insider trading.

***(Business Today)***

**Govt has asked nationalised banks to prematurely retire underperforming employees:**

The government has issued a clarification on queries regarding a directive for nationalised banks to review employee performance, with implications for premature retirement of those deemed underperforming. In the Lok Sabha, parliamentarians Subbarayan K and Selvaraj V sought clarity on whether such measures were officially mandated and the criteria involved in these evaluations. The lawmakers asked whether the government has directed the nationalised banks to conduct performance review of their employees and officers and prematurely retire those who are found to be below the norms. Replying to queries, Minister of State Pankaj Chaudhary said that public sector banks (PSBs) operate as board-governed entities and their employee service conditions are regulated



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by their respective service regulations and bipartite settlements. He stated that provisions for performance reviews already exist, and various factors such as service profile, health status, key responsibilities, annual performance reports, vigilance proceedings, and leave records are considered during these evaluations. The Department of Financial Services has advised PSBs to conduct periodic reviews in line with existing guidelines to enhance administrative efficiency and effectiveness in government functions.

***(Financial Express)***

**GNPA of PSBs declines to 3.12 pc in Sep from peak of 14.58 pc in Mar 2018: FinMin:**

Gross non-performing assets (NPAs) of public sector banks (PSBs) have declined to a decade low of 3.12 per cent at the end of September 2024 from a peak of 14.98 per cent in March 2018 on the back of measures like the 4Rs -- recognition, recapitalisation, resolution, and reform -- taken by the government, the finance ministry said on Thursday. Since 2015, the government implemented a comprehensive 4Rs strategy of recognising NPAs transparently, resolution and recovery, recapitalising PSBs, and reforms in the financial system to address the challenges faced by PSBs, it said.

***(Economic Times)***

**TransUnion CIBIL elevates Bhavesh Jain as managing director and CEO:** TransUnion CIBIL has appointed Bhavesh Jain as its new Managing Director and CEO, succeeding Rajesh Kumar. Jain, with a strong background at Citi and Kone, served as CIBIL's chief revenue officer for the past five years. His focus is on expanding credit access in India and promoting financial inclusion.

***(Economic Times)***

**Irdai may limit insurance companies' overdependence on parent banks:** The Insurance Regulatory and Development Authority of India (Irdai) is likely to bring in regulations to limit the overdependence of life insurance companies on their parent banks for business sources through bank channels, sources said. Irdai also plans to encourage diversification across multiple distribution channels to ensure balanced growth across the industry. Although the companies can continue to focus on certain channels where they have strength, diversification would be an ideal, sources added.

***(Business Standard)***



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## INDUSTRY OUTLOOK



### **Zomato's Blinkit launches Bistro, a separate 10-minute food delivery app, to compete with Zepto Cafe:**

Blinkit, the quick commerce arm of Zomato, has launched Bistro, a new food delivery app that will deliver snacks and other food items in 10 minutes to take on Zepto Cafe. The launch comes one day after Zepto, an arch-rival of Blinkit, announced it will roll out a different app for Cafe, its food delivery business. To be sure, this is Zomato's second attempt at 10-minute food delivery after Zomato Instant which was shuttered earlier. Quick commerce companies like Blinkit and Zepto have expanded quickly, going from delivering groceries around three years ago to selling apparel and medicines this year. Rapid delivery companies are growing fast to create additional revenue streams and find a new growth lever, which is where 10-minute food delivery fits in. Blinkit's Bistro, Zepto Cafe and Swiggy Bolt all sell food items like samosas, sandwiches, coffees, pastries and other readymade items to customers.

***(Moneycontrol)***

### **Uber launches women-only bike taxi service 'Moto Women' in Bengaluru:**

Ride-hailing firm Uber on Thursday rolled out Uber Moto Women in Bengaluru, a first-of-its-kind service that offers women-only bike rides. The company plans to scale it up in other top cities such as Delhi, Mumbai, Kolkata, Chennai and Hyderabad. The on-demand two-wheeler ride service connects women riders with women drivers and is designed to address women's safety and mobility needs. "For Uber, this is a global-first initiative. We don't have such women-only products anywhere else in the world. We started with Bengaluru, as it is the largest market for bike-taxis. The city sees 5 million bike-taxi trips across all the platforms per month and this serves about a million riders and 100,000 drivers," Abhishek Padhye, Head of Regional Business Operations, Uber India and South Asia, told Business Standard.

***(Business LineStandard)***

### **India's FDI Journey Hits \$1 Trillion:**

India has achieved a remarkable milestone in its economic journey, with gross foreign direct investment (FDI) inflows reaching an impressive \$1 trillion since April 2000. This landmark achievement was bolstered by a nearly 26% rise in FDI to \$42.1 billion during the first half of the current fiscal year. Such growth reflects India's growing appeal as a global investment destination, driven by a proactive policy framework, a dynamic business environment, and increasing international competitiveness. FDI has played a transformative role in India's





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development by providing substantial non-debt financial resources, fostering technology transfers, and creating employment opportunities. Initiatives like "Make in India," liberalised sectoral policies, and the Goods and Services Tax (GST) have enhanced investor confidence, while competitive labour costs and strategic incentives continue to attract multinational corporations.

**(PiB)**



## REGULATION & DEVELOPMENT

**Cabinet clears Rs 20,000 crore 'Make in India' projects for 12 Su-30MKI fighter jets, 100 K-9 howitzers:** The Cabinet Committee on Security (CCS) on Thursday cleared two major projects worth around Rs 20,000 crore for 12 Su-30 MKI fighter jets for the Indian Air Force and 100 K-9 Vajra Self-propelled howitzers for the Indian Army in a major success for Make in India program in defence sector. According to news agency ANI, the two projects were cleared by the CCS and the contract for the Su-30-MKI jets has already been inked. The Ministry of Defence said that a contract for the procurement of 12 Su-30MKI aircraft along with associated equipment has been signed between Ministry of Defence and Hindustan Aeronautics Limited (HAL), at an approximate cost of Rs 13,500 crore inclusive of taxes and duties. The aircraft would have an indigenous content of 62.6%, enhanced due to indigenisation of many components to be manufactured by Indian defence industry.

**(Moneycontrol)**

**Union Cabinet approves 'one nation, one election' Bill:** The BJP-led Union Cabinet on Thursday gave its approval to the "one nation, one poll" plan. The decision was taken at a meeting of the Union Cabinet chaired by Prime Minister Narendra Modi, reports PTI, citing sources. A high-level panel headed by former President Ram Nath Kovind in March had recommended simultaneous elections for the Lok Sabha and state Assembly elections in a phased manner. The government is keen on holding wider consultations on bills which are likely to be referred to a parliamentary committee. Sources said the government was also keen to consult the Speakers of various state legislative assemblies through the committee.

**(Business Standard)**

**SEBI likely to tighten SME IPO rules:** The Securities and Exchange Board of India (Sebi) is likely to tighten rules around small and medium enterprises (SMEs) initial public offerings (IPOs) and widen the definition of unpublished price-sensitive information (UPSI). The decisions are likely at the board meeting on December 18, informed sources. The market regulator may announce a raft of other



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changes to ease doing business in the market ecosystem. The move to tighten SME listing rules comes amid concerns of manipulation and misconduct.

***(Business Standard)***



## UPSTREAM

- ❖ Upstream is a term for the operations stages in the oil and gas industry that involve exploration and production. Oil and gas companies can generally be divided into three segments: upstream, midstream, and downstream. Upstream firms deal primarily with the exploration and initial production stages of the oil and gas industry.
- ❖ Many large oil companies are called "integrated" because they combine upstream activities with midstream and downstream operations, which take place after the production phase through to the point of sale.
- ❖ The upstream sector of the oil and gas industry includes all the steps involved from the preliminary exploration through the extraction of the resource. Upstream companies can be involved in all the steps of this phase of the life cycle of the oil and gas industry, or they may only be involved in part of the upstream sector.



### **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 : 84.8732  
INR / 1 GBP : 108.3712  
INR / 1 EUR : 89.1961  
INR /100 JPY: 55.6400

### **EQUITY MARKET**

Sensex: 81289.96 (-236.19)  
NIFTY: 24548.70(-93.10)  
Bnk NIFTY: 53216.45 (-174.90)

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