



**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**

**16 November 2024**



### **ECONOMY**

**July-September quarter FY25: GDP growth seen to have slowed to 6.5-6.8%:** The economy is estimated to have grown at a slower pace in the second quarter of the current fiscal (Q2FY25) with analysts pegging GDP growth at 6.5% to 6.8% in the quarter. High frequency indicators registered slower than anticipated growth in the July to September 2024 quarter suggesting lower demand and leading to the expectation that overall economic growth too slowed down in the quarter. The economy is estimated to have grown at a five-quarter low of 6.7% in the first quarter of the fiscal with lower government capex as well as muted farm sector growth at 2% seen to be two of the main reasons for the slowdown. It grew by 8.1% in the second quarter of 2023-24 as per the provisional estimates. Official quarterly GDP estimates for the quarter July-September of 2024-25 will be released on November 29.

***(Business Today)***

**Moody's sees Indian economy in 'sweet spot', predicts GDP to grow at 7.2% in 2024:** Moody's Ratings predicted a 7.2 percent GDP growth for India in 2024, highlighting that the country is in an advantageous economic position. However, it cautioned that inflation risks could lead the Reserve Bank of India (RBI) to maintain a relatively tight monetary policy in the near term. From a macroeconomic standpoint, Moody's sees India in a "sweet spot" with a healthy combination of solid growth and moderating inflation. The agency forecasts 7.2 percent growth in 2024, followed by 6.6 percent in 2025 and 6.5 percent in 2026. Strong economic fundamentals — such as healthy corporate and bank balance sheets, a strong external position, and ample foreign exchange reserves — also support India's growth outlook.

***(Business Today)***

**FPI selloff hits Rs 28,677 cr in Nov amid rising US yields, strong dollar:** Foreign portfolio investors (FPIs) continue to pull out from both Indian debt and equity markets, driven largely by rising US bond yields and a strengthening dollar. On a net basis, they have offloaded nearly Rs 8,750



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crore worth of government securities under the Fully Accessible Route (FAR) this month (as on November 14), according to Clearing Corporation of India Ltd (CCIL) data. This follows net sales of Rs 5,142 crore in October. On the equity front, FPIs net sold Rs 19,927 crore worth of stocks through November 14, building on Rs 91,983 crore of outflows in October.

***(Business Standard)***

## **BANKING & FINANCE**



**Banks stick to CD route to meet funding needs:** Indian banks are increasingly using certificates of deposit (CDs) to meet their near-term funding requirements like managing the gap between credit offtake and deposit growth. Fund mobilisation through issuances of CDs so far this fiscal (up to October 4) jumped 69% year on year to ₹5.58 lakh crore, data from the Reserve Bank of India (RBI) showed. "Banks have increased deposit mobilisation efforts over the past few months by raising short-term term deposit (TD) rates to match asset-liability mismatch requirements, while some banks have decided to either opt for bulk TDs or redirect their focus on certificate of deposits," said an analyst. With systemic liquidity in deficit and strong competition for deposits, we anticipate TD rates will stay high in the near term, even with the expected rate cuts. However, banks will continue to prioritise a balanced mix of LCR (liquidity coverage ratio).

***(Economic Times)***

**Canara Bank labels Rcom loan accounts as "fraud":** Canara Bank has declared loans given to Reliance Communications and its unit as fraudulent. The bank alleged the Anil Ambani-promoted company misappropriated Rs 1,050 crore by diverting funds for purposes other than sanctioned. Reliance Communications refuted the allegations, stating the loans were taken before insolvency proceedings began and are protected under insolvency laws.

***(Economic Times)***

**Matrimony.com launches fintech platform to offer wedding loans:** Matchmaking service provider Matrimony.com has launched its financial technology platform weddingloans.com aimed at providing financial assistance for marriages, the company said on Friday. The company has partnered with leading financial institutions such as IDFC, Tata Capital, Larsen and Toubro Finance, to offer a comprehensive loan solution. "This platform will go beyond selling loans, it will help customers make



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the right decision with special focus on their financial well-being," Matrimony.com said in a company statement

***(Economic Times)***

**State Bank of India seeks \$1.25 billion in India's largest bank loan of 2024:** State Bank of India plans to borrow up to \$1.25 billion, in what would be the largest dollar-denominated loan from the country's financial sector this year, according to people familiar with the matter. CTBC Bank, HSBC Holdings Plc and Taipei Fubon Bank are arranging the five-year loan, which carries an interest margin of 92.5 basis points over the risk-free Secured Overnight Financing Rate, said the people, who asked not to be identified discussing private matters. India's top lender is raising the facility for general corporate purposes through its branch at the Gujarat International Finance Tec-City, the country's newest financial hub.

***(Economic Times)***

## INDUSTRY OUTLOOK



**European Union corners India, developing world over carbon tax at COP29:** The European Union (EU) may have pushed India and other developing countries into a corner over opposition to the proposed carbon border adjustment mechanism (CBAM) by moving the discussion on the carbon tax to a separate committee at COP29 – 29th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) – instead of accommodating it on the core agenda, as demanded by countries like India and China. The new forum will not only discuss the CBAM but also the broader issue of domestic subsidies given by developing countries, EU officials said.

***(Business Standard)***

**Public procurement through GeM portal crosses Rs 3 trn so far this fiscal:** The government's procurement through the Government e-Marketplace (GeM) portal has crossed Rs 3 lakh crore so far this financial year, an official said. Higher buying activities by various ministries and departments have helped in reaching the figure, the official said. In 2023-24, the portal handled procurement of Rs 4 lakh crore by government departments of centres and states and public sector enterprises. The Government e-Market (GeM) portal was launched on August 9, 2016, for online purchases of goods and services by all central government ministries and departments. In October,



the GeM signed the memorandum of understanding (MoU) with Sikkim to facilitate procurement by the state on the platform.

***(Business Standard)***

**In U-turn, CLSA shifts focus back to India and reduces China exposure:** Global brokerage firm CLSA has reversed its early tactical shift from Indian equities to Chinese stocks, and has decided to raise India allocation while cutting exposure to China. In its report titled 'Pouncing Tiger, Prevaricating Dragon', CLSA cited challenges facing Chinese markets in the aftermath of Donald Trump's victory in the US elections as the reason for the move. "Misfortune can happen in threes. So it has played out for Chinese equities over the past week. Trump 2.0 heralds a trade war escalation just as exports become the largest contributor to China's growth," the brokerage said. Stating that it was sceptical on the endurance of the China equity melt up from the outset, CLSA said yet it committed a little more at the start of October by tactically deploying some of its over exposure to India towards China.

***(Business Standard)***



## REGULATION & DEVELOPMENT

**GST Council to take up tax on insurance, rate rejig of over 100 items:** The Goods and Services Tax (GST) Council is likely to discuss the relief on GST on health and life insurance items, as well as rejigging of rates on over 100 items as it is scheduled to meet at Jaisalmer in Rajasthan on December 21, sources said. The meeting was earlier scheduled to be held in November, but was delayed due to assembly elections in Jharkhand and Maharashtra. In the previous meeting, held on September 9, the Council has set up two Group of Ministers' (GoM) panels: one to review GST rates on several items, and other to decide on the tax levied on health and life insurance premiums. The two GoM panels are expected to submit their reports to the Council for perusal, based on which the latter will take a final call on the issues.

***(Financial Express)***

**IBC recovery on companies' fair values up, claims down:** Recovery from defaulting companies against their fair value under the insolvency law improved sequentially in the September quarter. However, creditors still took larger haircuts as the recovery against their admitted claims moderated further. Recovery rose to nearly 97% of the fair value of companies derived after they were





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admitted for bankruptcy resolutions from just over 84% in the June quarter, beating the historical average of 86%. However, recovery against creditors' admitted claims eased to 28.33% from 31.12%.

***(Business Standard)***



## BLUE SKY LAWS

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- ❖ Blue sky laws are state regulations of US, established as safeguards for investors against securities fraud. The laws, which may vary by state, typically require sellers of new issues to register their offerings and provide financial details of the deal and the entities involved. As a result, investors have a wealth of verifiable information on which to base their judgment and investment decisions.
- ❖ Blue sky laws—which serve as an additional regulatory layer to federal securities regulations—usually mandate licenses for brokerage firms, investment advisors, and individual brokers offering securities in their states. These laws require that private investment funds register not only in their home state but in every state where they wish to do business.



### **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 : 84.4050  
INR / 1 GBP : 107.1291  
INR / 1 EUR : 89.0630  
INR /100 JPY: 54.1500

### **EQUITY MARKET**

Sensex: 77580.31 (-110.64)  
NIFTY: 23532.70 (-26.35)  
Bnk NIFTY: 50179.55 (+91.20)

### **Courses conducted by BFSI Board**

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- ❖ **Certificate Course on Credit Management of Banks**
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- ❖ **Certificate Course on Investment Management**
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- ❖ **Advance Certificate Course on FinTech**

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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)**

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