



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

www.icmai.in



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

18 June 2024



ECONOMY

US markets inch up, trade near record highs, S&P 500 up 0.2%; GIFT Nifty flat: The US markets edged higher on June 17, continuing the previous week's rally on the back of the strong performance of tech stocks and cooling inflation. At 9:15pm IST, the S&P 500 hovered close to its 52-week high, up 0.19 percent at 5442. The Nasdaq Composite moved 0.18 percent higher to 17,720 and the Dow Jones Industrial Average also traded flat-to-positive at 38,599. Top gainers in the market included Apple, Walt Disney and P&G which surged between 1.5 to 4 percent higher while Salesforce.com, UnitedHealth and Merck & Co fell nearly 1.5 to 3.5 percent. The GIFT Nifty also traded flat-to-positive, while the Indian markets remained shut on Monday. The European markets traded mixed, owing to the pressure of Emmanuel Macron's snap election in France. CAC surged nearly one percent to 7,571.57 even though the index lost its title as the biggest equity market in Europe to the United Kingdom.

(Moneycontrol)

Budget 2024: Modi govt mulls income tax rate cut for earnings over ₹15 lakh, says report: To boost consumption, the National Democratic Alliance (NDA) government led by Prime Minister Narendra Modi is considering lowering income tax rates for certain categories of individuals, a report by news agency Reuters said, citing two government sources. The new income tax rates could be announced in July when Finance Minister Nirmala Sitharaman presents the full Union budget for the fiscal year 2025. "A cut in personal tax could boost consumption in the economy and increase savings for the middle class," the report said. "The category of individuals that may see some tax relief are those earning over ₹1.5 million (₹15 lakh) annually, up to a certain amount which is yet to be determined," the report added. The central government may also explore reducing the income tax rates for annual incomes of ₹10 lakh, and a "new threshold was being discussed for income taxed at the highest rate of 30 per cent under the old tax system," said the report.

(Mint)



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



www.icmai.in

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

BANKING & FINANCE



Public sector banks maintain significant lead in Indian banking landscape: The SBI report indicates that PSBs hold over 50% of the market share, branches, and ATMs, and maintain a significant lead in terms of total deposits and credit cards issued . The report indicates that public sector banks hold over 63 per cent of the total ATMs in the country, whereas private banks manage only 35 per cent. In terms of deposits, the report reveals that public sector banks maintain a significant lead, accounting for 59 per cent of the total deposits made by the public. In contrast, private banks hold a smaller share, with only 32 per cent of total deposits. This substantial deposit base highlights that people trust more on the public sector banks. The digital banking landscape in India also sees public banks at the forefront. PSBs lead with over 54 per cent of all credit cards issued in the country. Private banks, on the other hand, hold a 37.8 per cent share of the credit card market.

(Business Line)

Kotak Bank bets big on MSME loan uptick: Private-sector lender Kotak Mahindra Bank is betting big on the micro, small and medium enterprises (MSME) segment, and sees fresh demand for working capital and term loans in the second half of the current fiscal year, as rural uplift takes priority in the third innings of Prime Minister Narendra Modi. Kotak Mahindra Bank expects sectors such as infrastructure, agriculture and allied industries associated with it to see higher capex demand in the coming months. "As consumption demand picks up it will aid working capital and term loan demand in the MSME space," said Manish Kothari, president and head-commercial banking at Kotak Mahindra Bank. "We are seeing an uptick in utilisation by a few percentage points.

(Economic Times)

Lenders made better recovery in large IBC cases: Official data: Lenders made a better recovery in the case of large stressed firms, each with a default of at least ₹1,000 crore, than the smaller ones under the Insolvency and Bankruptcy Code (IBC), official data showed. Data compiled by the Insolvency and Bankruptcy Board of India (IBBI) showed that creditors recovered 33.2% of their admitted claims from 152 large stressed firms until March 2024 since the IBC was adopted in late 2016. However, the recovery from all the 947 bankrupt firms that saw resolution until March 2024 stood at 32.1%, indicating that lenders to smaller firms had to take larger haircuts.

(Economic Times)



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



www.icmai.in

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

INDUSTRY OUTLOOK



Air India to start own flying school, in a first in country: Anticipating a shortage of pilots, Air India is setting up a school in Maharashtra's Amravati to train as many as 180 pilots a year. This is a major shift in strategy on how Indian airlines have looked to train pilots- where till now major carriers like IndiGo, SpiceJet have set up branded training programs affiliated with independent flight schools. For instance, IndiGo has a tie-up with 7 flight schools.

(Economic Times)

Vi dials lenders for Rs 23,000 cr term loans, seeks Rs 10,000 cr in bank guarantees: Vodafone Idea (Vi) has proposed borrowing Rs 23,000 crore from banks in term loans — and sought another Rs 10,000 crore in bank guarantees — as the country's third-largest telco looks to line up the capital expenditure necessary to compete effectively with bigger rivals Reliance Jio and Airtel in a telecom market that had once threatened to slip into a duopoly. The Vodafone Plc and Aditya Birla Group joint venture, which recently satisfied long-pending demands from the lenders to commit more equity to the business, submitted the term loan proposal at a meeting of a State Bank of India (SBI)-led banking consortium a few days ago, people familiar with the matter said. The loans sought are part of the targeted Rs 55,000-crore (\$6.6 billion) capex funding Vi needs to boost 4G coverage and kickstart greenfield 5G rollouts in key markets.

(Economic Times)



REGULATION & DEVELOPMENT

RBI cancels licence of Purvanchal Co-op Bank, Ghazipur: The Reserve Bank has cancelled the licence of Purvanchal Co-operative Bank, Ghazipur, Uttar Pradesh as it does not have adequate capital and earning prospects. The Commissioner for Cooperation and Registrar of Cooperative Societies, Uttar Pradesh has also been asked to issue an order for winding up the bank and appoint a liquidator, the RBI said in a statement. On liquidation, every depositor would be entitled to receive



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



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

www.icmai.in

deposit insurance claim amount of his/her deposits up to Rs 5 lakh only from Deposit Insurance and Credit Guarantee Corporation (DICGC). As per the data submitted by the Purvanchal Co-operative Bank, about 99.51 per cent of the depositors are entitled to receive full amount of their deposits from DICGC, the RBI said.

(Economic Times)

Oil prices advance on hopes for demand boost in northern hemisphere: Oil prices advanced on Monday on hopes for a demand boost during the summer season in the northern hemisphere. At 1212 GMT, the benchmark Brent crude futures were higher by 33 cents, or 0.4 per cent, to \$82.95 a barrel. US West Texas Intermediate crude futures added 25 cents, or 0.3 per cent, to \$78.70. Traders also weighed a raft of data from China. The industrial output and fixed asset investment posted slower growth, and oil refining also dropped to the lowest rate this year after more oil refineries were closed for maintenance.

(Mint)



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

www.icmai.in

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



Fax



FINANCIAL TERMINOLOGY

CONTAGION

- ❖ A contagion can be explained as a situation where a shock in a particular economy or region spreads out and affects others by way of, say, price movements.
- ❖ The contagion effect explains the possibility of spread of economic crisis or boom across countries or regions. This phenomenon may occur both at a domestic level as well as at an international level. The failure of Lehman Brothers in the United States is an example of a domestic contagion.
- ❖ The fundamental underlying this scenario where price movements in one market are resultant of shocks or volatility in the other market is that there is a perfect information flow. With increasing interdependence and correlation between economies, this possibility has increased. While internationally, there could a number of other factors governing trade, which may influence the extent of this contagion effect across geographies.



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 : 83.5458
INR / 1 GBP : 106.3694
INR / 1 EUR : 89.5505
INR /100 JPY: 52.8900

EQUITY MARKET

Sensex: 76992.77 (+181.87)
NIFTY: 23465.60 (+66.70)
Bnk NIFTY: 50002.00 (+155.30)

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
BFSIB portal of the ICMAI
website**

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 2nd Edition)**
- To purchase please visit
BFSIB portal of ICMAI**

TEAM BFSIB

**Banking, Financial Services & Insurance Board
The Institute of Cost Accountants of India (ICMAI)**

Disclaimer: Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICMAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICMAI. For Restricted Circulation only. A Compilation of News in this regard from Secondary Sources.