



**ICMAI**  
THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA  
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## **DAILY NEWS DIGEST BY BFSI BOARD**

**20 April 2024**



## **ECONOMY**

**MPC Minutes: Inflation concerns continue to dominate policy review:** Majority of Reserve Bank of India (RBI) monetary policy committee members expressed caution on upside risks to inflation, particularly emanating from uncertainties in food prices, at the panel's policy review, showed the minutes of the meeting on April 19. "While low core inflation would further the disinflation process, concerns remain on food inflation outlook. We need to remain watchful on upside risks to inflation outlook from adverse climatic factors, supply side shocks and geopolitical events," said Rajiv Ranjan in RBI minutes. Adding to this, RBI Deputy Governor Michael Debabrata Patra said recent inflation prints and high frequency data on salient food prices indicate that food inflation risks remain elevated. In March, India's retail inflation eased to a ten-month low of 4.85 percent, as against 5.09 percent in February. This data was released by the Ministry of Statistics and Programme Implementation on April 12.

***(Moneycontrol)***

**Rupee hits new intraday low, bond yields surge amid geopolitical tensions:** The rupee hit a new intraday low of 83.57 against the US dollar on Friday as geopolitical tensions escalated in West Asia but pared losses after Iran downplayed the impact of an Israeli missile attack. The Indian unit closed the day at 83.47 a dollar, compared to 83.54 on Thursday. The yield on the benchmark 10-year-government bond rose by 4 basis points (bps) to settle at 7.23, compared to 7.19 per cent on Thursday. "Global leaders' calls for restraint eased market fears, leading to a recovery in the rupee after an initially weak opening. With the Indian elections underway, rupee volatility within the range is expected to persist.

***(Business Standard)***

**India may need \$500 billion capex in power transmission by FY50:** India's power transmission capex requirement will be over \$500 billion by FY50, 30% of the overall energy transition capital outlay, Goldman Sachs estimates. "Power transmission is key to India's energy



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transition and global new energy cost leadership ambitions. India's large, highly integrated grid enables the utilisation of least-cost renewable generation sites, and by keeping the central grid access free, the government is assisting the viability of renewable projects via indirect financial support worth \$270 billion," Goldman Sachs said in a report.

***(Financial Express)***

**For the first time in a decade, top 3 IT services firm see dip in headcount:** Once a major force for offering employment in the country, IT services firms have seen a reduction in their workforce for the first time in at least a decade. Large Indian IT firms pruned their workforce during fiscal 2024 as business took a hit due to global slowdown in tech spends. For instance, the largest Indian IT services firm Tata Consultancy Services, which has over 6 lakh employees, reported that its total headcount has declined by 13,249 in FY24. This is the first declined for the company in 19 years. Infosys and Wipro have also reported declining headcount.

***(Business Line)***

## **BANKING & FINANCE**



**In fight against online frauds, banks moot syncing systems with MHA's cybercrime portal:** what could pave the way for a faster freeze on fraudsters' accounts in case of a cyberattack, banks have proposed an integration of their systems with the National Cybercrime Reporting Portal (NCRP), an arm of the ministry of home affairs. This is aimed at restraining perpetrators of digital crimes and phishing attacks from quickly moving money from a target's bank account to accounts with multiple banks before it's withdrawn or spent — a ploy used by cyber shysters and voice phishers to make it tougher for banks and cops to salvage the funds.

***(Economic Times)***

**Banks mull options on using iris scans for verifying transactions:** India's commercial banks are looking to use iris scans for authenticating transactions, mainly to assist senior citizen customers, said people aware of the matter. The banks are in talks with Reserve Bank of India (RBI) among stakeholders, for using iris scans as ageing has been found to distort fingerprints or thumb impressions, making them less reliable for authentication.

***(Economic Times)***



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**Ajith Kumar KK named CEO of Dhanlaxmi Bank:** The Reserve Bank of India (RBI) has approved the appointment of Ajith Kumar KK as the managing director and chief executive of Dhanlaxmi Bank for three years, replacing JK Shivan. Kumar is serving as the chief human resources officer at Federal Bank, and has an experience of more than 36 years in credit, human resources, business and branch banking.

*(Economic Times)*

**Bank credit surges 16% in fiscal year, marks fastest growth in a decade:** Bank credit during the fiscal year gone by grew by 16%, the fastest in the last 10 years reflecting their higher appetite for lending backed by stronger financial metrics with the systemic cleansing of their balance sheets. Bank credit growth hit a decade high of 16% in the fiscal year, driven by strong retail demand despite rising interest rates and supported by corporate loan demand post HDFC merger, as per RBI data.

*(Economic Times)*

## INDUSTRY OUTLOOK



**ReNew signs pact with Japan's JERA for green ammonia project:** ReNew Energy Global on Thursday said that it has signed an initial agreement with JERA, Japan's largest power generation company, to jointly evaluate development of a green ammonia production project in the country. Under the agreement, ReNew, through its subsidiary, ReNew E-Fuels, will jointly evaluate with JERA the project in Paradip, Odisha. The project will utilise nearly 500 MW of high-capacity utilisation factor (CUF) renewable energy to produce green hydrogen, a key feedstock for green ammonia. The project is likely to have a production capacity of nearly 100,000 tonne of green ammonia annually by 2030. JERA will have the right to offtake this green ammonia for Japan. There will be a joint study to evaluate the commercial viability of the project.

*(Business Standard)*

**MCA seeks inputs from shareholders to revamp IBC rules:** The Ministry of Corporate Affairs (MCA) has sought stakeholders' comments to revamp various rules under the Insolvency and Bankruptcy Code (IBC), including those relating to personal guarantors, financial services providers and the pre-packaged scheme. In a notice, the ministry also said it's seeking to tweak the rules on the application to the adjudicating authority, the annual statement of accounts and the annual report



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rules, as stipulated by the Insolvency and Bankruptcy Board of India (IBBI). The notice has been uploaded on the IBBI website.

***(Economic Times)***

**Cred receives in-principle approval from RBI for payment aggregator business:** Fintech firm Cred has received in-principle approval from the Reserve Bank of India (RBI) for the payment aggregation (PA) business, said people familiar with the development. Once it gets the final approval, the Peak XV-backed Bengaluru-based startup, which primarily runs a credit card bill payment platform for creditworthy customers, can double down on the merchant payments business too, joining the ranks of Razorpay and Cashfree.

***(Economic Times)***



## **REGULATION & DEVELOPMENT**

**Sebi proposes special call auction for price discovery of holdcos:** The Securities and Exchange Board of India (Sebi) on Friday proposed a new framework for price discovery of listed investment holding companies (holdcos) to address the gap between their traded price and book value. Investment holding companies (IHCs) are firms that only hold investments in different asset classes including shares of other listed companies, mostly belonging to group firms. These IHCs usually trade at a high discount to the value of their holdings. “A special call-auction mechanism without price band may be enabled for listed ICs and IHCs, whose shares are trading beyond a certain discount to their book value,” said Sebi in a consultation paper. Price band refers to thresholds like 5 per cent, 10 per cent, or 20 per cent put in place to keep volatility in check and place risk management and surveillance measures in place. Under the proposal, stock exchanges will have to provide a special call auction mechanism for such companies. The exchanges will have to give a seven-day prior notice before initiating this special call auction. This mechanism will be considered successful if at least 5 unique buyers and sellers participate in the call auction.

***(Business Standard)***

**Big jump in Ujjwala LPG numbers; 103.3 million in FY24:** The government under its flagship Pradhan Mantri Ujjwala Yojana has been able to extend the benefits of clean cooking fuel to 103.3 million households between the start of the scheme and the end of 2023-24, according to data from the Petroleum Planning and Analysis Cell. Additionally, sales of domestic liquified petroleum gas



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(LPG) by the state-owned oil marketing companies stood at 26.21 million tonnes in 2023-24 up from 25.38 million tonnes in 2022-23.

*(Financial Express)*

**SC overrules Bombay HC on jurisdiction of special courts in bankruptcy cases:** The Supreme Court has clarified that special courts presided by a sessions or additional sessions judge can try complaints under the Insolvency and Bankruptcy Code 2016. The court set aside a Bombay High Court's decision that only special courts consisting of a metropolitan or judicial magistrate (JM) were empowered to hear complaints under the bankruptcy law.

*(Economic Times)*



## FINANCIAL TERMINOLOGY

### IMPLIED VOLATILITY (IV)

- ❖ The term implied volatility refers to a metric that captures the market's view of the likelihood of future changes in a given security's price. Investors can use implied volatility to project future moves and supply and demand, and often employ it to price options contracts.
- ❖ Implied volatility isn't the same as historical volatility (also known as realized volatility or statistical volatility), which measures past market changes and their actual results.
- ❖ IV is often used to price options contracts where high implied volatility results in options with higher premiums and vice versa.
- ❖ Supply and demand and time value are major determining factors for calculating implied volatility.
- ❖ Implied volatility usually increases in bearish markets and decreases when the market is bullish.



### **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 : 83.5214  
INR / 1 GBP : 103.7959  
INR / 1 EUR : 88.8874  
INR /100 JPY: 54.0900

### **EQUITY MARKET**

Sensex: 73088.33 (+599.34)  
NIFTY: 22147.00 (+151.15)  
Bnk NIFTY: 47574.15 (+504.70)

### **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)**
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### **TEAM BFSIB**

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