



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

**20 September 2024**



## **ECONOMY**

**S&P 500 hits all-time high on Wall Street investors soft-landing hopes:** Wall Street traders betting the Federal Reserve will be able to engineer a soft landing spurred a rally in riskier corners of the market, with stocks hitting all-time highs. Almost every major group in the S&P 500 gained, with the benchmark up 1.7% and poised for its 39th record this year. The Nasdaq 100 climbed 2.9% and the Russell 2000 of small caps extended its advance into a seventh straight session. Bitcoin jumped 5%. Bonds and the dollar fell. “Despite some volatility after the Fed’s rate cut, the S&P 500’s bullish trend remains intact,” said Fawad Razaqzada at City Index and Forex.com. “The Fed’s decision to deliver a 50-basis point rate cut was largely welcomed by investors. The move was seen as a bold but necessary step to ease economic concerns without sending panic signals reminiscent of the 2008 financial crisis.”

***(Moneycontrol)***

**India to be third largest economy by 2030-31; grow 6.7% per annum: S&P Global:** The Indian economy will grow 6.7 percent annually between now and 2030-31 or become the third largest economy in the world, S&P Global said on September 19. “India’s medium-term prospects are healthy and filled with opportunities in multiple sectors including trade, agriculture, and AI, likely structural reforms and growing energy demands. India is poised for growth, and with a young and dynamic workforce well-positioned to shape the global economic landscape,” said Abhishek Tomar, Head- S&P Global India Leadership. In the first edition of its report titled “India Forward: Emerging Perspectives”, the global research firm noted that continued reforms were necessary to boost private investment and reduce reliance on public capital.

***(Business Line)***

**Amit Shah launches 'White Revolution 2.0' to boost Indian dairy sector:** Union Minister Amit Shah unveiled 'White Revolution 2.0', a comprehensive initiative aimed at empowering women farmers and creating job opportunities. The programme focuses on four key areas - empowering women farmers, enhancing local milk production, strengthening dairy infrastructure, and boosting dairy exports. "Maximum women are engaged in the dairy sector, with some generating business



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worth Rs 60,000 crore in Gujarat alone. This new initiative will focus on empowering women and further strengthening the fight against malnutrition," Shah said. The minister also launched the nationwide rollout of RuPay Kisan Credit Cards for dairy farmers and the installation of micro-ATMs at dairy cooperative societies. Additionally, he released standard operating procedures for the computerisation of 67,930 Primary Agriculture Credit Societies (PACS). Under White Revolution 2.0, the government aims to increase milk procurement by dairy cooperative societies by 50 per cent over the next five years. The plan involves setting up and strengthening 100,000 new and existing district cooperative societies, multi-purpose district cooperative societies, and multi-purpose PACS, which will be linked to milk routes with necessary infrastructure.

***(Business Standard)***

## **BANKING & FINANCE**



**RBI lifts restrictions imposed on IIFL Finance's gold loan business:** IIFL Finance Ltd said on September 19 that the Reserve Bank of India (RBI) has lifted restrictions imposed on the company's gold loan business. "RBI, through its communication dated September 19, 2024, has lifted the restrictions imposed on the gold loan business of the company. The RBI's decision is effective immediately and allows the Company to resume the sanctioning, disbursement, assignment, securitisation, and sale of gold loans in compliance with all relevant laws and regulations," said IIFL Finance in a stock exchange filing.

***(Moneycontrol)***

**Financial Action Task Force urges India to accelerate prosecutions in financial fraud cases, places India in 'regular follow-up' category:** The Financial Action Task Force (FATF) has urged India to accelerate its prosecutions in financial fraud cases. Meanwhile, India has been placed in the 'regular follow-up' category, based on actions against fugitive economic offenders like Vijay Mallya and Nirav Modi, among others. A significant milestone and a proud moment in our fight against money laundering and terrorist financing, the Finance Ministry said in a social media post.

***(Business Line)***

**RBI to infuse Rs 25K cr via VRR as liquidity turns deficit after two months:** Banking system liquidity fell into deficit mode on Tuesday after more than two months on the back of GST outflows and advanced tax payments, market participants said. The last time liquidity was in the



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deficit was on June 27. On Wednesday, the liquidity deficit stood at Rs 2,626 crore, according to the latest data by the Reserve Bank of India (RBI). Consequently, RBI announced on Thursday that it plans to conduct a 14-day variable rate repo (VRR) auction on Friday to infuse up to Rs 25,000 crore in the banking system. Market participants said the banking regulator may conduct more VRR auctions to infuse liquidity if the weighted average overnight money market rates do not align with the repo rate. The average systemic liquidity surplus in August stood at Rs 1.49 trillion, up from Rs 1.02 trillion in July. Over the past 12 months, the average liquidity was Rs 0.49 trillion.

***(Business Standard)***

## INDUSTRY OUTLOOK



**R-Power becomes debt free, Infra recasts debt; shares spike:** Reliance Infrastructure on Wednesday announced that the company has significantly reduced its standalone external debt, bringing the amount down from Rs 3,831 crore to Rs 475 crore. Consequently, the Anil Ambani-led firm said that the net worth of the company will stand at around Rs 9,041 crore. In a regulatory filing, Reliance Infrastructure said that Invent Assets Securitisation and Reconstruction Private Limited, a lender to the company, has novated certain charged securities to recover its dues. This, it added, resulted in Invent ARC's entire fund based outstanding amount reducing to zero.

***(Financial Express)***

**Govt to transform India Post into logistics firm: Jyotiraditya Scindia:** The government is looking to transform India Post into a logistics company and increase its revenue by 50-60% in the next 3-4 years, communications minister Jyotiraditya Scindia said on Wednesday. This assumes significance as the government-owned India Post is into delivering mails and letters besides having banking and deposits services. The post department's transformation is crucial, given the competition it is witnessing from private logistics players with regard to its bread and butter business of delivering parcels, mails and letters.

***(Financial Express)***

**Samsung sues Indian labour union over strike that disrupted production:** Samsung Electronics' Indian unit has sued members of a labour union that has led a strike for 11 days at its only India home appliances plant in the southern state of Tamil Nadu, escalating tensions with its workers, legal papers show. Samsung's lawsuit dated Sept. 12, which Reuters is the first to report, asks a



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district court in the state for a temporary injunction to restrain the union and its members from agitating, sloganeering and making speeches in and around the factory located near Chennai.

**(Business Line)**

**Combined value of top 75 brands up 19% to \$450.5 bn, TCS tops chart: Report:** The combined valuation of India's top 75 valuable brands has gone up at an "impressive growth" rate of 19 per cent to \$450.5 billion, according to the Kantar BrandZ report. India's leading IT firm TCS remained the most valuable brand for the third straight year, followed by HDFC Bank, Airtel, Infosys and SBI, the report said. "With a brand value of \$49.7 billion, TCS has seen a 16 per cent rise versus last year, driven by investments in innovation, particularly in AI and digital transformation," it said.

**(Business Line)**



## REGULATION & DEVELOPMENT

**Sebi bars Axis Capital from acting as investment banker in debt market until further orders:** The market regulator has restrained Axis Capital (ACL) from undertaking any new assignments in the capacity of merchant banker, arranger or underwriter for any issue of securities in the debt segment. In an interim order issued on September 19, the Securities and Exchange Board of India (Sebi) has also asked ACL to reply within 21 days to the observations made in the order. The regulator looked into the allegation that ACL extended itself beyond activities permitted to a merchant banker in the issue of listed non-convertible debentures (NCDs) of Sojo Infotel. According to the interim order passed by Sebi's Whole-time Member (WTM) Ashwani Bhatia, "ACL provided guarantee/indemnity towards redemption of NCDs in the guise of underwriting, which it was not permitted to do under the existing regulatory framework. Such activity poses risk to the financial system as it can potentially disrupt the orderly functioning of the market."

**(Moneycontrol)**

**Sebi amends rules to streamline public issuance of debt securities:** Markets regulator Sebi has amended rules to streamline the process for public issuance of debt securities aimed at providing faster access to funds for such issuers. Under the amended rules, Sebi has reduced the period for seeking public comments on the draft offer documents from 7 working days to 1 day for issuers whose specified securities are already listed and 5 days for other issuers. "The issuers whose specified securities are listed on a recognised stock exchange having nationwide trading terminals shall post the draft offer document filed with stock exchange(s) for one day immediately after the date of filing the





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draft offer document with stock exchange(s)," the regulator said in a notification. Also, the minimum subscription period has been cut from 3 to 2 working days. Further, in case of revision in the price band or yield, the bidding period disclosed in the offer documents, can be extended by one working day instead of three working days.

***(Business Standard)***

**One startup per district: Digital portal BHASKAR launched to push growth:** Union Minister Piyush Goyal on Thursday launched the Bharat Startup Knowledge Access Registry (BHASKAR) initiative, a central hub for startups, investors, service providers, and government bodies to collaborate and share ideas. The BHASKAR portal is aimed at connecting relevant stakeholders of the startup ecosystem, such as mentors and investors among others to promote the industry's growth. The portal will have features such as centralised access to resources, networking and collaboration, and creating personalised identification, among others.

***(Business Standard)***



## FINANCIAL TERMINOLOGY

### WITHHOLDING TAX

- ❖ The term "withholding tax" refers to the money that an employer deducts from an employee's gross wages and pays directly to the government. The amount withheld is a credit against the income taxes the employee must pay during the year.
- ❖ The vast majority of people who are employed in the United States are subject to tax withholding. Nonresident aliens are also subject to withholding taxes on earned income as well as on other income such as interest and dividends from the securities of U.S. companies that they own.



### **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 : 83.6172  
INR / 1 GBP : 110.7766  
INR / 1 EUR : 93.1440  
INR /100 JPY: 58.7200

### **EQUITY MARKET**

Sensex: 83184.80 (+236.57)  
NIFTY: 25415.80 (+38.25)  
Bnk NIFTY: 53037.60 (+287.20)

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

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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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