



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

21 December 2024



ECONOMY

Market logs biggest weekly crash in 2 years: It was bloodbath on Dalal Street this week as benchmark indices--the Sensex and the Nifty 50 recorded their steepest weekly fall in two years. The culprits? The Federal Reserve's cautious stance and a shallower rate cut trajectory for 2025 which intensified FII selling in the domestic market. With yesterday's fall, the Sensex shed 5 percent for the week, plummeting over 1,000 points for three out of the five sessions. As a result of the relentless fall, around Rs 17 lakh crore worth of market cap was wiped out of BSE-listed firms. On the other hand, the Nifty 50 which also happened to drop around 5 percent this week, slipped below its 200-day exponential moving average (DEMA) to fall back into the correction territory. This means that the Nifty 50 is now down over 10 percent off its record high.

(Moneycontrol)

Bitcoin crashes 9% to go below \$93,000 amid post-Fed jitters: The largest cryptocurrency Bitcoin fell sharply on December 20, amid broader investor caution toward risk assets post-hawkish tilt by the US Federal Reserve earlier this week. Bitcoin traded at around \$92,292.07 at 6 pm IST, down over 9% from 24 hours before where it was priced above \$102,000. Bitcoin hit an all-time high at \$108,309 just this week, but has since sold off aggressively. The US Fed rattled markets in recent days as it signaled fewer rate cuts next year. Equity markets took a hit, filtering through to crypto assets. Federal Reserve Chair Jerome Powell said on Wednesday the U.S. central bank has no desire to be involved in any government effort to stockpile large amounts of bitcoin. "We're not allowed to own bitcoin," Powell said at a press conference following the Fed's latest two-day policy meeting, in which policymakers cut rates as expected while signaling a less certain path for monetary policy in the months ahead.

(Moneycontrol)

Priority should be restoring inflation-growth balance: Das at last MPC meet : Policy priority should be on restoring the inflation-growth balance, said Shaktikanta Das, former Reserve



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

Bank governor, while voting for a status quo on the short-term lending rate earlier this month. Das, and three other members of the rate-setting panel -- Monetary Policy Committee -- voted in favour of keeping the repo rate at 6.25 per cent, while the other two members favoured reduction in the rate. In its December bi-monthly monetary policy, the Reserve Bank of India (RBI) kept repo rate unchanged but cut the cash reserve ratio that banks are required to park with the central bank, as it did a balancing act between inflation management and supporting economic growth.

(Economic Times)

India's foreign exchange reserves decline by \$1.9 bn to almost 6 month low: India's foreign exchange reserves fell by \$1.9 billion to \$653 billion, around six months low, in the week ended December 13, latest data by the Reserve Bank of India showed. The reserves fell to their lowest since June 28. The total reserves fell on the back of decline in foreign currency assets which fell by \$3 billion during the week. The reserves stood at \$655 billion in the week ended December 6. It had declined by \$3.2 billion during the week. On the other hand, gold reserves increased by \$1.1 billion in the previous week, data showed. Additionally, the special drawing rights (SDRs) were down \$35 million to \$17.997 billion.

(Business Standard)

BANKING & FINANCE



SC sets aside NCDRC's 2008 order that barred banks from charging interest rates over and above 30% from credit card holders: Supreme Court removes 30% interest cap on late credit card bill payments. Deciding a 16-year-old appeals by private lenders including Citibank, Standard Chartered Bank, American Express, and Shanghai Bank, the Supreme Court on Friday set aside the National Consumer Disputes Redressal Commission's 2008 order that barred banks from charging interest rates over and above 30% from credit card holders. This in effect means that charging interest at rates in excess of 30% per annum by the banks is not an unfair trade practice, as ruled by the consumer court earlier. The National Commission in its July 7, 2008 judgement had ruled that allowing banks to charge exorbitant interest rates of 36% to 49% per annum from their credit card holders for default on payment before the due date would be in clear violation of public policy. The banking industry had argued that the advising interest rate is an occupied statutory field reserved by legislature for Reserve Bank of India to regulate, which is being done by RBI.

(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

RBI imposes Rs 27.30 lakh penalty on IndusInd Bank: A penalty of Rs 27.30 lakh has been imposed on IndusInd Bank for non-compliance with certain provisions of norms related to 'interest rate on deposits', the Reserve Bank said on Friday. The RBI had conducted a statutory inspection for supervisory evaluation of the bank with reference to its financial position as on March 31, 2023, and had issued a notice to the private sector lender. After considering the reply of IndusInd Bank to the notice, additional submissions made by it, RBI said, it found, inter alia, that the charge pertaining to opening of certain savings deposit accounts in the name of ineligible entities was sustained, warranting imposition of monetary penalty.

(Economic Times)

RBI conducts 7-day VRR auction as liquidity deficit widens: RBI conducted a seven-day variable rate repo auction (VRR) for an amount of Rs 1.50 lakh crore. At the auction, the central bank got bids worth Rs 2.01 lakh, indicating at strong demand for funds from banks amid huge liquidity deficit, said interbank call money traders. The liquidity deficit in the banking system widened on the account of outflows pertaining to advance tax payments and goods and services tax, said call traders. According to the latest RBI data, the liquidity was in a deficit of Rs 1.62 lakh crore against Rs 1.51 lakh crore on Wednesday. Consequently, during the day, the call rates surged to 7% and Tri-party repo rate rose to 6.78%

(Financial Express)

Shriram Finance announces green finance vertical, aims Rs 5,000 crore under AUM in 4 years: Shriram Finance, India's second-largest Non-Banking Financial Company (NBFC) on Friday announced that it has consolidated all its green financing initiatives under Shriram Green Finance with Rs 5000 crore Asset Under Management (AUM) target for the new vertical over the next four years. The green finance vertical will be built through financing electric vehicles (EV), including two-wheelers, battery charging stations and renewable energy products, the NBFC's top executives said at a media conference, adding that, "building on its existing expertise in financing electric vehicles, Shriram green finance will provide sharper focus and clarity to its sustainability efforts."

(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



Imposing GST on FSI charges could increase housing prices by 10%, adversely impact demand: Developers: Real estate developers across the country have urged the central government to reconsider the proposal of bringing FSI (floor space index) and additional FSI charges within the scope of Goods and Services Tax (GST), as the move may trigger an increase in property prices. The Confederation of Real Estate Developers Associations of India (CREDAI), in a letter addressed to the Finance Minister Nirmala Sitharaman, on December 20 urged the Centre to reconsider the proposition of charging 18 percent GST on FSI/ Additional FSI charges paid to local authorities for real estate projects. According to CREDAI, this move would have a substantial incremental impact on project costs, further pushing housing prices up by approximately 10 percent across various parts of the country. Imposing GST on these charges would also affect not just housing demand but also supply as it would raise significant economic and viability concerns.

(Moneycontrol)

States ask FM for more funds under loan scheme, higher borrowing cap: Finance ministers of states demanded an increase in allocation of 50-year interest free loan, while fiscally stressed states like Punjab and Kerala pitched for a special package and borrowing flexibility, sources said. In a pre-budget meeting with Union Finance Minister Nirmala Sitharaman, states have also urged for higher borrowing limits to support fiscal activities, besides additional funds for Jal Jeevan Mission to arrange for tanks and storage to enhance water supplies. Sources said in the meeting, Maharashtra wanted funds for Mukhyamantri Majhi Ladki Bahin Yojana and demanded that a Centrally Sponsored Scheme (CSS) be launched with the Centre & state sharing 50 % of the cost each.

(Business Standard)

NSE imposes new eligibility conditions for SME IPOs day after Sebi nod: The National Stock Exchange (NSE) on Thursday brought into effect stricter eligibility norms for listing of small and medium enterprises (SMEs), just a day after the Securities and Exchange Board of India (SEBI) in principle approved them in a bid to protect the interest of retail investors. “SMEs desirous of listing its securities on NSE Emerge are required to fulfil all additional eligibility criteria in accordance with recent amendments approved by Sebi at its 208th Board Meeting,” NSE said in a circular dated December 20. Usually the norms are brought into force after the market regulator notifies them. But



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

NSE has stepped up and made the norms effective from December 19, although the Sebi norms have got just “in principle” approval and are yet to be notified.

(Business Standard)



REGULATION & DEVELOPMENT

Govt hikes copra MSP by up to Rs 420 to Rs 12,100/qtl for 2025: The government on Friday announced an increase in the MSP for copra by up to Rs 420 to Rs 12,100 per quintal for 2025 with a budget outlay of Rs 855 crore. The MSP for 'milling copra' has been increased by Rs 420 to Rs 11,582 per quintal, while for 'ball copra' by Rs 100 to Rs 12,100 per quintal for 2025, Information and Broadcasting Minister Ashwini Vaishnaw told reporters. The total financial implication would be Rs 855 crore.

(Moneycontrol)

FSSAI mandates quarterly reporting on disposal of rejected, expired food products: The Food Safety and Standards Authority of India (FSSAI) has asked all licensed food manufacturers and importers to submit quarterly data on actions taken to dispose off rejected or expired food products. The Food Safety Authority said this new provision was being introduced to ensure that rejected or expired food items are not being rebranded and sold for human consumption. It noted this was sometimes being done under the guise of selling cattle feed. FSSAI said it wants to track the quantity of food disposed off in real time. In its latest order, the Authority said this new provision is being introduced in the FoSCoS (Food Safety Compliance System) for all FSSAI Licensed Food Manufacturers, including Repacker and Relabeller and Importers.

(Business Line)

Sebi directs MIIs to adopt uniform policy on data sharing for research: The market regulator Securities and Exchange Board of India (Sebi) on Friday directed stock exchanges, clearing corporations, and depositories to adopt a uniform policy for sharing data meant for research and research publications undertaken by accredited academic institutions. These market infrastructure institutions (MIIs) have been asked to segregate such data into two baskets—one that can be shared with the public and the second that cannot be made public. The first basket will include only aggregate and analysed data, such as reporting and disclosure data mandated by regulators. Sebi



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

stated that the segregation is intended to prevent the disclosure of any personal, sensitive, or confidential information in the public domain.

(Business Line)



Implementing of National Agriculture Market (e-NAM) Platform

- ❖ Government is implementing National Agriculture Market (e-NAM) scheme wherein online trading of Agriculture and Horticulture commodities is done for transparent price discovery for farmers for their produce through competitive online bidding system.
- ❖ As on 31.10.2024, 1389 mandis of 23 States and 04 Union Territories (UTs) have been integrated with e-NAM platform. State-wise number of mandis integrated with e-NAM platform is given below. So far, 1.78 crore farmers, 2.62 lakhs traders and more than 4250 Farmer Producer Organizations (FPOs) are registered on e-NAM. The agricultural produce trades with a value of Rs.3.79 lakh crore have been recorded on e-NAM platform.
- ❖ e-NAM is a demand-driven scheme. The integration of mandis under the e-NAM platform is based on proposals received from State Governments/Union Territories, reflecting their demand and readiness. Mandis are integrated into the platform upon fulfilling the necessary infrastructure and technical requirements as per the e-NAM operational guidelines.



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 : 85.0880
INR / 1 GBP : 106.2908
INR / 1 EUR : 88.1705
INR /100 JPY: 54.2300

EQUITY MARKET

Sensex: 78041.59(-1176.46)
NIFTY: 23587.50 (-364.20)
Bnk NIFTY: 50759.20 (-816.50)

**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.
- ❖ Advance Certificate Course on FinTech

For details please visit
BFSIB portal of the ICMAI

**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.