



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

**22 October 2024**



## **ECONOMY**

**India's growth story intact: RBI Bulletin estimates 7.2% GDP for 2024-25:** Reaffirming the strength of India's economic growth, the Reserve Bank of India's October Bulletin projected real GDP growth at 7.2 percent for the fiscal year 2024-25. In the Bulletin, the RBI highlighted that the momentum in consumption and investment demand continues to fuel growth, with Q2 growth forecast at 7 percent and Q3 and Q4 at 7.4 percent each. "India's growth story remains intact as its fundamental drivers – consumption and investment demand – are gaining momentum," the Bulletin stated, adding that private consumption, boosted by improved rural demand and a strong agricultural outlook, will play a key role. Urban demand is also expected to remain resilient, supported by the services sector. The Bulletin further pointed to the government's emphasis on capital expenditure and healthy corporate and bank balance sheets as positive factors bolstering investment activity.

***(Moneycontrol)***

**DIIs net buy shares worth Rs 3,225 crore, FIIs net sell Rs 2,262 crore:** On October 21, Domestic Institutional Investors (DII) net bought shares worth Rs 3,225 crore. On the other hand, Foreign institutional investors (FIIs) net sold shares worth Rs 2,262 crore, provisional data from NSE showed. DIIs bought Rs 13,741 crore worth of shares and sold shares worth Rs 10,515 crore. Meanwhile, FIIs purchased Rs 11,982 crore in shares and offloaded equities worth Rs 14,244 crore during the trading session. In the year so far, FIIs have net sold shares worth Rs 2.21 lakh crore, while DIIs have bought shares worth Rs 4.95 lakh crore.

***(Moneycontrol)***

**Overseas direct investments surge 58% in six months of FY25 despite slowdown in September:** Overseas investments by Indians rose 58 per cent in the first six months of the current fiscal, data from Finance Ministry showed. However, outflow in September declined to a three-month-low. Experts feel that despite decline, on sequential basis, there is no let down in momentum.

***(Business Line)***



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## **BANKING & FINANCE**



**SBI to outsource running of 40% of onsite ATMs, marking largest such order:** State Bank of India (SBI) is planning to outsource the maintenance of 10,000 of its on-site automated teller machines (ATMs). Sources in the ATM vendor and cash logistics industry said the transaction will be the largest of its kind, and the bank is expected to float a request for proposal (RFP) in 45 days. SBI has around 25,000 on-site ATMs, and the RFP – on execution – will mean 40 per cent of such machines will be maintained by external agencies. The bank's total ATM base – onsite and off-site – stood at 63,580 in FY24.

***(Business Standard)***

**Finance Minister approves raising of posts of CGMs public sector banks:** Finance Minister Nirmala Sitharaman has approved the creation of Chief General Manager post (CGM), below board level, in five more nationalized banks including Bank of Maharashtra, Central Bank of India, and UCO Bank. Besides, Indian Overseas Bank and Punjab & Sind Bank would now elevate their General Managers (GM) to CGMs. Prior to this, CGM posts were available in six out of 11 nationalized banks. "While creating the said post, the Finance Minister has also approved the increase in the existing number of CGMs in the banks that already have CGM-level posts. This step will significantly enhance the administrative structure and efficiency of banks," the finance ministry said in a statement. This creation/increase will not only benefit the GMs elevating to the post of CGM but also benefit the immediate lower levels of executives, below GM level posts i.e. Deputy General Managers (DGM) and Assistant General Managers (AGM), as with the increase of 1 CGM level post, there will be an increase in 4 GM posts, 12 DGM posts and 36 AGM posts, it said.

***(Economic Times)***

**PhonePe slashes 60% of its customer support agents over 5 years in AI era:** PhonePe has cut its customer support staff by 60% over the past five years, shrinking from approximately 1,100 agents to just over 400 in the age of AI. During this same period, the fintech giant reported a remarkable 40-fold increase in transactions from FY18-19 to FY23-24, according to its annual report filed on October 21. "This efficiency was achieved by increasing automated customer service issue resolutions powered by AI-driven chatbots, to over 90%," the fintech major said in the annual report.

***(Economic Times)***



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**LIC, MCD directed to pay Rs 4.8 lakh claim, Rs 40,000 compensation:** The central Delhi consumer disputes redressal forum has directed the Life Insurance Corporation (LIC) and Municipal Corporation of Delhi (MCD) to pay a claim amount of Rs 4.8 lakh to the wife and daughter of a deceased cleaning staff of the civic body, along with a compensation of Rs 40,000, for causing them sufferings, harassment and mental agony. Rejecting the LIC's argument that the policies had lapsed, the forum also observed that the contract to deduct the premium amount from the salary and then remit it to the insurer was between the MCD and the LIC and the employee was unaware of the non-deduction of the said amount.

***(Business Standard)***

## INDUSTRY OUTLOOK



**Longer payment schedules adding to liquidity woes of exporters:** Apart from higher costs and other difficulties, the disruption caused by the two war zones in the world has added to the liquidity woes of India's exporters as they deal with longer payment schedules and the impact of the situation on export credit which is falling consistently since 2022. At the end of March 2022 quarter the outstanding export credit was at Rs 2.27 lakh crore and by the end of March this year it was down to Rs 2.17 lakh crore. Some part of the export credit that is given to agriculture and micro, small and medium enterprises comes under Priority Sector Lending (PSL). The export credit under PSL was down to Rs 11530 crore in August-end from Rs 21599 crore in August of 2022. While exports grew 15% between 2021-22 and 2023-24, the export credit has fallen by 5%.

***(Financial Express)***

**Union Bank Q2 FY25 results: Net up 34.4% on non-interest income boost:** Public sector lender Union Bank of India's (Union Bank) net profit during the second quarter of financial year 2024-25 (Q2 FY25) soared 34.43 per cent year-on-year (Y-o-Y) to Rs 4,720 crore, aided by a healthy rise in non-interest income. Its gross Non-performing Assets (NPAs) declined to 4.36 per cent in September 2024 from 6.38 per cent in September 2023. Net NPAs also declined from 1.30 per cent in September 2023 to 0.98 per cent in September 2024. The provision coverage ratio (PCR), including written-off accounts, stood at 92.79 per cent in September 2024 compared to 92.03 per cent a year ago.

***(Business Standard)***



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**State Bank of India to raise Rs 5,000 cr through AT-I bonds this week:** State Bank of India (SBI) is looking to raise Rs 5,000 crore this week in the domestic debt capital through non-convertible, perpetual, subordinated, unsecured Basel III compliant additional tier I (AT-I) bonds, sources said. The issue size is Rs 2,000 crore, with a green shoe option of Rs 3,000 crore. The bonds have been rated AA+ by domestic rating agency CRISIL and CARE. These AT-I bonds will have a call option on October 24, 2034 -- ten years after its issuance.

***(Business Standard)***



## REGULATION & DEVELOPMENT

**FinMin can't treat DRT officers as subordinates, says Supreme Court:** The Supreme Court on Monday reprimanded the finance ministry and sought an explanation from it for asking the Debts Recovery Tribunals (DRTs) to collect data for the ministry. A Bench comprising Justices Abhay S Oka and Augustine George Masih said the ministry cannot treat the judicial staff of the DRTs as its subordinates. "The ministry owes an explanation for calling upon DRTs to collect such huge data within such a short time. We are surprised to know that even DRTs were entrusted with the responsibility of collecting data regarding the amount recovered based on their orders," the court said. "We wonder how this exercise could have been done by DRTs. By filing an affidavit dated October 17, 2024, the Under Secretary of the Department of Finance has justified the action on the part of the ministry," the court added.

***(Business Standard)***

**Repayment of 'GOI FLOATING RATE BOND 2024':** The outstanding balance of 'GOI FLOATING RATE BOND 2024' is repayable at par on November 07, 2024. No interest will accrue thereon from the said date. In the event of a holiday being declared on repayment day by any State Government under the Negotiable Instruments Act, 1881, the Loan/s will be repaid by the paying offices in that State on the previous working day. As per sub-regulations 24(2) and 24(3) of Government Securities Regulations, 2007 payment of maturity proceeds to the registered holder of Government Security held in the form of Subsidiary General Ledger or Constituent Subsidiary General Ledger account or Stock Certificate, shall be made by a pay order incorporating the relevant particulars of his bank account or by credit to the account of the holder in any bank having facility of receipt of funds through electronic means. For the purpose of making payment in respect of the securities, the original subscriber or the subsequent holders of such Government Securities, shall





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submit the relevant particulars of their bank account well in advance. However, in the absence of relevant particulars of bank account / mandate for receipt of funds through electronic means, to facilitate repayment of the loan on the due date, holders may tender the securities, duly discharged, at the Public Debt Offices, Treasuries/Sub-Treasuries and branches of State Bank of India (at which they are enfaced / registered for payment of interest) 20 days in advance of the due date for repayment.

**(PiB)**



## FINANCIAL TERMINOLOGY

### INDEX OF INDUSTRIAL PRODUCTION (IIP)

- ❖ The Index of Industrial Production (IIP) is a composite indicator that measures the short-term changes in the volume of production of a basket of industrial products during a given period with respect to that in a chosen base period. In India, the first official attempt to compute the Index of Industrial Production (IIP) was made much earlier than the first recommendation on the subject came at the international level. With the inception of the Central Statistical Organization (now known as National Statistics Office (NSO)) in 1951, the responsibility for compilation and publication of IIP was vested with it.
- ❖ In India, the eight core industries account for 40.27 per cent of the weighting of items included in the Index of Industrial Production (IIP). The 8 core industries includes; Electricity, Steel, Refinery products, Crude oil, Coal, Cement, Natural gas and Fertilizers.
- ❖ The Index is used by government agencies and departments such as the Finance Ministry and the RBI for policymaking. It is also used for estimating the Gross Value Added of the manufacturing sector quarterly. It is the only measure of the physical volume of production. It is also extremely useful for the projection of advance GDP estimates.



### **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 : 84.0744  
INR / 1 GBP : 109.6112  
INR / 1 EUR : 91.2695  
INR /100 JPY: 56.2500

### **EQUITY MARKET**

Sensex: 81151.27 (-73.48)  
NIFTY: 24781.10 (-72.95)  
Bnk NIFTY: 51962.70 (-131.50)

### **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**

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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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