



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

23 October 2024



ECONOMY

IMF keeps India's FY25 GDP growth forecast unchanged at 7%: The International Monetary Fund (IMF) kept India's GDP growth forecast for FY25 unchanged at 7 percent, its new World Economic Outlook showed on October 22. "In India, the outlook is for GDP growth to moderate from 8.2 percent in 2023 to 7 percent in 2024 and 6.5 percent in 2025, because pent-up demand accumulated during the pandemic has been exhausted, as the economy reconnects with its potential," IMF said in its report. The multilateral development bank projected the economy to grow 6.5 percent in FY26, also unchanged from its previous outlook in July. The Indian economy had expanded 6.7 percent in the first quarter of FY25, according to data released by the government in August.

(Moneycontrol)

Indices fall to 2-month low on FPI selling, rising US bond yields: Benchmark indices fell over a per cent on Tuesday to their lowest in over two months on rise in US bond yields, sustained selling by foreign investors and disappointing domestic earnings. Lofty valuations, tensions in West Asia and "Buy China, Sell India" trade have triggered an exodus of hot money this month. Monthly selling by foreign portfolio investors in the cash market is nearing \$10 billion, with the investors offloading another ₹3,978 crore on Tuesday, taking the October selloff to \$9.95 billion. The Sensex plunged 930 points or 1.15 per cent to settle at 80,220, the lowest closing level since August 14. The Nifty fell 1.25 per cent to 24,472. Mid and smallcap indices came under selling pressure falling between 2.5 per cent and 3.8 per cent.

(Moneycontrol)

IMF upgrades US economic outlook, lowers expectations from Europe, China: The International Monetary Fund on Tuesday upgraded its economic outlook for the United States this year, while lowering its expectations for growth in Europe and China. It left its forecast for global growth unchanged at a relatively lackluster 3.2 per cent for 2024. The IMF expects the US economy the world's largest to expand 2.8 per cent this year, down slightly from 2.9 per cent in 2023 but an



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

improvement on the 2.6 per cent it had forecast for 2024 back in July. Growth in the United States has been led by strong consumer spending, fuelled by healthy gains in inflation-adjusted wages.

(Business Standard)

BANKING & FINANCE



Paytm swings back to profit at Rs 928.30 crore on gains from ticketing business sale, revenue drops by 34.1% YoY: One 97 Communications Ltd, the parent company of Paytm, on Tuesday reported its fiscal second quarter earnings with profit at Rs 928.30 crore, in comparison to a loss of Rs 290.50 crore during the corresponding quarter of previous financial year. “With a one-time exceptional gain of Rs 1,345 crore, on account of sale of entertainment ticketing business, we achieved PAT of Rs 930 crore in Q2 FY 2025,” the company said in a regulatory filing. It posted revenue from operations at Rs 1659.50 crore, down 34.1 per cent as against Rs 2518.60 crore during the same period of FY24. The company EBITDA went down at Rs 404 crore, posting an improvement of Rs 388 crore QoQ, on account of growth in revenue, cost optimisation (direct as well as indirect cost) and reduction in ESOP costs on account of ESOP lapses at the time of employee separation during the quarter.

(Financial Express)

Govt advances disinvestment process for IDBI Bank, due diligence to begin in November: Report: Government is pushing forward with the disinvestment of IDBI Bank, reported by ET NOW, citing official sources. The due diligence process for prospective bidders is set to commence in November, with financial bids for the bank’s strategic sale likely to be submitted in the fourth quarter of FY25. Interested bidders are expected to gain access to IDBI Bank’s data room within the next 15 days. These bidders have already obtained security clearance from the Home Ministry, and the finalization of the draft Share Purchase Agreement will begin shortly, according to the ET NOW report.

(Economic Times)

Irdai chairman Debasish Panda seeks more conglomerates to enter insurance: Insurance industry regulator Irdai chairman Debasish Panda on Tuesday asked more conglomerates to enter the insurance fray, pointing out that the Indian market offers handsome opportunities to grow. He also said that the watchdog is "nudging" more players to go for listing on the capital markets to create



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

more transparency and information, which will ultimately benefit shareholders and the sector as a whole. Panda refrained from commenting directly on news reports of a cut in the Goods and Services Tax, calling the issue as the one outside his realm. However, he said that Irdai would want to ensure that covers become more affordable, which will help deepen the reach, but was quick to add that cutting taxes is not the only way to do so. Addressing industry members at an event organised by lobby grouping CII, Panda said given the population of over 1.4 billion, there are opportunities even if the total number of entities exceeds 70.

(Economic Times)

Allianz considering an exit from Bajaj insurance JVs: Bajaj Finserv on Tuesday said that German company Allianz SE is actively considering to exit from the life and general insurance joint ventures (JV) with Bajaj Group, ending a partnership of over two decades. Bajaj Finserv holds a 74 per cent stake in the JV. It's shares were trading at Rs 1744.05 apiece on the BSE, down 0.85 per cent. Allianz, which holds the remaining 26%, has indicated its strategic priorities have shifted, prompting the potential exit.

(Economic Times)

INDUSTRY OUTLOOK



Sebi sends notice to Adani Group alleging wrongful categorisation of certain investors as public shareholders: The Securities and Exchange Board of India (Sebi) has sent a notice to Adani Group for alleged wrongful classification of certain investors as public shareholders, according to disclosures made by Adani Energy Solutions in its September quarter results filed on Tuesday, October 22. It said the notice was received during the September quarter but did not add any further details. During the current quarter, a SCN (show-cause notice) has been received alleging wrongful categorization of shareholding of certain entities as public shareholding and consequences therefrom. The company will respond to the regulatory and statutory authorities by providing information, responses, documents and/or clarifications, as applicable, in the due course of time," the disclosure read. Adani Energy Solutions however added that based on various independent opinions obtained from lawyers and an accounting review undertaken by the Adani Group, there were no further regulatory proceedings against the company except two pending show-cause notices.

(Moneycontrol)



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

WhatsApp reveals big future update: Soon you won't have to share phone numbers to chat: WhatsApp is gearing up to introduce a new feature that will allow users to connect with others using usernames, instead of phone numbers. This update is aimed at providing more privacy, as it will remove the need to share personal phone numbers when messaging someone. With the upcoming username feature, users will be able to chat with others by simply sharing a unique username. This adds an extra layer of privacy, making it possible to communicate without revealing your phone number. For those who are concerned about privacy or frequently connect with new contacts, this feature will be a welcome change. In a more recent update, WhatsApp is also gradually rolling out updates to improve contact management, starting with allowing users to add and manage contacts from WhatsApp Web and Windows. The ability to save contacts exclusively to WhatsApp, rather than to your phone's contact list, is already being introduced.

(Business Today)

Hyundai Motor India confirms plans to launch hybrid vehicles soon: Hyundai Motor India Limited (HMIL) has confirmed its plans to introduce hybrid vehicles in the Indian market in the near future. While the exact timeline is yet to be specified, the country's second-biggest carmaker is confident of meeting customer preferences with its range of powertrain options. In a chat with the media at the listing ceremony of the company's shares at the National Stock Exchange, Unsoo Kim, managing director of HMIL, said, "Our parent company, Hyundai Motor Company, offers a wide range of powertrain options, including petrol, diesel, CNG, electric, hybrid, plug-in hybrid, and even hydrogen. As a result, HMIL has access to this diverse powertrain technology and plans to introduce hybrid vehicles in the Indian market to meet customer preferences. I cannot specify the exact timeline, but we are planning, and we are aligned with our customers' preferences."

(Business Standard)



REGULATION & DEVELOPMENT

No merger of 50% DA into basic, as finance ministry issues order payment for 53% DA: Any hope of merging 50 per cent Dearness Allowance (DA) for central government employees dashed as Finance Ministry has issued order for payment of additional instalment with effect from July 1, 2024. DA to central government employees was enhanced from 50 per cent to 53 per cent of the basic pay with effect from July 1, 2024

(Business Line)



Sebi issues framework on ties between intermediaries, unauthorised advisors: Markets regulator Sebi on Tuesday came out with a framework on associations between market intermediaries and unauthorised financial advisors, especially with regard to specified digital platforms. This came after Sebi in August amended rules aimed at regulating associations between intermediaries, like stock exchanges, clearing corporations and depositories, and entities providing financial advice or making performance claims. The rule restrains intermediaries, their agents, or associated persons from having direct or indirect ties with any entity that provides investment advice or recommendations without being registered or permitted by Sebi or makes performance or return-related claims unless specifically authorised by the regulator to do so. However, if these interactions occur through specified digital platforms, they will not be subject to these restrictions.

(Business Standard)



FINANCIAL TERMINOLOGY

VELOCITY OF MONEY

- ❖ The velocity of money is the rate at which money is exchanged in an economy. It is commonly measured by the number of times that a unit of currency moves from one entity to another within a given period of time. Simply put, it's the rate at which consumers and businesses in an economy collectively spend money.
- ❖ The velocity of money is usually measured as a ratio of gross domestic product (GDP) to a country's M1 or M2 money supply. The word velocity is used here to reference the speed at which money changes hands.
- ❖ The velocity of money is important for measuring the rate at which money in circulation is being used for purchasing goods and services. It is used to help economists and investors gauge the health and vitality of an economy. High money velocity is usually associated with a healthy, expanding economy. Low money velocity is usually associated with recessions and contractions.



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 : 84.0718
INR / 1 GBP : 109.3797
INR / 1 EUR : 91.0038
INR /100 JPY: 55.7800

EQUITY MARKET

Sensex: 80220.72 (-930.55)
NIFTY: 24472.10 (-309.00)
Bnk NIFTY: 51257.15 (-705.55)

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.