



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA (ICMAI)**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

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
Website :www.icmai.in

DAILY NEWS DIGEST BY BFSI BOARD

25 Jan 2024

BANKING & FINANCE



HDFC Bank reduces stake in CAMS, retains 3.94% ownership: HDFC Bank has divested a 2.01 per cent stake in Computer Age Management Services Limited (CAMS) for all cash consideration of ₹252.34 crore. The Bank sold 9,86,315 shares of CAMS (a 2.01 per cent equity stake) through the secondary market route on BSE & NSE between August 25, 2023, and January 23, 2024, per its regulatory filing. The sale price (average) was ₹2,558.43 per share.

(Business Line)

Indian Bank net up 52 per cent to Rs 2,119 crore: Indian Bank on Wednesday reported a 52% jump in its net profit to Rs 2,119 crore for the third quarter of FY24 as compared to Rs 1,396 crore in the corresponding quarter of last fiscal owing to higher income growth and reduced bad assets. Total income of the bank stood at Rs 16, 100 crore as compared to Rs 13,550 crore, registering a growth of 19%. Net interest income (NII) of the bank increased by 6% to Rs 5,815 crore from Rs 5,499 crore while fee based income grew by 21% to Rs 852 crore. Gross NPA decreased by 206 basis points to 4.47% and net NPA reduced by 47 bps to 0.53%.

(Financial Express)

Canara Bank Q3 Results: Profit up 27.9% at Rs 3738.26 crore, NII stood at Rs 9,417 crore: Canara Bank on Wednesday reported its third quarter profit at Rs 3738.26 crore, up 27.9 per cent in comparison to Rs 2923.16 crore during the corresponding quarter of last year. The bank's Net Interest Income stood at Rs 9,417 crore, up 9.50 per cent on-year. The Net Interest Margin, meanwhile, stood at 3.02 per cent improved by 9 bps. The Bank's Gross NPA ratio stood at 4.39 per cent as at December 2023 as against 5.89 per cent recorded during the same quarter last year. The Net Non-Performing Assets (NNPA) ratio stood at 1.32 per cent as at December 2023 as against 1.96 per cent last year.

(Financial Express)



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA (ICMAI)**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

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
Website :www.icmai.in

Local taxes, fees contribute 1.1% to Panchayats' total revenue: RBI report: Local taxes and fees contributed only 1.1 per cent to Panchayats' total revenue, according to a report by the Reserve Bank of India (RBI). Non-tax revenue, primarily from Panchayati Raj programmes and States like Tamil Nadu, Himachal Pradesh, Maharashtra, and Telangana reported higher non-tax revenue than others, according to the RBI report on the Finances of Panchayati Raj Institutions. "The own revenues of the Panchayats --- generated by imposing local taxes, fees, and charges on various activities, including land revenue, professional and trade taxes, and miscellaneous fees --- were only 1.1 per cent of their total revenue during the study period," the report said. interest earnings, constituted 3.3 per cent of the total revenue receipts.

(Business Standard)

Bank credit expansion projected at 15% in FY24, 12% in FY25: Icra: Rating agency Icra on Wednesday revised upward its bank credit growth projection at 14.9-15.3 per cent this fiscal, but said the same will lose steam and grow at 12 per cent next fiscal. At 14.9-15.3 per cent, the system level credit expansion in absolute terms will be Rs 20.4-20.9 lakh crore, it said, adding this will be the highest ever incremental bank credit growth and would surpass the previous high of Rs 18.2 lakh crore recorded in FY23 at a growth rate of 15.4 per cent.

(Economic Times)



ECONOMY

Union Budget 2024: FM Sitharaman to present fourth paperless budget on February 1:

Union Minister Nirmala Sitharaman will be presenting the 2024 Interim Union Budget on February 1. Like the previous three full Union Budgets, Interim Union Budget 2024 will also be tabled in paperless, digital mode. The Finance Ministry said in a release on January 24 that all the Budget documents will be available in digital mode on the 'Union Budget Mobile App', and shall be accessible to all. It will be bilingual and will be accessible to both iOS and Android users. The ministry statement read: "All the Union Budget documents, including the Annual Financial Statement (commonly known as Budget), Demand for Grants (DG), Finance Bill, etc., as prescribed by the Constitution, will be available on the 'Union Budget Mobile App'.

(Moneycontrol)

HSBC Flash India Composite PMI Output Index at 4-month high of 61.0 in January 2024: The private sector economy had a fantastic start to the new year 2024, with the headline HSBC



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA (ICMAI)**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

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
Website :www.icmai.in

Flash India Composite PMI Output Index coming in at a 4-month high of 61.0 in January 2024. This is a pointer that the private sector economy has gained growth momentum, and its health has improved substantially for the month under review, the first ever HSBC Flash India PMI data released on Wednesday showed. The headline HSBC Flash India Composite PMI Output Index – a seasonally adjusted index that measures the month-on-month change in the combined output of India's manufacturing and service sectors – was at 61.0 in January, inside expansion territory for the thirtieth successive month. This resulted from a sharper upturn in new work intakes, which fuelled output growth. Service providers noted a stronger increase in activity than manufacturers, but growth accelerated in both cases.

(Business Line)

FM takes part in 'halwa' ceremony; marks final stage of interim Budget prep: Finance Minister Nirmala Sitharaman on Wednesday participated in a traditional 'halwa' ceremony, marking the final stage for preparation of the Interim Budget 2024 to be unveiled on February 1 in the Lok Sabha. The ceremony is an annual ritual in which the traditional dessert 'halwa' is prepared and served to officials and staff members of the finance ministry who are involved in the preparation of the Budget. A customary Halwa ceremony is performed every year before the 'lock-in' process of Budget preparation begins, an official statement said. As part of the ceremony, the finance minister also took a round of the Budget Press and reviewed the preparations besides extending her best wishes to the officials concerned.

(Business Standard)

INDUSTRY OUTLOOK



Microsoft hits \$3 trillion value, cementing strength of AI rally: Microsoft Corp. achieved a historic \$3 trillion market valuation on Wednesday, in the latest example of how optimism over artificial intelligence has fueled a seemingly unstoppable advance in the software giant. The stock rose as much as 1.3% to \$403.95, resulting in a market capitalization of \$3 trillion. The threshold cements Microsoft's status as one of the largest public stocks. It briefly surpassed Apple Inc. in value — which last year became the first company to hit \$3 trillion — but subsequently dropped back below the iPhone maker, with the two trading places ever since.

(Moneycontrol)

Government notifies direct listing of Indian companies on GIFT City's exchanges: The government, on January 24, notified the direct listing of shares of Indian companies at GIFT City's



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA (ICMAI)**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

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
Website :www.icmai.in

exchanges. As per a notification from the finance ministry, the eligible exchanges are India International Exchange and NSE International Exchange. The notification comes less than a fortnight after Finance Minister Nirmala Sitharaman had said at the Vibrant Gujarat Global Summit earlier this month that the government was going through the process of direct listing of stocks in GIFT IFSC in a "very systematic manner".

(Moneycontrol)

One year after Hindenburg allegations, Adani group going strong: On the anniversary of short seller hedge fund Hindenburg Research's allegations against the Adani Group, billionaire Gautam Adani seems to be on a stronger wicket than ever in terms of his businesses, stock performance, investor interest in the stock while regulatory probes have given him a clean chit. The number of retail investors buying the group companies stocks has risen over 40 per cent since the rout in early 2023, some of the biggest global institutions such as State Street, Neuberger Berman, Jupiter and Blackrock have increased their exposure multiple times to offshore bonds by the group companies and the equity market capitalisation has swelled over \$60 billion in less than two months.

(Business Standard)



REGULATION & DEVELOPMENT

Cabinet approves Rs 8,500-crore viability fund for coal-gas; CIL to set up separate JVs with GAIL, BHEL: The Union Cabinet on Wednesday approved a multi-pronged scheme to promote coal/lignite gasification projects by state-run and private-sector companies with an outlay of Rs 8,500 crore. It also approved two joint venture projects for coal gasification between Coal India and GAIL and Coal India and BHEL, both to be operationalised by 2028-29, the minister for coal and mines Prahlad Joshi said. "The commencement of the project after tendering and awarding shall be done within six months," the minister said. On its own, Coal India will set up two coal gasification plants in order to achieve the government's target of 100 million tonne coal gasification by 2030.

(Financial Express)

Road ministry to come up with cashless treatment for accident victims: The Ministry of Road Transport and Highways is actively working to achieve its goal of halving the number of deaths and injuries from road accidents by 2030. In line with this objective, the ministry aims to address the remaining 5000 black spots on national highways by May 2025. The other plans include a cashless treatment scheme for accident victims.

(Economic Times)



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA (ICMAI)**

(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)

CMA BHAWAN

12, SUDDER STREET, KOLKATA – 700 016

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
Website :www.icmai.in

Cabinet approves Protocol for establishment of joint Economic and Trade Committee between India and Dominican Republic:

The Union Cabinet chaired by Prime Minister Shri Narendra Modi approved the proposal for signing of a protocol for establishment of Joint Economic and Trade Committee (JETCO) between the Department of Commerce, Ministry of Commerce and Industry of the Republic of India and the Ministry of Foreign Affairs of the Dominican Republic. Bilateral relations between India and the Dominican Republic have been friendly and continue to deepen in all spheres. At present, there is no bilateral institutional mechanism between India and Dominican Republic on trade and commerce. India primarily imports gold from Dominican Republic and exports pharmaceuticals, marine products, motor vehicles, two and three wheelers etc. to them.

(PiB)



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA (ICMAI)**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

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
Website :www.icmai.in



FINANCIAL TERMINOLOGY

X-EFFICIENCY

- ❖ X-efficiency refers to the degree of efficiency maintained by firms under conditions of imperfect competition. Efficiency in this context means a company getting the maximum outputs from its inputs, including employee productivity and manufacturing efficiency.
- ❖ In a highly competitive market, firms are forced to be as efficient as possible to ensure strong profits and continued existence. This is not true in situations of imperfect competition, such as with a monopoly or duopoly.
- ❖ When calculating x-efficiency, a data point is usually selected to represent an industry and then it is modeled using regression-analysis. For example, a bank might be judged by total costs divided by total assets to get a single data point for a firm. Then, the data points for all the banks would be compared using regression analysis to identify the most x-efficient and where the majority fall.



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA (ICMAI)**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

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
Website :www.icmai.in

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 : 83.1457
INR / 1 GBP : 105.6150
INR / 1 EUR : 90.3300
INR /100 JPY: 56.2100

EQUITY MARKET

Sensex: 71060.31 (+689.76)
NIFTY: 21454.00 (+215.20)
Bnk NIFTY: 45082.40 (+67.35)

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
BFSIB portal of the ICMAI
website.

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.