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THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA  
(Statutory Body under an Act of Parliament)

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## **DAILY NEWS DIGEST BY BFSI BOARD**

**25 June 2024**



## **ECONOMY**

**India's current account deficit narrows to 0.7% of GDP in FY24; Q4 shows 0.6% surplus:** India's current account deficit moderated to 0.7% of the GDP in FY24, compared with 2% in the previous years, on account of higher services trade and greater net portfolio inflows before India's inclusion in the global bond index, data released by the Reserve Bank of India showed on Monday. The current account deficit for FY24 declined to \$23.2 billion from \$67 billion in the previous fiscal, as the current account turned positive in the last quarter of the year to 0.6% of the GDP or \$5.7 billion. "Services exports grew by 4.1 per cent on a y-o-y basis in Q4:2023-24 on the back of rising exports of software, travel and business services. Net services receipt at US\$ 42.7 billion was higher than its level a year ago (US\$ 39.1 billion), which contributed to the surplus in the current account balance during Q4:2023-24," RBI noted. Remittances were up 11.9% in the last quarter from \$28.6 billion in Q4FY23.

### ***(Moneycontrol)***

**Indian Govt imposes stock limit on wheat to keep domestic prices stable, check hoarding:** Amid speculation about the wheat shortage in the country, the Indian Government on Monday invoked the Essential Commodities Act to impose stock limit on the grain, prescribing the maximum quantity that processors, traders, wholesales and retailers can keep at any point in time. The stock limit Order, effective from June 24 will be valid till March 31, 2025. Asking stakeholders to conform to the stock limits as prescribed under The Removal of Licensing Requirements, Stock Limits and Movement Restrictions on Specified Foodstuffs (Amendment) Order, 2024, within next 30 days, the Food Ministry in a statement said each trader or wholesaler can keep a maximum of 3,000 tonnes of wheat any any point in time while the limit for retailers (including of big chains) will be 10 tonnes and for the big chain retailers it will be 3,000 tonnes at their depots. The stock limit for processors



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has been fixed at 70 per cent of monthly installed capacity (MIC) multiplied by remaining months of FY 2024-25.

**(Business Line)**

**Finance Commission to address issues of freebies, compensation for green cover:**

**Chairman Panagariya:** The 16th Finance Commission would address the issues pertaining to the distribution of freebies and compensation for providing green cover, Chairman Arvind Panagariya said on Monday. Replying to a question, the chairman said, "The issue of freebies would also be addressed by the commission as we are aware that freebies have proliferated and there is a competition among the states and the political parties to give freebies.

**(Mint)**

**BANKING &  
FINANCE**



**FSIB to conduct interviews for chairman's position of SBI on Saturday:** The Financial Services Institutions Bureau (FSIB) will conduct interviews for the chairman's position of the State Bank of India (SBI) on Saturday, said a person directly familiar with this matter. "The fresh date for the interview of the SBI chairman is June 29. Only three managing directors of the bank are in the race. The result of the interview is expected on the same day," said the official. The source further added that the three managing directors (MDs) of SBI who are the front-runners for the chairman's post are C S Setty, Ashwini Kumar Tewari, and Vinay M Tonse. The FSIB has already recommended the name of Rana Ashutosh Kumar Singh as a managing director of SBI.

**(Business Standard)**

**RBI's overseas gold holding touches a six-year low:** The Reserve Bank of India's gold reserves parked overseas dropped to the lowest in six years at the end of March--47% of the total--since it started accumulating the precious metal in December 2017. Data show that the RBI started bringing the gold to India in March 2022, coinciding with the start of the Russia-Ukraine war. This is in line with the trend of central banks globally that have turned cautious after the US government froze Russian foreign currency assets as the conflict began in February 2022. News that the RBI had brought back 100 tonnes of gold from the UK to India emerged at the end of last month. Governor Shaktikanta Das said this was because there is enough domestic storage capacity and nothing more should be read into it. At the end of March, the RBI's total gold holdings amounted to 822.1 tons.

**(Economic Times)**



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**FinMin to meet CEOs of PSBs on Tuesday, review progress of financial inclusion schemes:** The finance ministry has called a meeting of heads of Public Sector Banks (PSBs) on Tuesday to review progress of various financial inclusion schemes, including PM Vishwakarma, Jan Suraksha and Mudra Yojana. The meeting is scheduled to be chaired by Financial Services Secretary Vivek Joshi. According to sources, the meeting would review the progress of various flagship schemes, including PM Vishwakarma, StandUp India, PM SVANidhi , among others. Other financial inclusion related issues would also be discussed in the meeting, sources said.

*(Economic Times)*

## INDUSTRY OUTLOOK



**Quant Mutual Fund: Smallcap fund under pressure after SEBI probe:** Quant Mutual Fund has pledged full cooperation with the Securities and Exchange Board of India (SEBI) for the ongoing investigation. The fund house assured that it would provide SEBI with all necessary data and maintain transparency throughout the process. SEBI's investigation centers around a suspected beneficial ownership connection involving Quant Mutual Fund. This has led to search and seizure operations at Quant Mutual Fund's Mumbai headquarters and also in Hyderabad facility. The operation, directed by SEBI, is scrutinizing the fund's beneficial ownership under the leadership of Sandeep Tandon.

*(Business Line)*

**Paytm partners with travel aggregators to strengthen its travel segment:** One 97 Communications Limited (OCL), the parent company of Paytm, on Monday announced that it has partnered with travel aggregators such as Skyscanner, Google Flights, and Wego, driving towards growth in its travel segment. During the fourth quarter of FY24, Paytm had maintained its upward trajectory in market share among OTAs, with flight bookings showing year-on-year increase of around 19 per cent, surpassing the industry's growth rate of around approximately 3 per cent. This growth, it added, is further underscored by around 15 per cent on-year rise in international ticket bookings in April showcasing Paytm Travel as the preferred destination for competitive prices and seamless services in travel bookings. Paytm has also witnessed growing preference among travelers, including those from small cities and towns, for their commuting needs.

*(Financial Express)*



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**Former RBI Governor Raghuram Rajan warns against fake videos of him recommending stocks:** Former Reserve Bank of India (RBI) Governor Raghuram Rajan has cautioned investors against fake videos of him circulating on social media, giving investment tips, especially on individual stocks. "I understand there are videos of me on various social media purporting to give advice on investing, especially in individual stocks. These are fake and the perpetrators should be reported to the relevant authorities. I do not give investment advice to the public, and have never touted individual stocks," Rajan said.

*(Economic Times)*



## REGULATION & DEVELOPMENT

**Kerala to have a new name? Assembly passes resolution for second time to change state's name:** After the Home Ministry suggested changes in first resolution, the Kerala Assembly on Monday unanimously adopted a resolution urging the Centre to officially change the from Kerala to 'Keralam'. The Assembly passed the resolution for the second time because the Union Home Ministry, which reviewed the first resolution, suggested some technical changes. Chief Minister Pinarayi Vijayan, who moved the resolution, wanted the union government to change the southern state's name from "Kerala" to "Keralam" in all languages included in the Eighth Schedule of the Constitution of the country.

*(Economic Times)*

**India is hosting 64th ISO Council Meeting from 25th-27th June 2024:** India is hosting a global event in sugar sector 'ISO Council Meeting' in New Delhi from 25th till 27th June, 2024. Delegates from more than 30 countries and representatives of many international organisations are joining to deliberate on critical issues of sugar and biofuel sector As India is the world's largest consumer and second largest producer of sugar, ISO Council nominated India as the Chair of the organisation for 2024. As part of the meeting, India is starting the series of events with industrial tour of the international delegates to one grain-based distillery at Muzaffarnagar, Uttar Pradesh on 24 June 2024 to showcase India's adoption of latest technology in production of biofuels and other by-products. On 25.06.2024, a workshop titled 'Sugar and Biofuels – Emerging Vistas' is being organised at Bharat Mandapam. Shri Pralhad Joshi, Union Minister of Consumer Affairs, Food and Public Distribution and New & Renewable Energy will inaugurate the workshop. International Sugar Organisation (ISO) is a UN affiliated body having HQ at London. ISO has about 85 countries as



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members covering almost 90% of sugar production in the World. It is mandated to bring major sugar producing, consuming and trading nations together to bring mutual understanding and progressive approach in dealing with issues pertaining to the sugar sector. ISO has also been working on biofuels, especially, ethanol as sugarcane is the second major feedstock for ethanol production in the world.

**(PiB)**



## FINANCIAL TERMINOLOGY

### CURRENT EXPOSURE METHOD

- ❖ The credit equivalent amount of a market related off-balance sheet transaction is calculated using the current exposure method by adding the current credit exposure to the potential future credit exposure of these contracts.
- ❖ Current credit exposure is defined as the sum of the positive mark to market value of a contract.
- ❖ The Current Exposure Method requires periodical calculation of the current credit exposure by marking the contracts to market, thus capturing the current credit exposure.
- ❖ Potential future credit exposure is determined by multiplying the notional principal amount of each of these contracts irrespective of whether the contract has a zero, positive or negative mark-to-market value by the relevant add-on factor prescribed by RBI, according to the nature and residual maturity of the instrument.



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### **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 : 83.5138  
INR / 1 GBP : 105.6522  
INR / 1 EUR : 89.4010  
INR /100 JPY: 52.2800

### **EQUITY MARKET**

Sensex: 77341.08 (+131.18)  
NIFTY: 23537.85 (+36.75)  
Bnk NIFTY: 51703.95 (+42.50)

### **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.**

For details please visit  
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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)**
- To purchase please visit  
BFSIB portal of ICMAI

### **TEAM BFSIB**

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