



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

**26 September 2024**



## **ECONOMY**

**US, Singapore lead FPI flows into India in CY24:** The bulk of net inflows from foreign portfolio investors (FPIs) into India this year has come from the US and Singapore. The two countries have contributed nearly ₹2 lakh crore, in terms of net investment in CY24, with flows from the former totalling ₹1.24 lakh crore and the latter funnelling in ₹73,768 crore. Over 93 per cent of the investment from the US was into equities. For Singapore, on the other hand, 54 per cent of the flows was into debt and hybrid investments.

***(Business Line)***

**India considers a slew of measures to combat Beijing's 'Made in China 2025' strategy:** India is bracing to meet the challenges posed by Beijing's 'Made in China 2025' strategy, a three-step plan to promote China as a high-tech manufacturing powerhouse by 2049, through a slew of measures to check subsidised imports including anti-dumping and anti-subsidy duties, quality control orders and possible collaboration with Western nations, sources have said. Anti-dumping, anti-subsidy duties, QCOs, international collaboration are some of the options, say officials.

***(Business Line)***

**Asian Development Bank projects faster GDP growth for India in coming qtrs:** The Asian Development Bank (ADB) said on Wednesday that India's growth rate is set to accelerate from the July-September quarter onwards, with improvements in agriculture and increased government spending, while maintaining its gross domestic product (GDP) growth projection for 2024-25 (FY25) at 7 per cent. Meanwhile, the Organisation for Economic Co-operation and Development (OECD) raised its growth forecast for India by 10 basis points to 6.7 per cent for FY25. "While GDP growth slowed to 6.7 per cent year-on-year (Y-o-Y) in the first quarter of 2023-24 (FY24), it is expected to accelerate in the coming quarters with improvements in agriculture and a largely robust outlook for industry and services.

***(Business Line)***



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## **BANKING & FINANCE**



**AWS partners with NHA, GeM, and PSBA to boost India's digital infrastructure:** Amazon Web Services (AWS) India has announced that the National Health Authority (NHA), Government e-Marketplace (GeM), and Public Sector Bank Alliance (PSBA) are adopting AWS technology to build scalable solutions. The company will work also with National Skill Development Corporation and the Swachhata App by the Ministry of Housing and Urban Affairs. Earlier this year, the government collaborated with AWS to launch a Joint Innovation Centre (JIC) to enable the startups, ISVs, and SIs to leverage the power of technologies such as cloud computing, GenAI, and analytics from AWS.

***(Business Line)***

**Life insurance firms to discuss norms on surrender value at meeting:** Compliance heads of life insurance companies are scheduled to meet the executives of Life Insurance Council on Friday and are likely to discuss the industry's readiness to implement the new surrender value norms supposed to take effect on October 1 this year, unless an extension is granted, said multiple sources aware of the development. In June, the Insurance Regulatory and Development Authority of India (Irdai) introduced revised surrender value norms to ensure better returns for policyholders exiting their policies prematurely. The life insurance companies, through the council, had sought a three-month extension from Irdai on implementing the new norms.

***(Business Standard)***

**Banks turn to CD issuances in September amid sluggish deposit growth:** Facing sluggish deposit growth, banks turned to issuing certificates of deposit (CDs) in September to mobilise funds. Banks have issued Rs 1.35 trillion worth of CDs so far this month, marking a 65 per cent increase compared to the amount raised in August, despite a rise in rates, according to data from the Clearing Corporation of India. The amount raised through CDs in September was the second-highest monthly figure in the current financial year (2024-25), following Rs 1.45 trillion raised in June, according to data from PRIME Database.

***(Business Standard)***



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## INDUSTRY OUTLOOK



**State-owned Bank of India raises Rs 2,500 crore at 7.49% via tier-II bonds:** State-owned Bank of India on Wednesday raised Rs 2,500 crore through tier-II bonds at a coupon rate of 7.49 per cent, sources aware of the development said. "It's a tight cutoff, but it aligns with the issuer guidance, reflecting the bullish sentiment in the markets", the sources said, adding that the total order book for the bonds offered by the bank was about Rs 6,000 crore, reflecting good demand for such instruments among investors.

***(Business Standard)***

**SBI aims to become first financial firm to cross milestone of Rs 1 lakh crore profit:** **Chairman:** State Bank of India (SBI) is aiming to become the first Indian financial firm to cross a milestone of Rs 1 lakh crore net profit in the next 3-5 years, chairman of the country's largest lender C S Setty has said. SBI recorded a standalone net profit of Rs 61,077 crore in FY24, registering a growth of 21.59 per cent.

***(Economic Times)***

**India surpasses Japan to become 3rd largest power in Asia power index:** India has overtaken Japan to secure the position of the third-largest power in the Asia Power Index, according to a statement released by the Ministry of Information and Broadcasting on Wednesday. This achievement marks a significant shift in the geopolitical landscape of the Asia-Pacific region. The ministry attributed India's rise to its dynamic growth, a youthful population, and its expanding economy, all of which have solidified the country's standing as a regional force. "In a major shift, India surpassed Japan to become the third-largest power in the Asia Power Index, reflecting its increasing geopolitical stature," ANI quoted the ministry as saying. Launched by the Lowy Institute in 2018, the Asia Power Index evaluates 27 countries across the Asia-Pacific region, focusing on their ability to shape and respond to external geopolitical challenges. The index uses eight core measures such as Economic Capability, Military Capability, and Diplomatic Influence to assess the power of each country.

***(Economic Times)***



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## REGULATION & DEVELOPMENT

**India pegs 2023-24 foodgrain production at record 332.4 million tonnes:** The Government on Wednesday released the final crop estimates of the last crop year (July 2023-June 2024) which showed that foodgrains (rice, wheat, nutri cereals, maize and pulses) production in 2023-24 crop year (July-June) was at a record 332.3 million tonnes (mt), up by less than 1 per cent from 329.69 mt in 2022-23. However, looking at the upward revision from the previous third estimates, there has been over 3 mt rise in foodgrains production due to higher output in rice and maize.

***(Business Standard)***

**Banks to push for change in IBC rules amid fears of promoters gaming the system:** Banks will push for a change in the insolvency regulation to avoid getting shortchanged by promoters fishing for a cosier deal. Lenders have come across instances where delinquent borrowers have sharply written down the assets, shrunk their size and headcount, to masquerade as small or medium scale enterprises which are spared of one of the stringent conditions of the insolvency and bankruptcy code (IBC). Under a special provision, a promoter of any medium, small and micro entity (MSME) is allowed to submit a revival plan for the company once it is admitted under the corporate insolvency and resolution process. Some promoters have scaled-down the asset size of defaulting companies so as to classify them as MSMEs, which in turn would enable them to retain their presence on the board, and thus have a say in the resolution process once lenders invoke the IBC.

***(Economic Times)***

**Sebi mandates UPI payment for public issue applications of debt securities:** To streamline the application process for public issues of debt securities, markets regulator Sebi on Tuesday asked individual investors applying for amounts up to Rs 5 lakh through intermediaries to use only UPI to block funds. Further, investors will continue to have the choice of availing other methods like applying through Self-Certified Syndicate Banks or the stock exchange platform for making applications, Sebi said in its circular. These provisions will apply to public issues of debt securities starting from November 1.

***(Business Standard)***





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## FINANCIAL TERMINOLOGY

### FISCAL SQUEEZE

- ❖ A fiscal squeeze is a type of austerity policy where a government tries to improve its public finances by increasing revenue, decreasing spending, or both. The goal of a fiscal squeeze is to impose losses on some people.
- ❖ Fiscal squeezes can be difficult to quantify because political effort doesn't always translate into economic data. They can also lead to a dilemma for public authorities, who may need to choose between running a deficit or cutting spending. Cutting spending could jeopardize social cohesion and competitiveness, while running a deficit could have macroeconomic consequences.
- ❖ The term "squeeze" can also be used to describe other financial and business situations, such as when borrowing is difficult or profits decline.



### **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 : 83.5471  
INR / 1 GBP : 111.9810  
INR / 1 EUR : 93.4870  
INR /100 JPY: 58.2400

### **EQUITY MARKET**

Sensex: 85169.87 (+255.83)  
NIFTY: 26004.15 (+63.75)  
Bnk NIFTY: 54101.65 (+133.05)

### **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)**

**To purchase please visit  
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### **TEAM BFSIB**

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