



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

28 October 2024



ECONOMY

Credit growth for banks to moderate to 12 percent in FY25: Icria: Ratings agency Icria anticipates a steady slowdown in credit growth for banks and non-bank financial companies (NBFCs) on account of regulatory measures and tighter funding conditions in the domestic markets. The agency estimates the incremental bank credit growth to slow down to Rs 19-20.5 lakh crore in 2024-25, around 12 per cent Year-on-Year (YoY) growth, compared to Rs 22.3 lakh crore, or 16.3 per cent rise, in the previous fiscal. For the NBFCs, Icria said the growth in assets under management (AUMs) is expected to slow down sharply to 16-18 per cent in the current financial year from 25 per cent in 2023-24.

(Economic Times)

No formal proposal to scrap windfall tax on crude oil, says FinMin official: The Finance Ministry is not considering any proposal to do away with windfall tax on domestically produced crude and export-bound petroleum products. As on date, the levy, technically known as Special Additional Excise Duty (SAED), is zero on domestically produced crude and export-bound petroleum products. The levy now stands at zero on domestically produced crude and export-bound petroleum products.

(Business Line)

Oil prices likely to fall after Israel shows restraint in strikes on Iran: Oil prices are expected to fall when trading resumes on Monday as Israel's retaliatory strike on Iran over the weekend bypassed Tehran's oil and nuclear infrastructure and did not disrupt energy supplies, analysts said. Brent and U.S. West Texas Intermediate crude futures gained 4% last week in volatile trade as markets priced in uncertainty around the extent of Israel's response to the Iranian missile attack on Oct. 1 and the U.S. election next month. Scores of Israeli jets completed three waves of strikes before dawn on Saturday against missile factories and other sites near Tehran and in western Iran, in the latest exchange in the escalating conflict between the Middle East rivals.

(Business Standard)



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

BANKING & FINANCE



ICICI Bank Q2 net profit jumps 14% on-year to Rs 11,746 crore; beats Street estimate:

The private sector lender's net interest income (NII) increased by 9.5 percent to Rs 20,048 crore, but it missed Moneycontrol poll estimate of Rs 20,845 crore. ICICI Bank reported its net interest margin (NIM) at 4.27 percent, which fell from 4.36 percent seen in the previous quarter and 4.53 percent in the year-ago period. The bank also reported non-interest income growth of 10.8 percent to Rs 6,496 crore, with a 13.3 percent rise in fee income to Rs 5,894 crore, largely driven by contributions from retail, rural, and business banking customers. Asset quality continued to be robust, with the gross NPA ratio narrowing to 1.97 percent at September 30, 2024 compared to 2.15 percent on June 30, 2024. Net NPA ratio remained nearly flat at 0.42 percent at the end of September, against 0.43 percent in the previous quarter. The provisioning coverage ratio on non-performing loans stood at 78.5 percent.

(Moneycontrol)

RBI Governor Shaktikanta Das gets top central banker award for second consecutive

year: Reserve Bank of India Governor Shaktikanta Das has been ranked the top central banker by the US-based Global Finance magazine. This is the second consecutive year that he has been ranked as the top central banker globally. Das has been placed at the top of the list of three central bank governors, who have been rated A+. The grades are based on a scale from A to F for success in inflation control, economic growth goals, currency stability and interest rate management, according to a statement by Global Finance magazine. An 'A' represents excellent performance, while an 'F' for outright failure.

(Moneycontrol)

LIC eyes entry into bond forward rate agreement market by end of FY25:

State-owned Life Insurance Corporation of India (LIC), the country's largest insurer, is set to enter the bond forward rate agreement (FRA) market by the end of the current financial year (FY25). This move is aimed at mitigating risks in its non-participatory (non-par) segment, according to two sources familiar with the development. "We have not undertaken trades yet in bond FRA, we are still in the process. But, we should mostly be ready and start trading by the end of FY25," a source said.

(Business Standard)



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

FinMin may complete privatisation process of IDBI Bank by March 2025: The Union Ministry of Finance is expecting to complete the privatisation process of IDBI Bank by March 2025, according to a senior government official familiar with the matter. “As the Reserve Bank of India (RBI) has issued the ‘fit and proper’ certificate to the shortlisted bidders, the government is moving at full pace on the disinvestment of IDBI Bank, aiming to complete it by this financial year. We will give access to the virtual data room to the bidders by the second week of November,” said the official.

(Business Standard)

INDUSTRY OUTLOOK



Global funds look to India as financial market jitters pick up: A steady influx of foreign capital has positioned the nation’s bonds among top performers in developing markets this year, while the country’s stock market hit a record high last month, buoyed by robust domestic liquidity. India’s appeal is driven by a blend of structural factors: stable political ties with both the US and Russia, capital controls that curb hot money flows, and a currency that’s less impacted by big dollar moves than emerging market peers. India’s divergence from global markets was evident last week when its sovereign bonds remained relatively steady despite a global selloff in US Treasuries. The nation has become a key emerging market bet for abrdn plc., particularly ahead of the US presidential election on Nov. 5, as hedge funds brace for a pickup in global volatility.

(Moneycontrol)

Govt working on revamped interest subvention scheme for exporters: With the finance ministry seeking “justification” for continuing the Interest Equalisation Scheme (IES) for exporters, the commerce department is exploring ways to revamp it to ensure the scheme meets the objectives outlined during its launch nine years ago. The scheme is currently set to expire on December 31. IES is an interest subvention initiative under which banks offer reduced interest rates to exporters on their pre- and post-shipment rupee export credits. Lenders are then compensated by the government.

(Business Standard)

Sebi issues notice to Axis Bank about stake buy in Max Life Insurance: Capital market regulator Securities and Exchange Board of India has issued a show cause notice (SCN) to Axis Bank and its subsidiaries in a case related to stake buy in Max Life Insurance. In a regulatory filing, Axis Bank said the SCN was issued on October 25 through email. Axis Bank, and its subsidiaries, Axis Securities Limited and Axis Capital Limited, have received an SCN through email from the Sebi, it



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



said. The SCN is being reviewed and will be filing responses to the SCN with Sebi as the said transactions were undertaken with requisite regulatory approvals, it said..

(Business Standard)



REGULATION & DEVELOPMENT

IRDAI tightens fraud rules post hacking incidents: The Insurance Regulatory and Development Authority of India (IRDAI) has proposed stricter guidelines in an effort to stem online fraud after recent high-profile cases at insurers like Star Health Insurance Company. The Insurance Fraud Monitoring Framework Guidelines, 2024 requires insurers to adopt strict measures, including board-approved anti-fraud policies, independent Fraud Monitoring Units (FMUs), enhanced cybersecurity defences, and regular fraud awareness programmes. "Cyber fraud can have far-reaching consequences, including identity impersonation, financial frauds, reputational damage etc," IRDAI said in the draft guidelines. "Personal information such as KYC details, financial details, and medical records are highly coveted by cybercriminals, who exploit vulnerabilities in security defences to gain unauthorised access to these sensitive data available with insurers or distribution channels."

(Economic Times)

RBI revokes authorisation certificate of UAE Exchange Centre: The Reserve Bank has revoked the certificate of authorisation of UAE Exchange Centre LLC for non-compliance with regulatory requirements and now it cannot transact the business of cross border in-bound money transfer. UAE Exchange Centre LLC (UAEEC), with registered office in Dubai, was issued Certificate of Authorisation (CoA) for cross border in-bound money transfer operator (customer-to-customer) as 'Overseas Principal'. In a statement, the RBI said the CoA of the payment system operator has been revoked for non-compliance with regulatory requirements.

(Economic Times)



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



Fax



FINANCIAL TERMINOLOGY

Herfindahl-Hirschman Index (HHI)

- ❖ The Herfindahl-Hirschman Index (HHI) is a common measure of market concentration and is used to determine market competitiveness, often pre- and post-merger and acquisition (M&A) transactions.
- ❖ The index measures the size of companies relative to the size of the industry they are in and the amount of competitiveness. The HHI is calculated by squaring the market share of each firm competing in a market and then summing the resulting numbers. It can range from close to zero to 10,000, with lower values indicating a less concentrated market.
- ❖ A market with an HHI of less than 1,500 is considered a competitive marketplace, an HHI of 1,500 to 2,500 is moderately concentrated, and an HHI of 2,500 or greater is highly concentrated.
- ❖ $HHI = s_1^2 + s_2^2 + s_3^2 + \dots + s_n^2$
where: s_n = the market share percentage of firm , n expressed as a whole number, not a decimal



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 : 84.0771
INR / 1 GBP : 108.9835
INR / 1 EUR : 90.9557
INR /100 JPY: 55.3400

EQUITY MARKET

Sensex: 79402.29 (-662.87)
NIFTY: 24180.80 (-218.60)
Bnk NIFTY: 50787.45 (-743.70)

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.