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DAILY NEWS DIGEST BY BFSI BOARD

29 October 2024



ECONOMY

Urban demand appears to moderate but rural demand continues to improve, says Finmin report: Moderation in urban demand amid softening consumer sentiment and limited footfalls due to above-normal rainfall need watching, a Finance Ministry report on Monday said, while simultaneously noting that rural demand has strengthened. It also said that the core inflation remains at very low levels, possibly reflecting the slowdown in demand growth in the first half of the current financial year. In a separate report, global economic research firm Nomura corroborated the Finance Ministry finding saying that urban consumption indicators have been softening of late. "There has been evidence of a slowdown in urban demand as reflected in the performance of various indicators during H1 (April-September) of Fiscal Year 2024-25," the Monthly Economic Review (MER) prepared by the Economic Affairs Department said. It said that volume growth in urban FMCG sales has moderated to 2.8 per cent in April-June quarter (Q1) of the current fiscal as against from 10.1 per cent in the corresponding period of the last fiscal.

(Business Line)

India in cyclical slowdown, RBI's 7.2% estimate 'overly optimistic': Nomura: Japanese brokerage Nomura on Monday said the Indian economy has entered a phase of "cyclical growth slowdown" and the Reserve Bank's estimate of 7.2 per cent GDP expansion is "overly optimistic". The brokerage said it sees "rising downside risks" to its GDP growth estimates of 6.7 per cent in the ongoing FY25 and 6.8 per cent in FY26. "We believe India's economy has entered a cyclical growth slowdown. Coincident and leading growth indicators point to a further moderation in GDP growth and the RBI's forecast of 7.2 per cent for FY25 is overly optimistic," the brokerage said in a note.

(Business Standard)

Govt earns Rs 279 cr from scrap disposal during ongoing cleanliness drive: The Centre has earned Rs 279 crore revenue from disposal of scrap by its various departments and organisations during the ongoing month-long cleanliness campaign, officials said on Monday. The special campaign



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4.0 launched by the government, with Department of Administrative Reforms & Public Grievances (DARPG) as the nodal department, will attain its stated objectives of institutionalisation of cleanliness campaigns and reduction in pendency with a saturation approach, according to an official statement. Giving details of the campaign being carried out from October 2-31, the Personnel Ministry said it has led to earning of Rs 279 crore through scrap disposal, freeing up of 127 lakh square feet of space for productive use and redressal of 4.27 lakh public grievances.

(Business Standard)

BANKING & FINANCE



RBI asks NBFCs to maintain at least 25% borrowings from capital market: The Reserve Bank of India (RBI) has guided non-banking finance companies (NBFCs), especially upper-layer NBFCs, to maintain at least 25 per cent of their overall borrowings from capital market instruments such as commercial papers, non-convertible debentures (NCDs), external commercial borrowings (ECBs), among others, sources aware of the development said.

(Business Line)

FSIB recommends Ashok Chandra as MD and CEO of Punjab National Bank: Financial Services Institutions Bureau (FSIB) has recommended the name of Ashok Chandra for the post of MD & CEO at Punjab National Bank (PNB), the country's second largest public sector bank. Chandra is currently an Executive Director at Canara Bank.

(Business Line)

22-hour trading soon! NYSE plans to extend weekday sessions for US listed stocks and ETFs: The New York Stock Exchange has planned to extend weekday trading on its NYSE Arca Equities Exchange to 22 hours a day. During the 22-hour weekday sessions, NYSE Arca would allow trading of all US-listed equities, ETFs, and closed-end funds. The extended trading would take place from 1:30 am to 11:30 pm Eastern Time on all weekdays, excluding holidays, subject to regulatory approval. The NYSE will also seek support for extended trading from the U.S. securities information processors.

(Business Line)

PNB Q2 FY25 results: Net profit increases 145% to Rs 4,303 crore: State-owned Punjab National Bank (PNB) on Monday reported a 145 per cent year-on-year increase in its net profit at Rs



4,303 crore for the second quarter (Q2) of 2024-25 (FY25). The net profit was Rs 1,756 crore in the year-ago period. The bank's net interest income (NII) grew 5.99 per cent Y-o-Y to Rs 10,517 crore in Q2. The gross non-performing asset (GNPA) ratio of the bank improved by 248 basis points (bps) Y-o-Y to 4.48 per cent as of September, from 6.96 per cent in the year-ago period. The net non-performing asset (NNPA) ratio increased by 101 bps Y-o-Y to 0.46 per cent in Q2, from 1.47 per cent in September 2023.

(Business Standard)

RBL Bank, Mahindra Finance get RBI nod to launch co-branded credit cards: Non-bank lender Mahindra Finance on Monday announced that it will be launching a co-branded credit card with RBL Bank. Mahindra Finance said it has received the RBI nod for launching the offering. Managing Director and chief executive Raul Rebello said the offering will be designed to help meet its customers' aspirational needs. The announcement comes amid heightened concerns about the credit card portfolios, and also regulatory attempts to disincentivise growth in such riskier assets. A Mahindra group entity has 3.53 per cent "strategic" stake in RBL Bank which was bought for Rs 417 crore, while RBL Bank is attempting to decrease its reliance on Bajaj Finance to distribute credit cards.

(Business Standard)

SBI named Best Bank in India for 2024 by Global Finance Magazine: State Bank of India (SBI) was recognised as the Best Bank in India for 2024 by Global Finance Magazine of the US at its 31st Annual Best Bank Awards event held during the sidelines of Annual Meetings of the IMF and the World Bank in Washington. SBI Chairman CS Setty received the award in recognition of the bank's unwavering commitment to providing exceptional services and promoting financial inclusion nationwide by winning the trust of its customers, the bank said in a statement.

(Economic Times)

INDUSTRY OUTLOOK



India's first 'Make in India' C-295 transport aircraft to roll out in September 2026: The first "Make in India" C295 transport aircraft is set to roll out of the newly built Vadodara facility, inaugurated by Prime Minister Narendra Modi and Spain's Prime Minister Pedro Sanchez on Monday, in September 2026. This plant will create 10000 jobs across the country and will also see 18000 components of this military aircraft, except aircraft engines being manufactured indigenously.

(Business Line)



Bharti Airtel appoints Shashwat Sharma as MD, CEO: Telecom major Bharti Airtel announced that Shashwat Sharma, currently the Chief Operating Officer, will be appointed Managing Director and CEO on January 1, 2026. On that date, the current MD and CEO, Gopal Vittal, will transition to the role of Executive Vice Chairman. “In preparation for this role, Sharma is being appointed CEO designate of the Company. As the CEO designate, Shashwat will be responsible for the entire end-to-end consumer business. Gopal Vittal will be responsible for mentoring and grooming Shashwat to take over as MD & CEO of Bharti Airtel Ltd,” said the telecom firm.

(Financial Express)

Centre launches mobile app FCI GRS to address grievances of rice millers: Union Food Minister Pralhad Joshi on Monday launched a mobile application of FCI Grievance Redressal System (FCI GRS) for rice millers. This is one of the measures taken by the government to enhance transparency, accountability and stakeholder satisfaction. State-owned Food Corporation of India (FCI) is the nodal agency for the procurement and distribution of food grains. Joshi noted that rice millers are important stakeholders and integral part of the food security system and said the government is "committed to their welfare". He said the mobile app will help in addressing their grievances. This mobile application is available for download on the Google Play Store for Android users.

(Business Standard)



REGULATION & DEVELOPMENT

RBI sets Rs 300 cr networth criteria for central counterparty authorisation: The Reserve Bank on Monday said an entity seeking authorisation or recognition as a Central Counterparty (CCP) should have a minimum networth of Rs 300 crore at the time of submitting its application. CCP means a system provider by way of novation interposes between system participants in the transactions admitted for settlement. CCP becomes the buyer to every seller and the seller to every buyer for the purpose of effecting settlement of their transactions. RBI on Monday updated its June 2019 norms for Central Counterparties. According to the revised directions, every authorised CCP has to submit an audited networth certificate as at close of financial year from the statutory auditor within six months of the closure of the financial year.

(Business Standard)



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Bhubaneswar wins the ‘City with the Best Public Transport System’ at 17th Urban Mobility India (UMI) Conference & Exhibition 2024: 17th UMI Conference & Exhibition 2024 has been organized by the Ministry of Housing and Urban Affairs through the Institute of Urban Transport (India) and with the support of Government of Gujarat and Gujarat Metro Rail Corporation Ltd. The exhibition comprising display of best practices in urban transport in India and abroad, latest urban transport technologies, attracted more than 2200 delegates including more than 50 participants from abroad. This year, the Conference was focussed on the theme “Standardisation and Optimisation of Urban Transport Solutions”. It has emphasized on harmonising standards for Optimising urban mobility particularly in the Indian context. Further, It has deliberated upon the framework for integration of various modes in urban mobility, multilateral and bilateral funding in view of the Make in India policy, importance of big data for transport planning, E-Bus Eco-system in India, benchmarking of cost in Metro system, digital public infrastructure principles in relation to E-Bus transition, innovative financing and other issues and challenges in Urban transport.

(Economic Times)



FINANCIAL TERMINOLOGY

DIGITAL CREDIT LINE

- ❖ A digital credit line is a flexible loan facility provided by financial institutions that allows consumers or businesses to access funds as needed. Unlike traditional loans, where you receive a lump sum upfront, a digital credit line enables users to borrow varying amounts within a pre-approved limit. This option offers more flexibility and control over finances, especially for those who prefer borrowing in smaller amounts without the commitment of a full loan.
- ❖ With the entire process managed digitally, from application to fund withdrawal, users can access funds quickly and easily through an app or online platform.
- ❖ Digital credit lines are particularly useful for businesses managing fluctuating cash flows or for individuals facing unexpected expenses.



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 : 84.0775
INR / 1 GBP : 108.9235
INR / 1 EUR : 90.7460
INR /100 JPY: 54.8300

EQUITY MARKET

Sensex: 80005.04 (+602.75)
NIFTY: 24339.15 (+158.35)
Bnk NIFTY: 51259.30 (+471.85)

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- ❖ **Certificate Course on Investment Management**
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- ❖ **Advance Certificate Course on FinTech**

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Publications by BFSI Board

- ❖ **Aide Memoire on Infrastructure Financing.**
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- ❖ **BFSI Chronicle (quarterly issue of BFSIB)**
- ❖ **Handbook on Stock & Book Debts Audit (Revised and Enlarged 2nd Edition)**

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