



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

30 May 2024



ECONOMY

After 10 years, S&P raises India's outlook to 'positive', affirms 'BBB-' long-term rating:

Taking note of robust growth and rising quality of government spending, S&P Global Ratings on Wednesday revised outlook on India's economy to 'positive' from 'stable'. However, it retained the sovereign rating as 'BBB Minus'. The rating has been on BBB- since January 30, 2007 (when it was upgraded from BB+). It has been on BBB-/stable since September 26, 2014 (it was placed on negative outlook on April 25, 2012). Meanwhile, it is the first agency which has revised the outlook. Earlier in January, relying on a robust medium-term GDP growth outlook and sound external finances, Fitch affirmed India's sovereign rating at 'BBB Minus' with stable outlook. 'BBB Minus' is the lowest investment grade rating offered.

(Business Line)

Contractual labour on rise in organised non-farm cos, shows govt data: Nearly every one in five workers employed in the organised non-farm establishments in the first half of FY23 was a contractual hire, according to the latest Quarterly Employment Survey (QES) results released by the Labour Bureau. According to the report released on Tuesday, the share of contractual employees in the nine major non-farm sectors of the economy more than doubled to nearly 18 per cent in first half (April- September) of FY23 from nearly 8.5 per cent in H2 of FY22. The nine non-farm sectors covered under the survey are manufacturing, construction, trade, transport, education, health, accommodation & restaurants, information technology (IT)/business process outsourcing (BPO) and financial services.

(Business Standard)

Centre may revamp MGNREGS to address leakages, involve states as active stakeholders:

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is set to be revamped by the Centre in the coming months to address leakages and involve state governments as active stakeholders, sources told Business Today Television. "We need an active role



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

of states to make the scheme beneficial for its intended objective," a government official stated. The Centre is concerned over how state governments are utilizing the scheme. It has been found that some states are using MGNREGS funds for state infrastructure projects rather than addressing unemployment, thus saving their own budgets. As per sources, this misuse depletes the funds quickly, putting pressure on states needing to provide off-season employment. recent official data shows that the Centre has released Rs 89,098 crore in 2023-24, while total expenditure has reached Rs 1.5 lakh crore. In the Interim Budget 2024-25, the government revised the MGNREGA allocation for FY24 to Rs 86,000 crore, up from Rs 60,000 crore due to increased demand. Earlier this year, the Union government introduced mandatory digital attendance through the National Mobile Monitoring System to ensure wages are paid via Aadhaar-linked bank accounts, aiming to curb leakages.

(Business Today)

ADB commits USD 2.6 billion in sovereign lending to India: Asian Development Bank (ADB) committed USD 2.6 billion (about Rs 21,500 crore) in sovereign lending to India in 2023 for various projects. The fund is aimed to strengthen urban development, support industrial corridor development, promote power sector reforms, build India's climate resilience, and enhance connectivity. ADB also extended USD 23.53 million in technical assistance and USD 4.1 million in grants under the sovereign portfolio. In addition, ADB committed over USD 1 billion for private sector projects during the past year, the Manila-based multi-lateral development bank said in a statement.

(Economic Times)

BANKING & FINANCE



RBI imposes business restrictions on ECL Finance, Edelweiss ARC citing material concerns: RBI on May 29 announced supervisory actions against ECL Finance Limited and Edelweiss Asset Reconstruction Company Limited citing material supervisory concerns. The Reserve Bank has directed ECL Finance Ltd (ECL) to cease and desist, with immediate effect, from undertaking any structured transactions in respect of its wholesale exposures, other than repayment and/ or closure of accounts in its normal course of business. Also, the central bank asked Edelweiss Asset Reconstruction Company Limited (EARCL) to cease and desist from acquisition of financial assets including security receipts (SRs) and reorganising the existing SRs into senior and subordinate tranches.

(Moneycontrol)



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



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

www.icmai.in

From ICICI to HDFC: S&P upgrades outlook on six Indian banks to positive: S&P Global Ratings today revised its rating outlook on six Indian banks, including State Bank of India and HDFC Bank, from “stable” to “positive.” This follows a similar action on India's sovereign (BBB-/Positive). India's robust economic expansion is having a constructive impact on the sovereign's credit metrics. These six banks are Axis Bank, ICICI Bank, State Bank of India, HDFC Bank Ltd., Kotak Mahindra Bank, and Indian Bank. The rating agency also affirmed the issue ratings on the banks. At the same time, it revised upwards the assessment of the stand-alone credit profile (SACP) of Axis Bank and ICICI Bank by one notch each. The rating agency said in a statement that India's banking system continues to ride the good economic growth momentum, well supported by recent structural improvements in the system. Indian financial institutions' resilience has therefore built up. “We expect India's banks to maintain their strong financial performance over the next 12-24 months,” it added.

(Business Standard)

Large Indian banks are expected to improve their asset quality in the current fiscal: **S&P:** India's largest banks are poised to improve their asset quality in the current fiscal year, bolstered by record net incomes that will enable them to enhance their balance sheets and underwriting standards, according to an analysis by S&P Global Market Intelligence. The cumulative nonperforming loans (NPLs) of India's three largest private and three largest public banks fell to 2.483 trillion Indian rupees in the 12 months ending March 31, marking an 11 per cent decrease from the previous year's Rs 2.791 trillion. This improvement occurred despite a 56.8 per cent increase in HDFC Bank Ltd.'s NPLs to 311.73 billion rupees following its merger with Housing Development Finance Corp. Ltd.

(Business Line)

INDUSTRY OUTLOOK



BlackRock's \$20 bn ETF is now world's largest bitcoin fund: Report: BlackRock's iShares Bitcoin Trust has become the world's largest fund for the world's largest cryptocurrency, racking up nearly \$20 billion in total assets since listing in the U.S. in January, Bloomberg News reported on Wednesday. The exchange-traded fund held \$19.68 billion of token on Tuesday, overtaking Grayscale Bitcoin Trust's \$19.65 billion, report said, citing data compiled by Bloomberg.

(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



IRDAI sets 3-hour time limit for insurers to clear cashless claims: One of the major changes introduced by the IRDAI is the measure towards providing seamless, faster and hassle-free claims experience to a policyholder procuring health insurance policy and ensuring enhanced service standards across the health insurance sector. In its master circular, IRDAI said that the insurer must grant the final authorisation within three hours of receiving the receipt of the discharge request from the hospital. "In no case, the policyholder shall be made to wait to be discharged from the hospital," IRDAI said in a master circular dated May 29, 2024. The regulator further said: "If there is any delay beyond three hours, the additional amount if any charged by the hospital shall be borne by the insurer from shareholder's fund."

(Business Today)



REGULATION & DEVELOPMENT

IRDAI revamps health insurance norms; widening choices, improving affordability for policyholders: In a significant move towards the empowerment of policyholders and bolstering inclusive health insurance, the Insurance Regulatory and Development Authority of India (IRDAI) has announced a major revamp of regulatory norms. The regulator has issued a comprehensive Master Circular on Health Insurance Products repealing 55 circulars. The master circular gives operational effect to a slew of regulatory changes announced by IRDAI last month in health cover including the removal of upper cap on age and brings in new features such as customer information sheet to provide transparency and the option to distribute claim amount from multiple policies one may have from different companies. All the entitlements in a health insurance policy available to a Policyholder have been brought in one place in the Master Circular. The major norms spelled out by IRDAI include a wider choice for the policyholders to be provided by the insurers by making available products/add-ons/riders by offering diverse insurance products catering to all ages, regions, occupational categories, medical conditions/ treatments, all types of Hospitals and health care providers. This is aimed at providing suitability and affordability. The insurers will also need to provide a Customer Information Sheet (CIS) along with every policy document.

Customers are also to be provided with the flexibility to choose products/add-ons/riders as per their medical conditions/specific needs. A policyholder with multiple health insurance policies gets to choose the policy under which he/she can get the admissible claim amount. "The primary insurer



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



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

www.icmai.in

with whom the claim is first submitted should coordinate and facilitate settlement of balance amount from the other insurers,” IRDAI said. In the event of no claims during the policy period, the insurers may reward the policyholders by providing an option to choose a No Claim Bonus, either by increasing the sum insured or discounting the premium amount. A health insurance policy is renewable and shall not be denied on the ground that claim (s) was made in the preceding policy years, except in case of established fraud or non-disclosure or misrepresentation by the Insured, IRDAI said.

(Business Line)

FPIs may lose exemption benefits as Sebi issues updated sops for custodians: Certain foreign portfolio investors (FPIs), which operate as pooled investment vehicles (PIVs), may not be exempted from the additional disclosure mandates by the Securities and Exchange Board of India (Sebi) following an update in the standard operating procedure (SOP) for custodians. An updated version of the SOP has specified several conditions to be met for pooled investment vehicles to benefit from the exemptions granted. These include no segregated portfolios, an independent investment manager, and investors having pari-passu (equal) rights in the entity.

(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



Fax



FINANCIAL TERMINOLOGY

SOFT CURRENCY

- ❖ Soft currency is a currency which is hyper sensitive and fluctuates frequently. Such currencies react very sharply to the political or the economic situation of a country.
- ❖ It is also known as weak currency due to its unstable nature. Such currencies mostly exist in developing countries with relatively unstable governments. Soft currencies cause high volatility in exchange rates as well, making them undesirable by foreign exchange dealers. These currencies are the least preferred for international trade or holding reserves.
- ❖ Zimbabwean dollar is a classic example of soft currency.



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

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 : 83.3270
 INR / 1 GBP : 106.3203
 INR / 1 EUR : 90.4226
 INR /100 JPY: 53.0400

EQUITY MARKET

Sensex: 74502.90 (-667.55)
 NIFTY: 22704.70 (-183.45)
 Bnk NIFTY: 48501.35 (-640.80)

**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.*