



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

[www.icmai.in](http://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**

**31 October 2024**



### **ECONOMY**

**US economy posts solid 2.8% growth in Q3 on election eve:** The US economy maintained a solid pace of growth in the third quarter as ebbing inflation and strong wage gains powered consumer spending ahead of a contentious presidential election set to turn on pocketbook issues. Gross domestic product increased at a 2.8% annualized rate last quarter, the Commerce Department's Bureau of Economic Analysis said in its advance estimate of third-quarter GDP on Wednesday. Economists polled by Reuters had forecast GDP advancing at a 3% pace. Estimates ranged from a 2.0% pace to a 3.5% rate. The economy grew at a 3% pace in the second quarter. The pace of growth was well above what Federal Reserve officials regard as the non-inflationary growth rate of around 1.8%.

***(Moneycontrol)***

**Gold investment demand in Q3 highest in 12 years: World Gold Council:** The reduction in the import duty from 15% to 6% has led to huge buying of gold jewellery and encouraged investment during the third quarter of the calendar year 2024, according to the Gold Demand Trends Q3 2024 report, released on Wednesday by the World Gold Council. Sachin Jain, regional CEO, India, World Gold Council, said: "India's gold demand in Q3 ended September 2024 witnessed an 18% year-on-year increase, touching 248.3 tonne. A sharp cut in gold import duties in July sparked a revival in the jewellery demand, which posted its strongest third quarter since 2015 with a 10% increase to 171.6 tonne, compared with 155.7 tonne in the year-ago period."

***(Financial Express)***

**H1 fiscal deficit benign at 29 per cent of FY25 target:** The Centre's fiscal deficit continued to undershoot budget estimate, having come in at 29% of the annual target in the first half of the current financial year, compared with 39.3% of the relevant target in the year-ago period, as capex continued to be sluggish and non-tax revenues buoyant. The net tax revenues rose by 9% on year to Rs 12.65 lakh



crore in H1FY25, trailing the required growth rate of 11.8% to achieve the annual target. On the other hand, non-tax revenues expanded by 51% to Rs 3.57 lakh crore in H1FY25 as against the flat growth required to meet the FY25 target. Non-tax revenues were lifted by Rs 2.11 trillion dividend from the RBI as against the budget estimate of Rs 80,000-90,000 crore.

***(Financial Express)***

**Core sector grows 2% in September; refinery and cement lead gains:** Growth in the output of eight key infrastructure industries — known as the core sector — recovered to 2 per cent Y-o-Y in September, from the contraction recorded in the preceding month. For the first time in 42 months, the output of the core sector had contracted (-1.6 per cent) during August. Growth in September 2024 was slower than the 9.5 per cent registered in the same month last year. According to the data released by the Ministry of Commerce and Industry on Wednesday, the sequential recovery was on the back of an acceleration in the output of coal (2.6 %), refinery products (5.8 %) and cement (7.1 %), even as the output of fertilisers (1.9 %) and steel (1.5 %) underwent deceleration.

***(Business Standard)***

## **BANKING & FINANCE**



**PSU banks outshine private banks in Q2FY25 as profitability, asset quality improve:** The performance of the state-owned banks in the second quarter (Q2) of financial year (FY) 2025 was better than the private banks as far as a few key metrics such as profitability and asset quality are concerned, according to Moneycontrol’s analysis of 35 banks. The growth in the net profit of the state-owned banks remained in the range of 23-51 per cent in the July-September quarter, while private banks were in the range of 4-40 per cent. Similarly, state-owned banks reported better net non-performing numbers, as compared to their peers in the private space. “The profitability of public sector banks has improved due to improvement in the net interest margins (NIMs) amid an increase in the interest income coupled with a rise in lending rates in the past.

***(Moneycontrol)***

**AIBEA deplores govt's order to PSBs on employee performance review:** All India Banks Employees’ Association (AIBEA), the largest trade union of bank employees in India, has taken exception to the government’s directive to public sector banks to conduct monthly review of



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



[www.icmai.in](http://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

performance of employees and prematurely retire those who are found to be not efficient. The union said that with this mandate, the government was crossing its jurisdiction and engaging in micro-management. Describing the recent move as another attack on job security, CH Venkatachalam, General Secretary, AIBEA said there were several provisions in the Bipartite Settlements, Awards, Officers Service Regulations to take action against any employee or officer wherever warranted. But the directions from the government are provocative and intimidatory. Banks have been instructed to undertake this review process every month and send the report to the government, AIBEA said in communication to members. An officer can be prematurely retired by giving three months' notice or pay in lieu thereof. A clerk or sub-staff can be prematurely retired by giving two months' notice. The trade union said that employees in the branches are already working under undue pressure due to acute shortage of staff and non-recruitment of adequate staff in sub-staff and clerical cadres.

***(Business Standard)***

**Canara Bank cuts gold loan growth to 15-17% amid regulatory concerns:** Public sector lender Canara Bank has moderated the gold loan growth to 15-17 per cent from earlier pace of 25-30 per cent in the backdrop of regulatory concerns and to balance the portfolio. It has stopped extending loans against gold in metropolitan branches for agriculture purposes, according to K S Raju, managing director and chief executive, Canara Bank.

***(Business Standard)***

**IndusInd Bank collaborates with Trustmore to offer digital escrow services in India:** IndusInd Bank on Wednesday announced a strategic partnership with digital escrow platform Trustmore, also known as Escrowpay. With this collaboration, IndusInd Bank aims to offer digital escrow services across India, the company said in a press release. Meanwhile, Trustmore customers will be offered IndusInd Bank's banking products and services, as part of the alliance.

***(Economic Times)***

## INDUSTRY OUTLOOK



**Govt mulls measures to boost strategic foreign investment from 5-year lows:** The Indian government is considering expanded measures to allow greater flexibility for strategic foreign investors to buy stakes in local companies after offshore investment slumped to a five-year low, three sources with knowledge of the matter said. Policymakers are looking at the option of foreign investments through a mix of equity and debt, which aren't permitted currently, the sources said,



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



[www.icmai.in](http://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

noting that a final decision is still pending. Opening the door to such offshore investments would mark a further liberalisation of the nation's capital market and foreign capital flows, which are subject to numerous restrictions as the Indian currency is not fully convertible. The plan to allow use of instruments that are a mix of equity and debt, often termed as "mezzanine instruments" in market parlance, are part of a government plan to shore up foreign direct investment into India, the sources said.

***(Business Standard)***

**India's gold imports jump 21.78% to \$27 bn in Apr-Sep due to strong demand:** The country's gold imports, which have a bearing on the country's current account deficit (CAD), rose by 21.78 per cent to USD 27 billion during April-September this fiscal due to strong domestic demand, according to the government data. The imports stood at USD 22.25 billion in April-September 2023-24. An industry expert said that the ongoing festival demand is helping the increase in imports. In 2023-24, India's gold imports surged 30 per cent to USD 45.54 billion. Switzerland is the largest exporter of gold, with about 40 per cent share, followed by the UAE (over %) and South Africa (about 10 %).

***(Business Standard)***

**NCLAT to decide on continuity of moratorium if stay order obtained:** The National Company Law Appellate Tribunal (NCLAT) has taken up a substantial legal issue regarding the continuity of moratorium on payment of dues if a stay has been obtained on an insolvency admission order. Uncertainty surrounding continuity of moratorium in instances where a stay order has been passed by a superior court needs deeper examination, the appellate tribunal said in a case between Axis Bank and Asset Reconstruction Company (India) Ltd. The NCLAT is examining the issue of whether a stay on insolvency admission orders impacts the moratorium on payment of dues, following an appeal by Axis Bank. The NCLT had ruled that moratoriums continue even with a stay, reversing transactions during the stay.

***(Economic Times)***





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



[www.icmai.in](http://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



## REGULATION & DEVELOPMENT

**Sebi proposes timeline of 30 days for mutual funds to deploy funds of NFOs, with 30 days extension if needed:** The market regulator has proposed that mutual funds deploy funds collected through new fund offers (NFOs) within 30 days from the date of allotment of units. In exceptional cases, if the asset management company (AMC) is not able to deploy within this time frame, then it will need give the reasons in writing for the delay to the Investment Committee. The Investment Committee can then give an extension of another 30 days along with recommendations on how this new deadline can be met and with a mechanism to track the deployment. These were suggestions issued through a consultation paper released by the Securities and Exchange Board of India (Sebi) on October 30. Public comments have to be sent in by November 20.

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

**IBBI, IBA to launch centralised platform for asset liquidation auctions:** Assets undergoing liquidation through the Insolvency and Bankruptcy Code (IBC) will soon be available to potential buyers under a centralised platform for listing and auction as the regulatory body overseeing insolvency proceedings has collaborated with the Indian Banks of Association (IBA) to facilitate the auction under one umbrella, a circular issued by the Insolvency and Bankruptcy Board of India (IBBI) said. The auction of assets would be carried out through the eBKray platform. Owned and managed by PSB Alliance Private Limited - a consortium of 12 public sector banks, eBKray has been conducting auctions for assets mortgaged to public sector banks under the SARFAESI Act for the past five years. Initially, the platform will be deployed on a pilot mode. A full-fledged roll out will happen at a later date after making improvements based on usage experience. The IBBI circular would come into force with effect from November 1, 2024, IBBI said. The insolvency regulator said that the PSB Alliance has developed a module within the eBKray platform to facilitate the listing and auction of assets under IBC.

### ***(Business Standard)***



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

[www.icmai.in](http://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

## ADVANCED ECONOMIES

- ❖ The term advanced economy is used by the International Monetary Fund (IMF) to describe the most developed countries in the world. While there is no established numerical convention to determine whether an economy is advanced or not, they are usually defined as having a high level of per capita income, a very significant degree of industrialization, a varied export base, and a financial sector that's integrated into the global financial system.
- ❖ The IMF uses three main criteria to classify countries as advanced economies; Gross domestic product (GDP) per capita, which tallies up all the goods and services produced in a country in one year and divides this number by its population, Export diversification, and Integration into the global financial system.
- ❖ Other factors that people might consider include measures of economic development, financial sophistication, or social welfare.
- ❖ As of 2024, the IMF categorized 41 nations as advanced economies. These include the United States and Canada, most nations in Europe, Japan, and the Asian tigers, as well as Australia and New Zealand. Notably, the IMF classification excludes both China and Russia, instead classifying them as emerging economies.



### **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 : 84.0847  
INR / 1 GBP : 109.3779  
INR / 1 EUR : 90.9903  
INR /100 JPY: 54.8300

### **EQUITY MARKET**

Sensex: 79942.18 (-426.85)  
NIFTY: 24340.85 (-126.00)  
Bnk NIFTY: 51807.50 (-513.20)

### **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 2<sup>nd</sup> 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.