



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



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DAILY NEWS DIGEST BY BFSI BOARD

03 May 2024



ECONOMY

Manufacturing PMI drops to 58.8 in April, modest job creation: As the output growth slowed, manufacturing-related Purchasing Managers' Index (PMI) dropped to 58.8 in April as against 59.1 in March. However, the good news is that job creation was good. The PMI, prepared and S&P Global and christened as HSBC PMI, is released much in advance of the government data and gives a quick insight of industrial activity in private sector. The index is prepared on the basis of responses from purchasing executives of 400 companies. Manufacturing is key in job creation and is considered as job multiplier. Empirical pieces of evidence show one job created in the manufacturing sector could lead to over 2 jobs created in other sectors.

(Business Line)

OECD raises India's growth forecast by 40 basis points to 6.6% for FY25: The Organisation for Economic Co-operation and Development (OECD) on Thursday raised its growth forecast for India by 40 basis points to 6.6 per cent for 2024-25, holding that buoyant public investment and improved business confidence are expected to propel India's gross domestic product (GDP) growth. "Domestic demand will be driven by gross capital formation, particularly in the public sector, with private consumption growth remaining sluggish. Exports will continue to grow, especially of services such as information technology and consulting, where India will continue to increase its global market share, supported by foreign investment," the inter-governmental group of 38 high-income economies said in its latest Economic Outlook.

(Business Standard)

Real estate loans almost triple the pace in FY'23: Bank loans to commercial real estate, including residential construction, nearly tripled last fiscal year at 23 percent, amounting to Rs 3.97 lakh crore. If the impact of the merger of HDFC with HDFC Bank is included, the loan growth increases to 38.9 percent, with outstanding loans reaching Rs 4.48 lakh crore as of March 31. Property



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analysts note growth across segments, with the top seven property markets witnessing total sales of 74,486 apartments in the quarter, following a record-breaking quarter in December.

(Economic Times)

BANKING & FINANCE



RBI lifts restrictions on Bajaj Finance's eCOM, online digital 'Insta EMI Card' with immediate effect: The Reserve Bank of India has lifted the restrictions on Bajaj Finance's two products eCOM and online digital 'Insta EMI Card', with immediate effect, company said in an exchange filing on May 2. The company further said that it would now resume sanction and disbursement of loans in the above two business segments including issuance of EMI cards. On November 15, 2023, the Reserve Bank of India directed Bajaj Finance to stop sanction and disbursement of loans under its two lending products 'eCOM' and 'Insta EMI Card', with immediate effect. The RBI said that this action is necessitated due to non-adherence of the company to the extant provisions of Digital lending guidelines of the central bank, particularly non-issuance of Key Fact Statements to the borrowers under these two lending products and deficiencies in the Key Fact Statements issued in respect of other digital loans sanctioned by the company.

(Moneycontrol)

Federal Bank Q4 NII jumps nearly 15% on strong asset quality: Federal Bank has reported the highest-ever NII in Q4FY24 at Rs 2195.11 cr, up 14.97% YoY from Rs 1909.29 in Q4FY23. The Bank also reported a net profit of Rs 906.30 crore in Q4. The strong NII also ensured healthy margins for Federal Bank. The total income of the Bank for the quarter grew by 23.42% to reach Rs.6732.23 crore. Earnings per share (EPS) annualized is Rs 14.97. The Gross NPA of the Bank as at the end of Q4 FY24 stood at Rs 4528.87 crore, which as a percentage to Gross Advances stood at 2.13%. The Net NPA stood at Rs. 1255.33 crore in Q4 and the Net NPA as a percentage of Net Advances as of March 31 is 0.60%.

(Financial Express)

'Baseless, misleading': ICICI Bank issues clarification over MD Sandeep Bakhshi's exit: ICICI Bank on Thursday issued clarification over an article stating that the bank's Managing Director (MD) Sandeep Bakhshi is willing to leave his position. The bank denied information regarding Bakhshi's exit published in The Morning Context, a news portal, in an exchange filing.

(Economic Times)



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INDUSTRY OUTLOOK



Amul will sponsor USA men's cricket team in upcoming T20 World Cup: Gujarat Cooperative Milk Marketing Federation (GCMMF), which markets dairy products under the Amul brand, has become a lead sponsor for a USA cricket men's team in the upcoming T20 World Cup. In a statement, GCMMF said that Amul has joined as the Lead Arm sponsor of USA Cricket men's national cricket team for the ICC Men's T20 World Cup 2024. The ICC tournament will commence on June 1 this year with the opening match scheduled between USA and Canada in Dallas, TX. As co-hosts of this major ICC event, the USA will make its debut appearance in this global championship.

(Business Standard)

E-commerce majors Amazon, Flipkart flouted antitrust laws: CCI probe: A probe by the Competition Commission of India (CCI) director general (investigation) into a four-year-old case against Amazon and Flipkart has found the e-commerce majors in contravention of the antitrust laws, according to people in the know. The report would soon be shared with parties involved, including the informant and the companies, followed by a hearing by the CCI, sources said.

(Business Standard)

GST National Coordination meeting on Friday may discuss tightening noose on fake registrations: Central and state GST officers will meet on Friday under the chairmanship of Revenue Secretary Sanjay Malhotra and are likely to discuss various issues like stricter registration norms to deter fake companies set up to evade taxes, sources said. The meeting comes within days of GST collections scaling a record high of Rs 2.10 lakh crore in April on the back of strong economic momentum, increased domestic transactions and tighter audit and scrutiny. The third National Co-ordination Meeting of senior officers of Central and State Tax administrations would, among other things, discuss further tightening of registration under Goods and Services Tax (GST) to curb fake companies, set up only to claim an input tax credit (ITC).

(Economic Times)



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REGULATION & DEVELOPMENT

FSSAI asks states to focus on exhaustive testing of packaged spice samples: The Food Safety and Standards of Authority of India (FSSAI) has asked States to focus on “comprehensive and exhaustive” testing of spice product samples on various safety and quality parameters besides ethylene oxide in the ongoing pan-India enforcement drive. Last week, the food safety authority directed States and Union Territories to pick up samples of spices products across brands pan-India for testing. This came after Hong Kong and Singapore announced recall of certain Indian spice products of MDH and Everest.

(Business Line)

Digital crop survey on cards to fine-tune farm statistics: India plans to bolster its farm statistics system by undertaking regular digital crop surveys, backed by advanced analytics and artificial intelligence (AI), throughout the country to assess the precise acreage, said senior officials. The move is expected to help the government firm up more realistic farm production forecasts, which will enable it to initiate appropriate trade policy measures on time, they said, adding that inaccurate numbers often lead to knee-jerk reactions by the government to contain inflation and cause trade disruptions. "If all goes well, it (digital survey) could be rolled out big time from next summer," said one of the officials, who did not wish to be identified.

(Economic Times)



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FINANCIAL TERMINOLOGY

GINI INDEX

- ❖ The Gini index determines a nation's level of income inequality by measuring the income distribution or wealth distribution across its population.
- ❖ The coefficient of the Gini index ranges from 0 (or 0%) to 1 (or 100%), with 0 representing perfect equality and 1 representing perfect inequality.
- ❖ A higher Gini index indicates greater inequality, with high-income individuals receiving much larger percentages of the population's total income.
- ❖ A country in which every resident has the same income would have an income Gini coefficient of 0. A country in which one resident earned all the income, while everyone else earned nothing, would have an income Gini coefficient of 1.
- ❖ The nation of South Africa has the world's worst level of income inequality, at a Gini index ranking of 63.0%, according to the World Bank.



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 : 83.5187
INR / 1 GBP : 104.6411
INR / 1 EUR : 89.3405
INR /100 JPY: 53.2500

EQUITY MARKET

Sensex: 74611.11 (+128.33)
NIFTY: 22648.20 (+43.35)
Bnk NIFTY: 49231.05 (-165.70)

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