



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

DAILY NEWS DIGEST BY BFSI BOARD

08 May 2024



ECONOMY

Russia halts rupee repatriation as India offers bouquet of investment options, say sources:

Russia's payment woes with India may finally be coming to an end. Thanks to allowances made by the RBI, Russian entities now have a bouquet of investment options, not just government securities and bonds but equity and loans to channelise their accumulating rupee balance. "Russia is no longer struggling to repatriate the rupee balance which is continuously accumulating in its special vostro accounts in Indian banks due to increased exports to India. The RBI, through various amendments in FEMA regulations and procedures, has made it possible for Russian entities to invest in a whole bouquet of avenues, which the country has started to make full use of now," a top level source told businessline. India and Russia put in place a rupee payment system to circumvent the Western countries' banking and economic sanctions against Russia following its attack on Ukraine in February 2022. Under the mechanism, a number of Russian banks, including Gazprom and Rosbank, opened their rupee vostro accounts with authorised dealer banks in India, such as UCO, HDFC and ICICI, for enabling rupee trade between the two countries. "The rising unused rupee balance for Russian entities in these accounts was a big concern for Russia, and it was trying to repatriate some of it through various means including converting it to dirhams or yuan. But now the rupee balance is being gainfully invested in the country itself," the source said.

(Business Line)

Oil rises on Saudi Arabia's decision to hike prices, Brent crude at \$83.39/bbl: Oil futures saw an increase on Monday following Saudi Arabia's decision to raise June crude prices for most regions. Additionally, concerns grew over the possibility of a ceasefire agreement in Gaza, leading to renewed fears of potential escalation in the oil-rich region due to the Israel-Hamas conflict. Brent crude futures rose by 43 cents, or 0.5 per cent, to \$83.39 per barrel at 1300 GMT, while U.S. West Texas Intermediate crude futures climbed to \$78.62 per barrel, up by 51 cents, or 0.7 per cent.

(Mint)



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



RBI eases FEMA regulations to facilitate foreign investment in derivatives: Foreign investors will find it easy to invest in derivative investment as the Reserve Bank of India has amended the FEMA (Foreign Exchange Management Act) regulation to facilitate margin management for trading in permitted derivatives. This will be applicable for transactions taking place in or outside India. The central bank has issued two notifications. The first notification aims to expand the permission for Authorised Dealer (AD). These dealers can now post and collect margin in and outside India for a permitted derivative contract entered into with a person resident outside India and receive and pay interest on such margin. This will also be applicable for derivative contract between two ADs, provided one of them is a branch of foreign bank. Similar arrangement will be for derivative transactions undertaken through overseas branches and International Financial Services Centre Banking Units. Authorised dealers will also be permitted to post and collect margin, in India or abroad for their customer doing derivative transaction with a non-resident.

(Business Line)

Indian lenders to appeal RBI's tough project finance proposal, sources say: Indian lenders are set to appeal against a central bank proposal to tighten rules for infrastructure project loans. The Indian Banks Association (IBA) is gathering inputs and will write to the central bank, opposing the imposition of higher provisions for under-construction projects. The central bank proposed that banks set aside a provision of 5% of the loan amount for projects at the construction phase, which can be reduced to 2.5% when the project becomes operational and 1% when a certain level of cash flow is achieved.

(Moneycontrol)

Indian Bank aims to make over Rs 1 lakh crore digital transactions: MD & CEO Shanti Lal Jain: Public sector Indian Bank has set a target to cross Rs 1 lakh crore business transactions through digital channels, a top official said on Tuesday. The city-headquartered bank had made Rs 81,000 crore transactions through digital medium last financial year, Managing Director and CEO Shanti Lal Jain said. "As far as digital transactions are concerned, it grew by 4 per cent to 89 per cent overall in FY23-24. Last financial year (FY23) the digital transactions made was 85 per cent." he told reporters.

(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

Axis Bank brings expats to India in push to woo global firms: Axis Bank Ltd is on a lookout to hire Asian expatriates to help the lender win business from multinational companies. The bank, that recently overtook Kotak Mahindra Bank Ltd. to become the third largest private lender in India, is targeting mid-sized companies in this area, the fastest growing business in its corporate banking division. It sees this as an “under-served” market by global banks, according to Rajiv Anand, Axis’ deputy managing director. Axis is focused on companies from countries like South Korea, Japan, US, Germany, Italy and France that have good ties with India. Getting the inside track into South Korean and Japanese firms has proven tougher however, due to language and cultural barriers, according to Anand.

(Economic Times)

Banks report robust treasury income in Q4 on easing bond yields: Eight banks reported robust growth in treasury income or trading gains in the fourth quarter of FY24 as yields on government securities eased. The banks that reported treasury gains or income are Bank of Maharashtra, Equitas Small Finance Bank, Kotak Mahindra Bank, AU Small Finance Bank, Yes Bank, Axis Bank, South Indian Bank, and Central Bank of India, an analysis showed. Yields on government securities, especially the 10-year benchmark, fell about 14 basis points (bps) during the fourth quarter of FY24, as per Bloomberg data. However, the Indian rupee remained volatile and fell 8-9 paise in the same period.

(Economic Times)

INDUSTRY OUTLOOK



NSE to conduct live trading session on May 18 with disaster recovery switch: National Stock Exchange (NSE) on May 7 announced that it shall conduct special live trading session with the intra-day switchover from Primary site to Disaster Recovery site on Saturday, May 18, 2024 in equity and equity derivative segments to check their preparedness to handle major disruption or failure at the primary site. The special live trading session will have an intra-day switchover from Primary Site (PR) to Disaster Recovery (DR) site. A DR site is necessary for all critical institutions like exchanges so that operations can be done seamlessly and smoothly if any extraneous event affects the functioning of the main trading centre in Mumbai.

(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

Sri Lanka firms up power purchase deal with Adani Green: Sri Lanka has agreed to purchase power at \$0.0826, or 8.26 cents, per kWh from Adani Green Energy, which is executing a wind power project in Mannar and Pooneryn in the island's Northern Province. On Monday, the Cabinet cleared a proposal for a 20-year power purchase agreement with Adani Green Energy for the development of wind power stations to produce 484 MW of power. "On the current exchange rate considered as, \$1 = ₹300, the cost of energy will be ₹24.78 per kWh. The current average cost of energy in Sri Lanka is ₹39.02 per kWh," Minister of Power and Energy Kanchana Wijesekera said on social media platform 'X' on Tuesday. While he said Sri Lanka will pay in LKR (Sri Lankan Rupee), based on the prevailing exchange rate at the time of payment, details of clauses on possible revision in rates are awaited.

(Business Line)

Google launches Pixel 8a, opens pre-order in India with introductory offers: Google has announced the Pixel 8a, its affordable smartphone in the Pixel 8 series. Powered by its Tensor G3 chip, the smartphone gets select artificial intelligence features from the Pixel 8 and Pixel 8 Pro, such as Google Gemini and gesture-driven Circle to Search. Following suit with other models in the Pixel 8 series, the Pixel 8a is promised seven years of software support, encompassing security updates, Android OS upgrades, and feature drops.

(Business Standard)



REGULATION & DEVELOPMENT

Thailand extends visa exemption program for Indian tourists: Thailand has extended its visa exemption program for tourists from India and Taiwan for another six months, allowing these travelers to enter the country without a visa until November 11, 2024. The move aims to attract more foreign visitors to boost Thailand's economy, which relies heavily on tourism. This extension comes after the success of the initial waiver implemented last November. Previously, tourists from India and Taiwan were allowed to stay in Thailand for only 15 days under a visa-on-arrival scheme. By extending the exemption, Thailand hopes to encourage longer stays and more frequent visits from these countries.

(Economic Times)

Google search interest draws attention to India's gold reserves: India has recently seen the most increased interest in gold reserves, with 29,300 Google searches for the term 'gold reserves' as of



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

February 2024. This comes as no surprise as the country is part of the top ten nations with the highest gold reserves in the world. India has approximately 804 tonnes of gold worth a value of \$50 billion, according to The Gold Bullion Company report released on Tuesday. The UK follows behind with 16,280 Google searches, showcasing an increased interest in gold reserves compared to other countries. Though not part of the countries with the most gold reserves, the UK has accumulated a sizable amount of gold worth \$19 billion, representing a substantial amount of its monetary assets aiding its economic stability.

(Economic Times)

Trade deal talks on: Faster services trade data compilation in the works: The commerce department is working on a strategy to compile comprehensive monthly services trade data with a turnaround time of less than 30 days which may enable timely policy making, an official aware of the matter said. Currently, the services trade data, which is released by the Reserve Bank of India (RBI), comes with a lag of two months. Besides, it doesn't contain the sector-wise as well as country-wise numbers. The Department of Commerce, that is in charge of international trade, mostly relies on the central bank's data for services trade data.

(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

MONTE CARLO SIMULATION

- ❖ A Monte Carlo simulation is a model used to predict the probability of a variety of outcomes when the potential for random variables is present.
- ❖ Monte Carlo simulations help to explain the impact of risk and uncertainty in prediction and forecasting models.
- ❖ A Monte Carlo simulation requires assigning multiple values to an uncertain variable to achieve multiple results and then averaging the results to obtain an estimate.
- ❖ They are used to estimate the probability of cost overruns in large projects and the likelihood that an asset price will move in a certain way.
- ❖ Financial analysts use Monte Carlo simulations to assess the risk that an entity will default, and to analyze derivatives such as options.
- ❖ A Monte Carlo simulation takes the variable that has uncertainty and assigns it a random value. The model is then run, and a result is provided. This process is repeated again and again while assigning many different values to the variable in question. Once the simulation is complete, the results are averaged to arrive at an estimate.



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 : 83.5015
INR / 1 GBP : 104.7198
INR / 1 EUR : 89.8287
INR /100 JPY: 54.0600

EQUITY MARKET

Sensex: 73511.85 (-383.69)
NIFTY: 22302.50 (-140.20)
Bnk NIFTY: 48285.35 (-609.95)

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.