

Top Story 1

European Union banks seek RBI approval for third-party transaction model

As many as four European banks have asked the Reserve Bank of India (RBI) to approve a third-party transaction model, the Economic Times (ET) reported. Credit Agricole, Societe Generale, Deutsche Bank, and BNP Paribas seek to resolve a deadlock between their home authorities and Indian policymakers regarding audit oversight rights. The banks met with RBI officials last month, seeking approval for the proposed third-party model due to the absence of established protocols, ET said citing sources. The banks expect to hear the RBI's stance within the coming weeks, the report added. The European banks face hurdles in trading Indian government bonds and derivatives since the European Securities and Markets Authority (ESMA) de-recognised the Clearing Corp of India (CCIL) in October 2022. ESMA's decision resulted from the RBI's refusal to grant audit and inspection rights over CCIL, which oversees local government bond trading and ensures settlement.

[https://www.business-standard.com/industry/banking/european-union-banks-
seek-rbi-approval-for-third-party-transaction-model-124052800630_1.html](https://www.business-standard.com/industry/banking/european-union-banks-seek-rbi-approval-for-third-party-transaction-model-124052800630_1.html)

Top Story 2

Indian economy grew 7.4% in Q4 FY24; 8% in FY24: SBI Research

The International Monetary Fund (IMF) in its April 2024 World Economic Outlook (WEO) revised the global growth forecast for 2024 to 3.2%, an improvement from previous projections. Global headline inflation is anticipated to decrease from 6.8% in 2023 to 5.9% in 2024, and further to 4.5% in 2025. In India, the economy is set to surprise in Q4 of FY24 with a 7.4% growth rate, according to State Bank of India (SBI) research. This strong performance is expected to boost India's full-year growth estimate to 8%, following an average of 8.2% growth in the first three quarters. However, SBI's full-year projection at 7.6% suggests a Q4 growth rate of 5.7%. These figures underscore robust economic momentum in India, contributing positively to the global growth outlook.

<https://coingeek.com/india-finance-minister-seeks-global-understanding-on-digital-asset-regulation/>

Finance: -

Microfinance boom catches attention of private banks

The rapid growth in the microfinance space seems to have caught the attention of private sector banks, which have lately been getting aggressive in tapping the opportunity at the bottom of the pyramid, either through acquisition of microfinance firms or by buying minority stakes in them. On September, Mint reported India Micro Finance Pvt. Ltd raised Rs395 crore from domestic institutional investors, as the firm prepares to make a transition to a small finance bank. One of the key investors in the investment round was private sector bank RBL Bank Ltd, which picked up a 10% stake in the company. Also on 30 September, private sector lender Kotak Mahindra Bank Ltd said it had acquired BSS Microfinance Pvt. Ltd for Rs139.2 crore. In July, IDFC Bank Ltd acquired a Tamil Nadu- based microfinance institution (MFI) called Grama Vidiyal for an undisclosed amount.

<https://www.livemint.com/Industry/dQoFOOeAaBn2e7ZJpK4ToL/Microfinance-boom-catches-attention-of-private-banks.html>

Banking: -

RBI launches app for G-Sec transactions, PRAVAAH portal

The Reserve Bank of India (RBI) Recently launched three major initiatives — the PRAVAAH portal, a Retail Direct mobile application, and a FinTech Repository. These initiatives were announced as part of the central bank’s bimonthly Statement on Developmental and Regulatory Policies in April 2023, April 2024, and December 2023, respectively. The PRAVAAH portal will make it convenient for any individual or entity to apply online for various regulatory approvals in a seamless manner. The portal will also enhance the efficiency of various processes related to granting of regulatory approvals and clearances by the RBI, a notification by the central bank said. On the portal, applicants can submit the application online, track and monitor the status of the application, respond to any clarification or query sought by the RBI in connection with the application or reference, and receive a decision from the RBI in a time bound manner.

<https://www.financialexpress.com/business/banking-finance-rbi-launches-app-for-g-sec-transactions-pravaah-portal-3505390/>

Digitalization: -

MALDIVES TO INTRODUCE INDIA'S RUPAY SERVICE TO STRENGTHEN ECONOMY

The Maldives is set to introduce India's RuPay payment system, a move expected to strengthen the Maldivian Rufiyaa. Although no specific launch date has been announced, this initiative is seen as a step towards enhancing the country's financial stability. Maldives' Minister of Economic Development and Trade, Mohamed Saeed, mentioned that both India and China have agreed to use their local currencies for bilateral trade. This strategy aims to reduce reliance on the US dollar and improve regional financial integration. In recent news, the Maldives confirmed that India and China will work together to facilitate import payments in their own currencies. This policy change could potentially cut Maldives' annual import costs of \$1.5 million by almost half. Minister Saeed also shared that he met with Indian High Commissioner Munu Mahawar two weeks ago. During their meeting, Mahawar assured that India would support the Maldives in making import payments in Indian Rupees, marking a significant step in economic cooperation between the two countries.

<https://ddnews.gov.in/en/maldives-to-introduce-indias-rupay-service-to-strengthen-economy/>

Investment: -

India's Rising Star for Foreign Portfolio Investors

India's GIFT City is gaining traction among foreign portfolio investors, who are opting for it over traditional investment routes via Mauritius or Singapore. This shift is primarily attributed to the tax benefits and improved ease of doing business in GIFT City compared to other common investment channels. India's first operational International Financial Services Centre (IFSC), the Gujarat International Finance Tec-City, or GIFT City, offers lucrative tax benefits backed by a robust legal and regulatory framework, which has enhanced its appeal among foreign portfolio investors (FPIs). Since the introduction of specific regulations for managing funds in 2022, there has been promising investment growth year-on-year. GIFT City aspires to become a worldwide center for finance and technology, drawing companies from a variety of sectors, including capital markets, fintech, IT, banking, insurance, and more.

Currency	Rate (Rs)	Change	Index	Change	
USDINR	83.274	0.079	NIFTY 50	22,718.75	-169.40
EURINR	90.324	0.006	BSE Sensex	74,587.93	-584.52
GBPINR	106.186	0			
JPYINR	52.97	0.0523			