



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA (ICMAI)**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
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## **DAILY NEWS DIGEST BY BFSI BOARD**

**01 Jan 2024**



### **NEW YEAR WITH NEW CHANGES RELATED TO FINANCE**

**Some of the important finance related changes coming with the new year are:**

- ❖ **Higher interest rates on small savings schemes:** Interest rate for Sukanya Samridhi Account Scheme (SSAS) raised by 20 basis points to 8.20 percent for the March quarter and that for 3-year time deposit has been raised by 10 basis points to 7.10 percent for the quarter commencing Jan 1, 2024.
- ❖ **Higher prices for purchase of cars:** Some of the auto companies such as Tata Motors, Audi, Maruti and Mercedes Benz have announced that their vehicle prices will see an uptick in January on account of higher input prices.
- ❖ **UPI IDs inactive for 1 year to be disabled:** UPI account that has not used for a year or so, then be ready to see it get deactivated from Jan 1 onwards. However, customers will be able to re-register their respective UPI apps for mapper linkage and they can make payments, non-financial transactions using UPI PIN as needed.
- ❖ **Simplified health insurance policy documents:** The insurance regulator IRDAI has told insurers to release revised customer information sheets (CIS) for health insurance policyholders with effect from Jan 1, 2024. Since the CIS entails complex legal jargon, the revised sheets will be easy for policyholders to understand.
- ❖ **No physical verification for SIM cards:** DoT has issued a notification asking telecommunication companies to phase out physical verification of their customers before selling them the SIM cards. The KYC verification will therefore be completely digital. The customers will then need to only show their photo identity proof and get the verification done digitally.



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## **BANKING & FINANCE**



**NARCL and PSBs should closely coordinate to expedite on-boarding of stressed accounts: FM:** Finance Minister Nirmala Sitharaman on Saturday directed National Asset Reconstruction Company Ltd (NARCL) to further improve its functioning on acquisition of stressed accounts. NARCL and banks should hold regular meetings to expedite the on-boarding of stressed accounts, Sitharaman said in the review meeting she chaired with chief executives of public sector banks here. In addition to this, Sitharaman also emphasised the importance of mobilising deposits, urging PSBs to innovate and offer attractive schemes to enhance their deposit base, which will enable them extend more credit.

**(Business Line)**

**Finance Minister Nirmala Sitharaman meets heads of PSBs, reviews financial performance:** Finance Minister Nirmala Sitharaman on Saturday held a meeting with heads of public sector banks and reviewed their financial performance. During the meeting, concerns related to cyber security and the risks on the financial sector were discussed, sources said. Issues related to fraud and wilful defaulters and progress on the National Asset Reconstruction Company Ltd (NARCL) also came up for discussion, they said. This is the probably last full review meeting before the presentation of Budget 2024-25.

**(Economic Times)**

**Indian banks shrug off multiple headwinds:** Indian banks have shrugged off exceptional monetary tightening in advanced economies, domestic rate hikes, wars and volatile commodity prices. Their notional losses in a major portfolio of securities are at a level to comfortably ward off the kind of threats that sank a few US banks in March 2023. The notional loss in the HTM (held-to-maturity) book of scheduled commercial banks declined marginally to ₹70,497 crore as at end September.

**(Economic Times)**



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## ECONOMY

**Former NITI Aayog VC Arvind Panagariya to lead 16th Finance Commission:** The government on Sunday appointed former Niti Aayog vice chairman Arvind Panagariya as the Chairman of the 16th Finance Commission. Joint Secretary in the finance ministry Ritvik Ranjanam Pandey will be the secretary to the commission, the government said in a notification. "The President is pleased to constitute a Finance Commission with Dr Arvind Panagariya, former Vice-Chairman, NITI Aayog and Professor, Columbia University, as the Chairman. Members of the Commission will be notified separately," it said. The commission will submit its report for the five-year period (2026-27 to 2030-31) to the President by October 31, 2025. The Union Cabinet, chaired by Prime Minister Narendra Modi, last month approved the Terms of Reference (ToR) of the 16th Finance Commission. The erstwhile 15th Finance Commission under NK Singh had recommended that states be given 41 per cent of the divisible tax pool of the Centre during the five-year period 2021-22 to 2025-26..

**(Business Standard)**

**FPIs inject Rs 1.7 trn into Indian equities in 2023, uptick in flows in Dec:** In a remarkable comeback, foreign portfolio investors (FPIs) have pumped Rs 1.7 trillion into the Indian equity markets in 2023, propelled by confidence in the country's robust economic fundamentals amid a challenging global landscape. The year 2023 has witnessed massive investment by FPIs, thanks to the sharp uptick in inflows of Rs 66,134 crore in December.

**(Business Standard)**

**India to remain fastest-growing major economy in 2024:** India decisively withstood global headwinds in 2023 and is likely to remain as the world's fastest-growing major economy on the back of growing demand, moderate inflation, stable interest rate regime and robust foreign exchange reserves. Despite widespread pessimism witnessed among the developed nations and the worsening geopolitical situation, India recorded a gross domestic product (GDP) expansion of 6.1 per cent in the March quarter. The growth moved up to 7.8 per cent in the June quarter and was 7.6 per cent in the September quarter. For the first six months of this fiscal, the growth was 7.7 per cent. The growth momentum is expected to sustain in the December quarter, making India the fastest-growing major economy in the world much ahead of China.

**(Economic Times)**



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## INDUSTRY OUTLOOK



**L&T gets Rs 1,040-crore contract for Bengaluru suburban rail's Kanaka Line:** Rail Infrastructure Development Company (Karnataka) Limited (KRIDE) on December 30 issued a Letter of Acceptance (LoA) to Larsen & Toubro for the civil work of the 46-km Kanaka Line (Heelalige – Rajanukunte) in the Bengaluru suburban rail project. The contract is worth Rs 1,040 crore. The project includes the design and construction of an elevated viaduct spanning 8.9-km and at-grade covering 37.9-km (excluding station buildings) between Heelalige and Rajanukunte, on an Engineering, Procurement, and Construction (EPC) basis for Kanaka Line (Corridor-4), a statement noted.

**(Moneycontrol)**

**UK will let those on tourist visas work in the country from the new year:** Starting January 31, 2024, the United Kingdom will introduce significant changes to its Visitor Visas, allowing additional business activities, according to the updated immigration rules published by the UK government. Under the new guidelines, visitors will be allowed to continue to work for an overseas employer while staying in the UK. Nevertheless, the primary intent of their visit must be tourism, visiting family, or engaging in another non-work-related activity. Also, the remote work conducted during the stay should be directly linked to the visitor's overseas employment.

**(Economic Times)**



## REGULATION & DEVELOPMENT

**Isro to launch dedicated scientific satellite to study black holes in 2024:** Isro is set to welcome the new year with the launch of its first X-Ray Polarimeter Satellite that would offer insights into celestial objects like black holes, onboard a Polar Satellite Launch Vehicle rocket on Monday. The launch comes after the success of its Gaganyaan Test Vehicle D1 mission in October. The PSLV-C58 rocket, in its 60th mission, would carry primary payload XPoSat and 10 other satellites to be deployed



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in low earth orbits. The 25-hour countdown commenced on Sunday for the lift-off scheduled at 9.10 am from the first launch pad at this spaceport, located about 135 kms east of Chennai on January 1.

***(Business Standard)***

**Arunachal govt inks agreement for Rs 13,000cr hydropower project in Lohit basin:** The Arunachal Pradesh government on Saturday signed an agreement with the Tehri Hydropower Development Corporation India Ltd (THDCIL) for developing the 1,200-mw Kalai-II hydroelectric project in the Lohit river basin for Rs 13,000 crore. State Hydropower Commissioner Ankur Garg and THDCIL's director (technical) Bhupender Gupta signed the agreement on behalf of the two sides. Chief Secretary Dharmendra presided over the programme. In August, the state government signed agreements with three central PSUs — NHPC, SJVN and NEEPCO — for developing 12 hydropower projects, having a combined capacity of 11,517 MW, in Subansiri, Dibang and Siang basins. With the allotment of the Kalai-II project to THDCIL, the government concluded agreements for 13 projects with a total capacity of 12,717 MW in this calendar year.

***(Financial Express)***





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## FINANCIAL TERMINOLOGY

### CIRCUIT BREAKERS

- ❖ Catch Circuit breakers are pre-defined values in percentage terms, which trigger an automatic check when there is a runaway move in any security or index on either direction. The values are calculated from the previous closing level of the security or the index.
- ❖ Usually, circuit breakers are employed for both stocks and indices. Many steps can possibly be taken after the breach of the circuit breakers. Some popular ones are; 1) Halting of trade in a security or index for a certain period, 2) Halting of trade in a security or index for the entire trading day. In case of the first option, trading in the security is halted for a few minutes to few hours to allow trading activity to cool down among the market participants. This time period also allows market participants to absorb any sudden news development in a particular security or a set of securities and, thereafter, take a rational and measured approach towards the security during the rest of the trading session. If the volatility or big moves are still not controlled when trading resumes after a temporary halt, then the second option is invoked and trading is halted for the entire day.
- ❖ The percentage levels at which these circuit breakers are invoked are revised regularly, depending on the levels of the security or the index over a period. For example, a stock may have a circuit breaker at 20 per cent for certain period and, subsequently, it can be revised downward to 10 per cent as the stock exchange may deem fit.



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### **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 : 83.1164  
INR / 1 GBP : 106.1053  
INR / 1 EUR : 92.0049  
INR /100 JPY: 58.8200

### **EQUITY MARKET**

Sensex: 72240.26 (-170.12)  
NIFTY: 21731.40 (-47.30)  
Bnk NIFTY: 48292.25 (-216.35)

### **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  
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### **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  
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### **TEAM BFSIB**

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