

DAILY NEWS DIGEST BY BFSI BOARD

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BANKING & FINANCE



Administrator likely to be appointed at Paytm Payments Bank after March 15: With less than a fortnight to go for Paytm Payments Bank to wind down its operations, highly placed sources in the banking circles say the bank could be the first significant instance in over two decades where the Reserve Bank of India may not hesitate to take a drastic step such as cancellation of its bank license. "If that be the case, an administrator could be appointed at the bank to oversee certain critical aspects," said a person with knowledge of the matter.

(Business Line)

Amit Shah launches NUCFDC, sets target to establish one urban cooperative bank in each town: Cooperation Minister Amit Shah on Saturday launched the National Urban Cooperative Finance and Development Corporation (NUCFDC) and asked the umbrella body to set up one urban cooperative bank in each town. He also said urban cooperative banks should upgrade themselves to provide ATM facility, credit/debit cards, clearing system, maintain SLR (statutory liquidity ratio) limit and refinancing. NUCFDC has received the RBI approval to function as a non-banking finance company and a self-regulatory organisation for the urban cooperative banking sector.

(Economic Times)

Flipkart unveils its UPI handle to boost India's digital evolution: Flipkart on Sunday launched its UPI (Unified Payments Interface) handle to enhance digital payment offerings to all users, including the e-commerce major's over 500 million customers, and boost India's digital evolution. Powered by Axis Bank, Flipkart UPI will initially be available for Android users. Customers can register for UPI with @fkaxis handle and can do fund transfers and checkout payments using the Flipkart app. For a distinctive customer experience, loyalty features like Supercoins, cashbacks, Milestone benefits, and brand vouchers will be made available post the UPI launch. "Flipkart UPI underscores our dedication to shaping a digitally-empowered society and reaffirms our role as a

leading catalyst in India's digital evolution,” said Dheeraj Aneja, Senior Vice President - Fintech and Payments Group at Flipkart.

(Business Standard)



ECONOMY

Govt brainstorms 'Viksit Bharat 2047' vision, action plan for next 5 years: The union council of ministers, led by Prime Minister Narendra Modi, held a brainstorming session on March 3 on the vision document for 'Viksit Bharat 2047,' and discussed the action plan for the next five years, government sources said. At the meeting, a 100-day agenda was outlined for the immediate steps to be taken by the next government, following its formation in May 2024. The Lok Sabha polls to elect the next government is expected to be held in April-May. The dates are yet to be released by the Election Commission. Modi, who is seeking a third consecutive term in power, has stressed on the Viksit Bharat, or Developed India, vision in several of his public speeches over the past couple of years.

(Moneycontrol)

21% fewer fresh corporate subscribers join national pension system in 2023: The National Pension System (NPS) added 21.5 per cent fewer fresh subscribers under the corporate segment in 2023 compared to the preceding year. Government officials and experts attribute it to the higher exemption limit of income tax of Rs 7 lakh announced in the FY24 Budget that no more requires employees under this income bracket to opt for NPS for tax-saving purposes. Data collated from the Ministry of Statistics and Programme Implementation (MoSPI) reveals that the corporate component is voluntary in nature and saw 158,212 new subscribers in 2023 compared to 201,517 during 2022. This segment mainly comprises employees in the public sector, public sector banks and private limited companies, among others.

(Business Standard)

Shehbaz Sharif becomes Pakistan's Prime Minister for a second time: Shehbaz Sharif on Sunday became the prime minister of Pakistan for a second time to lead a coalition government after he comfortably won a majority in the newly-elected Parliament amidst sloganeering by the Opposition. Shehbaz, 72, who was the consensus candidate of the Pakistan Muslim League-Nawaz (PML-N) and the Pakistan Peoples Party (PPP), received 201 votes, 32 more than what was required

to become leader of the House in the 336-member Parliament. Shehbaz's challenger Omar Ayub Khan of jailed former prime minister Imran Khan's Pakistan Tehreek-e-Insaf (PTI) secured 92 votes. National Assembly Speaker Sardar Ayaz Sadiq announced the results appointing Shehbaz as the 24th prime minister of Pakistan.

(Business Standard)

INDUSTRY OUTLOOK



India Inc presses capital expenditure pedal as capacity utilisation rises: With India Inc's average capacity utilisation touching the 74 per cent mark, according to the Reserve Bank of India (RBI), top Indian conglomerates are finally pressing the pedal on capital expenditure. According to a report by Motilal Oswal Financial Securities (MOSL), private sector capital expenditure (capex) has started ramping up from select sectors, which will get another leg up from thermal power, production linked-led capex and semiconductor capex. Last week, Tata Electronics and Powerchip Semiconductor Manufacturing Corp (PSMC), Taiwan, announced plans to invest Rs 91,000 crore in Dholera, while Tata Semiconductor Assembly and Test Private Limited announced plans to invest Rs 27,000

(Business Standard)

Adani Group to invest Rs 75,000 crore in Madhya Pradesh: The Adani Group will invest Rs 75,000 crore in Madhya Pradesh across various sectors such as cement, roads, energy and natural resources, a move that would generate more than 15,000 jobs. The group has been on an investment spree across various states in the country, mostly to develop infrastructure across sectors. The group will invest close to Rs 30,000 crore, its biggest in the state, to ramp up its power generation capacity at the Mahan Energen plant in Singrauli. The capacity would be hiked to 4,400 megawatts (MW) from the present 1,200 MW. Further, it will also invest close to Rs 28,000 crore to set up 3,410 MW capacity of pumped storage projects.

(Financial Express)



REGULATION & DEVELOPMENT

Registration of newspapers and periodicals goes online through Press Sewa Portal: The Government of India has notified the historic Press & Registration of Periodicals Act (PRP Act), 2023 and its Rules in its Gazette and consequently the Act has come into force from 1st March, 2024. From now on, the registration of periodicals shall be governed by the provisions of the Press and Registration of Periodicals Act (PRP Act), 2023 and the Press and Registration of Periodicals Rules. As per the notification, the office of Press Registrar General of India – PRGI (erstwhile Registrar of Newspapers for India - RNI) shall be carrying out the purposes of the new Act. In tune with the ethos of Digital India, the new Act provides for an online system for facilitating the registration of newspapers and other periodicals in the country. The new system replaces the existing manual, cumbersome processes involving multiple steps and approvals at various stages which were causing unnecessary hardships to the publishers.

(PiB)

Sensex and Nifty close at record high levels during the special live trading session: Equity benchmark indices Sensex and Nifty ended at new closing high levels in the special trading session on Saturday, extending their previous day's sharp rally, amid impressive GDP data and foreign fund inflows. Leading stock exchanges BSE and NSE conducted a special trading session in the equity and equity derivative segments on Saturday to check their preparedness to handle major disruption or failure at the primary site. The special live trading session had an intra-day switch over from Primary Site (PR) to Disaster Recovery (DR) site. The 30-share BSE Sensex climbed 60.80 points or 0.08 per cent to reach its all-time closing high of 73,806.15. During the trade, the benchmark reached its record peak of 73,994.70, up 249.35 points or 0.33 per cent.

(Business Line)



FINANCIAL TERMINOLOGY

HELICOPTER MONEY Vs QUANTITATIVE EASING

- ❖ 'Helicopter Money'. basically means non-repayable money transfer from the central bank to the government.
- ❖ This is an unconventional monetary policy tool aimed at bringing a flagging economy back on track. It involves printing large sums of money and distributing it to the public. Friedman used the term to signify "unexpectedly dumping money onto a struggling economy with the intention to shock it out of a deep slump. "Under such a policy, a central bank "directly increase the money supply and, via the government, distribute the new cash to the population with the aim of boosting demand and inflation."
- ❖ Quantitative easing also involves the use of printed money by central banks to buy government bonds. But not everyone views the money used in QE as helicopter money. It sure means printing money to monetise government deficits, but the govt has to pay back for the assets that the central bank buys. It's not the same as bond-buying by central banks "in which bank-owned assets are swapped for new central bank reserves." Helicopter money is also different from a central bank directly financing the debt of a government.



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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 : 82.8702
INR / 1 GBP : 104.6474
INR / 1 EUR : 89.5766
INR /100 JPY: 55.1100

EQUITY MARKET

Sensex: 73806.15 (+60.80)
NIFTY: 22378.40 (+39.65)
Bnk NIFTY: 47297.50 (+10.60)

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