



**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**

**05 February 2024**

### **BANKING & FINANCE**



**SBI net profit declines 35 pc to Rs 9,164 crore in Q3:** SBI on Saturday reported a 35 per cent fall in standalone net profit to Rs 9,164 crore for the December quarter. State Bank of India (SBI) had earned a net profit of Rs 14,205 crore in the year-ago period. Gross NPA declined to 2.42 per cent at December-end from 3.14 per cent at the end of the third quarter of last year. Similarly, net NPAs also eased to 0.64 per cent against 0.77 per cent at the end of the same period a year ago. On a consolidated basis, SBI Group's net profit slipped 29 per cent to Rs 11,064 crore as against Rs 15,477 crore in the same quarter a year ago. However, total income increased to Rs 1,53,072 crore as compared to Rs 1,27,219 crore in the first quarter of the previous fiscal.

**(Financial Express)**

**Paytm app will continue to work beyond Feb 29 as usual: CEO Vijay Shekhar Sharma:**

Digital payments and services app Paytm is working and will continue to work as usual even after February 29, its CEO Vijay Shekhar Sharma said on Friday. The founder and CEO of One97 Communications Ltd (OCL), which owns Paytm brand, on social media platform X said the company is committed to serving the nation in full compliance. RBI has barred Paytm Payments Bank Ltd (PPBL) from accepting deposits or top-ups in any customer account, prepaid instruments, wallets, and FASTags, among others after February 29, 2024. OCL holds a 49 per cent stake in PPBL but classifies it as an associate of the company and not as a subsidiary.

**(Financial Express)**

**India's trade body CAIT asks brick-and-mortar businesses to drop Paytm:** Following the clampdown from the Reserve Bank of India (RBI), India's Confederation of All India Traders (CAIT) has issued an advisory asking brick-and-mortar businesses to switch from Paytm to other payment applications. "The RBI has imposed certain restrictions, prompting CAIT to recommend that users take proactive measures to protect their funds and ensure uninterrupted financial transactions. Large number of small traders, vendors, Hawkers and women are making payments through Paytm and as



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such RBI restrictions on Paytm could lead to financial disruptions for these people," the CAIT said on February 4. CAIT, which largely represents brick-and-mortar shops, urged traders to act promptly and make informed decisions to mitigate any potential adverse effects on their financial operations.

**(Moneycontrol)**

**BoM records highest growth in deposit mobilisation among PSU banks in Q3:** Bank of Maharashtra (BoM) has recorded the highest growth rate in terms of deposit mobilisation among public sector lenders at a time when most lenders are facing difficulty in achieving double-digit growth. Out of 12 public sector banks, only BoM and State Bank of India (SBI) could log a double-digit growth in deposits in the third quarter ended December 2023. The Pune-based lender BoM reported a 17.89 per cent growth in deposits followed by SBI at 12.84 per cent during the quarter, according to published quarterly numbers of the public sector banks (PSBs). However, SBI's total deposits were about 18.5 times higher at Rs 45,67,927 crore, as compared to Rs 2,45,734 crore of BoM in absolute terms.

**(Economic Times)**

**SBI says wage hike provisions to reach Rs 26,000 crore by March:** State Bank of India, which saw a sharp 35 per cent fall in its December quarter net profit due to a one-time expenditure towards increased salaries and pensions, said the burden will jump to around Rs 26,000 crore by March this year. The fall in profit is attributed to a provision of Rs 7,100 crore made towards salaries and pensions, following a wage hike settlement reached in November 2022.

**(Economic Times)**



**ECONOMY**

**India can sustain current levels of growth with or without private capex: Finance Secretary:** With or without private capital expenditure, India has enough firepower to sustain the rate of growth at the current levels, Finance Secretary TV Somanathan told Moneycontrol in an interview on February 2. The government has not taken any steps that will restrain growth to a rate below what it is this year and private capital expenditure can only increase this growth rate further, Somanathan said citing the increase in total expenditure as well as on the spending on infrastructure for next fiscal. India's statistics ministry has pegged real growth for 2023-24 at 7.3 percent.



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While the Budget does not make a forecast for real GDP growth, the finance ministry said in a report on January 29 that the Indian economy's growth rate may be close to 7 percent in 2024-25. "The strength of the domestic demand has driven the economy to a 7 percent plus growth rate in the last three years," the ministry said in a report authored by officials from the office of the Chief Economic Adviser V Anantha Nageswaran

**(Moneycontrol)**

**RBI likely to continue status-quo on short-term lending rate, say experts:** Coming close on the heels of the interim budget which maintained the status quo on policy front, the Reserve Bank is likely to continue with the pause on the short-term lending rate in its upcoming bi-monthly monetary policy this week as retail inflation is still near the higher end of its comfort zone, say experts. It is almost a year since the Reserve Bank has kept the short-term lending rate or repo rate stable at 6.5 per cent. The benchmark interest rate was last raised in February 2023 to 6.5 per cent from 6.25 per cent to contain inflation driven mainly by global developments. The retail inflation in the current financial year has declined after touching a peak of 7.44 per cent in July, 2023, it is still high and was 5.69 per cent in December 2023, though within the Reserve Bank's comfort zone of 4-6 per cent.

**(Business Line)**

**IT Dept gets ₹1,080 cr from online gaming during current FY, says CBDT Chairman:** Tax Deducted on Sources (TDS) mechanism for online gaming has yielded over ₹1,000 crore during current fiscal, Central Board of Direct Taxes (CBDT) Chairman Nitin Gupta has said. In an interview, he also emphasised changes in law and 2023-24 Budget also helped in reducing disputes in online gaming.

**(Business Line)**

**Central govt workforce likely to decline by nearly 50,000 in 2025:** The workforce in central government departments, excluding the central public sector enterprises (CPSEs), is estimated to decline by approximately 50,000 employees by March 2025. The overall expenditure on pay and allowances, however, is expected to increase by 6.9 per cent to Rs 3.2 trillion in the financial year 2024-25, according to the latest Interim Budget documents. The Interim Budget documents for FY25 show central government employee strength is estimated to peak in 2024 at 3.51 million, growing 12 per cent over the preceding year.

**(Business Standard)**



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## INDUSTRY OUTLOOK



**Existing taxation structure for corporates very reasonable: Revenue secy:** The existing taxation structure for corporates with a 22 per cent tax is "very reasonable" when compared to an economy of the size of India and hence the concessional tax regime which was in force for four years for new manufacturing units was not extended beyond March 2024, Revenue Secretary Sanjay Malhotra said. In an interview with PTI, Malhotra said the Interim Budget 2024-25 provides for continuity in taxation regime and the benefits given to taxpayers in the last years are showing results in the form of huge buoyancy in personal income tax.

**(Business Standard)**

**IBBI allows same RP for company and personal guarantor insolvency:** The Insolvency and Bankruptcy Board of India (IBBI) has lifted the restriction to allow the same insolvency professional for the resolution process of a company as well as its personal guarantor for a better harmonisation and effective coordination of both processes. The changes made to IBBI - Bankruptcy Process for Personal Guarantors to Corporate Debtors, Regulations, 2019 -- came into effect on January 31. IBBI has also amended the provision regarding the meetings of the Committee of Creditors to make them mandatory in insolvency matters about personal guarantors. Earlier, after the repayment plan was submitted by the personal guarantor, the resolution professional would evaluate its viability and submit a report to the Adjudicating Authority with a recommendation on whether to call a meeting of the creditors.

**(Business Standard)**

**PLI: Govt mulling expanding scheme with over ₹40,000 crore surplus outlay:** The government has over ₹40,000 crore surplus from the Production Linked Incentive scheme outlay of ₹1.97 lakh crore announced for the 14 beneficiary sectors that it may use for expanding the scheme to additional sectors depending strictly on the "efficacy and usefulness" of such an expansion, officials said. "While the interim budget made a token allocation of ₹1 lakh for PLI scheme for toys and leather, as both have not been cleared by the Union Cabinet, other items too could be considered for the scheme, but only after there is more clarity on how the scheme was panning out for all 14 existing sectors," an official tracking the matter told Businessline.

**(Business Line)**



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## REGULATION & DEVELOPMENT

**New rooftop solar scheme to provide subsidy up to 60%:** The government will increase the subsidy provided to consumers under the newly announced rooftop solar scheme, Suryodaya Yojana, to 60% against the current 40% provided for installation of rooftop solar projects up to 3 kW capacity, Union Minister for Power and Renewable Energy R.K. Singh said on Friday. This subsidy for the northeast and hilly states will be 70%. Further, central public sector enterprises have been asked to take loans on behalf of the households and bear the remaining cost of installation of the rooftop solar. The new scheme will focus on consumers whose consumption of electricity is less than or equal to 300 units per month. The government had asked REC to be the nodal agency for the implementation of the scheme which will provide line of credit to the tune of Rs 15,000 crore each to eight central public undertakings identified for the implementation of rooftop solar, among other private developers and vendors, amounting to a total credit of Rs 120,000 crore.

***(Financial Express)***

**LK Advani will be conferred the Bharat Ratna, announces PM Modi:** Senior BJP leader LK Advani is set to receive the Bharat Ratna, India's highest civilian award, as announced by Prime Minister Narendra Modi. Expressing happiness, Modi praised Advani's monumental contribution to India's development, citing his journey from grassroots work to serving as Deputy Prime Minister.

***(Economic Times)***

**Govt raises windfall tax on petroleum crude to Rs 3,200/tonne:** The government raised its windfall tax on petroleum crude to Rs 3,200/ton from Rs 1,700 on Saturday while keeping the windfall tax on diesel and aviation turbine fuel at zero. On Jan. 16, the government cut windfall tax on petroleum crude from Rs 2,300 a ton. From July 2022, India imposed a windfall tax on crude oil producers, and extended the levy on exports of gasoline, diesel and aviation fuel as private refiners wanted to sell fuel overseas to make gains from robust refining margins instead of selling locally.

***(Economic Times)***





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## FINANCIAL TERMINOLOGY

### ANUBHAV AWARDS SCHEME

- ❖ The ANUBHAV Awards Scheme, initiated by the Department of Pension and Pensioners Welfare (DoPPW) in the year 2015, is an innovative platform for recognizing the contributions made by retired officials to nation-building during their tenure in government service.
- ❖ Retiring Central Government employees/pensioners can participate by submitting their 'Anubhav' write-ups 8 months before retirement and up to 1 year after their retirement. The scheme offers 05 ANUBHAV Awards and 10 Jury Certificates annually.



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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 : 82.8406  
INR / 1 GBP : 105.6334  
INR / 1 EUR : 90.1332  
INR /100 JPY: 56.5800

### **EQUITY MARKET**

Sensex: 72085.63 (+440.33)  
NIFTY: 21853.80 (+156.30)  
Bnk NIFTY: 45970.95 (-217.70)

### **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  
BFSIB portal of ICMAI

### **TEAM BFSIB**

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