



**THE INSTITUTE OF
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(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

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
Website :www.icmai.in

DAILY NEWS DIGEST BY BFSI BOARD

06 Jan 2024

BANKING & FINANCE



RBI consolidates norms of Currency Futures, Exchange Traded Currency Options in one direction:

The Reserve Bank of India (RBI) said it has consolidated norms on Currency Futures and Exchange Traded Currency Options and released a single master direction on Risk Management and Interbank Dealings on January 5. These directions shall come into effect from April 5, a release from the central bank said. In its December monetary policy, the RBI said that it will review the regulatory framework for hedging foreign exchange risks. This will also ensure that a broader set of customers with the necessary risk management expertise are given the flexibility to manage their exposures efficiently, RBI said. According to the directions, for OTC foreign exchange transactions, authorised dealers shall classify users as retail or non-retail to offer foreign exchange derivative contracts and foreign currency interest rate derivative contracts. Any user, who is otherwise eligible to be classified as a retail user shall have the option to get classified as a non-retail user subject to the condition that the user requests an authorised dealer, the directions said.

(Moneycontrol)

HDFC Bank's advances rise 62.4% to Rs 24.7 trn in December quarter: The largest private sector lender, HDFC Bank, clocked 62.4 per cent year-on-year (YoY) growth in gross advances at Rs 24.69 trillion as of December 31, 2023. Sequentially, the advances rose by nearly 4.9 per cent from Rs 23.55 trillion as of September 30, 2023. In its exchange filing, the lender added that the figures for December 2023 included the business operations of HDFC as well and hence cannot be directly compared with the year ago period. The lender noted that according to its internal classification, domestic retail loans surged over 110 per cent (YoY). Commercial & rural banking loans improved by nearly 31.5 per cent and other wholesale loans (excluding non-individual loans of the erstwhile HDFC Limited) grew by around 11.0 per cent.

(Business Standard)



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More than half of complaints against Pvt life insurers are on unfair business practices: IRDAI:

More than half of total complaints against private life insurers are related to Unfair Business Practices (UFBP), according to the Insurance Regulatory and Development Authority of India (IRDAI). Out of a total of 1,27,378 grievances registered in the last financial year, 26,107 pertained to UFBP. Out of this, 45,884 were in the private sector and 54 per cent of complaints are on UFBP, as per the latest data. In the case of public sector insurers, the complaints on UFBP are very low (2978 out of 81,494) accounting for only 3.65 per cent. The overall grievances in the life insurance industry, however, have come down to 1,27,378 in FY23 as against 1,54,826 in the previous year.

(Business Line)

PhonePe appoints Ritesh Pai as CEO of international payments business:

Walmart-owned fintech major PhonePe has appointed former Yes Bank Chief Digital Officer Ritesh Pai as CEO of its international payments business. Prior to this, Pai was working with cross-border payments firm Terrapay and was based in Dubai. At TerraPay, Pai was responsible for launching and implementing its payment products and solutions globally.

(Business Line)



ECONOMY

Govt pegs FY24 GDP growth at 7.3% in another upside surprise: India's gross domestic product (GDP) is estimated to grow by 7.3 percent in 2023-24, up from 7.2 percent in 2022-23, the Ministry of Statistics and Programme Implementation said on January 5. The statistics ministry's first advance estimate of growth this year is even higher than the Reserve Bank of India's (RBI) recently revised forecast of 7.0 percent. The finance ministry, too, has said it expects GDP growth to "comfortably" exceed its forecast of 6.5 percent, although it did not provide an updated numerical forecast following the stunning 7.6 percent growth seen in July-September 2023. The government's first advance estimate for the current financial year's GDP comes ahead of the February 1 presentation of the interim Budget for 2024-25. The finance ministry will use the first advance estimate of the GDP while making its Budget numbers.

(Moneycontrol)



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One-third of India's wealth coming from stock markets, says NSE's Ashish Chauhan:

One out of every three rupees of India's wealth comes from stock markets, National Stock Exchange's MD and CEO Ashishkumar Chauhan said on January 5. He added that India's economy could grow to \$100 trillion in the next 50 years or even earlier. While government officials and ministers have projected that India will become a \$4 trillion economy before the 2024 elections, the National Stock Exchange's total market capitalisation stands at \$4.34 trillion as of 2023 end. According to a UBS report, wealth in India stood at \$15.4 trillion in 2022. "If the world is going to create \$250 trillion of more wealth, and we as almost 18 percent of the total world population and 20-22 percent of the young population, we might create 30 percent of total wealth," Chauhan said speaking at Bombay Chartered Accountants' Society (BCAS)'s ReImagine 2024 event.

(Moneycontrol)

Farm sector growth may drop to 4-year low of 1.8% in FY24 due to El Nino:

India's Gross Value Added (GVA) for agriculture, forestry, and fishing for the financial year 2023-24 is projected to touch a four-year low of 1.8 per cent at constant prices due to poor kharif harvest and weak initial sowing of rabi crops, the first advance estimate of GDP released today showed. However, some experts said the GVA numbers could stand to be revised as the initial estimates are based on extrapolation of figures for five-six months, and a final picture will emerge only around February.

(Business Standard)

India's forex reserves jump \$2.75 billion to \$623.2 billion: India's forex reserves jumped by USD 2.759 billion to USD 623.2 billion in the week ended December 29, the Reserve Bank said on Friday. In the previous reporting week, the overall reserves had increased by USD 4.471 billion to USD 620.441 billion. In October 2021, the country's forex kitty had reached an all-time high of USD 645 billion. The reserves took a hit as the central bank deployed the kitty to defend the rupee amid pressures caused majorly by global developments since last year. For the week ended December 29, the foreign currency assets, a major component of the reserves, increased by USD 1.869 billion to USD 551.615 billion, as per the data from the Reserve Bank of India (RBI).

(Financial Express)

Bloomberg Billionaires Index: Gautam Adani surpasses Mukesh Ambani to become Asia's richest person with net worth of \$97.6 billion:

Adani Group Chairman Gautam Adani has surpassed Reliance Industries Limited Chairman Mukesh Ambani to regain the top spot as the richest man in Asia, with a total net worth of \$97.6 billion, according to the Bloomberg Billionaire's Index. Gautam Adani is now the world's 12th richest person, up from the 15th position in December 2023. Adani had lost his position as India's richest man to the RIL chairman almost a year ago after a massive dip in the valuation of his conglomerate, triggered by a report by



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US-based short seller Hindenburg Research. Meanwhile, Mukesh Ambani, per the data, secured the position of second richest man in Asia and 13th in the world with a net worth of \$97.0 billion.

(Financial Express)

INDUSTRY OUTLOOK



Go First lenders meeting to discuss liquidation, extension of deadline to invite EOIs: Lenders to troubled domestic carrier Go First, founded by billionaire Nusli Wadia, will meet on January 5 to discuss the future of the bankrupt airline. Lenders are looking to discuss a proposal to liquidate Go First, a proposal to choose a firm to evaluate its remaining assets, and another proposal to evaluate potential buyers interested in the airline's assets, multiple executives aware of the ongoing discussions said. The committee of creditors to Go First is also said to be considering a proposal to extend the deadline to submit expressions of interest (EOIs) for the airline after three new suitors emerged, CNBC-TV18 reported on January 4. Moneycontrol could not verify this independently.

(Moneycontrol)

Tamil Nadu pips Gujarat in total EV registrations in 2023: Tamil Nadu has overtaken Gujarat in total EV registrations in 2023 to become the fourth-largest player among the States, supported by acceleration in the adoption of battery-powered vehicles and favourable policy sops. Uttar Pradesh was on top mainly due to higher volumes of e-rickshaws, which made up about 78 per cent of total EV registrations in that State. Maharashtra was in the second position, while Karnataka was the third big State. If UP's e-rickshaw numbers are excluded, Tamil Nadu will be the third-largest player in EV registrations among the States in 2023. Last year, the total EV registrations of Maharashtra stood at 194,289 units, compared to 136,048 units in 2022, while Karnataka's total EV registrations grew to 152,417 units in 2023, from 95,899 units in 2022. Uttar Pradesh's total EV volumes stood at 277,908 units in 2023 against 162,864 units, according to Vahan data.

(Business Line)

GIFT City gives first nod to Premji's family office to invest abroad: India's new financial hub granted its first approval to billionaire Azim Premji's family office to invest its capital overseas, raising hope for the nation's wealthy as they wait for clarifications from regulators to make similar moves. Premji Invest has received an in-principle approval to set up a so-called family investment fund at Gujarat International Finance - Tec--City, also known as GIFT City based in Prime



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Minister Narendra Modi's home state, according to people familiar with the matter. Dozens of applications for FIFs that allow families to make investments across various asset classes and instruments offshore, are still pending, said the people, asking not to be identified discussing a private matter.

(Moneycontrol)



REGULATION & DEVELOPMENT

SEBI instructs institutional investors to disclose short-sell trades upfront:

Institutional investors have been asked to disclose upfront when they are placing the order whether the transaction is a short sale, according to a circular issued by market regulator SEBI on January 5. Retail investors have been permitted till the end of the trading day to make the same declaration. Brokers and stock exchanges have been asked to collate this information and make it available to the public through their websites. This comes soon after the Supreme Court's judgement on petitions seeking a court-monitored investigation into alleged manipulation in Adani Group stocks, following the Hindenburg report. The Apex Court, while refusing this plea, asked Sebi to investigate whether Indian investors suffered losses from the research agency's actions or if there were short-positions taken in the market that went against the law.

(Moneycontrol)

Climate change, ocean science: Here is what Modi govt's Rs 4,797 crore Prithvi scheme aims to promote:

The Union Cabinet, led by Prime Minister Narendra Modi, has approved a Rs 4,797 crore "PRITHvi VIGyan" scheme for the Ministry of Earth Sciences to study the atmosphere, ocean, weather, and Earth system sciences. The scheme, which will be implemented between 2021-26, aims to enhance long-term observations of the Earth System, develop modeling systems for weather prediction, promote exploration of polar and high seas regions, and develop technology for oceanic resource harnessing

(Economic Times)



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FINANCIAL TERMINOLOGY

OPEN BANKING

- ❖ In financial services, open banking allows for financial data to be shared between banks and third-party service providers through the use of application programming interfaces (APIs).
- ❖ Traditionally, banks have kept customer financial data within their own closed systems. Open banking allows customers to share their financial information securely and electronically with other authorized organizations, such as fintech companies, payment providers, and other banks.
- ❖ Proponents argue open banking provides greater transparency and data control for account holders, and could allow for new financial services to be provided. Proponents also say that it aims to promote competition, innovation, and customer empowerment in the banking and financial sectors. Opponents argue that open banking can lead to greater security risk and exploitation of consumers.



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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 : 83.1760
INR / 1 GBP : 105.3574
INR / 1 EUR : 90.8803
INR /100 JPY: 57.2600

EQUITY MARKET

Sensex: 72026.15 (+178.58)
NIFTY: 21710.80 (+52.20)
Bnk NIFTY: 48159.00 (-36.80)

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