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DAILY NEWS DIGEST BY BFSI BOARD

06 Dec, 2023

BANKING & FINANCE



SBI to acquire 20 percent stake in SBI Pension Funds held by SBI Capitals:

State Bank of India announced its intention to acquire a 20 percent stake in SBI Pension Funds. SBI plans to acquire the 20 percent stake in SBI Pension Funds held by SBI Capital Markets. SBI already owns a 60 percent stake in SBI Pension Funds. With this current transaction, the company will own an 80 percent stake in SBI Pension Funds. SBI will do the acquisition for 229.52 crore. SBI Funds Management holds the rest of the 20 percent stake in SBI Pension Funds.

(Moneycontrol)

CBI files FIR, searches 13 locations over Rs 820 crore IMPS transactions in UCO Bank:

The CBI has registered an FIR in connection with Rs 820 crore worth of suspicious IMPS transactions in UCO Bank in November this year and searched 13 locations in multiple cities, officials said on December 5. The CBI action came following the FIR that was registered on a complaint from UCO Bank against two support engineers working with the bank and other unknown persons. It alleged suspicious Immediate Payment Service (IMPS) transactions amounting to approximately Rs. 820 crore, the agency spokesperson said in a statement. During the searches, electronic evidence, including mobile phones, laptops, computer systems, email archives and debit/credit cards, were recovered, he said. "It was alleged that between 10th November 2023 and 13th November 2023, IMPS inward transactions originating from 14000 account holders across seven private banks were directed to 41000 account holders within UCO Bank through the IMPS channel," he said.

(Moneycontrol)

RBI reins in peer-to-peer lending practices after finding rule violations: RBI has told peer-to-peer lending platforms to halt certain activities after inspections found rule violations and misleading sales practices, four sources with direct knowledge of the matter said. The Reserve Bank



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of India conducted inspections of at least 10 lenders in the fast-growing sector between June and September, said the sources, all industry executives. They added that some lenders had already begun halting certain services and practices in line with the central bank's guidance, while failure to comply could risk future penalties or restrictions.

(Business Standard)



ECONOMY

Moody's downgrades outlook on China credit rating over debt fears: Ratings agency Moody's on December 5 downgraded the outlook on China's credit rating to "negative" from "stable" on the back of rising debt in the world's second-largest economy, with Beijing saying it was "disappointed" by the move. The affirmation of the A1 rating reflects China's financial and institutional resources to manage the transition orderly. Its economy's vast size and robust, albeit slowing, potential growth rate, support its high shock absorption capacity, the ratings agency said in a note. The change "reflects rising evidence that financial support will be provided by the government and wider public sector to financially stressed regional and local governments and state-owned enterprises", the US agency said in a note.

(Moneycontrol)

India set to become third-largest economy by 2030: S&P Global Ratings: India will become the world's third-largest economy by 2030, a report released by S&P Global Ratings said on Tuesday. In 2026-27, India's gross domestic product (GDP) is expected to grow 7 per cent. India is currently the fifth largest economy in the world behind the US, China, Germany and Japan. In its "Global Credit Outlook 2024", S&P said that India would be the fastest-growing emerging market in the world. Still, its paramount test will be whether the country can become the next big global manufacturing hub. S&P said India is expected to grow at 6.4 per cent in 2023-24 as compared to 7.2 per cent in the previous financial year. The rating agency said the growth rate will remain at 6.4 per cent in 2024-25 before climbing to 6.9 % in the next and 7 % in 2026-27.

(Business Standard)

Banks submitted a proposal to declare all Saturdays as banking holiday: FinMin tells Parliament: India's banks have proposed to declare all Saturdays as banking holiday, the union finance ministry confirmed in Parliament today. Responding to a question on whether the Indian



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Banks Association (IBA), a representative body of all banks in India, has demanded the implementation of a five-day work week, minister of state for finance Bhagwat Karad said the IBA had indeed submitted a proposal to this effect. The finance ministry reply did not indicate whether the demand has been accepted or whether it could be anytime in the near future.

(Business Today)

INDUSTRY OUTLOOK



India's services PMI drops to a year low of 56.9 due to lower demand: Lower demand forced the services sector to moderate in November as S&P Global's Purchasing Managers Index (PMI) slipped to a year low at 56.9 in the said month as against 58.4 in October. However, the sector has some relief as prices have come down. The services sector has a share of around 54 per cent in Gross Value Added (GVA). PMI is advance data released much before the official data. Government data released on November 30 showed that the services sector declined to 5.8 per cent during the July-September quarter of the current fiscal year (Q2 of FY24).

(Business Line)

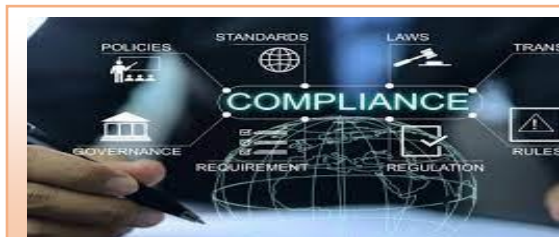
US examined Hindenburg allegations before giving loan to Adani: The US government concluded that short-seller Hindenburg Research's allegations of corporate fraud against Indian billionaire Gautam Adani weren't relevant before extending his conglomerate as much as \$553 million for a container terminal in Sri Lanka, a senior US official said. Allegations in a scathing report by US-based Hindenburg Research, which erased around \$100 billion from the Adani Group's market value earlier this year, were front and center as the International Development Finance Corp., or DFC, conducted a due diligence investigation of the conglomerate, an official from the US agency told Bloomberg.

(Moneycontrol)



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REGULATION & DEVELOPMENT

Subsidy amounting to Rs. 5,228.00 crore given to Electric Vehicle manufactures on sale of 11,53,079 Electric Vehicles till 1st December,2023: The Ministry of Heavy Industries (MHI) formulated Faster Adoption and Manufacturing of Electric Vehicles in India Phase II (FAME India Phase II) Scheme for a period of five years commencing from 1st April, 2019 with a total budgetary support of Rs. 10,000 crore. This phase mainly focuses on supporting electrification of public & shared transportation, and aims to support through demand incentive 7090 eBuses, 5 lakh e-3 Wheelers, 55000 e-4 Wheeler Passenger Cars and 10 lakh e-2 Wheelers. In addition, creation of charging infrastructure is also supported under the Scheme. Under phase-II of FAME India Scheme, subsidy amounting to Rs. 5,228.00 crore has been given to electric vehicle manufactures on sale of 11,53,079 no. of electric vehicles as on 01.12.2023.

(PiB)

71 notices sent to online gaming firms for GST of Rs 1.12 lakh crore: MoS Finance in RS:

As many as 71 show-cause notices have been issued to online gaming companies during the financial year 2022-23 and 2023-24 (up to October 2023) involving goods and services tax to the tune of Rs 1,12,332 crore. The information as provided by minister of state for finance Pankaj Chaudhary in response to a question on tax evasion by Rajya Sabha MP Sushil Kumar Modi in Rajya Sabha on Tuesday. “As these notices are pending adjudication, the respective GST demand is not yet determined under the provisions of CGST Act, 2017,” Chaudhary said. No overseas online gaming companies registered in the country since October, he further said. His comments come in the backdrop of the levy of 28% GST on online gaming companies from October 1. Under the rules, overseas gaming firms who operate in India have to register in the country for payment of GST.

(Business Today)



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FINANCIAL TERMINOLOGY

KISAN-E-MITRA

- ❖ Under the PM-KISAN scheme, a robust grievance redressal system is in place. The farmers can lodge their grievances on the PM-KISAN portal and 24x7 IVRS facility for effective and timely resolution. Further, the farmers also have the facility to register their grievances, if any through Public Grievances portal. In addition to the above, the Government of India has developed Kisan e-Mitra (AI Chatbot) – Farmers’ digital assistance to address their queries in their own languages, thereby empowering the farmers through technological interventions. The Kisan e-Mitra is removing the existing technological and language barriers of the farmers.
- ❖ The Government of India has developed the PM-KISAN mobile app with the feature of face authentication-based e-KYC. This app is first mobile app which uses face authentication-based e-KYC feature in any benefit scheme of the Government. It empowers the farmers to complete their eKYC sitting at home even in remote areas of the country without any OTP or fingerprint, just by scanning their face. This removes the need for farmers to visit CSC for biometric based eKYC or mandatory requirement of having mobile linked in their Aadhaar. Once the farmer downloads the mobile app, he/she can do his/her eKYC. They can also assist 100 other farmers in their neighborhood to complete e-KYC at their doorstep. In addition to this, the Government of India, has also made provisions in the application which allows any State/UT Government officials registered to do e-KYC of up to 500 farmers.



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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 : 83.3931
INR / 1 GBP : 105.3616
INR / 1 EUR : 90.3881
INR /100 JPY: 56.7800

EQUITY MARKET

Sensex: 69296.14 (+431.02)
NIFTY: 20855.10 (+168.30)
Bnk NIFTY: 47012.30 (+580.90)

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Banking, Financial Services & Insurance Board
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