



ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)



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

www.icmai.in

DAILY NEWS DIGEST BY BFSI BOARD

08 April 2024

BANKING & FINANCE



RBI may issue guidance on SFB upgradation to universal banks: In a move that may elevate small finance banks to universal banks, the Reserve Bank of India is expected to issue guidelines or circular which may capture the requirements that SFBs should have to convert into universal bank. An application process for upgradation to universal bank is also likely to form part of this circular. At present, SFBs can seek to become universal banks upon five years of operations as small finance bank. The current licensing norms for SFBs do not have any additional requirements or conditions to be met to convert to universal bank. “However, there is dilemma on whether a fresh application needs to be made to convert into a universal bank or the concerned department at RBI should be approached for this purpose,” said a senior executive of an SFB who didn’t want to be named. Presently, there is no formal process of applying for an upgradation from SFB to universal bank. “This is stalling many of us from seeking universal bank licence, because there is no form or application to be furnished in this regard,” said a CEO of an SFB on condition of anonymity. The RBI’s move to come out with a circular or application format is expected to end this logjam.

(Business Line)

SBI expects to surpass ₹1-lakh crore operating profit in FY25: State Bank of India has set its sights on surpassing the operating profit milestone of ₹1-lakh crore in FY25 and has drawn up financial targets accordingly. The country’s largest bank logged an operating profit of ₹65,050 crore in the nine months (April-December) of FY24, up 10.08 per cent year-on-year (y-o-y). In FY23, it had posted an operating profit of ₹83,713 crore. “In FY23, we became the most profitable financial services company in Indian corporate history and clocked highest net profit ever exceeding ₹50,000 crore in a fiscal year... In the period ahead, the bank aspires to scale even greater heights,” says Dinesh Kumar Khara, Chairman, SBI.

(Business Line)

Public-sector banks may be allowed to transfer unclaimed shares to IEPF: The finance ministry is considering amending the Banking Companies (Acquisition and Transfer of Undertakings)



ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)



www.icmai.in

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

Act, 1970, which governs public sector banks (PSBs), to make suitable provisions for allowing PSBs to transfer shares to the Investor Education and Protection Fund (IEPF) when dividends of such shares remain unclaimed by the investors for seven consecutive years. “While Section 10B of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, allows the transfer of unclaimed dividends to the IEPF, it, however, does not mention a provision for transferring unclaimed shares and may now be amended by the next government to allow such transfers to happen,” said a person familiar with the matter. IEPF was established for the promotion of investor awareness and protection of their interests. Unclaimed dividends and shares transferred to IEPF can be easily claimed by the investor by submitting the required documents and following the verification process.

(Business Line)



ECONOMY

RBI economic surveys point to optimistic growth outlook: Reserve Bank of India’s forward looking surveys indicate improving macro economic sentiments across various segments. Services sector firms assessed further improvement in overall business situation, job landscape and their turnover during the fourth quarter of 2023-24. While enterprises gauged higher cost pressures stemming from input costs, pressures from salary outgo and cost of finance, however, moderated during the quarter. Respondents were more upbeat on the overall business situation and their turnover, as well as both full-time and part-time employment conditions during April-June 2024. Service sector enterprises remain highly positive on availability of finance and expect it to improve further in the ensuing quarter.

(Business Line)

Labour codes may top new govt’s 100-day plan: Social security for informal sector workers, shift toward living wages likely to be part of near-term agenda. Insiders reveal that the upcoming government, led by the Bharatiya Janata Party (BJP), may prioritize the swift implementation of streamlined labor codes within its first 100 days post-election. A senior government official disclosed that the objective is to introduce these labor codes at the onset of the next fiscal year, commencing April 1, 2025, to align with the business cycle

(Economic Times)



ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)

www.icmai.in

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



India targets \$600 billion textile exports by 2047, aims to create \$1.8 trillion domestic market: India plans to boost textile exports to \$600 billion and grow the domestic market to \$1.8 trillion by 2047, focusing on quality, sustainability, and global leadership in the textile industry. Industry has raised challenges of raw material for achieving the \$350 billion export aim for apparels besides the need for an investment policy for textiles and a mission mode plan for supply augmentation.

(Economic Times)

INDUSTRY OUTLOOK



Adani Green to invest Rs 1.5 lakh cr to build world's largest renewable energy project: **MD:** Adani Green Energy Ltd will invest Rs 1.5 lakh crore to boost capacity to 30 gigawatts (GW) at its Khavda renewable energy project site in Kutch, Gujarat, over the next five years, Managing Director Vneet Jaain told reporters after a site visit. Billionaire Gautam Adani aims to build the world's largest renewable energy project, spanning 538 sq km of barren land in Khavda, almost the size of Mumbai. Within a year of beginning work, the company has initiated operations for 2GW of the total 30GW planned for the project. Besides the Rs 1.5 lakh crore on expansion of Khavda project, Adani Green will invest another Rs 50,000 crore on renewable energy projects totalling 6-7 GW in other locations by 2030. The group's equipment manufacturing arm, Adani New Industries will invest Rs 30,000 crore, taking Adani Group's total investment to Rs 2.3 lakh crore.

(Moneycontrol)

Treasury income boost for banks' Q4 earnings: Higher treasury income, supported by a fall in bond yields during the January-March period, is likely to boost earnings of banks in the fourth quarter of the previous fiscal. However, net interest margins (NIMs) are expected to shrink as the cost of funds remains elevated, with banks continuing to hike rates on deposits to mobilise funds to meet high credit growth. "The decline in bond yields is expected to contribute to increase in banks' treasury income for the fourth quarter as they hold significant volume of government securities," head of treasury of a private sector bank told FE. The yield on 10-year benchmark government security eased 26 bps year-on-year and 12 bps quarter-on-quarter in Q4 to settle at 7.06% on March 28, the last trading day of FY24. The price of the 10-year paper closed at Rs 100.83, about 80 paise higher compared to the Q3 and about Rs 1.20 paise higher over the year-ago period.

(Financial Express)



ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)



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

www.icmai.in



REGULATION & DEVELOPMENT

₹2-lakh-cr dedicated freight corridors on track: At least three more dedicated freight corridors, including commodity-specific routes, are being considered as part of the Indian Railways' plan to push faster freight movement and free up regular tracks for passenger trains. Covering the east coast route, the north-south trail and an east-west one, the three corridors cover a total length of 4,300 km, with the estimated project cost being ₹2,00,000 crore. All three network alignment reports are being prepared by the Dedicated Freight Corridor Corporation of India Ltd. While two of the DPRs have been submitted, a third will be ready by the end of this month, sources told.

(Business Line)

E-WAY Bill generation reached all-time high at 10.35 crore in March, April collection likely to be benefitted: Fiscal year-end closing coupled with better compliance and improved consumption pushed e-WAY bill generation to an all time high of 10.35 crore in March, data collected by GST Network (GSTN) showed. This could have some impact on GST collection in April for which data will be out on May 1. Normally, April records very high collection. Last April saw an all-time high collection of ₹1.87 lakh crore. This is the second time since the introduction of an e-WAY bill in 2018 when generation has crossed 10 crore in a month. Previous all-time high was in October, when 10.03 crore e-WAY bills was generated. An e-WAY bill is an electronic document generated on a portal, evidencing the movement of goods. It also indicates whether tax has been paid for the moving goods. As per Rule 138 of the CGST Rules, 2017, every registered person involved in the movement of goods (which may not necessarily be on account of supply) of consignment value of more than ₹50,000 (can be lower for intra-state movement) is required to generate an e-way bill.

(Business Line)

Sebi proposes direct reporting of AIFs' PPM changes to cut compliance cost: To facilitate ease of doing business, Sebi has proposed that certain changes in the private placement memorandum of alternative investment funds can be submitted directly to the regulator rather than through a merchant banker. Also, the proposed move would rationalise the cost of compliance for alternative investment funds (AIFs). In its draft circular, Sebi said that certain changes carried out in private placement memorandum (PPM) are not required to be filed through merchant bankers and can be filed directly to the regulator. These included changes in the size of the fund, information related to



ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)

www.icmai.in

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



affiliates, commitment period, key investment team of the manager and key management personnel of AIF, and reduction in expense or fee or cost charged to fund/investors.

(Business Standard)



REVENUE PER AVAILABLE SEAT MILE (RASM)

- ❖ Revenue per available seat mile (RASM) is a unit of measurement commonly used to compare the efficiency of various airlines. It is obtained by dividing operating income by available seat miles (ASM).
- ❖ Generally, the higher the RASM, the more profitable the airline under question. Revenue is represented in cents and is not solely limited to ticket sales, as other factors of efficiency and profitability are taken into account.
- ❖ Airlines use revenue per available seat mile (RASM) to measure the total operating revenue they generate per seat (empty or full) per mile flown.
- ❖ Airlines favor using RASM as a metric to show their financial performance because it includes additional sources of revenue, such as baggage fees, reservation change fees, and inflight meals.



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 : 83.4073
INR / 1 GBP : 105.2367
INR / 1 EUR : 90.3068
INR /100 JPY: 55.1500

EQUITY MARKET

Sensex: 74248.22 (+20.59)
NIFTY: 22513.70 (-0.95)
Bnk NIFTY: 48493.05 (+432.25)

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
BFSIB portal of the ICMAI
website**

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 2nd Edition)**
- To purchase please visit
BFSIB portal of ICMAI**

TEAM BFSIB

**Banking, Financial Services & Insurance Board
The Institute of Cost Accountants of India (ICMAI)**

Disclaimer: Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICMAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICMAI. For Restricted Circulation only. A Compilation of News in this regard from Secondary Sources.