



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA (ICMAI)**
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DAILY NEWS DIGEST BY BFSI BOARD

11 Dec, 2023

BANKING & FINANCE



Bank of India raises ₹4,500 crore via QIP: Bank of India (BoI) has raised ₹4,500 crore via qualified institutions placement (QIP) of about 44.91 crore equity shares at an issue price of ₹100.20 per equity share. The public sector bank's QIP was over-subscribed 4.11 times against the ₹4,500 crore issue (base issue size of ₹2,250 crore and green shoe of ₹2,250 crore), per BoI's regulatory filing. The bank received 104 bids aggregating to ₹18,483.30 crore. The issue price of ₹100.20 per equity share (including a premium of ₹90.20 to the face value of ₹10 per equity share) was at a discount of 4.95 per cent (that is ₹5.22 per equity share) to the floor price of ₹105.42 per equity share.

(Business Line)

IDFC FIRST Bank launches "FIRST SWYP" credit card: IDFC FIRST Bank has introduced youth-centric "FIRST SWYP" credit card in partnership with Mastercard. This card can be used as a no-interest charge card and has curated features -- flexible bill repayments through EMIs, a benefit-laden referral program, and exclusive and relevant merchant partnerships, per a Bank statement. The card will address demands of new-age customers, blending benefits across their favorite categories of spends and lifestyle-related offers and innovative propositions, it added. The new card is the Bank's second youth-focussed credit card. It had earlier launched "FIRST Millennia Credit Cards".

(Business Line)

Sovereign Gold Bond Scheme 2023-24: 2 more SGB tranches announced: The Government of India, in consultation with the Reserve Bank of India, has decided to issue new Sovereign Gold Bonds (SGBs) in tranches. The SGB Series 2023-24 Series III subscription period is scheduled from December 18 – December 22, 2023. Therefore, the date of issuance in SGB Series III is December 28, 2023. The SGB Series 2023-24 Series IV subscription period is scheduled from February 12 – February 16, 2024. Therefore, the date of issuance in SGB Series III is February 21, 2024.

(Economic Times)



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NARCL finalises acquisition of two SREI companies: The National Asset Reconstruction Company (NARCL) has finalised the acquisition of the two SREI companies – SREI Equipment Finance and SREI Infrastructure Finance -- under the Insolvency and Bankruptcy Code (IBC), paving the way for resolution of a Rs 32700-crore debt. The deal was inked Friday. NARCL emerged the winning bidder under the IBC process in August. NARCL has paid about 50% of the committed resolution amount to the lending consortium as a part of the resolution plan.

(Economic Times)



ECONOMY

India set to overtake Hong Kong as seventh largest stock exchange: India's stock market is set to surpass Hong Kong to become the world's seventh-largest, underscoring the optimism surrounding the economic potential of the world's most populous nation, the Financial Times reported. The total market capitalisation of all listed companies in India stood at \$3.7 trillion at the end of October, slightly trailing Hong Kong's \$3.9 trillion, according to data from the World Federation of Exchanges, a trade body. The surge in Indian stock prices in November, fueled by growing investor confidence following the better-than-expected performance of the ruling Bharatiya Janata Party in state elections and robust macroeconomic indicators, has set the stage for the country to secure the seventh-largest position globally, behind the New York Stock Exchange, Nasdaq, Shanghai, Euronext, Japan, and Shenzhen.

(Moneycontrol)

GIFT City could become a global fintech laboratory: PM Modi: RBI Linking India's fintech strength to GIFT City in Gujarat, Prime Minister Narendra Modi on Saturday said GIFT City had the potential to become "gateway" to a global fintech world and "a fintech laboratory". "India is today, the fastest growing fintech markets. In the area of fintech, India's strength is linked to its GIFT IFSCA vision. Due to this GIFT City is becoming an emerging fintech hub. GIFT City has the capacity to become a gateway to global fintech world and a fintech laboratory," said Modi while virtually addressing "Infinity Forum 2.0" at GIFT City campus at Gandhinagar..

(Business Line)

EU chief's claim that CBAM aims to stop carbon leakage flawed: Research body: European Commissioner Wopke Hoekstra's recent statement at the UN Climate Summit that the main goal of the Carbon Border Adjustment Mechanism (CBAM) was to stop carbon leakage was



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flawed, according to research body Global Trade Research Initiative. While the CBAM taxes would hit global trade significantly, emission reduction would be minimal, according to a recent GTRI analysis. “Carbon leakage is the phenomenon of companies moving production to countries with weaker environmental regulations to avoid paying carbon prices in the EU. This objective could have been achieved by merely taxing imports of the EU firms, which have shifted production to other countries. However, the EU chose to tax all world imports through CBAM,” said Ajay Srivastava, Founder, GTRI.

(Business Line)

India to host 27th WAIPA World Investment Conference in New Delhi: Invest India, the National Investment Promotion and Facilitation Agency of the Government of India, and the current President of the World Association of Investment Promotion Agencies (WAIPA), under the aegis of the Department for Promotion of Industry and Internal Trade (DPIIT), is set to host the 27th World Investment Conference (WIC) from December 11-14, 2023, at the India International Convention & Expo Centre - Yashobhoomi, New Delhi. This year's conference is themed "Empowering Investors: IPAs Pioneering Future Growth".

(PiB)

INDUSTRY OUTLOOK



Exporters to make fresh plea to Centre to raise interest subsidy rates: Exporters are planning to make fresh representations to the Commerce and Finance Ministries seeking higher subsidy rates under the interest equalisation scheme (IES) for identified. While the government's recent decision to extend the (IES) for identified sectors till June 2024 and earmark more funds for it has come as a relief to most as it could lead to more stability in the present “uncertain” times, there is disappointment that the subsidy rates have not been raised. “The extension of the IES has provided a stable ecosystem for exports to help exporters to take a long-term position and provide the most competitive prices for exports factoring the benefits under IES. However, looking into the hike in interest rates in last one year or so, crossing the pre-Covid level, we urge the government to hike the subventions to take it to 5 per cent for manufacturer MSMEs and 3 per cent for others,” said Ajay Sahai, Director General, Federation of Indian Export Organisations (FIEO).

(Business Line)

Anish Shah takes over as FICCI President for 2023-24: Industry body FICCI has a new President in Anish Shah, who is currently Group CEO of Mahindra Group and the Managing Director of M&M. Shah took over as FICCI President from Subhrakant Panda at the apex chamber's recently



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concluded 96th Annual Convention in the capital. Shah holds a Ph.D. from Carnegie Mellon's Tepper School of Business and a Post-Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad.

(Business Line)

Paytm to invest Rs 100 crore for facility in GIFT City: Paytm, one of the leading fintech platforms in India, is planning to invest approximately Rs 100 crore in Gujarat International Finance Tec-City (GIFT City) for the development of a Global Payment Development Centre. With its presence in GIFT City, Paytm also aims to grab the opportunity to be a participant in the growing fintech ecosystem boom based out of here.

(Financial Express)



REGULATION & DEVELOPMENT

Government mandates air-conditioned truck cabins starting October 2025: The Ministry of Road Transport and Highways has issued a notification mandating that all new trucks manufactured on or after October 1, 2025, must be equipped with air-conditioned cabins for drivers. The move is part of a broader initiative aimed at enhancing the working conditions and overall safety of truck drivers. According to the gazette notification released by the ministry, the directive specifically applies to vehicles falling under the N2 and N3 category. It states, "the vehicles manufactured on or after October 1, 2025, shall be fitted with an air-conditioning system for the cabin of vehicles of N2 and N3 category."

(Economic Times)

COP28 pledges meet only 30% of needed energy emission cuts: IEA: The International Energy Agency has stated that the COP28 climate summit's pledges will only reduce energy-related greenhouse gas emissions by 30% by 2030. The agency assessed non-binding promises made by governments and the oil and gas industry, including tripling renewable energy and doubling energy efficiency by 2030, and cutting methane emissions. 130 countries have signed the pledges, but China, India, Saudi Arabia, and Russia have not.

(Economic Times)



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FINANCIAL TERMINOLOGY

LEVERAGED BUYOUT

- ❖ A leveraged buyout (LBO) is the acquisition of another company using a significant amount of borrowed money (bonds or loans) to meet the cost of acquisition. The assets of the company being acquired are often used as collateral for the loans, along with the assets of the acquiring company.
- ❖ In an LBO, there is usually a ratio of 90% debt to 10% equity.
- ❖ LBOs have acquired a reputation as a ruthless and predatory business tactic, especially since the target company's assets can be used as leverage against it.
- ❖ Because of this high debt/equity ratio, the bonds issued in the buyout are usually not investment grade and are referred to as junk bonds.



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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 : 83.3681
INR / 1 GBP : 104.9160
INR / 1 EUR : 89.8992
INR /100 JPY: 57.8800

EQUITY MARKET

Sensex: 69825.60 (+303.91)
NIFTY: : 20969.40 (+68.20)
Bnk NIFTY: 47262.00 (+420.20)

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Concurrent Audit of
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