



**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**

**12 Jan 2024**

### **BANKING & FINANCE**



#### **IBC needs course correction, distinct weightages for different creditors: RBI Governor:**

A review of the implementation of the Insolvency and Bankruptcy Code (IBC) and its impact so far suggests the need for some course correction, including ensuring distinction in weightage for various categories of debtors, Reserve Bank of India Governor Shaktikanta Das said. In recent years, the trend has been moving towards balancing the rights of operational creditors (OCs) with those of financial creditors (FCs). However, there needs to be some distinction in weightage attributed to different categories of creditors, depending upon the degree of risk absorbed, he said. “It has to be recognised that the financial creditors take the maximum risk, and hence their risk needs to be commensurately compensated and given priority. Accordingly, any amendments to the Code and its evolution thereof may continue to lay emphasis on a financial creditor-led resolution framework in an overarching manner,” Das said at the Centre for Advanced Financial Learning (CAFRAL)’s conference on the resolution of stressed assets and the IBC.

**(Business Line)**

**Complaints against public sector banks down 10% in FY23:** Annual complaints to the RBI ombudsman have been gradually decreasing after hitting a peak of 2.36 lakh complaints in FY21, when the country was in the throes of the pandemic. Total complaints were down 12.7 per cent in FY23 at 1.96 lakh. While public sector banks registered a decline in complaints, private sector banks recorded an increase. The RBI’s Report on Trend and Progress of Banking in India’ shows that complaints against public sector banks have decreased from 1.13 lakh in 2021-22 to 1.02 lakh in 2022-23, marking a reduction of 10 per cent this year. Private sector banks have observed a 7 per cent growth, from 68,981 in 2021-22 to 73,764 in 2022-23.

**(Business Line)**



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**India Post Payments Bank enter into MoU with Hindustan Zinc to offer financial inclusion services to its CSR beneficiaries:** India Post Payments Bank & Hindustan Zinc sign an MoU to foster economic growth and bring financial inclusion in the lives of rural community beneficiaries under CSR program. The collaboration will bridge the gap and ensure financial assistance for 3.5 Lakhs + beneficiaries covering SHG women, farmers, & youth thus ensuring easy access to opening bank accounts, access to pension products, long-term savings, and investment schemes, etc.

**(PiB)**

**Take pre-emptive steps to mitigate risks: RBI to banks:** The Reserve Bank of India (RBI) expects the board of directors and risk executives at banks to step up to the plate to ensure that incipient risks are nipped in the bud, Governor Shaktikanta Das said. India's strong banking system is the cornerstone of its success on the global stage after it was pulled out of the depths it had fallen to due to bad loans, and the blow-up of one of the biggest non-banking finance companies, he said.

**(Economic Times)**



**ECONOMY**

**Direct tax collection stands at Rs 14.70 lakh cr, up 19% so far in FY24; nears 81% of Budget target:** The net direct tax collection so far this fiscal rose 19.41 percent to Rs 14.70 lakh crore, reaching about 81 percent of the full-year target, the Income Tax Department said on Thursday. The government has budgeted to collect Rs 18.23 lakh crore from direct taxes (personal income tax and corporate tax), 9.75 percent higher than Rs 16.61 lakh crore mopped up last fiscal. "Direct Tax collection, net of refunds, stands at Rs 14.70 lakh crore, which is 19.41 percent higher than the net collection for the corresponding period of last year. This collection is 80.61 percent of the total Budget Estimates of Direct Taxes for FY 2023-24," the Central Board of Direct Taxes (CBDT) said in a statement. Refunds amounting to Rs 2.48 lakh crore have been issued during April 1, 2023 to January 10, 2024.

**(Moneycontrol)**

**Interim budget may set fiscal deficit target at 5.3-5.4%:** Interim budget-cum-vote on account is likely to peg fiscal deficit for FY24-25 at 5.3-5.4 per cent of GDP, sources in the government have said. This is possible through higher collection of taxes and cuts in revenue expenditure. Though the government is hopeful of meeting the fiscal deficit target of 5.9 per cent for the current fiscal,



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contraction in nominal growth, as projected in the first advance estimate has cast a doubt on this probability. Revised estimate of fiscal deficit will be part of the interim budget.

**(Business Line)**

**Budget session of Parliament likely to begin from January 31:** Parliament's Budget Session is expected to commence from January 31 and will continue till February 9, 2024, reported Times Now on Thursday. The interim Budget for 2024-25 will be presented on February 1, 2024, by union finance minister Nirmala Sitharaman. Sitharaman may introduce fiscal measures like tax reductions to combat rising prices and address persistent inflationary trends. Experts advocate a balanced blend of fiscal and monetary policies to mitigate inflation's impact amid uncertainties.

**(Business Line)**

**India FDI flows could rise to pandemic-era peak of \$55 billion in 2 years, says HSBC:** Foreign direct investment into India may have sharply slowed over the last year, but accelerating investment intentions in “futuristic sectors” could usher in a new wave of FDI, taking gross inflows back to COVID-era peak levels of \$55 billion in two years, HSBC’s economists said.

**(Economic Times)**

## INDUSTRY OUTLOOK



**Microsoft overtakes Apple as world's most valuable company:** Microsoft overtook Apple as the world’s most valuable company on Thursday after the iPhone maker’s shares made a weak start to 2024 due to growing concerns over demand. Shares of Redmond, Washington-based Microsoft were last up 1.6%, giving it a market valuation of \$2.875 trillion as its early lead in the race to make money from generative artificial intelligence helped draw investors. Apple was 0.9% lower with a market capitalization of \$2.871 trillion – the first time since 2021 that its valuation has fallen below that of Microsoft.

**(Moneycontrol)**

**TCS Q3FY24 Results: Profit at Rs 11,058 crore, up 2% on-year; revenue beats estimates at Rs 60,583 crore:** Tata Consultancy Services (TCS) on Thursday posted its third quarter earnings for FY24 with profit at Rs 11,058 crore, up 2 per cent in comparison to Rs 10,846 crore during the same period last year. The IT major recorded revenue from operations for the quarter ended December 31, 2023 at Rs 60,583 crore, up 4 per cent as against Rs 58,229 crore during the third quarter of FY23, surpassing estimates. While the total income recorded during the quarter was at Rs 61,445 crore, total expenses incurred during the quarter came in at Rs 45,658 crore. According to a



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CNBC TV18 poll, TCS was expected to record Q3 profit at Rs 11,345 crore and revenue was expected at Rs 59,950 crore.

**(Financial Express)**



## **REGULATION & DEVELOPMENT**

**ISRO presented with “Indian of the Year Award” for the year 2023 in the category ‘Outstanding Achievement’:** Union Minister of State Science & Technology; MoS PMO, Personnel, Public Grievances, Pensions, Atomic Energy and Space, Dr Jitendra Singh presented “Indian of the Year Award” for the year 2023 in the category ‘Outstanding Achievement’ to Team ISRO (Indian Space Research Organisation). The award recognised the remarkable contribution made by ISRO in pushing the boundaries of Space exploration, read the award citation. “The year 2023 will undoubtedly be etched in the books of history as a period when India's Space agency demonstrated unparalleled prowess and resilience in the face of challenges. The pinnacle of ISRO's achievements in 2023 was the successful first-ever soft landing of Chandrayaan-3 on the Moon's uncharted South Polar region,” it said.

**(PiB)**

**SEBI suggests changes to LODR, ICDS regulations:** In what could come as a relief to many startuppreneurs, the market regulator has suggested providing more flexibility when meeting the minimum promoters' contribution (MPC) at the time of a public issue. At a public issue, promoters are expected to hold a minimum of 20 percent of the post-issue capital. This is particularly hard on startuppreneurs who have their shareholding diluted over the years with different rounds of funding. Besides the MPC recommendations, the consultation paper released by the Securities and Exchange Board of India (Sebi) has also suggested easing the listing regulations such as making the applicability of these regulations more dynamic.

**(Moneycontrol)**



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## FINANCIAL TERMINOLOGY

### GRADED VESTING

- ❖ Graded vesting is the process by which employees gain, over time, ownership of employer contributions made to the employee's retirement plan account, traditional pension benefits, or stock options.
- ❖ Graded vesting differs from cliff vesting, in which employees become fully vested following an initial period of service; and immediate vesting, in which contributions are owned by the employee as soon as they start the job.
- ❖ Graded vesting encourages employee loyalty since the vesting plays out over a few years of continuous employment. Many employers offer matching contributions to workers' tax-deferred retirement accounts as a way to attract employees and to score corporate tax benefits.





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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 : 82.9415  
INR / 1 GBP : 105.9285  
INR / 1 EUR : 91.1135  
INR /100 JPY: 57.0200

### **EQUITY MARKET**

Sensex: 71721.18 (+63.47)  
NIFTY: 21647.20 (+28.50)  
Bnk NIFTY: 47438.30 (+77.45)

### **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  
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### **TEAM BFSIB**

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