

DAILY NEWS DIGEST BY BFSI BOARD

12 March 2024

BANKING & FINANCE



SC quashes plea, orders SBI to disclose electoral bond details by Tuesday: The Supreme Court has denied SBI's request for an extension to disclose details of electoral bonds encashed by political parties since April 2019, to June 30. A five-judge Constitution bench passed the judgement, ordering the bank to disclose details by March 12. The Election Commission has been directed to publish this information by March 15. The bench also heard a plea to initiate action against SBI for contempt of court, as the bank failed to meet the court's deadline. The bank was set a deadline of March 6 to disclose details to the Election Commission of India (ECI). The directions came after the electoral bonds scheme was struck down on February 15. The apex court dubbed the scheme, which allowed anonymous political funding, "unconstitutional" and ordered SBI to disclose the donors' recipients and their respective donations made since April 12, 2019. SBI moved to the top court on March 4, seeking an extension of this deadline till June 30 to disclose details of electoral bonds encashed by political parties.

(Business Standard)

RBI received 85.64 % of total complaints through digital modes in FY23: Report: RBI on March 11 said that it has received 85.64 percent of the total complaints through digital modes, including on the online Complaint Management System (CMS) portal, email, and Centralised Public Grievance Redress and Monitoring System (CPGRAMS) during the financial year 2022-23. RBI annual report further added that 7,03,544 complaints were received at the ORBIOs (RBI Ombudsman) and the CRPC (Centralised Receipt and Processing Centre (CRPC) between April 1, 2022, and March 31, 2023, showing an increase of 68.24 percent over last year.

(Moneycontrol)

Customer complaints with RBI Ombudsman up 68% in 2022-23: Customer complaints with the Reserves Bank Ombudsman were up by 68 percent in 2022-23 according to the Annual Report of Ombudsman Schemes released by the Reserve Bank on Monday. Under the Reserve Bank Integrated

Ombudsman Scheme (RBIOS), the central bank received 7,03,544 complaints between April 1, 2022 and March 31, 2023, showing an increase of 68.24% over last year. Public sector banks accounted for 41 percent of the complaints followed by the private sector banks which accounted for 31 percent of the complaints. In terms of category of complaints a fifth (20.27 percent) of the complaints were concerning mobile and internet banking, while another fifth (20.13 percent) were concerning loans and advances.

(Economic Times)

L&T Finance, L&T Infra Credit and 5 other NBFCs surrender certificates of registration: L&T Finance, L&T Infra Credit, and five other NBFCs have surrendered their certificates of registration to the Reserve Bank of India. Following this, the central bank cancelled their Certificate of Registration (CoR) as they ceased to be a legal entity after amalgamation, merger, dissolution or voluntary strike-off. In December last year, L&T Finance Holdings (LTFH) had announced the completion of merger of subsidiaries L&T Finance, L&T Infra Credit, and L&T Mutual Fund Trustee, with itself. The other five NBFCs which surrendered their CoR are Marudhar Food & Credit Ltd, Creative Intra Ltd, Jinvani Trading & Investment Company, Manjushree Fincap, and Shruti Financial Services. In another statement, the RBI said it has cancelled CoR of four NBFCs -- Nimisha Finance India, R.M.B. Finance Company, Suyash Finovest, and Kamdhar Leasing and Finance Ltd.

(Economic Times)

SIDBI gets \$24.5 million from Green Climate Fund for its Avaana Sustainability Fund: Small Industries Development Bank of India (Sidbi) has received \$24.5 million from Green Climate Fund (GCF) for its maiden anchored project 'Avaana Sustainability Fund (ASF)' valued at \$120 million. GCF, a pivotal component of the historic Paris Agreement, is the world's largest climate fund.

(Economic Times)



ECONOMY

India could be in upper-middle income category over FY33-FY36: Ind-Ra: India will join the coveted club of upper-middle income countries by FY36, a report by India Ratings and Research said on Monday. And by FY47, it will become a \$15 trillion economy, the ratings agency's report estimated. In January, while addressing the Vibrant Gujarat Global Summit, Finance Minister

Nirmala Sitharaman had said that making India a \$30-trillion economy by 2047 is a “conservative” estimate. But the agency, in its report, said that Indian economy will have to grow at 9.7 per cent per annum over FY24-FY47 to meet that target. Something that will be difficult, if not impossible, to achieve given the global upheaval. The agency said that the target of reaching \$30 trillion by 2047 would be not easy and a lot would depend on how the global and domestic macroeconomic environment unfolds. A recent report by rating agency CRISIL had said that India will become an upper middle-income country and nearly double its economy to \$7 trillion, piggybacking on significant private investments in emerging sectors, continuing government spending on infrastructure build-up, ongoing reforms push and efficiency gains from increasing digitisation and physical connectivity.

(Business Standard)

Bitcoin zooms to record beyond \$72,000: Bitcoin raced to an all-time peak above \$72,000 Monday as the world's most popular cryptocurrency won further support on greater trading accessibility and dollar weakness. The virtual unit struck \$72,234 as dealers also eyed an upcoming industry event that traditionally boosts bitcoin's price. Monday's spurt extended last week's record-breaking run when the currency bulldozed its way past the previous November 2021 pinnacle of \$68,991. Bitcoin won further support Monday after Britain's Financial Conduct Authority watchdog said it would join US regulators by allowing the creation of crypto-related securities.

(Moneycontrol)

February's retail inflation likely to be around 5%: Retail inflation based on Consumer Price in February is likely to have closed in February around 5 per cent. Government's Statistics Office will officially declare the data on Tuesday evening. Retail inflation rate was 5.1 per cent in January, which was three months low. If the official figure for February is around 5 per cent, this means it will be within Reserve Bank of India's tolerance level of 2-6 per cent for six consecutive months. However, it will be the 53rd consecutive weeks when headline number would be more than median rate of 4 per cent. If the rate remains below 6 per cent, this could mean there will be no change in tentative schedule of revision in policy interest rate, better known as repo rate (rate at which RBI lends money to banks) will remain the same. Expectation is that rate revision could take place during second half of the next fiscal i.e., 2024-25.

(Business Line)

INDUSTRY OUTLOOK



Signs of manipulation in SME listings, says Sebi chief Madhabi Buch: The Securities and Exchange Board of India (Sebi) has observed signs of manipulation at both the trading and issuance levels in the small and midsize enterprise (SME) space. Sebi Chairperson Madhabi Puri Buch said on Monday that the market watchdog is working to introduce more disclosures to safeguard investors. Her statement comes at a time when the market regulator is investigating investment banks regarding inflated subscriptions in SME initial public offerings, having referred the matter to the Reserve Bank of India. According to sources, Sebi is scrutinising several instances of inflated subscriptions, noting a “misuse” of the SME route. “The principal objective is to mitigate the risk of price manipulation... The first step is additional disclosures concerning risk factors. Investors need to understand that the SME segment differs from the mainboard; regulations and risks are distinct,” said Buch. She added that thematic inspections on stock exchanges are ongoing to ensure appropriate disclosures on SME listings. Buch also mentioned that, with the use of artificial intelligence, the regulator aims to improve document examination and move towards automated supervision.

(Business Standard)

Rakesh Gangwal sells shares of InterGlobe Aviation worth Rs 6,785 crore: InterGlobe Aviation's promoter Rakesh Gangwal on Monday sold shares worth Rs 6,785 crore of the company through open market transactions. The co-founder of the company, which operates the country's largest airline IndiGo, offloaded 2.25 crore shares of IndiGo amounting to 5.83 per cent stake, according to bulk deal data on BSE.

(Business Standard)

Easy Trip Planners partners with Ministry of Rural Development to empower self help groups: Easy Trip Planner Ltd.'s EaseMyTrip.com, signed a Memorandum of Understanding with the Ministry of Rural Development to train members of Deendayal Antyodaya Yojana- National Rural Livelihoods Mission (DAY-NRLM)'s Women's Self Help Groups (SHGs) under the Lakhpati Didi Yojana. The initiative aims to focus on women-led skill development, fostering entrepreneurial skills and financial independence among rural women. Through the MoU, EaseMyTrip will train members of SHGs in 800 districts across India.

(Business Line)

State-run IIFCL seeks infrastructure tag for space sector: State-run infrastructure financing firm IIFCL has proposed that the space sector should be classified as part of the infrastructure sector. IIFCL has disbursed around ₹18,000 crore in loans in FY24 and is providing transaction advisory services to India's premier space agency, ISRO. The government has reviewed the extant foreign direct investment (FDI) policy in the space sector and allowed up to 74% FDI under the automatic route in satellite manufacturing and operation, satellite data products, and ground and user segments.

(Economic Times)



REGULATION & DEVELOPMENT

Home ministry notifies rules for implementation of citizenship law CAA: Ahead of the Lok Sabha election, the Centre on Monday announced the implementation of the contentious Citizenship (Amendment) Act, 2019 for granting citizenship to undocumented non-Muslim migrants from Pakistan, Bangladesh and Afghanistan who came to India before December 31, 2014. With the CAA rules being issued, the Modi government will now start granting Indian nationality to persecuted non-Muslim migrants -- Hindus, Sikhs, Jains, Buddhists, Parsis and Christians -- from the three countries. The CAA was passed in December 2019 and subsequently got the president's assent but there were protests in several parts of the country against it. The law could not come into effect as rules had not been notified till now. "These rules, called the Citizenship (Amendment) Rules, 2024 will enable the persons eligible under CAA-2019 to apply for the grant of Indian citizenship," a Home Ministry spokesperson said..

(Business Standard)

Maharashtra makes inclusion of mother's name mandatory in all govt documents: The Maharashtra government has decided to make it mandatory to include name of mother in all government documents. The decision will be implemented from 1st May 2024. The Maharashtra cabinet earlier decided to make inclusion of mother's name mandatory on all govt documents like Birth certificates, School documents, property documents, Aadhar cards, and PAN cards. In 2018, the income tax department had in 2018 cleared that quoting of father's name in PAN application forms will not be mandatory in cases where mother of the applicant is a single parent.

(Economic Times)

SEBI expands framework for qualified stock brokers: SEBI on Monday expanded its framework for qualified stock brokers (QSBs), setting out three additional parameters for their identification that includes brokers' compliance score, proprietary trading volumes and grievance redressal mechanism. Brokers can now voluntarily opt to become QSBs. Current parameters include number of active clients, total assets of clients with the broker, brokers' trading volumes and end of day margin obligations of all clients of a broker. "To further protect the interest of investors and for building trust in the securities market, it has been decided to extend the framework of QSBs to more stockbrokers," the regulator said on Monday. For each stock broker, the percentage of a particular parameter compared to the aggregate of the respective parameter summed across all stock brokers will be calculated. The values will be calculated annually and the revised list of QSBs will be released jointly by stock exchanges, in consultation with SEBI. Those QSBs which no longer belong to the list, will continue to comply with the enhanced obligations and responsibilities for an additional three financial years or such time as specified by market infrastructure institutions. SEBI defines QSBs as entities which, by virtue of their size and scale of operations, can impact investors and the securities market.

(Business Line)

Shri Kishor Makwana assumes charge of Chairman National Commission for Scheduled Castes (NCSC): Shri Kishor Makwana assumed the charge of Chairman of National Commission for Scheduled Castes (NCSC) on 11th March 2024. Shri Luv Kush Kumar also assumed the charge of Member of National Commission for Scheduled Castes (NCSC).

(PiB)



FINANCIAL TERMINOLOGY

EUROZONE

- ❖ The eurozone refers to an economic and geographic region consisting of all the European Union (EU) countries that incorporate the euro as their national currency.
- ❖ In 1992, the Maastricht Treaty created the EU and paved the way for the formation of a common economic and monetary union consisting of a central banking system, a common currency, and a common economic region, the eurozone.
- ❖ The eurozone consists of the following 19 countries in the EU: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, and Spain.
- ❖ Not all European Union nations participate in the eurozone; some opt to use their own currency and maintain their financial independence.
- ❖ European Union nations that decide to participate in the eurozone must meet requirements regarding price stability, sound public finances, the durability of convergence, and exchange rate stability.



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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 : 82.6770
INR / 1 GBP : 106.2383
INR / 1 EUR : 90.4442
INR /100 JPY: 56.2500

EQUITY MARKET

Sensex: 73502.64 (-616.75)
NIFTY: 22332.65 (-160.90)
Bnk NIFTY: 47327.85 (-507.95)

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