



**THE INSTITUTE OF
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DAILY NEWS DIGEST BY BESI BOARD

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BANKING & FINANCE



India launches UPI, Rupay Card services in Sri Lanka and Mauritius: India has successfully launched its Unified Payment Interface (UPI) services in Sri Lanka and Mauritius. RuPay card services were also introduced in Mauritius as part of this strategic initiative. The first UPI transaction was carried out by an Indian in Sri Lanka. The virtual ceremony was attended by Mauritian Prime Minister Pravind Jugnauth and Sri Lanka's President Ranil Wickremesinghe alongside Indian Prime Minister Narendra Modi. The UPI services, crafted by the National Payments Corporation of India (NPCI), represent an instant real-time payment system designed to facilitate inter-bank transactions through mobile phones. On the other hand, RuPay is a globally recognized card payment network originating from India, with widespread acceptance at various points of sale, ATMs, and online platforms.

(Economic Times)

Canara Bank plans to seek RBI's permission for credit card subsidiary this month: Canara Bank will soon seek regulatory approval to convert an IT subsidiary into a credit card company as the state-owned lender aims to leverage its existing customer base for selling credit cards with unbridled focus to tap this potential growth market. Managing director K Satyanarayana Raju told ET that the bank is in the advanced stages of submitting an official application with the Reserve Bank of India to start the venture where it will have a 94% stake with Karur Vysya Bank holding the remaining.

(Economic Times)

RBI Governor Shaktikanta Das says 'hardly any room' to review regulatory action against Paytm Payments Bank: Reserve Bank of India (RBI) Governor Shaktikanta Das on Monday made it clear that there was "hardly any room" to review the action taken against Paytm Payments Bank. Governor Das said the central bank's decision came after a comprehensive assessment and was taken in the interest of the consumers. Last month, the RBI issued a directive to



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Paytm affiliate Paytm Payments Bank, mandating the cessation of a significant portion of its operations by February 29. This includes discontinuing services related to deposits, credit offerings, and its widely used digital wallets, citing ongoing issues of non-compliance.

(Mint)

Banks' current account deposits take a hit on just-in-time fund release by govt: With the government's efficiency in managing funds going up manifold due to the adoption of the JIT (just-in-time) principle, banks are scrambling for alternatives to grow their current account (CA) deposit portfolio. The Centre has embraced the JIT principle for the release of funds in respect of all payments, including centrally sponsored schemes, to the extent possible to bring about more efficiency in cash management. This has reduced the float available to banks. CA deposits of all scheduled commercial banks had declined to 10.13 per cent of their overall deposits in 2023 from 10.43 per cent in 2022, per the RBI's Report on Trend and Progress of Banking in India. Lower CA is a drag on banks' net interest margins.

(Business Line)

Bandhan Bank stock crashes 7.2% on forensic audit reports: Shares of Bandhan Bank tumbled 7.21 per cent at ₹200.65 on the BSE on businessline reports that some of its loans had come under forensic audit. On Sunday, businessline reported that "with doubts of evergreening of loans and fictitious loan accounts looming over certain portfolios covered under credit guarantee schemes, a forensic audit initiated by National Credit Guarantee Trustee Company (NCGTC) is currently ongoing at Bandhan Bank. This covers ₹23,300 crore of loans lent under credit guarantee schemes" Among other scrutiny processes, documents accessed by businessline, revealed that the auditor is required to "perform data analytics on the portfolio to identify window-dressing or evergreening of loans."

(Business Line)



ECONOMY

January retail inflation eases to 5.1%; December IIP growth at 3.8%: The consumer price index (CPI)-based inflation for the month of January came in at 5.1 per cent, according to the Ministry of Statistics and Programme Implementation (MoSPI)'s data. In December 2023, retail inflation reached its four-month high of 5.69 per cent, following 5.55 per cent recorded in November. In January last year, the rural retail inflation was 6.65 per cent, while the urban inflation was 4.79 per



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cent. Food and beverage recorded an inflation of 8.3 per cent in January 2024, compared to 8.70 per cent the previous month, which was also the highest inflation recorded in any category at the time. The Index of Industrial Production (IIP) growth for December 2023, released by the MoSPI, was 3.8 per cent, compared to 2.4 per cent recorded in November. November witnessed the lowest IIP growth since March 2023, when it was 1.7 %

(Business Standard)

Global economy to see soft landing, rate cuts coming, says IMF's Georgieva: The International Monetary Fund is now "very confident" the global economy will see a soft landing, its managing director Kristalina Georgieva said on Monday, adding that interest rates would start coming down around mid year. "We are very confident that the world economy is now poised for this soft landing we have been dreaming for," after some of the sharpest interest rate hikes in decades, Georgieva said at the World Governments Summit in Dubai. On the prospect of interest rates being cut in leading economies like the United States, she added: "I expect to see by mid year interest rates going in the direction inflation has been going on for the last year." She cautioned to expect the unexpected in the wake of the COVID-19 pandemic and said a prolonged war between Israel and Hamas would impact global economies.

(Business Standard)

Urban unemployment rate declines to 6.5% in Q3FY24: The urban unemployment rate declined to its lowest level in over four years of 6.5% in October-December 2023, while the female labour force participation rate rose to its highest level of 25%, according to quarterly Periodic Labour Force Survey data released Monday. Urban unemployment was 7.2% in October-December 2022 and 6.6% in the previous quarter.

(Economic Times)

INDUSTRY OUTLOOK



Reliance Industries tops the list of India's most valuable companies in Burgundy Private and Hurun India report: The latest report on India's most valuable companies, released by Axis Bank's private banking unit Burgundy Private and Hurun India reveals that Reliance Industries (RIL) has for the third year has topped the list, this time followed by Tata Consultancy Services and HDFC Bank. The 2023 Burgundy Private and Hurun India 500 report based on records



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the total market capitalization of Reliance Industries at Rs 15.6 lakh crore, higher than Tata Consultancy Services and HDFC Bank, ranked second and third with a market value of Rs 12.4 lakh crore and Rs 11.3 lakh crore, respectively. "The merger of HDFC with HDFC Bank facilitated HDFC Bank to become the third Indian company to surpass Rs 10 lakh crore market capitalization," the report said.

(Moneycontrol)

Kerala emerges as frontrunner in EV adoption race in India: Kerala's surprising surge in demand for electric vehicles has left automakers puzzled. Despite representing only about 4% of India's total passenger vehicle sales, Kerala ranks second in electric car adoption, closely behind Maharashtra. Factors such as heightened consumer awareness, reduced operational costs, and improved charging infrastructure have propelled sales in states like Kerala, Karnataka, and Gujarat.

(Economic Times)

India Inc looks to support employees with flexibility, time off: Amid the growing pressure for employees to return to the office, several companies are embracing greater flexibility and additional leave options. Many companies are implementing hybrid working models and offering various types of leave, including no-questions-asked leave, well-being days, and recharge days. These initiatives aim to combat burnout, reduce stress, and improve overall productivity and employee satisfaction. Companies such as Adobe, NatWest, Meesho, Simpl and Hero Vired recognising the significance of flexibility and added time off, have introduced hybrid working, no-questions-asked leave, well-being days, recharge days, as well as company-wide time off, to mitigate burnout, reduce stress and promote better work-life balance.

(Economic Times)



REGULATION & DEVELOPMENT

SC issues notice to Centre on anti-profiteering provision under GST: The Supreme Court on Monday issued notices to the Central government, the GST Council, the Central Board of Indirect Taxes and Customs, and others in a case relating to the constitutional validity of anti-profiteering provisions under the goods and services tax (GST). A bench of Chief Justice D.Y. Chandrachud, with Justices J.B. Pardiwala and Manoj Misra, did not grant the prayer for a stay. The SC notices were in response to a plea challenging the Delhi High Court judgement, which had upheld the validity of a provision of the Central Goods and Services Tax (CGST) Act mandating that whatever companies save in tax they must reduce in price. The High Court had, on January 29, upheld the constitutional



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validity of Section 171 of the CGST Act, 2017 which mandates that whatever the companies save in tax they must reduce in price. The High Court had said that the anti-profiteering provisions in the 2017 law and the related rules are in the nature of beneficial legislation as they promote consumer welfare. With this, orders pronounced by erstwhile National Anti-Profiteering Authority (NAA) would continue to have validity.

(Business Line)

PM distributes more than 1 lakh appointment letters to newly inducted recruits in Government departments and organisations under Rozgar Mela: The Prime Minister, Shri Narendra Modi today distributed more than 1 lakh appointment letters to newly inducted recruits via video conferencing. He also laid the foundation stone of Phase I of the Integrated Complex “Karmayogi Bhavan” in New Delhi. This complex will promote collaboration and synergy among various pillars of Mission Karmayogi. Talking about the opening of new sectors and creation of opportunities for employment and self-employment for the youth due to the efforts of the government, the Prime Minister mentioned the Budget announcement about 1 crore rooftop solar plants which will reduce the power bill of the families and they will be able to earn money by supplying power to the grid. This scheme will create lakhs of new jobs also, he said. Mentioning that India is the third largest startup ecosystem in the world with about 1.25 lakh startups, PM Modi expressed happiness that many of these startups are from tier 2 or tier 3 cities. As these startups are creating new job opportunities, the latest budget announced the continuation of the tax rebate for the startups. The Prime Minister also mentioned the 1 lakh crore fund that has been announced in the Budget for promoting research and innovation.

(PiB)

GeM records 3 Lakh Crore in GMV within 11 months of this fiscal year; breaks all records: With fourth quarter of this financial year still awaiting its end, the integrated digital platform has recorded a Gross Merchandise Value of Rs 3 lakh crore, significantly surpassing the total GMV recorded at the end of the previous fiscal year i.e. Rs 2 lakh crore. A pioneer in public procurement, Government eMarketplace has once again made history by achieving an impressive milestone. Furthermore, there has been a notable increase in the daily average GMV transaction value during this period, rising from Rs 504 crore in FY 22-23 to Rs 914 crore as of February 12, 2024. GeM, a pioneer in public procurement, was conceptualised under the visionary leadership of our Prime Minister Shri Narendra Modi with a mission to foster 'Minimum Government, Maximum Governance' through digital platforms. Since its inception in 2016, GeM has revolutionised the landscape of public procurement, providing a transparent and efficient online infrastructure for the procurement of goods and services by Central/State Ministries, Departments, Public Sector Undertakings, Panchayats and Cooperatives.

(PiB)



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FINANCIAL TERMINOLOGY

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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 : 82.9954
INR / 1 GBP : 104.8298
INR / 1 EUR : 89.5720
INR /100 JPY: 55.6300

EQUITY MARKET

Sensex: 71072.49 (-523.00)
NIFTY: 21616.00 (-166.50)
Bnk NIFTY: 21616.00 (-166.50)

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