



ICMAI
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(Statutory Body under an Act of Parliament)



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DAILY NEWS DIGEST BY BFSI BOARD

14 October 2024



ECONOMY

STT collection soars 86% between April 1 and October 10: As the stock market is witnessing huge volume, collection from Securities Transaction Tax (STT) surged 87 per cent within the first 193 days of the current fiscal as compared to corresponding period of last fiscal. With this, it has achieved around 83 per cent of the budget estimates (BE) for FY25. During FY25, the government increased the STT collection target to ₹32,000 crore from ₹27,000 crore. For the current fiscal, the estimate is ₹37,000 crore. One reason for the higher collection is not just the continuous bull run but also the heavy volume of trading in the stock market. At the same time, stock-based derivative trading is also on the rise, which also contributed to the collection. Now, rates on stock-based derivatives (future and option) have been increased for the current fiscal.

(Business Line)

Direct tax collections up 18.4 per cent: The Centre's direct tax collections, after refunds, stood at Rs 11.26 trillion in April 1-October 10, accounting for 51% of the full year's target, official data released on Friday showed. The collections so far are up 18.4% on year, which is higher than the full year's growth projection of 12.8%. If sustained, the actual mop-up could surpass the Budget estimate of Rs 22.07 trillion by a decent margin. The mop-up includes personal income tax collection of Rs 5.98 trillion, corporate tax collection of Rs 4.95 trillion, and Securities Transaction Tax (STT) mop up of Rs 30,630 crore.

(Financial Express)



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BANKING & FINANCE



Motilal Oswal launches Digital India Fund focused on tech and digital ecosystem growth: Motilal Oswal Asset Management Company (MOAMC) on Friday announced the launch of its latest fund offer, the Motilal Oswal Digital India Fund. The fund is an open-ended equity scheme investing in Digital Space, focusing on Technology, Telecom, Media, Entertainment, and other related ancillary sectors for investors who want long-term capital appreciation. The NFO opened on October 11, 2024, and closes on October 25. Senior officials clarified that the funds mopped up through this NFO will be invested only in digital companies and not in IT services providers.

(Business Line)

LIC reduces entry age on new endowment plan to 50 years from 55 years: State-owned Life Insurance Corporation of India (LIC) has reduced the entry age on its new endowment plan to 50 years from 55 years, sources said. The revision is effective from October 1, 2024. "The entry age in the 'New Endowment Plan' filed by LIC as per the new surrender value norms has been reduced to 50 years from 55 years," LIC said in a communication which was reviewed by Business Standard. 'LIC New Endowment Plan-914' is a participating endowment plan that offers the dual benefit of protection-cum-saving plan. It comes with both death and maturity benefits. According to insurance industry experts, the life insurer is likely to have reduced the entry age as the mortality rates are inching higher after a certain age and this will help the company to pare down the risk in the segment.

(Business Standard)

SBI plans to enhance limit under instant loan scheme for MSME sector: To ensure easy and adequate credit availability to the MSME sector, the State Bank of India (SBI) is planning to enhance the threshold under the instant loan scheme from the existing Rs 5 crore. 'MSME Sahaj - End to End Digital Invoice Financing', provides solutions ranging from applying for the loan, documentation and disbursement of the sanctioned loan within 15 minutes, without any manual intervention. "We have, last year, introduced a business rule engine based, data based assessment of the credit limits up to Rs 5 core. Anybody walking into our MSME branch has to give only their PAN and approval for sourcing GST data, we can give approval in 15-45 minutes," SBI Chairman C S Setty told PTI in an interview.

(Business Standard)



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Indian Overseas Bank opens Retail Loan Processing Centres across cities: Public sector Indian Overseas Bank has unveiled retail loan processing centres in multiple cities aimed at streamlining the loan approval processes and reduce turn around time, a top official said. As many as eight Retail Loan Processing Centres were inaugurated in physical mode in Chennai while seven others were launched in virtual mode across cities, the bank's Managing Director and CEO Ajay Kumar Srivastava said.

(Business Standard)

INDUSTRY OUTLOOK



HAL becomes 14th Maharatna CPSE in India: Hindustan Aeronautics Limited (HAL) will now be the 14th 'Maharatna' company among Central Public Sector Enterprises (CPSE), the Finance Ministry announced on Saturday. This status will give more autonomy to the company in terms of financial and strategic matters. HAL is a Department of Defence Production (DoDP) CPSE with an annual turnover of ₹28162 crore and a net profit of ₹7595 crore for FY2023-24. Shares of HAL closed at ₹4446.85 on Friday with a loss of 0.76 per cent over previous closing price. "The Finance Minister has approved the upgradation of Hindustan Aeronautics Limited (HAL) to 14th Maharatna CPSE," the Public Enterprises Department said in a social media post on X. Further, it said that the proposal had earlier been recommended by both the Inter-Ministerial Committee (IMC) headed by the Finance Secretary and the Apex Committee headed by the Cabinet Secretary.

(Business Line)

Profitability of small finance banks expected to decline in FY25: Crisil: The profitability of small finance banks, measured in terms of return of assets (RoA), will moderate around 40 basis points to about 1.7 per cent this fiscal from 2.1 per cent in last financial year due to lower net interest margins (NIM) and higher credit costs, said a report. That said, RoA for small finance banks (SFBs) will still be higher than that for the overall banking system by 50-60 bps on account of the relatively higher yielding nature of their loan book, Crisil said in the report.

(Economic Times)

Paytm issues apology after backlash over CEO Vijay Shekar Sharma's controversial 'Ok Tata Bye Bye' post: Paytm, on Friday, apologized for a controversial social media post made by its CEO, Vijay Shekhar Sharma, about the passing of industrialist Ratan Tata. The post, which has since been removed, faced backlash for being seen as insensitive and inappropriate in tone. "We deeply



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regret any hurt caused by a recent post about Mr Ratan Tata. His passing is a great loss for the nation and we are truly saddened,” the digital payments platform said in a post on social media platform X.

(Mint)



REGULATION & DEVELOPMENT

India ranks 105th in Global Hunger Index 2024, labelled as 'serious': The Global Hunger Index (GHI), a tool used by international humanitarian agencies to measure and track hunger levels with GHI scores based on under-nourishment and child mortality indicators across 127 countries, has ranked India 105th, which places it under the serious category of the analysis. The 2024 report, now in its 19th edition, is published this week by Irish humanitarian organisation Concern Worldwide and German aid agency Welthungerhilfe to highlight that hunger levels will remain high in many of the world's poorest countries for several decades in the absence of more progress in measures to tackle the issue.

(Business Standard)

Central Consumer Protection Authority directs Ola to develop mechanism providing choice to consumers regarding refund mode: In a landmark decision, the Central Consumer Protection Authority (CCPA) has directed Ola, a leading online ride-hailing platform, to implement a mechanism allowing consumers to choose their preferred method of refund—either directly to their bank account or via coupon—during the grievance redressal process. Additionally, Ola has been instructed to provide consumers with a bill or receipt or invoice for all Auto rides booked through its platform, ensuring greater transparency and accountability in its services. The Authority is headed by Chief Commissioner Smt. Nidhi Khare. CCPA observed that the whenever consumer raised any grievance on the Ola app, as part of its no-question-asked refund policy, Ola only provided a coupon code which could be used for the next ride without providing an clear choice to the consumer to opt between a bank account refund or a coupon. It was observed that this violates consumer rights and the no-question-asked refund policy cannot mean that the company incentivises people to simply use this facility for taking another ride. Further, CCPA observed that if a consumer attempts to access invoice for Auto rides booked on Ola, the app shows the message ‘Customer invoice for Auto rides will not be provided due to changes in Ola’s auto service T&Cs.’ It was observed that not issuing bill or invoice or receipt for the goods sold or services rendered constitutes an ‘unfair trade practice’ under the Consumer Protection Act, 2019.

(PiB)



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FINANCIAL TERMINOLOGY

CONSUMER SURPLUS

- ❖ Consumer surplus is an economic measurement of consumer benefits resulting from market competition. A consumer surplus happens when the price that consumers pay for a product or service is less than the price they're willing to pay. It's a measure of the additional benefit that consumers receive because they're paying less for something than what they were willing to pay.
- ❖ Consumer surplus is based on the economic theory of marginal utility, which is the additional satisfaction a consumer gains from one more unit of a good or service.
- ❖ Consumer surplus always increases as the price of a good falls and decreases as the price of a good rises.
- ❖ Consumer surplus plus producer surplus equals the total economic surplus.



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 : 84.0586
INR / 1 GBP : 109.6914
INR / 1 EUR : 91.9343
INR /100 JPY: 56.4800

EQUITY MARKET

Sensex: 81381.36 (-230.05)
NIFTY: 24964.25 (-34.20)
Bnk NIFTY: 51172.30 (-358.60)

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