



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

18 Dec, 2023

BANKING & FINANCE



Two PSU bank mergers on cards? Govt issues clarification after doc fuels speculation: A government document shared on social media has triggered speculation about possible PSU bank mergers between Union Bank and UCO Bank, and Bank of India and Bank of Maharashtra. The document, whose source couldn't be verified, said that a Parliamentary committee will hold discussions with four PSU banks in the first week of January under banking laws, which govern mergers and acquisitions, among other things. However, the government has not yet provided official information regarding the merger. Neither of the four PSU banks mentioned have made any stock exchange filings in this regard.

(Moneycontrol)

SBI slows down unsecured retail loans, to focus on healthy growth: The State Bank of India, the country's largest lender, has slowed down unsecured retail loans as the lender will focus on 'healthy' growth, even if overall loan growth is expected to stay robust at 15 per cent amid steady demand from corporates, Chairman Dinesh Khara said. "Unsecured was growing at a very fast pace, 30-33 per cent for the system. We have purposely slowed it down, which has come down to 18 per cent odd," Khara told Business Standard in an interview. Last month, the Reserve Bank of India increased risk weights on unsecured loans to 125 per cent from 100 per cent earlier. Unsecured loans include personal loans, consumer durable loans, and credit cards. Khara said the message from the regulator is very clear, which is that banks should ensure growth is healthy.

(Business Standard)

Vehicle loan securitisation is to reach about ₹70,000 cr in FY24: Vehicle loan securitisation is expected to cross the pre-pandemic peak levels to reach about ₹70,000 crore in FY24, according to a report from rating agency ICRA. Vehicle loans have a long track record in the Indian securitisation market. Volumes had seen an upward trajectory till FY20. Post the decline in volumes in FY21 due to



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the pandemic, they trended higher over the last two years. Securitisation volumes for vehicle loans picked up significantly to about ₹50,000 crore in FY23 from about ₹31,000 crore in FY22.

(Business Line)



ECONOMY

India, Oman discussing utilisation of UPI stack, possibility of rupee trade: Foreign Secretary Vinay Kwatra on Saturday said that discussions are underway between India and Oman about utilising the UPI stack, adding that talks on the possibility of Rupee trade which is an "important element of cooperation," is still at the "exploratory stage". Kwatra's remarks came while addressing a special briefing at the Ministry of External Affairs on the State Visit of the Sultan of Oman, Haitham bin Tarik, to India. "Another element of discussion where we would try to move forward is the possibility of Rupee trade which can work between the two countries but this is still at an exploratory stage but can be an important element of cooperation going forward," Kwatra said while responding to ANI question.

(Business Standard)

Pension funds sizzle with a 16.94% 1-year equity return on NPS monies: Riding on a roaring bull market in equities this year, pension funds have clocked a robust average 16.94 per cent annual return in equities, latest PFRDA data showed. This average annual return of 16.94 per cent in equities — as of December 8 this year — is more than double the return of about 7 per cent seen in Corporate Bonds; 7.10 per cent in Government Securities and about 8.2 per cent in Central and State Government Schemes, data showed. Over the last three-year period, the seven pension funds have generated an average return of 18.27 per cent in monies deployed in equities. The average return from equities since inception of NPS stood at 13.01 per cent.

(Business Line)

FinMin senses good savings this fiscal, 15 Ministries spent less than 30% in April-October: Finance Ministry expects 'good savings' in the current financial year as many Central Ministries and Departments have spent less than accounted for. This could mean their allocation is likely to be lowered in the revised estimate which, in turn, will help in meeting expenses on some key schemes besides limiting the deficit according to budget estimate. According to officials, Revised Estimates of a fiscal year are finalised on the basis of expenditure of budget allocation of the first six months. Similarly, Budget Estimate for the next fiscal is calculated on the basis of expenditure during



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the first nine months of the current fiscal. Data from the Controller General of Accounts (CGA) showed that all the central Ministries have spent over 47 per cent during first six months of current fiscal which rose to 53 per cent in the first seven months mainly on account of higher expenses by Road and Rail. Eight months data will be made public on December 31, while initial indication of nine months expenditure will be known to the government early next month.

(Business Line)

Growth rate at 6%, India will remain lower middle economy by 2047, says Raghuram

Rajan: Former Reserve Bank of India Governor Raghuram Rajan said India will still remain a lower middle country if the potential growth rate remains at six per cent annually without any rise in population by 2047 (Amrit Kaal) and will be reaching the end of the demographic dividend by then. The economist said if the country does not grow faster, it will grow older (demographically) before it gets richer, which means there is the burden of an aging population to deal with also at that point.

(Economic Times)

INDUSTRY OUTLOOK



Reliance General Insurance unveils global healthcare policy: Reliance General Insurance Company Ltd (RGICL) on Saturday said it has launched a new policy to make global healthcare accessible to Indians. The policy, Reliance Health Global, provides comprehensive cover not only within the borders of India but across the world, RGICL said in a statement. The policy will cover expenses for overseas treatment, including critical illnesses like cancer and bypass surgery, it added. It also encompasses travel, accommodation, and end-to-end Visa and assistance services, addressing emergencies like lost passports or emergency cash, apart from sum-insured coverage of up to USD 1 million, the company said.

(Economic Times)

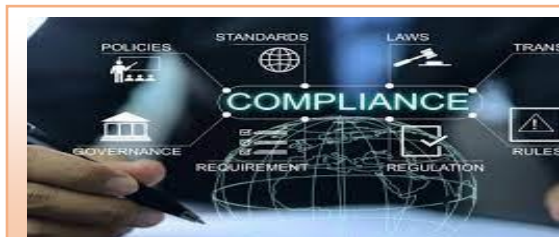
Adani acquires majority stake in news agency IANS: Billionaire Gautam Adani's group has acquired a majority stake in news agency IANS India Pvt Ltd for an undisclosed sum as the group expands its presence in the media space. In a regulatory filing, Adani Enterprises — the firm that holds the group's media interest — said its subsidiary "AMG Media Networks Ltd has acquired a 50.50 per cent stake constituting equity shares of IANS India Pvt Ltd." The company did not disclose the acquisition price.

(Financial Express)



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REGULATION & DEVELOPMENT

Number of GST return filers up 65% to 11.3 mn in 5 years: Finance ministry: The number of GST return filers rose about 65 per cent to 11.3 million in 5 years till April 2023 as compliance by taxpayers improved, the finance ministry said on Sunday. Also, the number of active taxpayers registered under GST increased from 10.6 million as of April 2018, to 14 million. As per data shared by the ministry, 90 per cent of eligible taxpayers are filing GSTR-3B returns by the end of the filing month in current fiscal year, up from 68 per cent in 2017-18, the first year of GST rollout. "Simplification in Rules and Procedure in GST has resulted in increase in return filing percentage by eligible taxpayers," the ministry said in a post on X. A nationwide Goods and Services Tax (GST) was rolled out on July 1, 2017. It subsumed over a dozen local taxes like excise, service tax and VAT. The number of GSTR-3B filers increased from 7.24 million in April 2018, to 11.3 million as of April 2023. GSTR-3B is the monthly return form for filing outward supplies details and tax payment.

(Business Standard)

Shri Piyush Goyal releases the “Logistics Ease Across Different State (LEADS) 2023”:

Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution, and Textiles, Sh. Piyush Goyal released the “Logistics Ease Across Different State (LEADS) 2023” report in New Delhi on 16th December 2023. Speaking on the occasion, Sh. Piyush Goyal said that LEADS is giving insights to States and UTs for further revolutionary reform in logistics sector, taking us towards our vision of Viksit Bharat.

LEADS was conceived on the lines of Logistics Performance Index of World Bank in 2018 and has evolved over time. While the LPI relies entirely on perception-based surveys, LEADS incorporates both perception as well as objectivity thereby enhancing the robustness and comprehensiveness of this exercise. The 5th edition of the LEADS annual exercise - LEADS 2023 report, provides insights into improvement of logistics performance at State/UT level. It highlights an enhanced overall stakeholder perception and impact of various reforms, across States and UTs. This report, signalling a positive shift in States’ performance across the key pillars – Logistics Infrastructure, Logistics Services and Operating and Regulatory Environment, empowers the State/UT Governments by providing region specific insights for informed decision making and comprehensive growth.

(PiB)



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FINANCIAL TERMINOLOGY

Advance Authorization Scheme (AAS) or Advance License Scheme

- ❖ Recently, the Directorate General of Foreign Trade (DGFT) said it has simplified the process of Levying Composition fees in case of extension of the Export Obligation Period under the Advance Authorisation Scheme (AAS).
- ❖ It allows duty free import of inputs, which are physically incorporated in an export product. In addition to any inputs, packaging material, fuel, oil, catalyst which is consumed / utilized in the process of production of export product, is also be allowed.
- ❖ DGFT provides a sector-wise list of Standard Input-Output Norms (SION) under which the exporters may choose to apply. Alternatively, exporters may apply for their own ad-hoc norms in cases where the SION does not suit the exporter. Advance Authorisation covers manufacturer exporters or merchant exporters tied to supporting manufacturer(s).



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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 : 83.1802
INR / 1 GBP : 106.1202
INR / 1 EUR : 91.3696
INR /100 JPY: 58.6000

EQUITY MARKET

Sensex: 71483.75 (+969.55)
NIFTY: 21456.70 (+274.00)
Bnk NIFTY: 48143.60 (+411.30)

Courses conducted by BFSI Board

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- ❖ **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 2nd Edition)**
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TEAM BFSIB

Banking, Financial Services & Insurance Board
The Institute of Cost Accountants of India (ICMAI)

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