

## **DAILY NEWS DIGEST BY BFSI BOARD**

**18 March 2024**

### **BANKING & FINANCE**



#### **Banks to file daily suspicious transaction reports during elections, says**

**CEC:** Banks will send details of all suspicious transactions on daily basis during the whole election phase, said Chief Election Commissioner (CEC) of India Rajiv Kumar while addressing the press conference announcing for general elections of 2024 on 16 March in New Delhi. "Banks will see if there is a huge demand in the currency chests. NPCI will look at if there are more demands in the payments through wallets. We will be looking all wallets transactions. Banks will be sending almost daily reports of there suspicious transactions," said Chief Election Commissioner addressing the presser.

**(Moneycontrol)**

**Fairfax sweetens the deal for IDBI Bank:** Canadian billionaire Prem Watsa's Fairfax is back in the fray bidding for IDBI Bank with a sweetened deal. According to highly placed sources aware of the matter Fairfax seems to have agreed for an all-cash compensation structure to acquire IDBI Bank. In addition, Watsa is said to have committed to ensure that the identity of IDBI Bank will be preserved after divestment. The revised offer from Fairfax is believed to have been communicated to the government officials about two weeks ago.

**(Business Line)**

**Public sector banks told to spell out 3-year business plans by March-end:** The government has directed state-owned banks to submit their business plans till 2026-27 by the end of this month, officials said, adding that these plans will be assessed on a quarterly basis by the government-nominated directors on the boards of the banks. The business plans will cover strategies to increase low-cost deposits, raise capital, resolve bad loans, improve cybersecurity and undertake financial inclusion outreach, said a senior government official.

**(Economic Times)**

### **Banks asked to check mis-selling, safeguard account holders' interest: DFS Secy:**

Financial Services Secretary Vivek Joshi has said that public sector banks have been asked to check mis-selling of insurance products and ensure protection of account holders' interest. Banks have been sensitised on the matter, as the Department of Financial Services (DFS) regularly gets complaints that fraudulent and unethical practices are being adopted by banks and life insurance companies for procuring policies from the bank customers, he told PTI in an interview. "Banks have been asked to give utmost importance to the interest of account holders," he said. There have been instances where life insurance policies were sold to customers aged above 75 years in tier-II and III cities.

**(Economic Times)**



## **ECONOMY**

### **Lok Sabha election dates 2024: General election to be held in 7 phases from April 19 to June 1, results on June 4: EC:**

Lok Sabha elections 2024 will take place in seven phases from April 19 to June 1 and the counting of votes will take place on June 4, the Election Commission announced at a media briefing in the national capital. During the briefing, chief election commissioner Rajiv Kumar also announced that assembly elections will be held in Andhra Pradesh, Arunachal Pradesh and Sikkim in a single phase while Odisha will vote in four phases. Assembly polls will take place in Arunachal Pradesh and Sikkim on April 19 while Andhra Pradesh will vote on May 13. Four-phase elections will take place in Odisha on May 13, May 20, May 25 and June 1," he said. He said that there are many as 97 crore eligible voters in India, of which 1.8 crore will be first-time voters.

**(Moneycontrol)**

**India's economic growth looks like 2003-07, says Morgan Stanley:** Riding on an investment boom, India's current economic growth, according to Morgan Stanley economists, echoes the world-beating growth phase from 2003 to 2007, when it averaged over 8 per cent. A report by the firm, titled 'The Viewpoint: India - Why this feels like 2003-07', points out resurgence in capex as a key driver in India's growth after a decade-long slide in the investment to GDP ratio. Investment to GDP then hovered around those levels until it peaked in FY 2011. 2011 to 2021 then registered a decade of decline - but the ratio has now inflected again to 34 per cent of GDP and we expect it to rise further to 36 per cent of GDP in FY 2027

**(Business Today)**

**India's goods exports grow 11.86% to \$41.4 billion, the fiscal's highest:** India's goods exports grew 11.86 per cent to \$41.4 billion in February 2024 (year-on-year), the highest monthly export in the current fiscal so far, powered by sectors such as engineering goods, electronics, chemicals, pharmaceuticals and petroleum products despite adverse factors like the Red Sea disruptions, slowdown of Western economies and fall in commodity prices, according to the Commerce Department. Imports of goods in February 2024 posted a higher growth of 12.16 per cent to \$60.11 billion, compared to imports in the same month last year, widening the trade deficit during the month to \$18.7 billion from \$ 16.57 billion in February 2023, per quick estimates released by the government.

**(Business Line)**

## INDUSTRY OUTLOOK



**NHAI InvIT raises Rs 7,300 cr from Canadian pension funds CPP Investments, OTPP, others:** National Highways Infra Trust, the private infrastructure investment trust (InvIT) sponsored by the National Highways Authority of India (NHAI), has raised close to Rs 7,300 crore from existing investors Canadian pension funds CPP Investments and Ontario Teachers Pension Plan (OTPP) and a host of domestic institutional investors, sources said. The NHAI has raised around Rs7,272 crore. The deal was closed on Thursday and the NHAI InvIT board has approved the allotment of new units on Friday,” said one of the sources. Around Rs 1,090 crore of the mop-up was infused by the NHAI as sponsor commitment to maintain its shareholding level in the InvIT. NHAI holds close to 18 percent stake in the InvIT.

**(Moneycontrol)**

**Kerala creates over 1 lakh MSMEs for second year in a row:** Kerala's MSME sector has made a big leap by adding over one lakh ventures for the second consecutive year in 2023-24, taking the total number of newly set up units to 2,40,396 since the launch of the Year of Enterprises in 2022-23. The initiative also netted a total investment of ₹15,167.36 crore and created 5,09,740 jobs in the MSME sector in the last two years. The programme had yielded an investment of ₹8,422 crore and generated 3,00,51 jobs in 2022-23. Keeping the momentum of growth, in 2023-24 (till March 15) the initiative netted an investment of ₹6,745.36 crore and created 2,10,776 jobs.

**(Business Line)**

**Real estate sector may touch \$1.3 trillion by 2034: CREDAI Report:** A report released by the Confederation of Real Estate Developers' Association of India (CREDAI) on Saturday has forecasted a significant upsurge in the Indian real estate sector, estimating a market size of \$1.3 trillion by 2034 and a whopping \$5.17 trillion by 2047. Presently valued at Rs 24 lakh crore (approximately \$300 billion), the Indian real estate market is divided between residential and commercial segments, with an 80-20 split respectively, as per CREDAI's report. The report titled 'Building Viksit Bharat-Transformative role of the real estate sector in India' was unveiled during the organisation's YouthCon event.

**(Financial Express)**



## REGULATION & DEVELOPMENT

**Centre notifies new CBFC certification rules for films in line with amended Cinematograph Act:** The Centre on Friday notified the new Cinematograph (Certification) Rules, 2024 which introduces new age-based certification for films and the validity of certificates in perpetuity. It has made a comprehensive revision of the rule to fully align with the adoption of the online certification process through the "e-cinepramaan portal". The Information and Broadcasting Ministry said that the rules remove the restriction of validity of Central Board of Film Certification for only ten years and will be given for "perpetual validity". "Recertification of the edited film for Television broadcast, as only Unrestricted Public Exhibition category films can be shown on television," the rules added. The UA category has been divided into three age-based categories, which include seven years (UA 7+), thirteen years (UA 13+), and sixteen years (UA 16+), instead of twelve years. "These-based markers would be only recommendatory, meant for the parents or guardians to consider whether their children should view such a film. The age-based certification system with UA markers is being implemented to ensure young viewers are exposed to age-appropriate content," the Ministry added.

**(Business Line)**

**Patent office grants One Lakh Patents in one year:** The Patent Rules, 2024 has been officially notified, marking a significant milestone in the journey towards fostering innovation and economic development. These rules introduce several provisions aimed at simplifying the process of obtaining and managing patents, thereby facilitating a conducive environment for inventors and creators. It is



expected to accelerate economic development of the nation through science and technology to fulfil the Viksit Bharat Sankalp. Some salient features of the revamped Rules are as follows:

Unique provision for New 'Certificate of Inventorship' has been introduced to acknowledge the contribution of inventors in the patented invention.

Provision for claiming benefits of Grace period under section 31 has been streamlined by incorporating new form, i.e., Form 31.

Time limit to furnish foreign application filing details in Form 8 has been changed from six months from the date of filing of application to three months from the date of issuance of first examination report.

Considering the fast pace of technology, time limit for filing request for examination has been reduced from 48 months to 31 months from the date of priority of application or from the date of filing of application, whichever is earlier.

Provision to extend time limit and condone delay in filing has been further simplified and made more explicit to ease in practice. Now, the time for doing any act/proceeding may be extended any number of times up to six months by a request in prescribed manner.

Renewal fee has been reduced by 10% if paid in advance through electronic mode for a period of at least 4 years.

**(PiB)**



# FINANCIAL TERMINOLOGY

## CURRENT EXPOSURE METHOD

- ❖ The credit equivalent amount of a market related off-balance sheet transaction is calculated using the current exposure method by adding the current credit exposure to the potential future credit exposure of these contracts.
- ❖ Current credit exposure is defined as the sum of the positive mark to market value of a contract.
- ❖ The Current Exposure Method requires periodical calculation of the current credit exposure by marking the contracts to market, thus capturing the current credit exposure.
- ❖ Potential future credit exposure is determined by multiplying the notional principal amount of each of these contracts irrespective of whether the contract has a zero, positive or negative mark-to-market value by the relevant add-on factor prescribed by RBI, according to the nature and residual maturity of the instrument.



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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 : 82.8919  
INR / 1 GBP : 105.5877  
INR / 1 EUR : 90.1676  
INR /100 JPY: 55.9000

### **EQUITY MARKET**

Sensex: 72643.43 (-453.85)  
NIFTY: 22023.35 (-123.30)  
Bnk NIFTY: 46594.10 (-195.85)

### **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  
**BFSIB portal of the ICMAI**  
website

### **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  
**BFSIB portal of ICMAI**

### **TEAM BFSIB**

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

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