



**THE INSTITUTE OF
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DAILY NEWS DIGEST BY BFSI BOARD

26 Dec, 2023

BANKING & FINANCE



RBI approves former Andhra Bank executive as MD and CEO of Slice-backed North East SFB: Bengaluru-based finetch Slice-backed North East Small Finance Bank (NESFB) has announced the appointment of Satish Kumar Kalra as its interim managing director (MD) and chief executive officer (CEO). NESFB said that it got approval from the bank's board and the Reserve Bank of India for the appointment. Kalra is a banking veteran with over four decades of experience in the banking industry. Earlier in October, Slice and Guwahati-based NESFB had announced their intention to merge the two entities, which saw the fintech company becoming an SFB, a first-of-its-kind development in the fintech and banking space. Kalra was previously working as the MD and CEO of Andhra Bank.

(Moneycontrol)

Paytm lays off over 1000 employees as firm implements AI automation tech: Fintech major Paytm has laid off over 1000 employees from its operations, sales and engineering team after the firm implemented a slew of AI technology to improve efficiency. "We are transforming our operations with AI-powered automation to drive efficiency, eliminating repetitive tasks and roles to drive efficiency across growth and costs, resulting in a slight reduction in our workforce in operations and marketing. We will be able to save 10-15% in employee costs as AI has delivered more than we expected it to. Additionally, we constantly evaluate cases of non-performance throughout the year," Paytm's spokesperson told Moneycontrol. "Insurance and Wealth will be a logical expansion of our platform, in continuation of our focus on the existing businesses.

(Moneycontrol)

Education loans see record 20.6% surge in April-Oct: Education loans registered a record year-on-year growth of 20.6 per cent at ₹1,10,715 crore in the current financial year till October compared with ₹96,853 crore in the year-ago period. According to Reserve Bank of India (RBI) data, spurt in education loans was the highest in the last five years.. The growth registered in the



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comparable period was 12.3 per cent FY23 and (-) 3.1 per cent in FY22. For the last one year, foreign education loans with an average ticket size of ₹40 lakh-60 lakh accounted for nearly 65 per cent of loans disbursed.

(Business Line)

RBI to no longer have a director on RBL Bank's board: The Reserve Bank of India will no longer have a director on RBL Bank's board as the central bank-appointed additional director Yogesh Dayal concluded his two-year term. "The Board has placed on record its deep appreciation for the invaluable contribution made by Mr. Yogesh Dayal during his tenure as an Additional Director (appointed by RBI) on the Board of the Bank," RBL Bank said in a stock exchange filing. RBI chief general manager Dayal's appointment to RBL's board back in December 2021 had come amid plethora of rumors surrounding the financial position of the private lender, which the RBI had however denied and said RBL Bank's financial health was stable and it was well capitalised.

(Economic Times)

RBI cracks down on illegal forex trading: The Reserve Bank of India (RBI) is in talks with banks and the government for more stringent measures to ensure that banking channels are not misused for illegal forex trading. In a letter to all stakeholders last month, the RBI sought suggestions on the matter and also urged them to create greater public awareness.

(Economic Times)



ECONOMY

India-ASEAN set to review trade pact for modernisation in February: India and the ten-member ASEAN will begin negotiations in February to “modernise” their decade-and-a-half-old free trade agreement (FTA) and bring in more balance in the pact currently weighed against New Delhi. But new areas such as labour, environment, SMEs and gender are likely to be kept out, sources have said. “There will be a complete re-look at the entire FTA with the broad objective of bringing down the trade deficit for India. We want to modernise the FTA as a lot has evolved since it was signed almost 15 years back. New elements such as product specific rules and trade remedies will be brought in to make the FTA more efficient,” the source told BusinessLine. The first round of negotiations for reviewing the FTA, officially known as the ASEAN India Trade in Goods Agreement (AITGA), will be



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on February 18-19 in New Delhi, the source said. The negotiations will follow a quarterly schedule to wrap up the exercise by 2025.

(Business Line)

Q4 to be difficult for MSMEs as credit supply thins, lenders turn cautious: The upcoming quarter is likely to be a difficult one for MSMEs as credit supply for micro and small businesses has started thinning with lenders turning cautious following the increase in risk weights on unsecured consumer loans. “MSMEs form a huge part of this unsecured funding and they will get affected to an extent directly or indirectly. There’s a lot of overlap in retail financing and micro lending segments, and no way to distinguish which funds are going towards proprietorship,” said Kalyan Basu, MD and CEO of Vayana TradeXchange. The increased risk weights and resultant higher capital requirements, has prompted several lenders, including digital lenders, to go slower on unsecured small ticket loans, to avoid any risk build-up amid increased regulatory scrutiny. Fintechs too have said they will go slower on small ticket loans.

(Business Line)

First rupee payment for oil to UAE: India looks for more deals, no targets: Officials: India's first-ever payment in rupees for crude oil purchased from the UAE is helping the world's third largest energy consumer push for taking the local currency global, as it looks for similar deals with other suppliers, officials said, adding internationalisation is a process and there are no targets. With the nation more than 85 per cent dependent on imports for meeting its oil needs, India has been pursuing a three-pronged strategy of buying from the cheapest available source, diversifying sources of supply and not breaching any international obligation like the price cap in case of Russian oil. While the strategy helped save billions of dollars, when it ramped up imports of Russian oil that was shunned by some in West post Ukraine war, it is looking to settle trade in rupees instead of dollars in a bid to cut transaction costs by eliminating dollar conversions.

(Economic Times)

INDUSTRY OUTLOOK



Adani Green inks 1,799 MW solar power deal with SECI, completes 8,000 MW commitment: Adani Green Energy Ltd finalised a power purchase agreement with the Solar Energy Corporation of India to deliver 1,799 MW of solar power. This agreement marks the completion of AGEL’s power offtake commitments for the 8,000 MW manufacturing-linked solar tender awarded by SECI in June 2020. The company reported commissioning a plant with a 2 GW annual capacity



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through its subsidiary Mundra Solar Energy Ltd, situated in Mundra, Gujarat. AGEL holds a 26 per cent stake in Mundra Solar Energy Ltd through its wholly-owned subsidiary, Adani Renewable Energy Holding Four Ltd. Following this development, Adani Green secured PPAs for 19.8 GW and over 2 lakh acres of land in resource-rich areas of India and claims to have fully de-risked its portfolio to execute 45 GW capacity by 2030.

(Business Line)

Warehousing surge in India: In recent years, India has witnessed a monumental surge in its warehousing industry, signalling a pivotal shift in the country's economic landscape. The robust growth of e-commerce (expected to reach \$350 billion by 2030), advancements in technology, government initiatives and evolving consumer preferences have collectively spurred a transformation in the logistics and warehousing sector. Warehousing in India operates within a legal framework designed to govern the storage, distribution and management of goods. India's Warehousing (Development and Regulation) Act of 2007 ("WDR Act") stands as a pivotal legislation governing the storage, regulation, and development of warehouses across the country.

(Financial Express)



REGULATION & DEVELOPMENT

UP to build India's first AI city in Lucknow: When States are looking at using artificial intelligence (AI), India's largest State, Uttar Pradesh, has gone a step ahead with plans to build India's first AI city in Lucknow to house and promote the AI ecosystem. A report by Grand View Research pegged the global AI market size at \$137 billion in 2022 and is projected to expand at a compound annual growth rate of 37.3 per cent from 2023 to 2030. Lucknow houses Centres of Excellence in areas like AI and MedTech (with extensive AI integration). The AI COE (centre in IIIT Lucknow) alone supports more than 15 AI/ML start-ups, nurturing a culture of creativity and entrepreneurship. By integrating cutting-edge technology, research centres, and educational institutions, the AI city aspires to be a hub where ideas flourish and the workforce of tomorrow is nurtured, says an Expression of Interest (EoI) issued by UP Electronics Corporation Ltd., the nodal agency for the project, inviting a real estate developer to develop and operate the AI city.

(Business Line)



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Govt to talk with IRDA for review of 24-hour hospitalisation rule for mediclaim: In a move to address a pressing issue raised by the National Consumer Commission chief, the consumer affairs ministry has said that it will take up the matter with the Insurance Regulatory and Development Authority of India (IRDAI) and the Department of Financial Services (DFS), a TOI report stated. The concern revolves around the denial of medical claims by insurance companies if a policyholder is not hospitalized for a minimum of 24 hours for surgery or treatment.

"There is a condition that if one is not admitted in a hospital concerned for at least 24 hours for surgery, then the claims will not be accepted. This often comes up in case of medical claim and medical negligence cases. Some district forums innovated and ordered that even if it's 23-and-half hours, the claims have to be paid. They have backed this with reasoning that now several treatments can be done in less than 24 hours. So, there is a need to make the insurance companies aware of this,"

(Economic Times)

On the occasion of Good Governance Day, Union Minister Dr Jitendra Singh launches the Extended Version of Mission Karmayogi:

On the occasion of Good Governance Day, Union Minister Dr Jitendra Singh launched the Extended Version of Mission Karmayogi, at a function in New Delhi today. Three new features launched on the iGOT Karmayogi platform are My iGOT, Blended Programs and Curated Programs. Dr Jitendra Singh said that PM Modi has introduced a series of initiatives towards enabling 'Ease of Living' for women employees. These include grant of 60-day special maternity leave for women Central government employees in case of stillbirth or death of an infant within a few days of birth; grant of 730 days CCL; facility of Leave Travel Concession (LTC), while an employee is on CCL; removal of the limit of 22 years in case of disabled child for the purpose of a Government servant availing Child Care Leave and Special Allowance @ Rs.3000/- p.m. to Women employees with Disability for child care, he said.

My iGOT delivers targeted training courses on home page of individual officer that directly address the unique capacity building needs of the officer as identified in the Capacity-Building Plan for their Ministries/Departments thereby facilitating a highly personalized, focused and targeted capacity-building experience thereby ensuring a perfect fit between the individual and organizational learning needs.

Blended Programs on iGOT-Karmayogi platform will facilitate equitable access to training methodologies across all levels to meet dynamic training needs of the officials.

Curated Programs on iGOT Karmayogi are designed to cater to diverse learning needs of the Ministries/Departments and Training Institutions.

12 domain specific capacity building e-learning courses have been developed in a span of two months as part of Annual Capacity Building Plan (ACBP) of the DOPT by Karmayogi Digital Learning Lab (KDLL) of DoPT.

(PiB)



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FINANCIAL TERMINOLOGY

CREDIT CARD DUMP

- ❖ A credit card dump is a type of crime in which the criminal makes an unauthorized digital copy of a credit card. It is a type of crime in which credit card information is stolen from customers and made available to potential buyers.
- ❖ Thieves do so either by physically copying data from the card or by hacking the payments network of the companies in question.
- ❖ This type of crime has existed for decades, but it has seen wider public awareness in recent years due to the rising prevalence of credit card forgeries, identity theft, and other types of cybercrime.
- ❖ There are many ways in which a credit card dump might occur. One common method is skimming, in which an illegal card reader, sometimes hidden in a legitimate automated teller machine (ATM) or gas station pump, copies the data from a credit card.



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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 : 83.2493
INR / 1 GBP : 105.6223
INR / 1 EUR : 91.5559
INR /100 JPY: 58.4900

EQUITY MARKET

Sensex: 71106.96 (+241.86)
NIFTY: 21349.40 (+94.40)
Bnk NIFTY: 47491.85 (-348.35)

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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
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 2nd Edition)**
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