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DAILY NEWS DIGEST BY BFSI BOARD

27 November 2024



ECONOMY

Panel set up by SC moots direct income support to farmers: While a panel appointed by the Supreme Court in its interim report suggested a host of solutions, including examining the possibility of giving legal sanctity to minimum support price (MSP) and offering direct income support to boost farmers' income, many experts have maintained that the best way forward is to go for crop diversification. According to agency reports, the SC panel listed reasons behind the agrarian distress, including stagnant yield, rising costs and debt and inadequate marketing system. The panel, constituted on September 2 under former Punjab and Haryana High Court Judge Nawab Singh to resolve grievances of farmers agitating at the Shambhu border, also stated there was a need to examine "profitability of the farm sector through a mechanism of assuring remunerative prices, including MSP, direct income support and other viable approaches."

(Financial Express)

Easier agriculture marketing on the cards: Three years after rolling back three controversial farm Bills, the government is set to make another bid to achieve their essential objectives of barrier-free trade in farm produce under a uniform pan-India framework. According to official sources, a 12-member committee, under the aegis of the Union ministry of agriculture and farmers' welfare, has recommended a clutch of steps, including allowing direct farm-gate purchases of agriculture commodities by bulk buyers, including organised retailers, without having to go through the state-notified mandis or pay the various levies that the operators of these market yards charge. The set of measures are basically aimed at tilting the terms of trade in farmers' favour.

(Financial Express)

GST on insurance premia fetched ₹52,000 cr in 5 years: As GST Council prepares to take a call on restructuring rate on various insurance products, government told the Lok Sabha on Monday that GST on insurance premia fetched over ₹52,000 crore in last 5 years. Centre also said GST collection from unexempted educational services was around ₹12,000 crore. It may be noted that



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going by the formula of distribution and devolution, States are major beneficiary of this rise as they get over 70 per cent of GST collected.

(Business Line)

BANKING & FINANCE



CCI approves the proposed combination involving the acquisition of standard unsecured personal loans portfolio of Standard Chartered Bank, India Branch by Kotak Mahindra Bank Limited: Competition Commission of India has approved the proposed combination involving the acquisition of standard unsecured personal loans portfolio of Standard Chartered Bank, India Branch by Kotak Mahindra Bank Limited. The proposed combination is in the nature of an acquisition of the Target Business by Kotak Mahindra Bank Limited (Acquirer) from the Standard Chartered Bank, India Branch (Transferor) (Proposed Combination).

(PiB)

Credit focus to be strengthened, PSBs to launch new products: Govt: Acknowledging a credit gap, Financial Services secretary M Nagaraju said on Tuesday that public sector banks (PSBs) will unveil new products in the next three to four months, to improve credit growth, including for micro and small medium enterprises (MSMEs). "We are committed to enhancing (credit flows), and we want to push as much credit as possible because we have a huge number of young people," Nagaraju said addressing the Financial Inclusion and Fintech Summit organised by industry body CII.

(Financial Express)

FinMin issues advisory to banks to promote transparency in transfer policy: The Finance Ministry on Tuesday issued a host of suggestions with regard to 'Transfer Policy' of public sector banks with an aim to promote greater transparency. According to an advisory issued to heads of public sector banks (PSBs), the Department of Financial Services asked lenders to incorporate advices suitably in their respective 'Transfer Policy' with the approval of their boards and take immediate action for its implementation and compliance from 2025-26. "PSBs are also advised to send a copy of the policy, so modified, to this Department, at the earliest," the communication said. The transfer policy has been reviewed with an aim to promote greater transparency and ensure formulation of a uniform and non-discretionary policy, it said. Some of the changes advised include banks to automate the transfer process and to develop an online process for the same with facilities of giving location preference options to its employees, it said. "Women employees be transferred as far as possible to



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nearby places, stations, regions," the letter said, adding that grievances received from employees citing violation of transfer policies be dealt in a considerate manner.

(Business Standard)

Term deposits outpace CASA growth in September: Term deposits, which offer more attractive return, outpaced the growth in CASA (current account and savings account), and their share in total deposits rose to 61.4 per cent in September 2024 from 59.8 per cent a year ago, as per RBI data. The Reserve Bank on Tuesday released Quarterly 'Basic Statistical Return' (BSR): Deposits with Scheduled Commercial Banks - September 2024. "A substantial amount of deposits have shifted to higher interest rate bucket during the latest monetary policy tightening cycle; term deposits bearing over 7 per cent interest rate has increased to 68.8 per cent from 54.7 per cent a year ago," it said. As per the BSR, bank deposits growth (y-o-y) at 11.7 per cent in September 2024 remained close to that in the previous quarter.

(Economic Times)

IFCI to cease lending, transition to infrastructure advisory role: India will revamp operations of non-bank lender IFCI Ltd by shutting its lending operations following capital constraints and converting it into an infrastructure advisory firm, two government sources told Reuters on Tuesday. IFCI, launched in 1949 soon after the country's independence, was asked to stop fresh lending in 2021-22 after bad loans soared, depleting the lender's capital and liquidity. The Centre owns nearly 72 per cent of IFCI. The finance ministry and IFCI did not immediately respond to a request for comment. The sources remained anonymous as they were not authorised to speak to the media.

(Business Line)

INDUSTRY OUTLOOK



Alphabet gets CCI's clearance to acquire stake in Flipkart: The Competition Commission on Tuesday granted approval to Alphabet's arm Shoreline International Holdings LLC to acquire a stake in Walmart group firm Flipkart. Shoreline International Holding is a wholly-owned subsidiary of Google's parent firm Alphabet Inc. It is a holding company and does not own or operate any Google products or services. "The proposed transaction comprises an investment through subscription of shares of Flipkart Pvt Ltd (Target) by Shoreline International Holdings LLC (Acquirer) and an arrangement between an affiliate of the acquirer and the target's subsidiary for the provision of



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certain services," the regulator said in a release. "Commission approves transaction involving subscription of shares of Flipkart Pvt Ltd by Shoreline, an Alphabet, Inc subsidiary," the regulator said in a post on X.

(Moneycontrol)

Infosys to give 85 per cent bonus to employees: Infosys, the country's second-largest IT services firm, has declared an 85% average performance bonus for the eligible employees for the September quarter, according to sources. The bonus will be disbursed to Band 6 and below employees, encompassing junior to mid-level staff across delivery and sales units, who collectively form the majority of Infosys' workforce. Additionally, a couple of employees in Band 3 told FE that some of them received up to 100% variable pay depending on their performance.

(Financial Express)

India plans insurance law changes for unified licence, hiking FDI limit,: The Indian government plans to amend insurance laws in the ongoing session of Parliament to facilitate a unified licence for insurers and raise the foreign direct investment (FDI) limit to 100% from 74%, two government sources said on Tuesday. A single licence for insurers and higher FDI limit could boost investments and improve insurance penetration in the country, which stood at 3.8% of GDP in 2023 according to research firm Swiss Re Institute. A unified licence or "composite licence" will allow insurers to provide life, general and health insurance under a single entity. Currently, life insurance companies cannot sell products such as health insurance, while general insurers are allowed to sell products ranging from health to marine.

(Economic Times)



REGULATION & DEVELOPMENT

India signs the Final Act of the Riyadh Design Law Treaty: After nearly two decades of negotiations, the member states of the World Intellectual Property Organization (WIPO) adopted the landmark Design Law Treaty (DLT). By signing the Final Act of the Riyadh Design Law Treaty, India builds on its progress and reaffirms its commitment to fostering inclusive growth and ensuring equitable access to intellectual property protection. The treaty seeks to harmonize the procedural frameworks for industrial design protection, improving the efficiency and accessibility of registration processes across multiple jurisdictions. By standardizing procedural requirements, the DLT reduces administrative burdens, thereby promoting global creativity in design. Its goal is to ensure that the



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benefits of streamlined design protection are accessible to all stakeholders, with particular emphasis on small and medium-sized enterprises (SMEs), startups, and independent designers. The DLT introduces several key provisions aimed at benefiting design applicants, including relaxed time limits, the reinstatement of lost rights, the option to correct or add priority claims, simplified procedures for recording assignments and licenses, and the option to file multiple designs in a single application. These changes provide greater flexibility for design applicants.

(PiB)

Digital Life Certificate for Pensioners, elder citizens crosses record One crore mark:

Digital Life Certificate (DLC) introduced for convenience of Pensioners and elder citizens has crossed the record One crore mark in the ongoing campaign "DLC 3.0". PM Shri Narendra Modi in 116th episode of Mann Ki Baat on 24.11.2024 had said, "Now, by enabling the Digital Life Certificate, things have become very simple; the elderly do not have to go to the bank. Elderly do not face any problem on account of technology. Making the elderly tech savvy. Today, with such efforts, the number of people receiving Digital Life certificates has crossed the 80 lakh mark. Among these, more than 2 lakhs are such elderly people whose age has crossed even 80."

(PiB)

Cooperative banks expected to be digitised by March 2025: Nabard chairman: NABARD

Chairman Shaji K V on Tuesday said cooperative banks are expected to be digitised by March 2025 with a view to streamline operations and enhance the efficiency of these financial institutions. RBI has mandated all cooperative banks to adopt the Core Banking Solution (CBS) marking a significant step towards modernisation. "We are on behalf of central government undertaking digitisation of cooperatives. By March 2025 it will happen and by that time we will invite fintechs to work on that. We need a lot of technology solutions to work on these digitised database that we will have besides looking at transaction trails of digital platform," he said.

(Business Standard)



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FINANCIAL TERMINOLOGY

RETRACEMENT

- ❖ A retracement is a technical term used to identify a minor pullback or change in the direction of a financial instrument, such as a stock or index. Retracements are temporary in nature and do not indicate a shift in the larger trend.
- ❖ The term, used by technical analysts to analyze the price of securities, refers to a short-term change in a stock's price relative to an overarching trend. Once a retracement is over, there should be a continuation of the previous trend.
- ❖ Retracements are not the same as reversals—with the latter, the price of the security must breach support or resistance levels.



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 : 84.2835
INR / 1 GBP : 105.7882
INR / 1 EUR : 88.3184
INR /100 JPY: 54.7900

EQUITY MARKET

Sensex: 80004.06 (-105.79)
NIFTY: 24194.50 (-27.40)
Bnk NIFTY: 52191.50 (-16.00)

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