



**ICMAI**  
THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA  
(Statutory Body under an Act of Parliament)



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

**02 May 2024**



## **ECONOMY**

**GST collection for April 2024 highest ever at Rs 2.1 lakh crore, up 12.4% YoY:** India's Goods and Services Tax (GST) collections in gross terms hit a record high in April 2024 at Rs 2.1 lakh crore. This represents a 12.4 percent year-on-year growth, driven by a strong increase in domestic transactions (up 13.4 percent) and imports (up 8.3 percent), finance ministry said in a statement on May 1. The government had collected Rs 1.87 lakh crore as GST in the same period last year. "After accounting for refunds, the net GST revenue for April 2024 stands at Rs 1.92 lakh crore, reflecting an impressive 15.5 percent growth compared to the same period last year," the ministry said. Monthly GST collections have risen over the years. From averaging under Rs 1 lakh crore per month in 2017-18 - its first year - collections rose rapidly after the pandemic-hit 2020-21 to average Rs 1.51 lakh crore in 2022-23. Gross collections in the first month of FY25 was also 17.81 percent higher versus the mop-up in March of Rs 1.78 lakh crore.

***(Moneycontrol)***

**India-UAE CEPA registers increase of 16 percent growth in bilateral trade:** The UAE-India Comprehensive Economic Partnership Agreement (CEPA) has emerged as a resounding success story, solidifying the two nations' long-standing economic ties and ushering in a new era of prosperity. It has been two years since CEPA was signed and became operational. This has significantly advanced trade, with bilateral exchanges increasing from USD 72.9 billion to USD 84.5 billion, registering a year-on-year increase of 16 percent. Major Indian export sectors have seen substantial growth, with exports of Indian gems and jewellery to the UAE expanding by almost 64 percent in just two years. Other critical Indian export sectors, such as drugs and pharmaceuticals, fruit & vegetable products, have also experienced considerable growth.

***(Financial Express)***

**Tripura government imposes restriction on sale of petrol, diesel:** The Tripura government has imposed restrictions on sale of petrol and diesel from Wednesday as the fuel stock in the



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northeastern state has come down due to disruption of goods train movement, an official said. Goods train movement to Tripura was hit by a massive landslide in Assam's Jatinga. Passenger train movement started on April 26 after restoration work. However, train service through Jatinga still remains closed during the night. "In view of the supply constraint of petrol and diesel due to disruption in goods train movement to the state, it has been decided to impose restriction on sale of fuel - petrol and diesel in the state from May 1 until further order", said Additional Secretary of Food and Civil Supplies Department, Nirmal Adhikari.

*(Economic Times)*

## **BANKING & FINANCE**



**Finance Ministry notifies LIC's 17% wage revision for employees from 2022:** The Union Finance Ministry has recently notified the wage revision of LIC employees, which will benefit over 1.1 lakh employees in the state-run insurance company. The revision, which is about 17 per cent annual increase in the wages, will be applicable from August 1, 2022. The wage revision would see an annual implication of around Rs 4,000 crore, taking LIC's overall wage bill per year to about Rs 29,000 crore, the Businessline reported. The recent salary adjustment for employees of LIC aligns with the 17 percent wage increase implemented for more than 8.5 lakh bank employees as of November 2022. This adjustment was part of a bipartite wage settlement agreement reached between bank unions and the Indian Banks' Association (IBA). It is to be noted that the Department of Financial Services (DFS) in the Finance Ministry went ahead with the wage revision even when the model code of conduct in place for the seven-phase Lok Sabha elections, which started last month. DFS has reportedly taken the Election Commission of India's go ahead before proceeding with the implementation of wage revision for LIC employees.

*(Business Line)*

**Banks raise IT spending for digital prowess, regulatory compliance:** Banks are investing large sums – up to 10% of their operating expenses – to upgrade their IT systems and comply with regulatory norms even as they cope with the rising number of online transactions. Sandeep Batra, executive director, ICICI Bank, said last week that IT resilience and customer security were of paramount interest to the bank. "This is not constrained by any budget. In fact, since 2019, our IT and cyber security spends as a share of overall spends have moved up from 5.6% to 9.4%," Batra said.



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HDFC Bank is also making substantial investment in technology, its MD & CEO Sashidhar Jagdishan said. "We will continue to invest in distribution, people and technology. In fact, our operating leverage will be harnessed over a period of time to use enhanced tech and digital infrastructure," Jagdishan said.

***(Financial Express)***

**American Express opens its largest office worldwide in India:** American Express has opened its largest campus globally in India, spanning around one million square feet, demonstrating its commitment to the country. "American Express in India continues to develop in-country capabilities by leveraging our global expertise and local talent, fostering new opportunities and innovation for customers worldwide. The new office building provides a modern, energy-efficient workspace, enabling our teams to continue driving innovation and delivering exceptional value to our customers worldwide," said Sanjay Khanna, CEO and Country Manager of American Express, India.

***(Economic Times)***

## INDUSTRY OUTLOOK



**Vedanta plans investments worth \$20 bln in India over next 4 years:** Vedanta is looking to invest \$20 billion in India across all its business over the next four years, Chairman Anil Agarwal said on May 1, on the sidelines of the company's 'Nand Ghar', a social initiative under the philanthropic arm of the mining conglomerate. The investment comes as the company is banking on the upswing in commodity prices to prop up growth. "Growth in India is tremendous.. it's a double digit growth and there is a huge consumption activity. People are interested to invest in India and post the elections we would see recognition to entrepreneurs, which is very important," Agarwal said while detailing plans on the investment.

***(Moneycontrol)***

**DGCA deregisters most of Go First's 54 aircraft after Delhi HC order:** The Directorate General of Civil Aviation by May 1 approved deregistration of most of Go First's 54 aircraft, which multiple lessors had sought after the airline got grounded in May 2023. The civil aviation regulator uploaded notices approving the deregistration of multiple aircraft belonging to Bluesky Leasing Co. and Star Rising Aviation, amongst other international lessors, on its website on May 1. "Lessors to Go First have been emailed copies of the approved deregistration of their aircraft and all notices of



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aircraft deregistration will be uploaded on the DGCA website in due course," a senior DGCA official told.

***(Moneycontrol)***

**APSEZ becomes India's 1st large-sized pvt infra developer to get AAA rating:** Adani Ports and Special Economic Zone (APSEZ) on Wednesday said it has secured an AAA rating by CARE Ratings. With this development, the company has become the first large-sized private infrastructure developer to get this recognition, APSEZ said in a statement. "The rating is largely driven by APSEZ's robust integrated business model, strong industry position, consistent market share growth with healthy profitability, coupled with high liquidity and low leverage," the agency said. In FY24, APSEZ handled a cargo volume of 419.95 MMT, 24 per cent higher than the previous fiscal.

***(Business Standard)***



## REGULATION & DEVELOPMENT

**SEBI makes nomination optional for joint mutual fund portfolios:** Capital markets regulator SEBI on Wednesday made the nomination optional for jointly-held mutual fund accounts in a bid to promote ease of doing business. Additionally, SEBI allowed fund houses to have a single fund manager to oversee commodity and foreign investments. This would reduce the cost of managing the fund. The regulator has set June 30, 2024, as the deadline for all existing individual mutual fund holders to nominate or opt out of nomination. If they fail to comply, their accounts will be frozen for withdrawals.

***(Moneycontrol)***

**PSBs told to speed up recovery at tribunals:** The Centre has directed state-owned lenders to avoid seeking unnecessary adjournments before debt recovery tribunals, a government official said. Banks have been asked to conduct monthly reviews to expedite the debt recovery process and reconcile cases that have already been settled. "An observation was made by Presiding Officers (POs) of debt recovery tribunals (DRTs) that the legal representative from banks often seeks adjournments on minor issues, which often leads to delays in resolution of cases," the official said, adding lenders have been told to ensure that they should advise their legal teams to keep a tab and conduct reviews on unnecessary adjournments.

***(Economic Times)***





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## FINANCIAL TERMINOLOGY

### TAPERING

- ❖ Tapering modifies a central bank's monetary expansion policies initiated to stimulate an economy. During a program of quantitative easing, a nation's central bank may buy asset-backed securities from its member banks, injecting money into the economy, to boost recovery.
- ❖ Tapering is the reversal of quantitative easing policies, implemented by a central bank and intended to stimulate economic growth.
- ❖ Tapering refers specifically to the reduction of central bank assets.
- ❖ Financial markets may experience a downturn in response to tapering, known as a "taper tantrum."
- ❖ Tapering is initiated after the quantitative easing policies have stabilized an economy and may include changing the discount rate or reserve requirements. In the United States, the Federal Reserve will also reduce its asset holdings.



### **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 : 83.5187  
INR / 1 GBP : 104.6411  
INR / 1 EUR : 89.3405  
INR /100 JPY: 53.2500

### **EQUITY MARKET**

Sensex: 74482.78 (-188.50)  
NIFTY: 22604.85 (-38.55)  
Bnk NIFTY: 49396.75 (-27.30)

### **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.**

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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 2<sup>nd</sup> Edition)**
- To purchase please visit  
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### **TEAM BFSIB**

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