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DAILY NEWS DIGEST BY BFSI BOARD

09 May 2024



ECONOMY

E-way bill generation dipped to 9.66 crore in April: After recording all-time high number in March, e-way bill generation dipped to 9.66 crore in April. This could have some impact on GST collection number for May, which will be made public on June 1. Traditionally, March has been recording very high e-way bill generation on account of fiscal year inventory cleaning exercise. However, first year of fiscal year sees lesser movement of goods, and thus affecting e-way bill generation. In March, 10.35 crore e-way bills were generated and GST collection in April touched an all-time high of ₹2.10-lakh crore. As per Rule 138 of the CGST Rules, 2017, every registered person involved in the movement of goods (which may not necessarily be on account of supply) of consignment value of more than ₹50,000 (can be lower for intra-state movement) is required to generate an e-way bill.

(Business Line)

India F24 GDP growth likely hit 8%, to grow 7% in FY25: CEA Nageswaran: India's economy likely expanded at 8% through fiscal year 2024 (FY24), and growth in the current year is projected at 7%, V Anantha Nageswaran, chief economic adviser to the government, said on Wednesday. Speaking at an event organized by think tank National Council of Applied Economic Research (NCAER), Nageswaran said that for the Indian economy to register 7% or higher growth for the fourth consecutive year in FY25, "a lot would depend on the monsoons." "Right now, the expectations are that we will have an above-normal monsoon. But, spatial and temporal distribution (of rainfall) will matter," he said.

(Mint)



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BANKING & FINANCE



RBI allows Bank of Baroda to onboard customers through BoB World app: RBI has revised its decision to impose restriction on BOB World, allowing it to onboard customers through the app, Bank of Baroda informed stock exchanges on May 8. The lifting of restriction applies to PSU lender with immediate effect, the bank said. Back in October 2023, the banking regulator had directed our BoB to suspend further onboarding of customers onto 'Bob World' mobile application, citing 'certain material supervisory concerns' observed in the processes. Following the RBI direction, the Bank of Baroda had clarified that it has carried out corrective measures to address the concerns highlighted by RBI, and is taking further steps to plug any remaining gaps.

(Moneycontrol)

RBI asks NBFCs to stick to loan cash payout cap of Rs 20,000: Report: India's central bank on Wednesday warned some non-bank lenders against disbursing cash loans in excess of the permissible limit of 20,000 rupees (\$240), according to two sources and a letter seen by Reuters, a move that is likely to stop large cash payouts to those borrowing against gold. The central bank's advisory comes within weeks of regulatory action against IIFL Finance, India's second-largest gold loan player, for violation of cash disbursement and other norms.

(Business Standard)

RBI meets stakeholders to discuss strategies to widen scope, reach of UPI: RBI held a meeting with stakeholders to discuss potential strategies to further expand the reach of the country's home-grown payments system Unified Payments Interface (UPI), it said on Wednesday. The stakeholders, including banks, the National Payments Corporation of India, third-party application providers and technology service providers, discussed strategies to scale up UPI infrastructure and expand the portfolio of products, the Reserve Bank of India (RBI) said in a statement. They also discussed challenges in the ecosystem and innovative solutions to address them, the RBI said. UPI is an instant real-time payments system that allows users to transfer money across multiple banks without disclosing bank account details.

(Business Standard)

Canara Bank Q4 result: Net profit up over 18%; announces dividend of Rs 16.10/share: Canara Bank's net profit grew to Rs 3,757.23 crore in the last quarter of FY24 from Rs 3,174.74 crore



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in the same period a year ago, up 18.3% on year. Its net interest income came in at Rs 9,580 crore, an increase of 11.18% on year in Q4 FY24 from Rs 8,616 crore the bank reported in Q4 of FY23. The bank's gross NPA ratio was reduced to 4.23% in Q4 of FY24 compared to 5.53% it reported in Q4 of FY23. Its net NPA ratio declined to 1.27% in the quarter ending March of FY24 from 1.73% it posted in Q4 of FY23.

(Financial Express)

Kotak Mahindra Bank plans to hire 400 engineers to ramp up tech transition: Kotak Mahindra Bank Ltd. plans to hire around 400 engineers this year as it races to upgrade its technology systems after coming under the regulator's scrutiny for lapses. With the hires this year, the bank will have achieved a "critical mass" in talent and additions would be gradual after that, he said. India's fourth largest private lender boosted spending on technology by more than 30% to 17 billion rupees (\$204 million) in the year ended March 31, making up about 10% of operating expenses, according to Kotak's Chief Executive Officer.

(Economic Times)

INDUSTRY OUTLOOK



Air India Express to curtail flights over next few days amid crew crisis: CEO: Air India Express CEO Alok Singh on May 8 said that the airline will be reducing flights over the next few days due to a significant number of cabin crew reporting sick just before their scheduled duties. This disruption has led to the cancellation of over 90 flights, affecting operations across the network, Singh said in a statement, adding that this behaviour is not reflective of the majority of the airline's cabin crew, who continue to serve with dedication. "Since last evening, over a 100 of our cabin crew colleagues have reported sick prior to their rostered flight duty, at the last minute, severely disrupting our operations. Because this action was mostly by colleagues assigned L1 role, the impact was disproportionate, disrupting 90+ flights even though other colleagues reported for duty," the CEO said in a statement.

(Moneycontrol)

Apple slashes the price of the entry-level iPad in India: Apple's Let Loose event saw a lot of action around new iPads. Amidst the noise around iPad Pro and iPad Air, one older model has been discontinued. Apple's 9th-generation iPad — which was the entry level model — has now been discontinued. As a result, the 10th-gen iPad is now the entry-level model in India. The 10th-



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generation iPad was launched in October 2022 at Rs 44,900. Now, the iPad's price has been slashed by Rs 10,000 as it is officially listed at Rs 34,900 on Apple's Online Store. The 9th-gen iPad was priced at a similar point but now stands discontinued.

(Business Line)

HDFC Ergo withdraws 3 health insurance policies: In a move impacting existing policyholders, HDFC Ergo discontinues its my:health Suraksha health insurance plans. The insurer will migrate customers to alternative policy. Key concerns for existing customers include changes in premiums, coverage details, and potential loss of renewal benefits.

(Economic Times)



REGULATION & DEVELOPMENT

India overtook Japan to become world's 3rd largest solar power generator in 2023:

Rapid solar energy deployment in India pushed the country past Japan to become the world's third-largest solar power generator in 2023, according to a new report. The report by global energy think tank Ember said India ranked ninth in solar energy deployment in 2015. Solar produced a record 5.5 per cent of global electricity in 2023. In line with the global trend, India generated 5.8 per cent of its electricity from solar last year, as reported in Ember's "Global Electricity Review". Ember's Asia Programme director Aditya Lolla said, "Increasing clean electricity is not just for reducing carbon emissions in the power sector. It is also needed to meet the rising electricity demand in an increasingly-electrified economy and to decouple economic growth from emissions, which is crucial for tackling climate change."

(Economic Times)

SC hold bank employees' interest-free loans taxable as fringe benefits: The Supreme Court has ruled that interest-free or concessional loans given by banks to their employees will be considered "fringe benefits" or "amenities" and therefore taxable. The court argued that these benefits are unique to bank employees and are in the nature of a "perquisite," thus liable to taxation. The court upheld the income tax rule, but deemed the fixation of SBI's interest rate as the benchmark to be neither arbitrary nor unequal exercise of power.

(Economic Times)



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FINANCIAL TERMINOLOGY

X-EFFICIENCY

- ❖ X-efficiency refers to the degree of efficiency maintained by firms under conditions of imperfect competition. Efficiency in this context means a company getting the maximum outputs from its inputs, including employee productivity and manufacturing efficiency.
- ❖ In a highly competitive market, firms are forced to be as efficient as possible to ensure strong profits and continued existence. This is not true in situations of imperfect competition, such as with a monopoly or duopoly.
- ❖ When calculating x-efficiency, a data point is usually selected to represent an industry and then it is modeled using regression-analysis. For example, a bank might be judged by total costs divided by total assets to get a single data point for a firm. Then, the data points for all the banks would be compared using regression analysis to identify the most x-efficient and where the majority fall.



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 : 83.5147
INR / 1 GBP : 104.3177
INR / 1 EUR : 89.7549
INR /100 JPY: 53.8100

EQUITY MARKET

Sensex: 73466.39 (-45.46)
NIFTY: 22302.50 (0.00)
Bnk NIFTY: 33335.15 (-137.85)

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