



**THE INSTITUTE OF
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DAILY NEWS DIGEST BY BFSI BOARD

January 04, 2023

GOVT KEEPS GENERAL PROVIDENT FUND INTEREST RATE UNCHANGED AT

7.1%: The government has kept the rate of interest on savings made under the General Provident Fund (GPF) unchanged at 7.1 percent. The rate will remain applicable for at least the quarterly period ending on March 31, 2023. The General Provident Fund is a social security scheme available to central government employees.

(Moneycontrol)

SEBI RETURNS OYO'S DRAFT IPO PAPERS; ASKS TO REFILE WITH

UPDATES: Capital markets regulator Sebi has asked Oravel Stays Ltd, the parent company of travel-tech firm OYO, to refile the draft IPO papers with certain updates. The move might delay the Gurugram-based hospitality unicorn's initial public offering (IPO). OYO filed preliminary documents with the Securities and Exchange Board of India (Sebi) in September 2021 for a Rs 8,430 crore IPO. The proposed offering consists of a fresh issue of shares of up to Rs 7,000 crore and an offer-for-sale of as much as Rs 1,430 crore.

(Moneycontrol)

INDIA AIMS FOR \$17 BILLION CUT IN FOOD, FERTILISER SUBSIDIES IN

2023/24: REPORT: India aims to cut spending on food and fertiliser subsidies to 3.7 trillion rupees (\$44.6 billion) in the fiscal year from April, down 26% from this year, two government officials said, to rein in a fiscal deficit that ballooned during the COVID-19 pandemic. Food and fertiliser subsidies alone account for about one-eighth of India's total budget spending of 39.45 trillion rupees this fiscal year, but reductions in food subsidies, in particular, may prove politically sensitive with elections looming on the horizon.

(Moneycontrol)

NOW AADHAAR HOLDERS CAN UPDATE ADDRESSES ONLINE WITH

CONSENT OF HEAD OF FAMILY: Unique Identification Authority of India (UIDAI) has now allowed residents to update addresses in Aadhaar online with the consent of their head of family, an official statement said on Tuesday. The new process can be initiated after submitting proof of relationship documents like a ration card, mark sheet, marriage certificate, passport, etc. mentioning the name of both the applicant and head of family (HOF) and the relationship between them. The process requires OTP-based authentication by the HOF. In case proof of relationship document is not available, UIDAI provides the resident to submit a self-declaration by the HOF in the UIDAI-prescribed format, as per the statement.

(Business Line)



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HDFC BANK PARTNERS WITH MICROSOFT FOR DIGITAL

TRANSFORMATION: HDFC Bank announced that it is partnering with Microsoft in the next phase of its digital transformation journey and aims to unlock business value by transforming the application portfolio, modernising the data landscape, and securing the enterprise with Microsoft Cloud. The bank is developing in-house intellectual properties (IP) as well as partnering with several companies, including fintechs, to co-create technology IPs. The bank will leverage Microsoft Azure to consolidate and modernise its enterprise data landscape through a Federated Data Lake to scale its information management capabilities across enterprise reporting, and advanced analytics using artificial intelligence, it said.

(Business Line)

SBI BOARD APPROVES RAISING ₹10,000 CRORE VIA INFRASTRUCTURE

BONDS: SBI, on Tuesday said that its board has considered raising funds through issue of infrastructure bonds worth up to ₹10,000 crore during financial year 2023. The funds will come in handy for credit growth, and SBI would not need to maintain any statutory liquidity ratio or cash reserve ratio for funds raised through such bond.

(Live Mint)

PSU COMPANIES TO REMAIN EXEMPT FROM PUBLIC SHAREHOLDING

NORMS: Indian state-run companies will continue to be exempt from the minimum public shareholding (MPS) norm that requires listed companies to maintain a 25% public shareholding, a government notification said late on Monday. The exemptions from the MPS norm will be valid for a "specified period" even if there is a change in ownership or control after the exemption is granted, the notification said. The exemption from the public shareholding norm would be extended to IDBI Bank, too, which is in the process of a stake sale, a government source said.

(Live Mint)

BharatPe APPOINTS NALIN NEGI AS INTERIM CEO, SUHAIL SAMEER STEPS

DOWN: Fintech unicorn BharatPe has appointed current chief financial officer Nalin Negi as the firm's interim chief executive officer (CEO) until its board finds a replacement for Suhail Sameer, who stepped down from the position.

(Live Mint)

RESTRUCTURED LOAN SHARE IN BANKS' MSME PORTFOLIOS DROP TO 5.21% IN SEPT 2022: RBI REPORT:

The share of restructured loans in the MSME portfolio of scheduled commercial banks (SCBs) stood at 5.21 per cent as on September 30, 2022, compared to 5.31 per cent as on March 31, 2022, said the December 2022 Financial



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Stability Report by the Reserve Bank of India (RBI). The outstanding balance in the restructured account as of September-end last year was Rs 1.07 lakh crore in comparison to Rs 1.06 lakh crore as of March end 2022 with the highest share of public sector banks (PSBs). While PSBs had Rs 78,117 crore outstanding balance in the restructured account, private banks had Rs 29,068 crore in outstanding balance and foreign banks had Rs 675 crore as of September 30, 2022, the data showed.

(Financial Express)

BANKS REPORT HIGH CREDIT GROWTH WITH INDIAN ECONOMY SHOWING

STABILITY: Two banks; one government-owned and the other representing the private sector, on Tuesday reported around 19-22% advances growth, reflecting improved demand for loans with the Indian economy showing stability despite global headwinds. Bank of Maharashtra said that its gross advances grew nearly 22% year-on-year to Rs 1.57 lakh crore, while privately owned Federal Bank reported 19% rise to Rs 1.71 lakh crore.

(Economic Times)

OUTSTANDING MICROFINANCE LOAN PORTFOLIO TO RISE 20.3 PC IN FY23

IN INDIA: MFIN: Outstanding loan portfolio of the micro-finance institution (MFI) sector across India will increase around 20.3 per cent at Rs 3.25 lakh crore in 2022-23 compared to the previous fiscal, said the MFIN, a self-regulatory organisation (SRO) recognised by RBI. During the last fiscal, the total outstanding of the MFI sector was Rs 2.7 lakh crore, and the sector had created around 1.32 crore jobs in the country since 2000, Micro-Finance Institution Network (MFIN) CEO Alok Misra said on Tuesday.

(Economic Times)

NTPC STARTS INDIA'S FIRST GREEN HYDROGEN BLENDING OPERATION IN

PNG NETWORK: State-owned power giant NTPC on Tuesday said it has started India's first green hydrogen blending operation in the PNG (piped natural gas) network of its township in Kawas, Surat. "The project is a joint effort of NTPC and Gujarat Gas Limited (GGL). The first molecule of green hydrogen from the project was set in motion by P Ram Prasad, Head of Project, Kawas, in presence of other senior executives of NTPC Kawas and GGL," a company statement said.

(Business Standard)

MP GOVT TO PROVIDE PLOTS OF LAND FREE TO POOR FAMILIES:

The Madhya Pradesh government announced on Tuesday that it will provide plots of land free of cost to the families which do not own a house. The scheme, named the Mukhyamantri Bhu Adhikar Yojna, will be introduced in Tikamgarh district and later in other parts of the state.

(Business Standard)



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GOOGLE ALLEGES CCI COPIED PARTS OF EU ORDER ON ANDROID ABUSE:

Google has told a tribunal in India that the country's antitrust investigators copied parts of a European ruling against the US firm for abusing the market dominance of its Android operating system, arguing the decision be quashed, legal papers show. The Competition Commission of India (CCI) in October fined Alphabet Inc's Google \$161 million for exploiting its dominant position in markets such as online search and the Android app store, and asked it to change restrictions imposed on smartphone makers related to pre-installing apps. Sources told Reuters in October that Google was worried about the Indian decision as the remedies ordered were seen as more sweeping than the European Commission's landmark 2018 ruling for imposing unlawful restrictions on Android mobile device makers. Google has challenged a record 4.1-billion-euro (\$4.3 billion) fine in that case.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

GOLDILOCKS ECONOMY

- ❖ A Goldilocks economy is not too hot or too cold but just right to steal a line from the popular children's story *Goldilocks and the Three Bears*. The term describes an ideal state for an economic system. In this perfect state, there is full employment, economic stability, and stable growth. The economy is not expanding or contracting by a large margin.
- ❖ A Goldilocks economy is thus warm enough with steady economic growth to prevent a recession; however, growth is not so hot as to push it into an inflationary status.
- ❖ A Goldilocks state is also ideal for investing because as companies grow and generate positive earnings growth, stocks perform well. Goldilocks economies are temporary in nature, as seen by the boom and bust cycles.
- ❖ In current scenario; Investors had a vexing time last year. Rampant inflation was met by central banks racing to hike official interest rates, trashing returns on almost every asset class with the exceptions of gold and other commodities. The key for financial markets in the coming year will be whether policy makers can engineer a soft landing for the global economy, or whether recession becomes endemic. Given how badly the guardians of monetary stability misjudged the post-pandemic environment, we're sceptical of their ability to concoct a Goldilocks economy. Too much tightening risks serving up cold economic porridge as growth becomes moribund.



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RBI KEY RATES

Repo Rate: 6.25%
SDF: 6.00%
MSF & Bank Rate: 6.50%
CRR: 4.50%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 82.7817
INR / 1 GBP : 99.9131
INR / 1 EUR : 88.2508
INR /100 JPY : 63.7800

EQUITY MARKET

Sensex: 61294.20 (+126.41)
NIFTY : 18232.50 (+35.00)
Bnk NIFTY: 43425.30 (+222.20)

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 ICAI 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)**

To purchase please visit BFSIB portal of ICAI

CMA Chittaranjan Chattopadhyay

Chairman,

Banking, Financial Services & Insurance Board

The Institute of Cost Accountants of India

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