



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

DAILY NEWS DIGEST BY BFSI BOARD

January 14, 2023

INDIA-CHINA TRADE CLIMBS TO USD 135.98 BILLION IN 2022, TRADE DEFICIT CROSSES USD 100 BILLION FOR THE FIRST TIME:

The trade between India and China touched an all-time high of USD 135.98 billion in 2022, while New Delhi's trade deficit with Beijing crossed the USD 100 billion mark for the first time despite frosty bilateral relations, according to data released by the Chinese customs on Friday. The total India-China trade for 2022 has climbed to 135.98 billion, overtaking the USD 125 billion mark a year earlier by registering a rise of 8.4 per, the annual Chinese customs data said. China's exports to India climbed to USD 118.5 billion, a year-on-year increase of 21.7 per cent. During 2022, China's imports from India dwindled to USD 17.48 billion, a year-on-year decline of 37.9 per cent. The trade deficit for India stood at USD 101.02 billion, crossing the 2021 figure of USD 69.38 billion. This is the first time the trade deficit, a serious concern constantly expressed by India, has crossed the USD 100 billion mark.

(Economic Times)

RBI PUTS PTC FINANCIAL SERVICES UNDER THE SCANNER AS CORPORATE GOVERNANCE ISSUE LINGERS:

Almost a year after issues of corporate governance were highlighted in PTC India Financial Services Ltd (PFS) by three independent directors while resigning from the board, the Reserve Bank of India (RBI) has tightened its grip on the company's management and its parent. In a strongly-worded letter to the management, the central bank has asked the management of PTC India Ltd's non-banking financial company (NBFC), PFS to answer some of the questions raised in the recently-conducted forensic audit. It has specifically questioned the role of Chief Executive Officer Pawan Singh. "RBI is taking the matter of corporate governance practices in PFS very seriously, especially in the backdrop of what happened with DHFL.

(Moneycontrol)

RBI GOVERNOR SHAKTIKANTA DAS SAYS NO NEED TO REVISIT 4% INFLATION TARGET:

The RBI Governor Shaktikanta Das on January 13 said it is too early to revisit the inflation target of 4 percent with 2 percent deviation on either side, in the current situation. "I don't think there is any need for any change. I would not think the target needs to be revisited," RBI's Das said at an event in Mumbai. "It is too early to shift the goal post. The 4 percent target has a certain meaning." Under the rule, the Monetary policy committee (MPC) needs to keep inflation in a 2 percent-6 percent band with a target on 4 percent.

(Moneycontrol)



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(ST ATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

ICICI BANK WINS 'BANK OF THE YEAR' AT 27TH EDITION OF BT-KPMG BEST BANKS & FINTECHS AWARDS:

ICICI Bank took home the 'Bank of the Year' award, while national lender State Bank of India became the first recipient of the 'Special Jury Award for Consistent Transformation' at the 27th edition of the BT-KPMG Best Banks & Fintechs Awards, for which ceremony was held in Mumbai on Friday. ICICI Bank also bagged the award for 'Best Bank in Innovation', while public sector lender Bank of Baroda won both 'Best Bank in Fintech Initiative' as well as 'Best Bank in Talent & Workforce'. Online payments gateway PayU was adjudged the 'Best Fintech in Payments', while SaaS-based B2B fintech software company Perfios won the award for 'Best Fintech in Value Added Services'. The country's largest private lender HDFC Bank was adjudged the Best Large Indian Bank, Bank of Maharashtra the 'Best Mid-sized Indian Bank' and Tamilnad Mercantile Bank the 'Best Small Indian Bank'. Multinational bank JP Morgan India won the 'Best Large Foreign Bank' award, while AU Small Finance Bank won the award for the 'Best Small Finance Bank'.

(Business Today)

INDIA'S FOREX RESERVES DROP BY \$1.268 BN TO \$561.583 BN: India's forex reserves declined by \$1.268 billion to \$561.583 billion for the week ended January 6, according to data released by Reserve Bank said on Friday. The overall forex reserve had increased by \$44 million to \$562.851 billion in the previous reporting week after it declined for two consecutive weeks. In October 2021, the country's foreign exchange reached an all-time high of \$645 billion. The reserves had been declining as the central bank deployed the reserves to defend the rupee amid pressures caused by global developments.

(Live Mint)

NOMURA SEES 75 BASIS POINT INDIA RATE CUTS IN 2023 AS GDP SLOWS:

Slowing growth and easing price pressures may prompt India's central bank to slash borrowing costs starting in August of this year, said Nomura Holdings Inc. in a note to clients on Friday. India's growth is "likely to disappoint at 4.5% in 2023 due to global spillovers, prompting 75 basis point of rate cuts in second half of 2023, the agency said. Nomura is among the first to forecast such deep rate cuts in 2023, expecting the policy rate to ease to 5.75% by the end of the year in what it refers to as an "out-of-consensus" call. Goldman Sachs in its 2023 outlook for India had predicted 25 basis point rate cut in the Oct.-Dec. quarter.

(Live Mint)

NCLT ALLOWS TRANSFER OF JET AIRWAYS OWNERSHIP TO JALAN KALROCK CONSORTIUM:

The National Company Law Tribunal has allowed the transfer of ownership of Jet Airways to winning bidder Jalan-Kalrock consortium. As a result, the consortium will get six months from the said date to make payments to lenders. As per the resolution plan, the consortium has to make cash payments of ₹185 crore to financial creditors within 180 days from the effective date.



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(ST ATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

(Financial Express)

MANDATORY JOINT AUDIT TO START WITH BIG FIRMS: The government is likely to implement phased roll-out for mandatory joint audit of companies, starting with “public interest entities” and large listed companies soon. The proposal, aimed at tightening the audit framework and enhancing the credibility of audit reports, will be a part of the amendments to the Companies Act that are to tabled in Parliament in the upcoming Budget session. However, most sections of India Inc believe that costs will see a sharp hike due to mandatory joint audits that would require two auditors. Further, large audit firms have understood to have raised concerns that it would impact the audit quality and have also noted that smaller audit companies may not have the resources and expertise to take up such jobs.

(Financial Express)

CREDIT GROWTH OF SCHEDULED COMMERCIAL BANKS TAPERS OFF IN DECEMBER: Credit growth of scheduled commercial banks tapered off in the second fortnight of December, which fell to 14.9 % YoY from 17.4 % a fortnight ago. Year-on-year credit growth peaked for the fortnight ended October 7, 2022, when it hit 17.9%. Deposit growth till December 30 was 9.2 per cent, slightly lower than 9.4 per cent recorded a fortnight ago, the latest data released by the Reserve Bank of India showed.

(Business Standard)

SEBI ALLOWS VIRTUAL MEETINGS FOR REITs, InVITs UNITHOLDERS VIA VIDEO CALL: SEBI on Friday allowed investment managers of investment vehicles -- REITs and InvITs-- to conduct meetings of unitholders through video conferencing and other audio-visual means. The move would allow maximum participation of unitholders in the decision-making process and help in better governance. Under the rules, an annual meeting of all unitholders of real estate investment trusts (REITs) and infrastructure investment trusts (InvITs) need to be held within 120 days from the end of a financial year and the time between two meetings should not exceed 15 months.

(Business Standard)

RATAN TATA SETS UP NEW ENDOWMENT TRUST, LIKELY TO FUND CHARITIES IN FUTURE: Ratan Tata, chairman of Tata Trusts, has set up another personal endowment trust, The Economic Times reported on Friday. It cited legal experts as saying that the aim behind creating the Ratan Tata Endowment Foundation could be estate planning, with the proceeds from the corpus likely to go to charities. The benefit of constituting an endowment fund is to secure tax efficiencies by registering the corpus and availing the applicable exemptions under the relevant provisions of the Income Tax Act, 1961. Unlike a typical investment fund, the beneficiary of an endowment fund is a non-profit.



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

(Business Standard)

COC APPROVES 90-DAY EXTENSION FOR RELIANCE CAPITAL RESOLUTION

PROCESS: The Committee of Creditors (COC) of Reliance Capital has approved a 90-day extension for the completion of debt resolution process of the bankrupt company. The current deadline ends on January 31 and CoC is seeking an extension till April-end. With this, the banks will not be able to book any gains in the March quarter. The Reliance Capital Administrator plans to file an application for deadline extension in the NCLT Mumbai on Monday. Reliance Capital was sent for debt resolution in November 2021 after it defaulted to loans worth Rs 24,000 crore.

(Business Standard)



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

FINANCIAL TERMINOLOGY/CONCEPTS

PINK SLIP

- ❖ The term pink slip is a vernacular term that refers to a notice of dismissal given to an employee. The current ubiquity of pink has its roots in the American expression 'pink slip' used to describe the termination notices issued by employers to employees. In these times of layoffs, the job place is awash in pink.
- ❖ A pink slip is an official notification that the worker's position has been eliminated or that the worker's services are no longer required. In other words, a pink slip is an informal name for a termination notice.
- ❖ In Indian context, The Industrial Disputes Act clearly spells out conditions of retrenchment of employees in an organisation and also says that 'last in, first out' policy is to be followed in terms of retrenchment.
- ❖ The Act requires the employer to pay severance and notify the labour authorities of a retrenchment. In cases of industrial establishments having atleast 100 (300 in select states) workmen, there is a requirement to obtain prior permission of the government to terminate workmen.



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

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 : 81.4328
INR / 1 GBP : 99.2764
INR / 1 EUR : 88.2628
INR /100 JPY : 63.1000

EQUITY MARKET

Sensex: 60261.18 (+303.15)
NIFTY : 17956.60 (+98.40)
Bnk NIFTY: 42371.25 (+289.00)

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

***Disclaimer:** Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICAI. For Restricted Circulation only. A Compilation of News in this regard from Secondary Sources.*