



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
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DAILY NEWS DIGEST BY BFSI BOARD

December 14, 2022

NIFTY TO HIT 20,000 IN 2023, DRIVEN BY FII FLOWS, SAYS BofA SECURITIES:

The Nifty 50 stock index may gain as much as 5.9 percent from its current 52-week high and touch 20,000 next year, driven by inflows from foreign institutional investors, BofA Securities said. The global brokerage said the Nifty is trading at 20.7 times and a long-term average of 18.8 times basis bottom-up weighted average of one-year forward earnings of the current index constituents.

(Moneycontrol)

US CPI EASES TO 7.1%, STOCK MARKET REACTS POSITIVELY: The Bureau of Labor Statistics has released the November US CPI data that shows an easing of inflation. The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.1 percent in November on a seasonally adjusted basis, after increasing 0.4 percent in October, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all-items index increased 7.1 percent before seasonal adjustment.

(Financial Express)

GST COUNCIL TO DECIDE ON DECRIMINALISATION OF GST OFFENCES, SETTING UP APPELLATE TRIBUNALS:

With the GST Council - chaired by Finance Minister Nirmala Sitharaman - set to convene on December 17, there are multiple items on the agenda. Reports say that issues such as decriminalisation of GST offences and setting up of Goods and Services Tax Appellate Tribunals are at the top of the list. The Council has reportedly been given a suggestion - by the law committee - to consider increasing the monetary threshold for launching prosecution for GST offences. Additionally, the committee has also suggested that the fee payable by taxpayer for compounding of GST offences be lowered with a view to improving ease of doing business.

(Economic Times)

GOVT GETS RS 60.46 CR TAX FROM TDS ON VIRTUAL DIGITAL ASSETS: The government on Tuesday said an amount of Rs 60.46 crore has been received in tax from entities for transactions in virtual digital assets (VDAs), including cryptocurrencies, since the introduction of TDS provisions in July. The government, from April 1, has brought in a 30 per cent income tax plus surcharge and cess on transfer of crypto assets, like Bitcoin, Ethereum, Tether and Dogecoin. Also, to keep a tab on the money trail, a 1 per cent Tax Deducted at Source (TDS) under section 194S of I-T Act has been brought in on payments over Rs 10,000 towards virtual digital currencies from July 1.

(Economic Times)



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RELIANCE INDUSTRIES TOPS CHARTS ON WIZIKEY NEWSMAKER RANKING:

Reliance Industries Ltd, India's largest corporate by revenues, profits, and market value, topped the 2022 Wizikey Newsmaker report as India's most-visible corporate in the media. State Bank of India (SBI), ICICI Bank Limited, Bharti Airtel Limited, and One 97 Communications Limited are in the top 5 corporates on the ranking. The rankings are based on Wizikey's News Score which measures news visibility for brands & individuals by analyzing the volume of news, headlines presence, and the reach of publications.

(Economic Times)

BAD LOANS WORTH RS 10 LAKH CR WRITTEN OFF BY BANKS IN LAST FIVE FINANCIAL YEARS, SAYS NIRMALA SITHARAMAN:

Finance Minister on Tuesday said bad loans worth Rs 10,09,511 crore have been written off by banks during the last five financial years. Banks write off NPAs as part of their regular exercise to clean up their balance sheet, avail tax benefit and optimise capital, in accordance with RBI guidelines and policy approved by their boards.

(Economic Times)

NBFC-MFIs GROUP OVERTAKES BANKS IN MICROFINANCE LENDING : The NBFC-MFIs group has regained dominance in micro-loan delivery after a gap of four years as they overtook banks in terms of outstanding loans share, data released by Sa-Dhan showed. The portfolio size of NBFC-MFIs has grown nearly 7% Q-o-Q to Rs 101678 crore at the end of September, which is 37.53% of the total microfinance market.

(Economic Times)

RBI REMOVES INFORMAL NDF RESTRICTIONS ON BANKS: RBI has lifted informal restrictions placed on banks for trading in the non-deliverable forward market (NDF), four bankers told Reuters on Tuesday. The Reserve Bank of India had placed these restrictions in October to manage the volatility on the Indian rupee.

(Economic Times)

45% JUMP IN FY22 CREDIT TO WOMEN-LED MSMEs FROM PRE-COVID LEVEL BY PUBLIC SECTOR BANKS:

Credit extended by public sector banks to women-led MSMEs during the financial year 2021-22 has jumped 45 per cent from the pre-Covid level (FY20) and 14.2 per cent from FY21, according to the data from the RBI shared by the minister of state in the finance ministry in a reply to a question in the Rajya Sabha on Tuesday. The amount increased from Rs 5.76 lakh crore in FY20 to Rs 7.31 lakh crore in FY21 and further to Rs 8.36 lakh crore in FY22. The number of loans disbursed to women MSMEs also jumped 22.6 per cent to 3.05 crore in FY22 from 2.49 crore in FY20 and 5.5 per cent from 2.89 crore in FY21.

(Financial Express)



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SBI, ICICI BANK RAISE DEPOSIT RATES SHARPLY: SBI and ICICI Bank have made sharp increases in their interest rates on some domestic term deposits, which will come into effect from Tuesday. While SBI has hiked deposits rates on deposits of one-year tenure by 65 basis points (bps), ICICI Bank has increased rates by 50 bps on deposits of one-year maturity. SBI has increased interest rate on retail deposits with one-year maturity to 6.75%. The revised rates in other buckets are in the range of 5.75-6.75%. ICICI Bank also revised interest rates on retail term deposits to 6.60% on deposits maturing in a year to 389 days.

(Financial Express)

CBIC MAKES EXPORTS FROM POST OFFICE EASY FOR MSMEs: Central Board of Indirect Taxes and Customs (CBIC) has notified Postal Export (Electronic Declaration & Processing) Regulations, 2022 allowing exporters to deposit the export parcel at any post office instead of visiting a foreign post office. The exporters will also get the Postal Bill of Exports (PBE) online and deposit the export parcel in nearby post office.

(Financial Express)

ONLY ABOUT 13% RECOVERY IN WRITTEN-OFFS LOANS DURING LAST FIVE YEARS: GOVT: Only about 13 per cent of the loans written off by the scheduled commercial banks during the last five financial years have been recovered, the Parliament was told on Tuesday. Government data showing details of loans written off by scheduled commercial banks disclosed that total Rs 10,09,510 crore were written off during the last five financial years (FYs), the Finance Minister told the Rajya Sabha in a written reply. The data on recovery of the written off loans said that Rs 1,32,036 have been recovered during the period.

(Business Standard)

CBDT EXEMPTS NR TAXPAYERS FROM MANDATORY FORM 10F E-FILING FOR NOW: The Central Board of Direct Taxes (CBDT) has given partial relief to non-resident taxpayers by exempting them from mandatory electronic filing of Form 10F until March 2023. Filing this form is required to claim the benefits of tax treaty. The Form 10F is signed physically by non-resident taxpayers and furnished along with the tax residency certificate to resident payers for the purpose of determining withholding tax implications. The move has been made after considering the challenges faced by non-resident taxpayers, especially those who do not have a PAN. Such category of non-resident taxpayers who are not having a PAN and not required to have a PAN are exempted from mandatory electronic filing of form until March 31, 2023.

(Business Standard)

KERALA PASSES BILL TO REMOVE GOV AS CHANCELLOR: The Kerala Assembly has passed the University Laws (Amendment) Bill which removes the Governor as the Chancellor of 14 universities in the state. Even though the bill has been passed, it, according to the rules, has to be sent to Governor Arif Mohammed Khan for his assent. Khan had earlier hinted that he will not



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stand in judgment of a case involving him and hence, in all likelihood, if he doesn't sign, either it might lie pending in his office, and if not, it would be sent to the President.

(Business Standard)

RAILWAY MINISTRY DROPS PROPOSAL FOR MONETISATION OF STATIONS ON

PPP MODE: The ministry of railways has dropped its proposal for monetisation of stations on public-private partnership mode, and projects are now being taken up under engineering, procurement and construction (EPC) mode, a source said. The source also told PTI that the ministry of railways has been asked to expedite monetisation of other assets, including trains, goodsheds, hill rail, stadiums, railway colonies and railway land parcels among others.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

PRODUCTION POSSIBILITY FRONTIER

- ❖ Production possibility frontier is the graph which indicates the various production possibilities of two commodities when resources are fixed. The production of one commodity can only be increased by sacrificing the production of the other commodity. It is also called the production possibility curve or product transformation curve.
- ❖ The state of technology is taken to be constant. Since the production of one commodity can be increased only by decreasing the production of the other commodity, production possibility curve also measures the production efficiency of the commodities. The production possibility frontier helps in deciding the commodities most beneficial to society, but this response is limited in itself as there is a choice between two commodities only.



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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 : 82.7154
INR / 1 GBP : 101.6302
INR / 1 EUR : 87.2835
INR /100 JPY : 60.1300

EQUITY MARKET

Sensex: 62533.30 (+402.73)
NIFTY : 18608.00 (+110.80)
Bnk NIFTY: 43946.60 (+237.80)

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