



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

February 17, 2023

RBI MAKES CHANGES IN NEFT, RTGS FOR DAILY REPORTING OF FOREIGN

REMITTANCES: With the Home Ministry mandating SBI to report all details of overseas donors, including purpose of remittances on daily basis, the Reserve Bank of India (RBI) on Thursday made necessary changes in NEFT and RTGS systems for Foreign Contribution (Regulation) Act (FCRA) related transactions. Under the FCRA, foreign contributions must be received only in the "FCRA account" of State Bank of India, New Delhi Main Branch (NDMB). In a circular, the RBI said in terms of extant requirements of the Ministry of Home Affairs (MHA), the donor details such as name, address, country of origin, amount, currency, and purpose of remittance are required to be captured in such transactions and SBI is required to report the same to MHA on daily basis. The instructions will be effective from March 15, 2023. The contributions to the FCRA account are received directly from foreign banks through SWIFT and from Indian intermediary banks through NEFT and RTGS systems.

(Economic Times)

GOVT REDUCES WINDFALL GAIN TAX ON CRUDE PRODUCTION, ATF AND

DIESEL EXPORT: The government has reduced windfall profit tax levied on domestically-produced crude oil as well as on the export of diesel and ATF. Windfall tax on crude petroleum cut to Rs 4,350 from Rs 5,050/tonne while special additional excise duty on ATF cut to Rs 1.50/L from Rs 6/litre. The special additional excise duty on diesel has been cut to Rs 2.50/L from Rs 7.50/L. The tax rates are reviewed every fortnight based on average oil prices in the previous two weeks. The government levies tax on windfall profits made by oil producers on any price they get above a threshold of USD 75 per barrel.

(Economic Times)

WORLD BANK CHIEF DAVID MALPASS TO STEP DOWN EARLY: World Bank chief David Malpass announced Wednesday he would step down nearly a year early, ending a tenure at the head of the development lender that was clouded by questions over his climate stance. The veteran of Republican administrations in the United States was appointed to the role in 2019 and previously served as Under Secretary of the Treasury for international affairs.

(Economic Times)

YouTube CEO SUSAN WOJCICKI STEPS DOWN, CHIEF PRODUCT OFFICER

NEAL MOHAN TO TAKE OVER: YouTube Chief Executive Officer Susan Wojcicki will be stepping down after nine years at the helm of the world's largest online video platform, she



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said in a blog post on Thursday. YouTube's chief product officer, an Indian American, Neal Mohan, will be the new head of YouTube, she said.

(Moneycontrol)

INCOME TAX 'SURVEY' ON BBC OFFICES ENDS AFTER 58 HOURS: The Income Tax department's marathon "surveys" at BBC's offices ended on February 16, after clocking over 58 hours in total, as officials prepared an inventory of financial data from select staffers and collected digital and paper data. Tax authorities have made an inventory of the available stock, recorded the statement of some staffers and have impounded some documents as part of the survey action that continued for three days clocking about 57-58 hours, officials told news agency PTI.

(Moneycontrol)

US WEEKLY JOBLESS CLAIMS FALL; MONTHLY PRODUCER PRICES

REBOUND: Initial claims for state unemployment benefits slipped 1,000 to a seasonally adjusted 194,000 for the week ended February 11. US January PPI comes at 6% (YoY) Vs estimate of 5.6% and US January core PPI at 5.4% (YoY) vs estimate of 5.1%.

(Moneycontrol)

HDFC BANK CUSTOMER CAN NOW USE RuPay CREDIT CARD FOR UPI

PAYMENTS: HDFC Bank RuPay Credit Card customers can now use their cards for UPI payments. In a joint statement, HDFC Bank and National Payments Corporation of India (NPCI) today (February 16) announced that HDFC Bank customers can now use their RuPay Credit Card on UPI with BHIM App and other UPI-enabled apps. With this linkage, HDFC Bank has become the first private sector bank in the country to go live on UPI with its RuPay Credit Card.

(Financial Express)

S&P PUTS ADANI FIRM ESG RATING UNDER REVIEW: S&P Global Ratings has placed Adani Transmission's (ATL's) environmental, social and governance (ESG) evaluation 'under review', following allegations of governance issues, which may affect appetite of fund providers and business partners. "We will closely monitor developments, including any investigations by the Indian regulators and any additional disclosures by the Adani group. The allegations related to group governance and disclosures may affect the appetite of fund providers and business partners in supporting ATL's growth. This may raise financial and operational risks for the company," the global ratings agency said.

(Financial Express)



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HDFC RAISES RS 25,000 CR IN LARGEST-EVER LOCAL BOND ISSUE: Housing Development Finance Corporation (HDFC) on Thursday raised Rs 25,000 crore in the country's largest privately-placed corporate bond issue on a private placement basis. The non-convertible debenture (NCD) issue witnessed participation from across investor categories, with LIC (Life Insurance Corp) being one of the largest ones, along with other insurers, provident funds, banks, mutual funds and pension trusts. The company received 92 bids amounting to Rs 27,863 crore on the electronic bidding platform and retained accepted 55 bids worth Rs 25,000 crore. The bonds carry a coupon of 7.97% a year, translating to a spread of 49 bps over Wednesday's close of 10-year government bond yield.

(Financial Express)

INDIA RANKS 4TH AMONG 51 COUNTRIES IN HAVING QUALITY ENTREPRENEURSHIP ECOSYSTEM: REPORT:

India has been ranked fourth out of 51 countries in having a quality entrepreneurship ecosystem, a new global report said on Thursday, reflecting the steady rise in the nation's business environment over the years. The ranking of India in the Global Entrepreneurship Monitor (GEM) National Entrepreneurship Context Index (NECI) report is a drastic turnaround following a much lower score in 2021 which was 16th overall.

(Financial Express)

INDIA'S PLAN TO LIFT CURBS ON SOLAR IMPORTS TO HIT LOCAL PRODUCTION:

India's plan to lift a key trade barrier on solar modules will deliver a blow to the nation's ambition of quickly expanding local production, according to domestic manufacturers. Officials are considering a relaxation of rules for the next two years that restrict imports from China and other foreign producers, because local plants can't keep up with rising demand. The proposal risks stalling efforts by Indian companies to expand local production, a step that's seen as crucial to meet Prime Minister Narendra Modi's targets to both raise the use of renewable energy and encourage more manufacturing under his "Make in India" campaign.

(Business Standard)

INDIA'S GDP LIKELY TO GROW AT 6.2% IN FY24, SAYS MORGAN STANLEY:

India's GDP is expected to grow at 6.2 per cent in FY24 as drivers of domestic demand remain intact amid fears of an impending slowdown, Morgan Stanley said in a research report released on Thursday. The report said that as the economy fully reopened in 2022 leading to a cyclical recovery in consumption, pickup in private capex with healthy balance sheets in the private corporate and financial sector, and acceleration in government capital spending, the world's fifth largest economy will breach the consensus GDP growth figure of 6 %.

(Business Standard)



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60% PRIVATE INSURERS REGISTER SIGNIFICANT RISE IN FRAUD:

DELOITTE SURVEY: About 60 per cent of Indian private insurers believe there has been a significant rise in insurance-related frauds, and as risks lurk there is an immediate need to consider a proactive fraud risk management framework, a Deloitte survey said on Thursday. Insurance companies in India have experienced a rise in fraud instances in life and health insurance, and increased digitisation, remote working post pandemic and weakened controls are key factors contributing to frauds, according to Deloitte's Insurance Fraud Survey 2023. "About 60 per cent of survey respondents believe that there has been a significant rise in fraud, while further 10 per cent experienced a marginal increase," the survey said.

(Business Standard)

GOVT SELLS ₹900 CR OF WHEAT TO COUNTER FOOD PRICE SPIKE: The Union government on Wednesday sold 385,000 tonnes of wheat worth ₹901 crore in the open market, in the second round of a planned auction of three million tonnes it plans to offload from the central pool to counter rising prices of the key foodgrain.

(Mint)



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FINANCIAL TERMINOLOGY/CONCEPTS

DECENTRALIZED FINANCE (DeFi)

- ❖ Decentralized finance (DeFi) is an emerging financial technology based on secure distributed ledgers similar to those used by cryptocurrencies. Decentralized finance, or DeFi, uses emerging technology to remove third parties and centralized institutions from financial transactions. DeFi eliminates the fees that banks and other financial companies charge for using their services.
- ❖ Decentralized finance differs from traditional, centralized financial institutions and banking. In centralized finance, money is held by banks and third parties who facilitate money movement between parties, with each charging fees for using their services. A credit card charge starts from the merchant and moves to an acquiring bank, which forwards the card details to the credit card network.
- ❖ The network clears the charge and requests a payment from the bank. Each entity in the chain receives payment for its services, generally because merchants must pay for the use of credit and debit cards.
- ❖ Decentralized finance eliminates the need for a centralized finance model by enabling anyone to use financial services anywhere regardless of who or where they are. DeFi applications give users more control over their money through personal wallets and trading services that cater to individuals.
- ❖ Decentralized finance uses the blockchain technology that cryptocurrencies use. A blockchain is a distributed and secured database or ledger. Applications called dApps are used to handle transactions and run the blockchain.



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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 : 82.6414
INR / 1 GBP : 99.4936
INR / 1 EUR : 88.4494
INR /100 JPY : 61.7100

EQUITY MARKET

Sensex: 61319.51 (+44.42)
NIFTY: 18035.80 (+20.00)
Bnk NIFTY: 41631.30 (-99.75)

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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