



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
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DAILY NEWS DIGEST BY BFSI BOARD

December 17, 2022

RBI's CENTRAL BOARD REVIEWS THE ECONOMIC SITUATION: The central board of the RBI on Friday reviewed the prevailing economic situation and challenges emanating from geopolitical developments. The 599th meeting of the Central Board of Directors of RBI took place in Kolkata under the chairmanship of Governor Shaktikanta Das. The board also discussed the activities of select central office departments and the draft report on the Trend and Progress of Banking in India, 2021-22.

(Economic Times)

GOLDMAN SACHS CONSIDERS ELIMINATING AS MANY AS 4,000 JOBS:

Goldman Sachs Group Inc. may eliminate as many as 4,000 employees, according to a person familiar with the matter. Top managers have been asked to identify potential cost-reduction targets, and no final job-cut number has been determined, the person said, asking not to be identified discussing internal deliberations.

(Moneycontrol)

MICROFINANCE NPA AT ALL TIME HIGH OF RS 36,500 CRORE AS LOANS RESTRUCTURED EARLIER SHOWING STRESS:

The stress in the microfinance sector is far from over with the sector's bad loans ratio rising for the second consecutive quarter to 12.1% at the end of September compared with 10.5% six months prior to that. This translates into Rs 36,418 crore of gross non-performing assets - an all-time high. This is despite significant write-offs of very sticky loans by lenders as a balance-sheet cleaning exercise.

(Economic Times)

AXIS INVOKES PLEDGE OVER 100% EQUITY IN RCOM UNIT GIDC FOR NON-REPAYMENT OF LOANS:

Reliance Communications (RCom) Friday said that Axis Trustee has invoked the pledge over 100% equity in RCom subsidiary Globalcom IDC Limited (GIDC) for non-repayment of loans. "...RCOM has now received another email from Axis Trustee on December 14, 2022, stating that it has invoked the pledge over 20,99,994 equity shares of GIDC (i.e. 100% of the equity shares of GIDC)," the bankrupt telco said in a notice to stock exchanges.

(Economic Times)

INCREASE IN MINIMUM SUPPORT PRICES FOR RABI CROPS: Government has increased Minimum Support Prices (MSP) of 6 mandated Rabi crops for Rabi Marketing Season (RMS) 2023-24, on the basis of recommendation of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central



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Ministries/Departments concerned. The MSP for wheat now stands at 2125 ₹ per quintal; Barley 1735 ₹ per quintal; Gram 5335 ₹ per quintal; Masur 6000 ₹ per quintal; Rapeseed & Mustard 5450 ₹ per quintal and Safflower 5650 ₹ per quintal. The country has witnessed emphatic growth in export of agri and allied commodities. As compared to the year 2015-16, the Agri and allied export has increased from **32.81** billion USD in 2015-16 to **50.24** billion USD in 2021-22 i.e. an increase of **53.1%**.

(Press Information Bureau)

CENTRE CUTS WINDFALL TAX ON DOMESTIC CRUDE OIL EXPORT: The Central government has reduced the windfall tax on domestic crude oil export to ₹1,700 per tonne from the existing ₹4,900 per tonne. The tax on Aviation Turbine Fuel (ATF) has also been slashed to ₹1.5 per litre from ₹5 per litre, according to the finance ministry notification issued on Thursday. Earlier on December 1, the Centre reduced the windfall tax on sale of domestic crude oil to ₹4,900 per tonne from the current tax of ₹10,200 crore.

(Live Mint)

SEBI ISSUES PERFORMANCE BENCHMARKING GUIDELINES FOR PORTFOLIO MANAGERS:

The Securities and Exchange Board of India (Sebi) on Friday has come up with guidelines for portfolio managers pertaining to performance benchmarking. The market regulator has asked portfolio managers to adopt an additional layer of broadly defined investment 'strategies' while managing the clients' funds. The new framework will be applicable from April 1, 2023. The regulator has said that in addition to the investment approach (IA), an additional broad layer of 'strategies' have to be adopted by the managers. These broad strategies shall be 'Equity', 'Debt', 'Hybrid' and 'Multi Asset'.

Investment approach (IA) is the documented investment philosophy that is adopted by portfolio managers while managing the client funds in order to achieve investment objectives.

"In addition to the investment approach IA, an additional layer of broadly defined investment themes called "Strategies" shall be adopted by portfolio managers,". Each IA will be tagged to only one strategy from the specified strategies and this tagging would be at the discretion of the concerned portfolio manager. The Association of Portfolio Managers in India (APMI) would prescribe a maximum of three benchmarks for each strategy. These benchmarks would reflect the core philosophy of the strategy.

(Live Mint)

RAZORPAY ABIDES BY RBI ADVISORY TO PAUSE ONBOARDING ONLINE

MERCHANTS: RBI has asked fintech services firm Razorpay to temporarily pause onboarding new online merchants and share additional details required to obtain a "final payment aggregator/payment gateway license". "As part of the process for the final authorisation of our PA/PG license for which we received the in-principle approval from RBI in



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July, we are now required to share additional details with RBI to aid in the final license process," a Razorpay spokesperson said in a statement to ANI.

(Live Mint)

ONE DAY IN OFFICE, REMOTE WORK FOR REST OF THE WEEK FOR MEESHO

EMPLOYEES: Meesho, the SoftBank-backed e-commerce firm, will from June 1 next year start a model letting employees to attend office for a day and continue working remotely for the rest of the week. The firm is ending its work-from-anywhere model. Meesho has a total of 1,850 employees and 50 per cent of them are based in Bengaluru. The rest of the staff is spread across the country. Now, they would have to either relocate to Bengaluru or travel to the city once a week.

(Business Standard)

TWITTER WILL SUSPEND ACCOUNTS ENGAGED IN DOXXING FOR 7 DAYS:

Elon Musk on Friday announced that Twitter accounts engaged in doxxing will receive a temporary seven-day suspension. Emphasising that criticising him all day long is totally fine, "but doxxing my real-time location and endangering my family is not". "7 day suspension for doxxing. Some time away from Twitter is good for the soul," he chuckled, after organising a poll on the subject on his Twitter handle. Doxxing (also spelled doxing) is the act of revealing someone's personal information online. Doxxing is a form of online harassment that means publicly exposing someone's real name, address, job, or other identifying data.

(Business Standard)

AP GOVT TO RELEASE RS 6,500 CRORE TO SHGS UNDER YSR ASARA SCHEME IN JAN:

The Andhra Pradesh Government will be releasing around Rs 6,500 crore to beneficiaries in the third phase of YSR Asara Scheme next month, an official release said on Friday. Under the scheme, outstanding loans of Self Help Groups (SHGs) up to 2019 will be waived by the state government.

(Business Standard)

BANK CREDIT GROWS 17.5% IN A FORTNIGHT; DEPOSITS UP 10%: RBI

DATA: Bank credit grew by 17.5 per cent year-on-year (YoY) to Rs 131.06 trillion in the fortnight ended December 2, reflecting the continuation of firm demand for loans in the economy, latest Reserve Bank of India (RBI) data showed. Deposit mobilisation increased 9.9 per cent YoY to Rs 175.24 trillion during the period, a healthy rise from 9.6 per cent a fortnight ago, the latest data showed.

(Business Standard)



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EXPORTS RISE MARGINALLY TO \$32 BN IN NOV; TRADE DEFICIT LOWEST IN 7 MONTHS:

India's merchandise exports grew just 0.59 per cent year-on-year in November at \$31.99 billion, as tepid external demand and fears of a recession in developed economies continued to weigh on demand. Month-on-month, exports grew 7 per cent. While the growth in exports started slowing from July, merchandise exports contracted for the first time in two years last month because of domestic factors such as the festival season and external factors. Imports increased 5.6 per cent, but hit a 10-month low of \$55.88 billion in November, commerce and industry ministry data showed. Though the trade deficit decreased to a seven-month low, it remained high at \$23.89 billion, compared with \$21.23 billion last November.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

SCHEME FOR USE OF DRONES IN AGRICULTURE SECTOR

The use of drone in agriculture is helpful to farmers as it has some distinct advantages such as high field capacity and efficiency, less turnaround time and other field operational delays etc. In order to promote the use of drone technology in agriculture, the following provisions have been made under the guidelines of Sub-Mission on Agricultural Mechanization (SMAM) being implemented by DA&FW:

- ❖ Financial assistance @ 100% of the cost of agriculture drone up to a maximum of Rs. 10 lakhs per drone is provided for purchase of drones by institutes under Indian Council of Agricultural Research, Krishi Vigyan Kendras (KVKs), State Agriculture Universities (SAUs), State and other Central Government Agricultural Institutions/Departments and Public Sector Undertakings (PSUs) of Government of India engaged in agricultural activities.
- ❖ The Farmers Producers Organizations (FPOs) are provided grants up to 75% of the cost of agriculture drone for its demonstrations on the farmers' fields.
- ❖ In order to make available drone services to farmers on rental basis, financial assistance @ 40% up to a maximum of Rs. 4.00 lakhs are provided for purchase of drones by Custom Hiring Centers under Cooperative Society of Farmers, FPOs and Rural entrepreneurs. Agriculture graduates establishing Custom Hiring Centers are eligible to receive financial assistance @ 50% of the cost of drone up to a maximum of Rs.5.00 lakhs per drone.
- ❖ For individual purchase of drones, the Small and Marginal, Scheduled Caste/Scheduled Tribe, Women and North Eastern State farmers are provided financial assistance @ 50% of the cost up to a maximum of Rs. 5.00 lakhs and other farmers @ 40% up to a maximum of Rs. 4.00 lakhs.
- ❖ Funds amounting to Rs. 52.50 Crores have been released to the Indian Council of Agricultural Research (ICAR) for taking up of large scale demonstration of drone technology on the farmers' fields in the country through 100 Krishi Vigyan Kendras, 75 institutions under ICAR and 25 State Agricultural Universities. Funds amounting to Rs. 70.88 Crores have also been released to various State Governments for demonstration, providing subsidy to the farmers and establishment of Custom Hiring Centres for providing drone services to the farmers.



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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 : 82.8184
INR / 1 GBP : 101.1903
INR / 1 EUR : 88.2629
INR /100 JPY : 60.3500

EQUITY MARKET

Sensex: 61337.81 (-461.22)
NIFTY : 18269.00 (-145.90)
Bnk NIFTY: 43219.50 (-278.70)

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
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The Institute of Cost Accountants of India

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