



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

17/18 March, 2023

CABINET APPROVES IPO OF IREDA, GOVT TO SELL PART OF ITS STAKE: The Cabinet Committee on Economic Affairs (CCEA) approved the listing of IREDA, a central public sector undertaking (CPSE) under the Ministry of New and Renewable Energy (MNRE), through an IPO by part sale of the government's stake in the company that finances renewable energy and energy efficiency projects. This decision supersedes earlier CCEA decision taken in June, 2017 for allowing IREDA to issue 13.90 crore fresh equity shares to the public through IPO.

(Moneycontrol)

SVB FINANCIAL FILES FOR CHAPTER 11 BANKRUPTCY PROTECTION: Silicon Valley Bank's parent company filed for bankruptcy after worry spread among its long-established customer base of tech startups, prompting regulators to seize the firm's banking unit. SVB Financial Group listed assets and liabilities of as much as \$10 billion each in a Chapter 11 petition filed in New York.

(Moneycontrol)

GOVERNMENT ALLOWS NTPC TO INVEST BEYOND PRESCRIBED LIMIT IN GREEN ENERGY ARM: The Cabinet Committee on Economic Affairs (CCEA), on March 17 granted exemption to NTPC Limited, for making an investment in its green energy subsidiary - NTPC Green Energy Limited (NGEL). This comes at a time when Malaysia's Petronas has offered Rs 3,800 crore (\$460 million) to buy a 20 percent stake in NGEL. Once the deal is completed, it will be the first of its kind by a state-run firm in India. "The CCEA has granted an exemption to NTPC Limited from the extant guidelines of delegation of power to Maharatna CPSEs for making an investment in NGEL. The CCEA also exempted NGEL's investment in NTPC Renewable Energy Limited (NREL) and its other JVs/subsidiaries subject to a ceiling of 15 percent of its net worth beyond the monetary ceiling of Rs 5,000 crore to Rs. 7,500 crore, towards achieving a target of 60 GW Renewable Energy (RE) Capacity by NTPC Limited,"

(Moneycontrol)

RBI IMPOSES MONETARY PENALTY ON HDFC FOR RULE VIOLATIONS: RBI on March 17 imposed a monetary penalty of Rs 5 lakh on Housing Development Finance Corporation Limited (HDFC) for non-compliance with certain rules. An inspection of the company conducted by National Housing Bank showed that the company failed to transfer matured deposits of certain depositors to designated bank accounts of such depositors during the period 2019-20, the RBI said.

(Moneycontrol)



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BANK OF BARODA UNVEILS CO-BRANDED DEBIT CARD UNDER TAMIL NADU

GOVT SCHEME FOR GIRL STUDENTS: Bank of Baroda has partnered with the Tamil Nadu government to offer co-branded RuPay Platinum Debit Card in the state offering customised solutions, the bank said on Friday. The Bank has launched the debit card that would be offered to beneficiaries of the state government's 'Pudhumai Penn' scheme. Accordingly, the card offers personal accident insurance coverage upto Rs 2 lakh per annum and the joining and annual fees for the first year has been waived

(Financial Express)

TCS, INFOSYS HAVE HIGHEST EXPOSURE TO US REGIONAL BANKS: JP

MORGAN: Top Indian information technology firms Tata Consultancy Services and Infosys have the highest exposure to regional banks in the United States that are gripped by a financial turmoil, analysts at J.P.Morgan said on Friday.

(Financial Express)

RAJESH GOPINATHAN LOGS OUT OF TCS:

Tata Consultancy Services (TCS) on Thursday appointed K Krithivasan as Rajesh Gopinathan's successor. IT firm's veteran Gopinathan will resign as MD & CEO, effective September 15, to pursue other opportunities. TCS has nominated Krithivasan as the CEO-designate with immediate effect from March 16, and he will be appointed as MD & CEO from September 15. Gopinathan, who has been with the company for the past 22 years, was its MD & CEO for the last six years.

(Financial Express)

FATE OF CREDIT SUISSE OF MORE RELEVANCE TO INDIA THAN SVB, SAYS

JEFFERIES: The fate of European lender Credit Suisse Group AG is of greater importance to the Indian banking sector than the collapse of Silicon Valley Bank, according to Jefferies India. "Given the relevance of Credit Suisse to India's banking sector, we see softer adjustments in assessment of counter-party risks, especially in the derivative market," analyst Prakhar Sharma writes in a note. As the bank "has a major presence in India's derivatives market," Sharma is watching for any liquidity issues or counter-party risks that may result from the fallout. Overseas banks in India have 4% to 6% of assets, but a large 50% share of off-balance sheet liabilities, according to the note.

(Financial Express)

NCLT APPROVES MERGER OF HDFC AND HDFC BANK:

National Company Law Tribunal (NCLT) has approved the merger of Housing Development Finance Corporation (HDFC) and HDFC Bank Ltd. HDFC had already received the required approvals from RBI, the Securities and Exchange Board of India (Sebi), shareholders of HDFC and HDFC Bank, the



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Pension Fund Regulatory and Development Authority (PFRDA) and the Competition Commission of India (CCI).

(Business Today)

SIGNATURE BANK FACED CRIMINAL PROBE AHEAD OF ITS COLLAPSE: US prosecutors were investigating Signature Bank's work with crypto clients before regulators suddenly seized the lender, Bloomberg News reported. US Justice Department investigators in Washington and Manhattan were examining whether the New York bank took sufficient steps to detect potential money laundering by clients, according to the report. The report comes after New York's financial regulator earlier in the day said its decision to close Signature Bank had "nothing to do with crypto", but was spurred by what it called "a significant crisis of confidence in the bank's leadership" after the collapse of Silicon Valley Bank.

(Business Standard)

G KRISHNAKUMAR TAKES OVER AS BHARAT PETROLEUM CORPORATION'S CHAIRMAN: G Krishnakumar has taken over as the new chairman and managing director of Bharat Petroleum Corporation Ltd (BPCL), the company said on Friday.

(Business Standard)

OECD RAISES INDIA'S FY24 GROWTH FORECAST BY 20 BASIS POINTS TO 5.9%: The Organisation for Economic Cooperation and Development (OECD) has revised upwards its growth estimate for India by 20 basis points to 5.9 per cent for FY24. In its latest interim outlook released on Friday, titled "Fragile Recovery", OECD said, "India's growth is projected to moderate to about 6 per cent in FY2023-24, amid tighter financial conditions before picking up to recover to around 7 per cent in FY 2024-25." OECD expects India's gross domestic product (GDP) to grow at 6.9 per cent in FY23 against 7 per cent estimated by the Central Statistical Organisation. In the December quarter of FY23, the economy grew 4.4 per cent year-on-year.

(Business Standard)

PM MODI ANNOUNCES PM MITRA MEGA TEXTILES PARKS TO BE SET UP IN 7 STATES: Prime Minister Narendra Modi on Friday announced that PM MITRA mega textile parks would be set up in Tamil Nadu, Telangana, Karnataka, Maharashtra, Gujarat, Madhya Pradesh and Uttar Pradesh. Taking to Twitter, PM Modi said, "PM MITRA mega textile parks will boost the textiles sector in line with 5F (Farm to Fibre to Factory to Fashion to Foreign) vision. The PM MITRA mega textile parks will provide state-of-the-art infrastructure for the textiles sector, attracts investment of crores and create lakhs of jobs. It will be a great example of 'Make in India' and 'Make For the World'.

(Business Standard)



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SEBI's TOUGH NORMS FOR FPIS: MANDATORY TO DISCLOSE ANY MATERIAL CHANGES:

SEBI has made stringent norms for Foreign Portfolio Investors (FPIs), asking them to disclose any material change in their structure and common ownership within seven working days. Under the new rules, FPIs will inform Sebi and designated depository about any false or misleading information about change in material respect and any change in their structure or control within seven working days in writing. In addition, FPIs will have to inform in case of any penalty, pending proceedings, findings of investigations for which action may have been taken or is in the process of being taken by an overseas regulator against them within seven days.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

ACTUAL CASH VALUE

- ❖ A valuation of the damaged property, i.e. its monetary worth at market value immediately preceding the occurrence of the loss, is called actual cash value of the property. It gives the estimate of the cost of replacement or repair of the damaged asset.
- ❖ To ascertain the exact extent of loss, the insurance company undertakes an evaluation of the property before and after the loss occurs. This helps in estimating the extent to which the insurer is liable to pay for the damage. In case of motor insurance, actual cash value can be based on the quotations for similar vehicles available in the market. Generally, the replacement cost minus the depreciation in the value of the asset gives the actual cash value in insurance.



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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 : 82.4663
INR / 1 GBP : 100.2477
INR / 1 EUR : 87.8090
INR /100 JPY : 62.0300

EQUITY MARKET

Sensex: 57989.90 (+355.06)
NIFTY: 17100.00 (+114.40)
Bnk NIFTY: 39598.10 (+465.50)

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)**

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TEAM BFSIB

**Banking, Financial Services & Insurance Board
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