



**THE INSTITUTE OF  
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## **DAILY NEWS DIGEST BY BFSI BOARD**

**19 February 2024**

### **BANKING & FINANCE**



**PB Fintech's arm gets Irdai nod to become a composite insurance broker:** PB Fintech's wholly-owned subsidiary, Policybazaar Insurance Brokers (Policybazaar), has received the nod from the Insurance Regulatory and Development Authority of India (Irdai) to upgrade its license from a direct insurance broker to a composite insurance broker. A composite insurance broker can also sell reinsurance products besides general and life insurance products.

**(Business Standard)**

**RBI confirms Paytm's QR code, Soundbox and Card Machine to continue post March 15:** As the pioneers of QR and mobile payments in India, Paytm has built a strong digital ecosystem for merchants – from the smaller shopkeepers to the biggest enterprises – and enabled them to achieve stronger growth in their digital journey. The RBI has now confirmed that Paytm's merchant payment services will remain uninterrupted and will continue to work seamlessly as always beyond March 15. In an exchange filing, the company also confirmed that it will continue to empower merchants with uninterrupted payments, Paytm's pioneering QR code, Soundbox, and Card Machine will continue to remain operational as always. Merchants can continue to utilise these services without any disruptions. To ensure seamless merchant settlements as before, One 97 Communications Limited has shifted its nodal account to Axis Bank (by opening an Escrow Account). As mentioned earlier, the fintech giant was in talks with many leading banks for nodal accounts to be transitioned to other banks to ensure no disruption to the company's massive merchant base. Paytm Payment Services Ltd (PPSL), OCL's wholly owned subsidiary has already been using the Axis Bank services.

**(Business Today)**

**Banks need to conduct performance review of empanelled advocates :** Banks will conduct periodical reviews of the performance of empaneled advocates, and ensure the presence of their officers at all the hearings of their respective cases before judicial forums, the finance ministry said in



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a statement. These steps are part of the measures decided to enhance the efficacy of DRTs for expeditious debt recovery. "DRTs and DRATs to take all possible steps to reduce pendency at various stages through strict monitoring," the ministry noted in a statement, adding that banks have been asked to rationalise the assignment of cases to the empaneled advocates, taking into account their performance.

***(Economic Times)***



## ECONOMY

**Union ministers, farmers meet for fourth round of talks in Chandigarh:** The fourth round of talks between the central team of ministers and the agitating farmers began in Chandigarh on Sunday with farmers asserting that the government should avoid dilly-dallying and find a solution to their demands, including a legal guarantee for minimum support price (MSP) for crops. Union Agriculture and Farmer Welfare Minister Arjun Munda, Commerce and Industry Minister Piyush Goyal and Minister of State for Home Affairs Nityanand Rai were engaged in talks with farmer leaders at the time of going to the press. "The government has offered us a suggestion to form a committee to understand the details of a legal guarantee of MSP but we don't want to settle for anything less than an ordinance which can be done in the next guarantee," a senior leader, who is part of the negotiations, told

***(Business Standard)***

**India needs to grow at 9-10% for 3 decades to be \$35 trn economy: Kant:** India needs to grow at an annual rate of 9-10 per cent for around three decades and constant innovations to become a \$35 trillion economy by 2047, India's G-20 Sherpa and former NITI Aayog CEO Amitabh Kant said on Sunday. "We are the fifth largest economy in the world and by 2027 we will surpass Japan and Germany to become the third largest economy in the world. And our aim is that by the time we turn 100 in 2047, India should be a \$35 trillion economy," Kant said while addressing a session at Mumbai Tech Week (MTW) hosted by Tech Entrepreneurs Association Mumbai (TEAM).

***(Business Standard)***

**Foreign direct investment into China slumps to worst in 30 years:** Foreign businesses' direct investment into China last year increased by the lowest amount since the early 1990s, underscoring challenges for the nation as Beijing seeks more overseas investment to help its economy.



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China's direct investment liabilities in its balance of payments rose by \$33 billion last year, 82% down on 2022, according to data from the State Administration of Foreign Exchange released Sunday. That measure of new foreign investment into the country — which records monetary flows connected to foreign-owned entities in China — slumped to the lowest level since 1993. The data shows the effect of the Covid lockdowns and weak recovery last year. The investment fell in the third quarter of 2023 for the first time since 1998. Although it recovered a little and returned to growth in the final quarter, the \$17.5 billion in new money in that period was still a third lower than the same period of 2022.

**(Economic Times)**

### **FPIs cautious on equities; take out Rs 3,776 cr in Feb so far on spike in US bond yields:**

Foreign investors adopted a cautious approach offloading Indian equities worth close to Rs 3,776 crore so far this month owing to a spike in the US bond yields and uncertainty over the interest rate environment in the domestic as well as the global front.

In contrast, they are bullish on the debt market and injected Rs 16,560 crore in during the period under review, data with the depositories showed. 'According to the data, Foreign Portfolio Investors (FPIs) pulled out a net sum of Rs 3,776 crore from the Indian equities this month (till February 16). This came following a net withdrawal of Rs 25,743 crore in January.

**(Financial Express)**

### **APEDA catapults agricultural exports from modest USD 0.6 billion exports in FY1987-88 to USD 26.7 billion in FY 2022-23:**

From its modest beginnings with annual exports of USD 0.6 billion in exports during 1987-88, proactive interventions by the Agricultural and Processed Food Products Export Development Authority (APEDA) have taken agricultural exports to a remarkable figure of USD 26.7 billion in the fiscal year 2022-23. This journey of exponential growth is underscored by expanding the export basket to over 200 countries, showcasing a commendable Compound Annual Growth Rate (CAGR) of 12%. In the fiscal period 2022-23, India's agricultural exports reached USD 53.1 billion, with APEDA contributing a significant 51% of India's Agri-exports. In the period April-December, 2023, among the 23 Principal Commodities (PCs) in APEDA's export basket, 18 exhibited positive growth. Notably, 13 out of 15 large PCs, with exports exceeding USD 100 million in the previous year, experienced positive growth, with an average growth rate of 12%. Fresh fruits emerged as a standout performer, registering a remarkable growth of 29%. Moreover, the export of processed vegetables surged by 24% in the period followed by Miscellaneous processed items, Basmati Rice, and Fresh Vegetables also saw substantial growth compared to the corresponding period last year. Notably, India has significantly expanded its fresh fruits export footprint, now serving 111 countries compared to 102 destinations in the previous year.

**(PiB)**



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## INDUSTRY OUTLOOK



### **AI will be the ‘FASTag’ for India’s economy, says Google India head Sanjay Gupta:**

Google India head Sanjay Gupta said on February 18 that artificial intelligence (AI) will be India’s ‘FASTag’ to growth and information accessibility, by easing the ‘tollgate’ of hindrances like illiteracy and language barrier. This comes at a time when the technology giant is actively working with state governments like the Maharashtra government to build localised AI solutions for sectors such as healthcare, education and agriculture. Speaking at the Mumbai Tech Week, he compared challenges like language barriers and access to capital with toll gates on a highway, slowing progress of the country as well as obstructing free information access. He believes AI will solve this and act as a FASTag.

#### **(Moneycontrol)**

### **Global consumer product makers to step up investments in India to increase capacity:**

Global consumer product companies are betting big on the India growth story. Companies such as Coca-Cola, Mondelez, and Nestle are ramping up investments to increase production capacities. Most of these companies have witnessed strong growth in 2023. Beverage major Coca-Cola saw strong consumer demand in markets such as India in the December quarter. John Murphy, President & Chief Financial Officer, the Coca-Cola Company, said: “A significant portion of our expected capital investment increase is to build capacity for fairlife and for our India business, both of which experienced robust growth in 2023.”

#### **(Business Line)**

**EU poised to fine Apple about 500 million euros: Report:** The European Union is set to fine Apple about 500 million euros (\$539 million) over alleged breaches of EU competition law, the Financial Times reported on Sunday citing unnamed sources. The fine is expected to be announced early next month, the FT said. The European Commission, which last year accused Apple of distorting competition in the music streaming market via App Store rules that prevent developers from informing users of other purchasing options, declined to comment on the FT report.

#### **(Financial Express)**





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## REGULATION & DEVELOPMENT

**Deliver baggage within 30 minutes of landing, BCAS tells airlines:** The Bureau of Civil Aviation Security (BCAS) has asked all seven Indian carriers to ensure that passengers get their baggage delivered within 30 minutes of landing at airports. The aviation security regulator has set a deadline of February 26 for the airlines — Air India, Indigo, Akasa, SpiceJet, Vistara, AIX Connect and Air India Express — to follow its directive. BCAS started the “continuous” exercise of monitoring the time of arrival of baggage at belts of six major airports — Delhi, Mumbai, Kolkata, Chennai, Hyderabad and Bengaluru — in January as per the directions of Civil Aviation Minister Jyotiraditya Scindia.

**(Business Standard)**

**France tops list of world's most powerful passports in 2024; India ranked below Maldives, Saudi Arabia:** In geopolitics, the strength of a country's passport is a significant metric to measure its soft power. A strong passport allows citizens to freely travel across the globe without requiring a visa. Henley Passport Index ranks nations based on the strength of their passports and in 2024, France topped the list, as its passport provides visa-free access to 194 countries. India slipped one rank down from last year to 85th even as the countries with visa-free access to its citizens increased to 62 from 60 in 2023. The rank of crisis hit Pakistan stood the same as last year on 106 while Bangladesh's slipped from 101 in 2023 to 102 this year. On the other hand, India's maritime neighbor Maldives was ranked 58th with its citizens having visa-free access to 96 countries.

**(Mint)**

**Government of India Bolsters Agricultural Sector with Increase in Authorized Capital of Food Corporation of India from Rs 10,000 Crore to Rs 21,000 Crore:** In a landmark decision aimed at bolstering the agricultural sector and ensuring the welfare of farmers nationwide, the Government of India (GoI) has announced an increase in the authorized capital of the Food Corporation of India (FCI) from Rs 10,000 Crore to Rs 21,000 Crore. This strategic move shows the government's steadfast commitment to supporting farmers and fortifying India's agrarian economy. FCI, as the pillar of India's food security architecture, plays a pivotal role in various crucial functions, including the procurement of food grains at Minimum Support Price (MSP), maintenance of strategic food grain stocks, distribution to state governments and Union Territories (UTs), and stabilization of food grain prices in the market. The increase in authorized capital is a significant step towards



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enhancing the operational capabilities of FCI in fulfilling its mandate effectively. To match the gap of fund requirement FCI resorts to Cash Credit, Short Term Loan, Ways & Means etc. Increase of Authorised capital and further infusion will reduce the interest burden, reducing the economic cost and ultimately affecting the subsidy of GOI positively. With this infusion of capital, FCI shall also embark upon modernizing its storage facilities, improving transportation networks, and adopting advanced technologies. These measures are essential not only for reducing post-harvest losses but also for ensuring efficient distribution of food grains to consumers.

**(PiB)**



## FINANCIAL TERMINOLOGY

### CAPACITY COST

- ❖ An expenditure or cost incurred by a company in order to expand its business operations. In other words, these are expenses incurred by an organization to increase its capacity to conduct business operations.
- ❖ The Capacity costs are fixed in nature. They remain constant even when the level of output varies. This part of a company's expenditure is intended to help expansion and increase activities, or for establishment of premises from where the business operations can be conducted. This expense remains fixed irrespective of the level of business activity.
- ❖ For any business, it is difficult to avoid costs like insurance, rent payments, property taxes, depreciation on equipment, etc. These are examples of capacity costs. These can be avoided or minimized only by shutting down the business or outsourcing the services.



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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 : 83.0375  
INR / 1 GBP : 104.4880  
INR / 1 EUR : 89.3500  
INR /100 JPY: 55.2600

### **EQUITY MARKET**

Sensex: 72426.64 (+376.26)  
NIFTY: 22040.70 (+129.90)  
Bnk NIFTY: 46384.85 (+165.95)

### ***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  
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### ***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)**
- ❖ **Handbook on Stock & Book Debts Audit (Revised and Enlarged 2<sup>nd</sup> Edition)**  
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