



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
**CMA BHAWAN**  
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035  
+ 91-33-2252-1602/1492/1619  
+ 91-33- 2252-7143/7373/2204  
Fax :+91-33-2252-7993  
+91-33-2252-1026  
+91-33-2252-1723  
Website :www.icmai.in

## **DAILY NEWS DIGEST BY BFSI BOARD**

**January 20, 2023**

### **RBI BULLETIN: WITH RETAIL INFLATION BELOW 6%, FIRST MILESTONE OF MONETARY POLICY IS PASSED:**

With retail inflation falling below the 6 percent upper band in recent months, the first milestone of India's monetary policy committee (MPC) is passed, the Reserve Bank of India (RBI) monthly bulletin released on January 19 said. Subsequently, India's economy has seen improvement in macroeconomic stability with inflation being brought into the tolerance band and lead indicators suggesting current account deficit on course to narrow, according to the January Bulletin.

**(Moneycontrol)**

### **PM KISAN MAY SEE ONE MORE INSTALLMENT TO FARMERS WITH TOTAL YEARLY PAY OUT TO REACH ₹8,000:**

The Union Budget for fiscal year 2023-24 may provide one additional installment under Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) to make total payment of ₹8,000 per year per farmer. Two senior government officials said that proposal is under consideration.

**(Business Line)**

### **US MONETARY POLICY, DOLLAR TO BE BIGGEST RISKS FOR EMERGING ECONOMIES IN 2023: RBI BULLETIN:**

US monetary policy and course of the US dollar will be the biggest risk in 2023 for emerging and developing countries, the Reserve Bank of India (RBI)'s January Bulletin said on January 19. Some economies have already adapted and coped up with the difficult situation in 2022, the central bank also said in its monthly bulletin. "Some of them have shown remarkable resilience during 2022 in coping with global spillovers from these sources, and in calibrating monetary policy to domestic growth-stability trade-offs in a period of high inflation levels and volatility," the RBI said in the bulletin.

**(Moneycontrol)**

### **ALL GOVT VEHICLES OLDER THAN 15 YRS TO BE SCRAPPED, DEREGISTERED:**

From April 1, all vehicles owned by central and state governments, including buses owned by transport corporations and public sector undertakings, that are older than 15 years will be de-registered and scrapped, according to a notification by the Road Transport and Highways Ministry. The rule shall not apply to the special purpose vehicles used for operational purposes for the defence of the country and for the maintenance of law and order and internal security. Announced in the Union Budget 2021-22, the policy provides for fitness tests after 20 years for personal vehicles, while commercial vehicles will require it after 15 years. Under the new policy w.e.f April 1, 2022, Centre has said states and UTs will provide



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
**CMA BHAWAN**  
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035  
+ 91-33-2252-1602/1492/1619  
+ 91-33- 2252-7143/7373/2204  
Fax :+91-33-2252-7993  
+91-33-2252-1026  
+91-33-2252-1723  
Website :www.icmai.in

up to 25 per cent tax rebate on road tax for vehicles that are purchased after scrapping old vehicles.

*(Moneycontrol)*

### **GOVT INCREASES FEE FOR FACILITATORS TO HELP START-UPS APPLY**

**FOR IP:** The government has increased the fee payable to empanelled facilitators who help start-ups apply for patents, trademarks or designs. The facilitator shall not charge anything from the start-up or the entrepreneur, and this fee shall be paid directly to the facilitator by the Centre through the office of the Controller General of Patents, Designs and Trade Marks (CGPDTM).

*(Business Line)*

**PROPOSED DIVESTMENT OF 8 FERTILISER PSUs PUT ON HOLD:** The government has put off the proposed privatisation of eight state-run fertiliser companies as it looks to ramp up local production to reduce dependence on imports. Niti Aayog had earlier identified eight public sector fertiliser companies including Rashtriya Chemicals & Fertilizers (RCF) and National Fertilizers (NFL) for strategic sale.

*(Economic Times)*

### **BRITISH BANKS IN INDIA MAY GET BREATHING SPACE WITH NEW**

**AMENDMENT:** British banks in India, caught in a regulatory wrangle, may get a breathing space with a new amendment proposed in UK's financial market regulations. A Bill has been moved to let the Bank of England (BoE) give more time to crucial market infrastructure institutions (MIIs) outside the UK like the Clearing Corporation of India (CCIL) to come under a new regime. Under the present circumstances, British banks in India are required to end their relationship with CCIL a central counterparty for government bonds, money market and foreign currency and interest rate derivatives by June 30, 2023. If the Bill receives the royal assent in the next few months, the deadline would be pushed back to December 2025, by which time CCIL would have to apply to BoE and the latter can negotiate the terms of supervision with the Reserve Bank of India. Since CCP takes over the clearing and settlement risk, cutting deals out of CCIL would mean higher capital requirement and operational complications for these foreign bank branches in India.

The idea of overseas regulators having oversight on MIIs of other countries took roots after the 2008 global meltdown to minimise the transmission of risk and losses from one market to another. But, this resulted in a standoff between regulators like the European Securities & Markets Authority (ESMA) and RBI which felt it amounted to extra-territorial powers. However, unlike ESMA which insists on inspection rights and onsite audit, BoE may be open to negotiating terms of mutual cooperation to mitigate risks.

*(Economic Times)*



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
**CMA BHAWAN**  
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035  
+ 91-33-2252-1602/1492/1619  
+ 91-33- 2252-7143/7373/2204  
Fax :+91-33-2252-7993  
+91-33-2252-1026  
+91-33-2252-1723  
Website :www.icmai.in

**JAPANESE BANKS GET GO-AHEAD TO SETTLE ALL TRADES VIA CCIL:** In a development that could put pressure on the European Securities and Markets Authority (ESMA) to soften its stand against India, Japanese banks are learnt to have received the go-ahead from their home country's regulator to deal with Clearing Corporation of India (CCIL) for settling all transactions. CCIL has been derecognised by some of the overseas regulators such as ESMA and Bank of England (BoE). For the first time, Japanese banks will cut interest rate derivative deals - which constitute a sizable part of a bank's treasury operations for hedging risks from interest rate movements - with CCIL as the central counterparty (CCP).

*(Economic Times)*

**SC REFUSES TO STAY CCI FINE OF ₹1337 CR ON GOOGLE, ASKS TECH GIANT TO DEPOSIT 10% PENALTY AMOUNT:** The Supreme Court on Thursday refused to entertain Google's plea against the NCLAT order refusing interim stay on ₹1,337 crore penalty on the technology giant for the alleged anti-competitive practices.

*(Mint)*

**AMBANI 1ST AMONG INDIANS, 2ND GLOBALLY ON BRAND GUARDIANSHIP INDEX 2023:** Billionaire Mukesh Ambani has overtaken the likes of Satya Nadella of Microsoft and Google's Sundar Pichai to be ranked No.1 among Indians and second globally on the Brand Guardianship Index 2023. Brand Finance constructs its Brand Guardianship Index in a similar way to the Brand Strength Index that underpins its corporate brand valuations. The Brand Guardianship Index includes 'Equity' factors, which reflect current perceptions, 'Performance' factors which reflect the tangible results of these perceptions, and 'Investment' factors which support future performance.

*(Business Standard)*

**SEBI PROBES INVESTMENTS BETWEEN NIPPON MUTUAL FUND, YES BANK: REPORT:** SEBI is investigating investments between Nippon India Mutual Fund, and Yes Bank between 2016 and 2019 for suspected misuse of investors' money, sources said. At the time, the parent company of the mutual fund was owned by the Anil Dhirubhai Ambani Group. Yes Bank was taken over by the central bank in 2020 and sold to a consortium of banks after a dramatic rise in toxic assets. SEBI is probing whether investments by the fund, known at the time as Reliance Mutual Fund, in perpetual bonds of Yes Bank were made as part of a deal whereby in return the lender invested in securities of Anil Ambani group companies. SEBI's regulations say that the parent of a mutual fund cannot access investors' money either directly or indirectly.

*(Business Standard)*



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
**CMA BHAWAN**  
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035  
+ 91-33-2252-1602/1492/1619  
+ 91-33- 2252-7143/7373/2204  
Fax :+91-33-2252-7993  
+91-33-2252-1026  
+91-33-2252-1723  
Website :www.icmai.in

**NRI's DEPOSITS TOUCH \$134 BILLION IN NOVEMBER 2022:** RBI scaled down figures for non-resident Indians (NRIs) at the end of October 2022 by \$1.88 billion to \$132.66 billion. This was caused predominantly by a revision in the amount for outstanding non-resident (external), or NRE, deposits by \$1.9 billion in October to \$94.75 billion, according to the RBI bulletin for January.

***(Business Standard)***

**INDIA GOVT SWITCHES BONDS MATURING IN 2024 WITH RBI IN CASH-**

**NEUTRAL DEAL:** The Govt bought back bonds maturing in 2024 from RBI on Tuesday, while also issuing bonds maturing in 2032 worth a similar quantum, the central bank said on Wednesday. The government bought back 6.18% bonds maturing in 2024 worth 226.10 billion rupees (\$2.78 billion) at a price of 98.62 rupees while it issued 8.28% 2032 bonds worth 210.26 billion rupees to the RBI at 106.05 rupees, the release showed. India is likely to undertake bond switch auctions with the RBI to meet its target for fiscal, traders had said on Tuesday.

***(Business Standard)***



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
**CMA BHAWAN**  
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035  
+ 91-33-2252-1602/1492/1619  
+ 91-33- 2252-7143/7373/2204  
Fax :+91-33-2252-7993  
+91-33-2252-1026  
+91-33-2252-1723  
Website :www.icmai.in

---

## ***FINANCIAL TERMINOLOGY/CONCEPTS***

---

### **What is 'Broad Money to Reserve Money?'**

---

- ❖ It is a measure of money multiplier. Money multiplier shows the mechanism by which reserve money creates money supply in the economy. It is again dependent on two variables, namely currency deposit ratio and reserve deposit ratio.
- ❖ M3 is a measure of broad money and includes currency with the public and deposits. The Reserve Money factor shows the reserve money and includes required reserve and the excess reserves of the banking system. If the reserve requirement as stipulated by the RBI increases, the Reserve Money value will increase and the multiplier will fall. Similarly, if banks keep more money as excess reserves, it will have an adverse effect on the money multiplier.



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
**CMA BHAWAN**  
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035  
+ 91-33-2252-1602/1492/1619  
+ 91-33- 2252-7143/7373/2204  
Fax :+91-33-2252-7993  
+91-33-2252-1026  
+91-33-2252-1723  
Website :www.icmai.in

### **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 : 81.3577  
INR / 1 GBP : 100.4062  
INR / 1 EUR : 87.8848  
INR /100 JPY : 63.6300

### **EQUITY MARKET**

Sensex: 60858.43 (-187.31)  
NIFTY: 18107.80 (-57.50)  
Bnk NIFTY: 42328.80 (-129.20)

### **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**

***Disclaimer:** Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICAI. For Restricted Circulation only. A Compilation of News in this regard from Secondary Sources.*