



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

21 March, 2023

GOLD RALLIES RS 1,400 TO TOUCH LIFE-TIME HIGH OF RS 60,100 PER 10

GRAMS: Gold price rallied Rs 1,400 to touch a life-time high of Rs 60,100 per 10 grams in the national capital on Monday amid strong global trends, according to HDFC Securities. Silver also zoomed Rs 1,860 to Rs 69,340 per kilogramme. In the overseas markets, both gold and silver were trading higher at USD 2,005 per ounce and USD 22.55 per ounce, respectively. Comex Gold prices traded higher in Asian trading hours on Monday and rose to a fresh 52-week high of USD 2,005 per ounce

(Moneycontrol)

SWITZERLAND PUTS UP 260 BILLION FRANCS FOR CREDIT SUISSE

RESCUE: Swiss authorities announced on Sunday that UBS had agreed to buy rival Swiss bank Credit Suisse in a shotgun merger aimed at avoiding more market-shaking turmoil in global banking. Credit Suisse and UBS could benefit from more than 260 billion Swiss francs (\$280 billion) in state and central bank support as part of their merger to buffer Switzerland against global financial turmoil.

(Business Line)

72,42,156 IS THE HIGHEST NUMBER OF ITR FILING IN A DAY ON 31ST JULY

2022: The Government has taken a number of measures in recent years to maintain continuity and stability of taxation, further simplify and rationalise various provisions to reduce the compliance burden, promote the entrepreneurial spirit and provide tax relief to citizens. This was stated by the Union Minister of State for Finance Shri Pankaj Chaudhary in a written reply to a question in Lok Sabha on 20 March. According to the data, highest number of ITR filing in a day: 72,42,156 (on 31st July 2022). Moreover, the Minister stated, for A.Y. 2022-23, 3,02,40,121 ITRs (i.e. 42.92% of total returns) were processed within a span of 24 hours of furnishing of ITR. Giving out more information, the Minister stated that it is a continuous and ongoing endeavour to improve the tax payer portal (e-filing portal). Some of the steps taken in this regard include roll out of online tax payment system (TIN 2.0) on which till now 19 banks have onboarded.

(PiB)

5,67,116 BENEFICIARIES ABOVE AGE OF 60 YEARS UNDER THE NATIONAL PENSION SYSTEM (NPS):

As informed by PFRDA, the number of beneficiaries above the age of 60 years, under the National Pension System (NPS) is 5,67,116. This was stated by the Union Minister of State for Finance Dr Bhagwat Kisanrao Karad in a written reply to a question



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in Lok Sabha. This includes beneficiaries who are contributing under NPS after the age of 60 years and those who have exited NPS after the age of 60 years and are receiving annuity.

(PiB)

RBI FINES RBL BANK FOR NON-COMPLIANCE WITH RULES ON LOAN

RECOVERY AGENTS: RBI said on Monday it fined private lender RBL Bank Ltd 22.7 million rupees (\$274,915) for not complying with certain directives on loan recovery agents. The RBI noticed "deficiencies in regulatory compliance" after it examined complaints received against the Mumbai-based lender's recovery agents during the financial years 2018-19 to 2021-22, the central bank said in a statement.

(Economic Times)

PSUs ASKED TO ISSUE LoCs BASED ON THEIR FINANCIAL STRENGTH: The Finance Ministry has asked central public sector undertakings (CPSUs) to issue letters of comfort (LoCs) on the basis of their own financial strength so that no liability devolves on the Govt. of India. "In view of requirements, CPSUs may issue LoCs on its own financial strength and all such LoCs shall only be issued after specifically inserting the following clause--under no circumstances, the liability under this Letter of Comfort shall devolve on the Government of India,"

(Economic Times)

NEW YORK COMMUNITY BANK TO BUY FAILED SIGNATURE BANK: New York Community Bank has agreed to buy a significant chunk of the failed Signature Bank in a \$2.7 billion deal, the Federal Deposit Insurance Corp. said late Sunday. The 40 branches of Signature Bank will become Flagstar Bank, starting Monday. Flagstar is one of New York Community Bank's subsidiaries. The deal will include the purchase of \$38.4 billion in Signature Bank's assets, a little more than a third of Signature's total when the bank failed a week ago. The FDIC said \$60 billion in Signature Bank's loans will remain in receivership and are expected to be sold off in time. Signature Bank was the second bank to fail in this banking crisis, roughly 48 hours after the collapse of Silicon Valley Bank. Signature, based in New York, was a large commercial lender in the tristate area, but had in recent years gotten into cryptocurrencies as a potential growth business.

(Financial Express)

CENTRE CALLS APPLICATIONS FOR DEPUTY GOVERNOR POST AT RBI: The Union finance ministry on Sunday called applications to fill the post of deputy governor at Reserve Bank of India (RBI), as per a notification on RBI website. The candidate will succeed RBI deputy governor MK Jain, whose tenure is ending in June. The last date for submission of application is April 10, 2023 and candidates older than 60 years of age as on June 22, 2023 will not be considered eligible for the post.



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(Financial Express)

AMAZON TO LAY OFF 9,000 MORE EMPLOYEES: Amazon.com Inc said on Monday it is laying off 9,000 more employees in the next few weeks, mostly in AWS, advertising and Twitch, CEO Andy Jassy said in a blog post. Jassy said the company had added substantial amount of staff in the past few years, but the uncertain economy has forced it to choose cost and headcount cuts. The cuts will be concentrated in its cloud services, advertising and Twitch units.

(Business Today)

NEW FORMAL JOB CREATION AT A 20-MONTH LOW IN JANUARY, SHOWS EPFO DATA: Fresh formal job creation declined for the second straight month in January, falling to a 20-month low, signalling pressure in the job market. These are the findings of the latest payroll data released by the EPFO on Monday. The number of new monthly subscribers under the Employees' Provident Fund (EPF) has declined by 7.5 per cent to 777,232 in January 2023 from 840,372 in December 2022. This is the lowest number of new subscribers joining the EPF, since May 2021, when only 649,618 new members had subscribed to the fund.

(Business Standard)

INDIA CAN ACHIEVE ENERGY INDEPENDENCE BY 2047, SAYS US ENERGY DEPT STUDY: India can achieve energy independence by 2047, when it celebrates 100 years of independence, according to a study by the US Department of Energy's Lawrence Berkeley National Laboratory. The study titled "Pathways to Atmanirbhar Bharat" also notes India's energy infrastructure needs an investment of USD3 trillion in the coming decades. It determined that achieving energy independence will generate significant economic, environmental, and energy benefits for India which include USD2.5 trillion in consumer savings through 2047, reducing fossil fuel import expenditure by 90 per cent or USD240 billion per year, enhancing India's industrial competitiveness globally, and enabling its net-zero commitment ahead of schedule. "India's energy infrastructure requires a USD3 trillion investment in the coming decades, and our study finds that prioritizing new energy assets that are cost-effective and clean is crucial for long-term financial sustainability,"

(Business Standard)

PSU banks' gross NPA declines from 14.6% in Mar 2018 to 5.53% in Dec 2022: The government has taken various reforms following which asset quality of public sector banks has improved significantly with gross NPA ratio declining from the peak of 14.6 per cent in March 2018 to 5.53 per cent in December 2022, Parliament was informed on Monday. All PSBs are in profit with aggregate profit being Rs 66,543 crore in 2021-22, and that



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further increased to Rs 70,167 crore in first nine months of current financial year, Minister of State for Finance Bhagwat K Karad said in a written reply to Lok Sabha. At the same time, resilience has increased with provision coverage ratio of PSBs rising from 46 per cent to 89.9 per cent in December 2022, he said, adding capital adequacy ratio of PSBs improved significantly from 11.5 per cent in March 2015 to 14.5 per cent in December 2022. Total market cap of PSBs (excluding IDBI Bank, which was categorised as private sector bank in January 2019) increased from Rs 4.52 lakh crore in March 2018 to Rs 10.63 lakh crore in December 2022, he said.

(Business Standard)

NO INSTRUCTIONS GIVEN TO BANKS ON LOADING RS 2,000 NOTES IN ATMs: FM: No instructions have been given to banks for filling or not filling Rs 2,000 notes in ATMs as lenders make their own choice for loading of cash vending machines, Parliament was informed on Monday.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

PRIVATE PLACEMENT

- ❖ A private placement shall be made only to a select group of persons who have been identified by the Board, whose number shall not exceed fifty or such higher number as may be prescribed [excluding the qualified institutional buyers and employees of the company being offered securities under a scheme of employee's stock option], in a financial year.
- ❖ A company making private placement shall issue private placement offer and application. An offer or invitation to subscribe securities under private placement shall not be made to persons more than two hundred in the aggregate in a financial year (Excluding to qualified institutional buyers, or to employees of the company under a scheme of employee's stock option).
- ❖ A company making an offer or invitation under this section shall allot its securities within sixty days from the date of receipt of the application money for such securities and if the company is not able to allot the securities within that period, it shall repay the application money to the subscribers within fifteen days from the expiry of sixty days and if the company fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest at the rate of twelve per cent. per annum from the expiry of the sixtieth day.



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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 : 82.5030
INR / 1 GBP : 100.4672
INR / 1 EUR : 88.0109
INR /100 JPY : 62.7300

EQUITY MARKET

Sensex: 57628.95 (-360.95)
NIFTY: 16988.40 (-111.60)
Bnk NIFTY: 39361.90 (+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)**

To purchase please visit BFSIB portal of ICAI

TEAM BFSIB

**Banking, Financial Services & Insurance Board
The Institute of Cost Accountants of India**

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