



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

22 March, 2023

RBI BULLETIN: OPTIMISTIC ABOUT INDIA 'WHATEVER THE ODDS', FY24

GDP GROWTH COULD BE 7%: Members of the Reserve Bank of India are optimistic about the outlook for the Indian economy "whatever the odds" and expect it to maintain the pace it has exhibited in 2022-23. "...unlike the global economy, India would not slow down – it would maintain the pace of expansion achieved in 2022-23,"

"India's real GDP can go up from Rs 159.7 lakh crore in 2022-23 to not just Rs 169.7 lakh crore in 2023-24 as is currently being projected but to Rs 170.9 lakh crore. This is simple arithmetic; hardly a hurra at half-time," the article asserted. A real GDP of Rs 170.9 lakh crore in 2023-24 would mean a growth rate of 7 percent from Rs 159.7 lakh crore in 2022-23 - 60 basis points higher than the RBI's official forecast for next year.

In their article, the RBI staff said the October-December GDP data – which showed India's growth rate fell to 4.4 percent – indicated that the Indian economy is "intrinsically better positioned" than many parts of the world.

The retail inflation is expected to range tightly between 5 % and 5.6 % if the country manages to successfully deal with the El Nino event

(Moneycontrol)

IDFC TO COMPLETE MERGER WITH IDFC FIRST BANK BY MARCH-END:

IDFC Limited said that it has completed all stages of 'Corporate Simplifications.' The next step is the amalgamation with IDFC First Bank, which is expected to be completed by the end of FY23. Towards this step, the board of IDFC and IDFC Financial Holding, at their respective meetings on March 18, approved the appointment of Chartered Accountant SSPA & Co. as a registered valuer for recommendation of fair share exchange ratio. The companies also approved the appointment of Axis Capital for issuance of fairness opinion on the share exchange ratio, and appointment of law firm Cyril Amarchand Mangaldas for conducting legal due diligence, drafting and finalising scheme of amalgamation and filing regulatory applications.

(Business Line)

MEHUL CHOKSI RED NOTICE REMOVAL: CBI SAYS TAKING STEPS FOR INTERPOL DECISION TO BE REVISED:

The Central Bureau of Investigation on Tuesday said that it has challenged the decision to delete Mehul Chinubhai Choksi's name from the Interpol database of Red Notices. The 63-year-old diamantaire is wanted in India in connection with a Rs 13,000-crore fraud in the Punjab National Bank. The CBI said that it is exercising available remedial and appellate options within Interpol for the restoration of Red Corner Notice (RCN) against Choksi. The fugitive businessman had gone missing from Antigua on May 23, 2021, and was soon caught in Dominica. He was charged with illegal entry



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by the police in Dominica. The CBI has asked the Commission for Control of Interpol's Files (CCF) for the restoration of Red Notice against Choksi. The Interpol had opened a Red Notice against Choksi in 2018 on a request from the CBI and the Enforcement Directorate. His appeals against the decision were rejected in 2020. Notably, Red Corner Notices are issued against fugitives and is considered as a request to law enforcement agencies across the world to locate and provisionally arrest a person pending extradition, surrender, or similar legal action.

(Economic Times)

IMF APPROVES SRI LANKA'S \$2.9 BILLION BAILOUT: Sri Lanka's president said Monday that the International Monetary Fund has approved its request for a \$2.9 billion bailout, raising hopes for an easing of the island nation's dire economic crisis. The IMF's board also confirmed it has signed off on the loan, which clears the way for the release of funds and kicks off a four-year programme designed to shore up the country's economy.

(Economic Times)

TAX HIKE ON DIESEL EXPORTS, WINDFALL GAINS TAX ON CRUDE OIL PRODUCTION CUT TO RS 3500 PER TONNE: The Central Government on Thursday cut the windfall tax or the special additional excise duty (SAED) on domestically produced crude oil. The windfall tax on domestically produced crude petroleum has been reduced to Rs 3,500 from Rs 4,400/tonne over the past two weeks. The additional duty on diesel has been hiked to Re 1 from Rs 0.5/litre earlier. There is no change on the levy on aviation turbine fuel (ATF) or jet fuel, according to the latest notification issued by the Ministry of Finance. The levy on petrol continues to be nil.

(Financial Express)

INDIA STANDS THIRD IN WORLD IN TERMS OF FISH PRODUCTION: India stands third in the world in terms of fish production. The Department of Fisheries, Ministry of Fisheries, Animal Husbandry and Dairying has taken several initiatives for development of fisheries and attract farmers towards fisheries along with agriculture to increase their income through its various schemes namely (i) implementation of Centrally Sponsored Scheme (CSS) - Blue Revolution: Integrated Development and Management of Fisheries for a period of 5 years from 2015-16 to 2019-20 (ii) Pradhan Mantri Matsya Sampada Yojana (PMMSY) with effect from the financial year 2020-21 to 2024-25 in all States/Union Territories (iii) Fisheries and Aquaculture Infrastructure Development Fund (FIDF) with a total fund size of Rs 7522.48 crore implemented for a period of 5 years from 2018-19 to 2023-24 for providing concessional finance, (iv) issuance of Kisan Credit Cards (KCC) to fishers and fish farmers. This information was given by Shri Parshottam Rupala, Union Minister of Fisheries, Animal Husbandry and Dairying in a written reply in Lok Sabha.

(PiB)



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RELIANCE RETAIL, RELIANCE JIO RANK 6TH, 7TH IN THE WORLD'S MOST VALUED COMPANIES LIST:

Reliance Retail and Reliance Jio are among the top 10 most valued companies in the world. With a valuation of \$63 billion and \$58 billion, they occupied the sixth and seventh spots respectively in a report by financial technology firm Tipalti. Chinese tech company ByteDance, financial services corporation Ant Group and Elon Musk-led SpaceX are the most valued companies in the world. These companies are called hectocorn or companies which are valued over \$100 billion. ByteDance, which is the parent company of TikTok, is valued at \$180 billion. Jack Ma founded Ant Group has displaced SpaceX from the second spot this year. India has maintained its position as the third largest start-up ecosystem, after the US and China.

(Business Today)

OVER 1,000 ODOP PRODUCTS IDENTIFIED AS ACROSS ALL DISTRICTS:

As many as 1,068 products have been identified across all 761 districts of the country in line with the government's focus on the 'One District One Product' initiative. The 'One District One Product' (ODOP) initiative was launched to promote local artisans and give international visibility to their indigenous products. Through this program, the government aims to look at balanced regional development across all districts of the country. These products are varied, including agricultural products, handicrafts, handloom engineering products, among others, Department for Promotion of Industry and Internal Trade (DPIIT) joint secretary Manmeet Nanda said on Tuesday.

(Business Standard)

INFLOWS INTO NRI DEPOSITS MORE THAN DOUBLE IN APRIL 2022-JANUARY 2023:

The bank accounts of non-resident Indians (NRIs) received \$5.95 billion during April 2022-January 2023, more than doubling from the \$2.7 billion in the equivalent period in FY22. Also, breaking the streak of decline in outstanding amounts, NRI deposits rose to \$136.81 billion at the end of January 2023 from \$134.48 billion in December 2022, according to the Reserve Bank of India data.

(Business Standard)

RBI DIRECTS ALL BANKS TO KEEP BRANCHES OPEN TILL MAR 31 FOR ANNUAL CLOSING:

With the annual closing of accounts scheduled for March 31 as the financial year 2022-23 is ending, the Reserve Bank of India (RBI) has directed all banks to keep their branches open till working hours of the above-mentioned date. In a letter to all agency banks on Tuesday, the RBI said that all government transactions done by agency banks for 2022-23 must be accounted for within the same financial year. "Accordingly, all agency banks should keep their designated branches open for over the counter transactions related to government transactions upto the normal working hours on March 31, 2023," the



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central bank letter stated. It further said that transactions through NEFT and RTGS System will continue upto 12 midnight as hitherto on March 31, 2023. Also, special clearing will be conducted for collection of government cheques on March 31, for which the Department of Payment and Settlement Systems (DPSS) of the RBI will issue necessary instructions. Regarding reporting of Central and state government transactions to RBI, including uploading of GST or TIN2.0 e-receipts luggage files, the reporting window of March 31 will be kept open till 12 noon on April 1, the RBI directed all banks.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

ECONOMIES OF SCALE

- ❖ Economies of scale refer to the cost advantages a company gains with the increase in production. This happens because production costs can now be spread over a large number of goods. The bigger the size of a company, the bigger the more the cost savings with the increase in production.
- ❖ A company can achieve economies of scale in two ways - internal and external. In the first case, a company can rearrange their business equipment, man force and other production factors to increase production efficiency, thus lowering costs. Secondly, a company can grow in size, compared to its business competitors, and conduct negotiations for bulk purchases of raw materials, thus gaining an advantage over production costs.
- ❖ Factors that determine economies of scale are; The size of a company - A larger company will gain more advantage when it comes to economies of scale. The larger the business, the more the cost savings. Internal Factors - This happens when companies work on internal factors to lower the cost of production. Changes in decisions in the management of a firm or increases in the size of the company are internal factors that affect economies of scale. Large companies can have an advantage because they can negotiate discounts while purchasing bulk materials for production, and use a special and advanced technology which generally requires a higher capital. External factors - These factors affect a whole industry, thus benefitting every company in its line. External factors include - the availability of a highly-skilled labour pool, reductions in tax/subsidies, partnerships or joint ventures (resulting in higher capital).



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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 : 82.6799
INR / 1 GBP : 101.2812
INR / 1 EUR : 88.5237
INR /100 JPY : 62.8900

EQUITY MARKET

Sensex: 58074.68 (+445.73)
NIFTY: 17107.50 (+119.10)
Bnk NIFTY: 39894.70 (+532.75)

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- ❖ **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.**

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- ❖ **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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