



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

**January 23, 2023**

**3 NEW COOPERATIVES TO HELP BOOST EXPORTS, SEED AVAILABILITY:** The Centre's push to reinvent cooperatives with the Union cabinet clearing proposals for setting up three cooperatives at the national level will help improve exports and availability of quality seeds to farmers, and enhance footprint of organic products in India and outside. While national cooperatives for exports and seeds will be set up in the national capital, the cooperative for organic products will be headquartered at Anand in Gujarat. The cooperation ministry has roped in the external affairs ministry and commerce department to provide support and share studies on demands in foreign countries to help boost cooperatives' exports. It further noted that cooperatives contribute substantially to various sectors such as 28.8% in fertiliser production, 35% in fertiliser distribution, and 17.5% in procurement of marketable surplus of milk in the national economy. As per official data, there are an estimated 854,000 registered cooperative societies in India with more than 290 million members, particularly from the marginalised and lower income groups in rural areas.

*(Economic Times)*

**ICICI BANK Q3 PROFIT JUMPS 34% ON STRONG RETAIL LOAN GROWTH:**

ICICI Bank reported on Saturday a better-than-expected 34% increase in fiscal third-quarter net profit, boosted by strong growth in high-yielding retail loans. For the quarter ended December 31, the non-state lender posted a net profit of ₹8,312 crore, compared with ₹6,194 crore a year earlier. Net interest income, or the income from the bank's core business, rose 34.6% to ₹16,465 crore in the third quarter, while net interest margin (NIM) expanded to 4.65% from 3.96% a year earlier. Domestic advances grew 21.4% on year to ₹9.74 lakh crore. Within that, the retail loan portfolio expanded at a faster pace of 23.4%. Total deposits increased 10.3% to ₹11.22 lakh crore. The bank's gross NPA ratio declined to 3.07% at the end of the December quarter from 4.13% a year earlier, while net NPAs narrowed to 0.55% from 0.85%.

*(Economic Times)*

**BUDGET 2023: GOVT MAY NOT GIVE PSBS A CAPITAL INFUSION:**

The government is unlikely to announce capital infusion for public sector banks (PSBs) in the upcoming Budget as their financial health has improved significantly and they are on track to earn a combined profit of Rs 1 lakh crore, sources said. Their capital adequacy ratio is much above the regulatory requirement and varies between 14-20 per cent. To augment their resources, banks are raising growth funds from the market and also by selling their non-core assets, they added. The government last provided capital support to banks in 2021-22. It had earmarked Rs 20,000 crore for recapitalisation of PSBs through supplementary demands for grants. The government infused Rs 3,10,997 crore to recapitalise banks during the last five financial years i.e., from 2016-17 to 2020-21, out of which Rs 34,997 crore were sourced



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through budgetary allocation and Rs 2,76,000 crore through issuance of recapitalisation bonds to these banks.

*(Economic Times)*

### **M1XCHANGE TO HELP MSME EXPORTERS FINANCE THEIR INVOICES VIA**

**NEW ITFS PLATFORM:** RBI licensed trade financing platform M1xchange is testing the International Trade Financing Services (ITFS) platform international version of the trade financing service TReDs, the company announced on Friday. M1xchange said ITFS will allow MSMEs to avail early payment at interest rates as low as 4-9 per cent against their invoices after exporting their goods and services to the US, Europe, Middle East and Singapore markets from various financiers on boarded with ITFS. M1xchange was among the four trade-financing platforms to get the license in 2021 from the International Financial Services Centres Authority (IFSCA)

*(Financial Express)*

### **6.35 LAKH MSMEs LIKELY TO BENEFIT FROM WORLD BANK-ASSISTED**

**RAMP SCHEME:** 6.35 lakh MSMEs are likely to benefit from better access to market, finance and credit under the Rs 6,000-crore Raising and Accelerating MSME Performance (RAMP) scheme for MSMEs, according to the finance ministry. Sharing the scheme's update, the ministry in a tweet on Friday said 25 states and one union territory have been onboarded to be part of the World Bank-assisted programme. The scheme was announced in the budget last year to be rolled out over years, beginning in the current fiscal, to help the MSME sector become more resilient, competitive, and efficient.

*(Financial Express)*

**IDFC FIRST BANK Q3 NET DOUBLES TO RS 605 CRORE:** IDFC First Bank's net profit rose 115% year-on-year in October-December due to a growth in its net interest income. The bank posted a bottom-line of Rs 605 crore in the December quarter, up nearly 9% on quarter. The bank continues to wind down infrastructure financing, as per stated strategy. It reduced its infrastructure financing book by 31% year-on-year. The book now constitutes only 3.7% of total funded assets, the bank said in a press release.

*(Financial Express)*

**ATAL PENSION YOJANA SEES 36% GROWTH IN 2022:** The Atal Pension Yojana (APY) targeted towards unorganised sector workers saw the highest-ever takers in 2022 with enrolments rising 36 per cent. The figure crossed 10 million for the first time in a calendar year, data released by the finance ministry showed. The number of enrolments in 2022 rose to 12.5 million from 9.2 million in 2021.

*(Business Standard)*



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## **JAPAN OFFERS HUGE BUSINESS OPPORTUNITIES FOR INDIAN APPAREL**

**EXPORTERS:** Japan offers huge business opportunities for Indian apparel exporters and the industry should explore that market, AEPC said on Saturday. Apparel Export Promotion Council (AEPC) said it is organising the first edition of Upnext India 2023, starting with a Reverse Buyer Seller Meet with Japan. The fair will be held in Gurugram during February 10-11.

Naren Goenka, Chairman, AEPC, said in light of the fact that Japan is the fourth largest garment importer in the world, with its apparel imports being stable even during pandemic times and Indian apparel having duty-free access under the Indo-Japan trade agreement as against 9 per cent for Turkey and 9.5 per cent for China, it makes business sense for Indian readymade garment manufacturers and exporters to participate in this opportunity.

**(Business Standard)**

## **YES BANK REPORTS SURPRISE 80% PLUNGE IN Q3 PROFIT TO RS 51 CR AS**

**NPA's RISE:** Yes Bank reported a surprise 80 per cent plunge in quarterly profit on Saturday as provisions for bad loans increased. Net profit fell to Rs 51.52 crore (\$6.36 million) for the three months through December from Rs 266 crore in the same period a year earlier. The bank's asset quality improved as gross non-performing assets declined to 2.02 per cent of total loans from 12.89 per cent in the September quarter. Net non-performing assets declined to 1.03 per cent from 3.60 per cent.

**(Business Standard)**

## **INDIAN FINTECH START-UP FUNDING FELL 47% IN 2022, SAYS TRACXN**

**REPORT:** Fintech start-ups in India raised a total of \$5.65 billion in 390 rounds in 2022, a decline of 47 per cent in terms of funding amount and 29 per cent in the number of rounds, compared with 2021, according to a report by Tracxn, a market intelligence platform. The drop in funding, the report says, can be attributed to the decline in late-stage funding from \$8.3 billion in 2021 to \$3.7 billion in 2022, a 56 per cent fall. Fintech start-ups recorded 13 funding rounds of over \$100 million in value, a 50 per cent decline from 26 rounds in 2021. Further, only four such start-ups received unicorn status in 2022, compared with 13 in 2021. Yet, India received the third-highest amount of funding in the fintech sector, behind only the US and the UK.

**(Business Standard)**

## **IAS OFFICER VIKRAM DEV DUTT APPOINTED AS THE NEW DGCA CHIEF:**

The Cabinet Committee on Appointments has approved the appointment of senior IAS officer Vikram Dev Dutt as the next director general of the Directorate of General of Civil Aviation (DGCA). Dutt, a 1993-batch IAS officer of the AGMUT cadre is currently serving as the chairman and managing director (CMD) of Air India Asset Holding Ltd. The officer will take



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over his new position on 28 February, upon the superannuation of incumbent DGCA Chief Arun Kumar, who was serving as the aviation regulator since July 2019.

*(Live Mint)*

**BRITISH LAWMAKERS URGE RISHI SUNAK TO LEAD PM DELEGATION TO INDIA, FINALISE FTA:** India and the UK may soon forge a Free Trade Agreement. Lawmakers have called for Prime Minister Rishi Sunak to lead a delegation to India "as soon as possible". "The UK-India free trade agreement is well-advanced. Although our trade at the moment is worth £29.6 billion, India is only the 12th largest trading partner of the UK. That is not enough; it should be so much higher," Lord Karan Bilimoria said.

*(Live Mint)*



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

### **INDEX OF EASE OF DOING BUSINESS**

- ❖ Ease of doing business is an index published by the World Bank. It is an aggregate figure that includes different parameters which define the ease of doing business in a country.
- ❖ It is computed by aggregating the distance to frontier scores of different economies. The distance to frontier score uses the 'regulatory best practices' for doing business as the parameter and benchmark economies according to that parameter.
- ❖ For each of the indicators that form a part of the statistic 'Ease of doing business,' a distance to frontier score is computed and all the scores are aggregated. The aggregated score becomes the Ease of doing business index.
- ❖ Indicators for which distance to frontier is computed include construction permits, registration, getting credit, tax payment mechanism etc. Countries are ranked as per the index.



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### **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 : 81.2196  
INR / 1 GBP : 100.5352  
INR / 1 EUR : 87.9884  
INR /100 JPY : 62.9200

### **EQUITY MARKET**

Sensex: 60621.77 (-236.66)  
NIFTY: 18027.70 (-80.10)  
Bnk NIFTY: 42506.80 (+178.00)

### **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**

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