



**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

24 March, 2023

HINDENBURG ACCUSES JACK DORSEY'S BLOCK OF \$1 BN FRAUD, MISLEADING INVESTORS: Shares of Block Inc. slumped after Hindenburg Research said it's betting on a decline in the stock, saying the payments company led by Jack Dorsey has misled investors. Block declined 20% to \$58.35 at 8:53 a.m. in New York in US premarket trading. Block didn't immediately reply to an email request for comment from Bloomberg News before regular business hours.

(Moneycontrol)

GOVT TO EXERCISE GREEN SHOE OPTION FOR HAL OFS; LIKELY TO RAISE RS 2,800 CR: The Finance Ministry on Thursday decided to exercise the green shoe option as the offer-for-sale of Hindustan Aeronautics Ltd (HAL) has received a good response, with the issue subscribed 4.5 times on day one. "Offer for Sale (OFS) of government shares in HAL got great response on day one. Issue subscribed 4.5 times of base size at a clearing price above the floor price by non-retail investors. The government on Wednesday proposed to sell up to a 3.5 per cent stake in HAL at a floor price of Rs 2,450 a share, if fully subscribed, the OFS would fetch about Rs 2,800 crore.

(Moneycontrol)

GOVERNMENT ASKS SBI, OTHERS TO SHARE DATA ON BOND PORTFOLIOS: The government has asked a clutch of major public sector banks (PSBs), including the country's largest lender SBI, to furnish data on bond investment portfolios in the wake of the ongoing US banking crisis. "The government has asked only major banks such as SBI, PNB, and BoB to submit data on their respective bond portfolios to check their status.

(Moneycontrol)

'DO NOT EXERCISE' DISCONTINUED: OPTION BUYERS' RIGHT NOW BECOMES AN OBLIGATION: The National Stock Exchange has discontinued the 'do not exercise' facility available for stock options on expiry date. In a circular dated 20 January, the exchange had informed that the facility would be withdrawn effective from March 2023 expiry of F&O contracts.

'Do Not Exercise' facility, that was re-introduced in 2022, allowed a trader to instruct the broker if he/she does not wish to exercise the right to give or receive deliveries. Now that the facility has been removed, this shall result in compulsory physical delivery of shares if an option contract becomes-in-the-money (ITM), and that contract has not been squared off on expiry day.



**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

An option contract is considered to be in-the-money (ITM) if the price of the underlying asset has surpassed the strike price of the option. Conversely, an option contract is considered to be out-of-the-money (OTM) if the price of the underlying asset is below the strike price.

(Moneycontrol)

EGYPT JOINS BRICS BANK AS NEW MEMBER: Days after El-Sisi visited India for the Republic Day celebrations, the Egyptian Parliament endorsed the agreement that allowed the country to join the NDB. Egyptian MPs had welcomed the agreement, seeing in it a way to help reduce the demand for US dollars. The next BRICS Summit to be hosted by South Africa in August is expected to give a big push to intra-BRICS trade in national currencies, enabling member states to safeguard their forex reserves.

(Economic Times)

FSIB RECOMMENDS SIDDHARTHA MOHANTY AS LIC CHAIRMAN: The Financial Services Institutions Bureau (FSIB) on Thursday recommended the name of Siddhartha Mohanty as the chairman of Life Insurance Corporation of India (LIC). Mohanty, who is one of the four existing managing directors at LIC, was recently given the additional charge as chairman of the state-run insurer LIC for three months ending mid-June.

(Economic Times)

BANKS REACH OUT TO RBI, SEEK EASING OF MSME BAD LOAN RULES:

Banks have reached out to the Reserve Bank seeking relaxation in recognition of non-performing assets in the MSME sector. Banks want that a restructured MSME account under the Covid package be considered NPA from the latest date and not from the date prior to restructuring. This will give some relief to banks as it would lessen their provisioning burden.

(Economic Times)

UNION AGRICULTURE MINISTER LAUNCHES DigiClaim FOR CLAIM DISBURSAL THROUGH NATIONAL CROP INSURANCE PORTAL (NCIP):

Union Minister of Agriculture & Farmers Welfare, Shri Narendra Singh Tomar launched National Crop Insurance Portal's digitized claim settlement module namely DigiClaim under the ambit of Pradhan Mantri Fasal Bima Yojana (PMFBY). With the launch of the module, claims will be disbursed electronically, which will benefit the respective farmers of six states. Now, the automated claim settlement process will be an ongoing activity to ease all insured farmers' lives and provide them with a sustainable financial flow and support.

(PiB)

GOLD PRICE JUMPS AS US DOLLAR HITS 7-WEEK LOW ON US FED RATE HIKE. SILVER RATES TODAY AT 7-WEEK HIGH: On 23rd march, Gold rate regained



**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

₹59,000 per 10 gm levels whereas silver rate climbed to 7-week high in early morning deals. Gold price opened with an upside gap at ₹59,231 and went on to hit intraday high of ₹59,283 per 10 gm levels in morning session. In international spot market, gold price today opened upside and hit intraday high of \$1,976 per ounce levels. Similarly, silver rates today opened upside and hit intraday high of ₹69,800 per 10 kg levels on MCX, hitting 7-week high in the intraday trade session.

(Mint)

MSME NPAs DROP TO 12.5% WHILE DISBURSEMENTS JUMP 24%: Non-performing assets (NPAs) in the MSME sector across public and private banks and non-banking financial companies (NBFCs) for the second quarter ending September 30 of the current fiscal dropped to 12.5 per cent from 13.9 per cent during the second quarter of FY22 and 13 per cent during the first quarter of FY23. The total MSME credit exposure as of Q2 FY23 stood at Rs 25.4 lakh crore, growing from Rs 22.9 lakh crore during the year-ago period and Rs 24.5 lakh crore during Q1 FY23, according to the data shared in the latest edition of SIDBI-TransUnion Cibil MSME Pulse Report on Thursday.

(Financial Express)

LOAN GENERATION VIA SBI YONO SURPASSES RS 1 TRN: SBI YONO mobile application has generated loans worth Rs 1 trillion, SBI chairman Dinesh Kumar Khara said in an interaction with Motilal Oswal Financial Services. Digital loans disbursed on the SBI YONO stood at Rs 71,000 crore as on December 31, 2022. The digital banking application is now opening more than 30,000 savings accounts on a daily basis, while in-principle approval for gold loans stands high at 52-53%.

(Financial Express)

ACCENTURE TO CUT 19,000 JOBS AMID WORSENING GLOBAL OUTLOOK: Accenture Plc said on Thursday it would cut about 19,000 jobs and lowered its annual revenue and profit projections, the latest sign that the worsening global economic outlook was sapping corporate spending on IT services. The company also trimmed its annual revenue growth and profit forecasts on Thursday, amid worries that recession-wary enterprises will cut technology budgets. The company now expects annual revenue growth to be in the range of 8 per cent to 10 per cent in local currency, compared to 8 per cent to 11 per cent expected previously.

(Business Standard)

FITCH RATINGS AFFIRMS 'BBB-' RATING ON ADANI PORTS WITH STABLE OUTLOOK: Fitch Ratings on Thursday affirmed its 'BBB-' rating on Adani Ports and Special Economic Zone Limited with a stable outlook, saying the Hindenburg report has a limited near-term impact on APSEZ's cost of funding. Hindenburg Research in a January 24 report accused Adani group of "brazen stock manipulation and accounting fraud" and using a number of



**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

offshore shell companies to inflate stock prices. The group has dismissed the charges as lies, saying it complies with all laws and disclosure requirements. "Fitch Ratings has affirmed India-based port operator Adani Ports and Special Economic Zone Limited's (APSEZ) Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'BBB-'. The Outlook is Stable," it said.

(Business Standard)

NINE STATES MAY SURPASS NATIONAL NOMINAL GDP GROWTH OF 10.5%:

REPORT: Nine Indian states have made projections of growth rates higher than the 10.5 per cent forecast in 2023–24, according to a report in The Economic Times (ET). The average nominal GDP growth for the country projected by these nine states for FY24 is 14 per cent. This is well above the nominal growth rate projected in the Union budget, which was 10.5%.

(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

SPECIAL DRAWING RIGHT (SDR)

- ❖ The Special Drawing Right (SDR) is an interest-bearing international reserve asset created by the IMF in 1969 to supplement other reserve assets of member countries.
- ❖ SDR is based on a basket of international currencies comprising the U.S. dollar, Japanese yen, euro, pound sterling and Chinese Renminbi. It is not a currency, nor a claim on the IMF, but is potentially a claim on freely usable currencies of IMF members. The value of the SDR is set daily by the IMF on the basis of fixed currency amounts of the currencies included in the SDR basket and the daily market exchange rates between the currencies included in the SDR basket.
- ❖ SDR holdings are one of the components of the Foreign Exchange Reserves (FER) of a country. IMF makes the general SDR allocation to its members in proportion to their existing quotas in the Fund.
- ❖ A direct benefit of a general SDR allocation, and indeed the purpose of such an allocation under the Fund's Articles of Agreement, is to supplement existing reserve assets to help meet a long-term global need.
- ❖ International Monetary Fund (IMF) has made an allocation of Special Drawing Rights (SDR) 12.57 billion (equivalent to around USD 18.133 billion at the latest exchange rate) to India on August 23, 2021.



**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: 6.50%
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 : 82.1590
INR / 1 GBP : 101.2725
INR / 1 EUR : 89.6262
INR /100 JPY : 62.8700

EQUITY MARKET

Sensex: 57925.28 (-289.31)
NIFTY: 17076.90 (-75.00)
Bnk NIFTY: 39616.90 (-382.15)

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**

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.