



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

27 March, 2023

GOVT HIKES WAGES UNDER MGNREGA SCHEME, EFFECTIVE FROM APRIL

1: The government has hiked wage rates for rural jobs with Haryana state seeing the highest wage rate of ₹357 per day. While states like Madhya Pradesh and Chhattisgarh have the lowest daily wage rate of ₹221. The new wage rates will come into effect from April 1, 2023. From April 1st, the wage hikes will range from ₹7 to ₹26 per day. In percentage terms, the wages are hiked in the range of 2% to 10%.

(Mint)

RELIANCE IND. APPOINTS SRIKANTH VENKATACHARI AS CFO: Billionaire Mukesh Ambani-led Reliance Industries (RIL) has appointed Srikanth Venkatachari as CFO with effect from June 1, succeeding Alok Agarwal, who moves into a new role of senior advisor to the chairman and MD. RIL's board, based on the recommendation of the Human Resources Nomination and Remuneration Committee (NRC) has designated Venkatachari as CFO. Venkatachari, who has been with RIL for last 14 years, has been the company's joint CFO since 2011.

(Financial Express)

UNION FINANCE MINISTER CHAIRS MEETING TO REVIEW THE PREPAREDNESS OF PSBs IN WAKE OF THE STRESS IN BANKING SYSTEMS IN THE US AND EUROPE:

Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman chaired a meeting on Saturday to review the performance of Public Sector Banks on various financial health parameters, and the resilience of PSBs in light of the current global financial scenario emanating from the failure of some international banks in the USA and Europe. During the PSB review meeting, the Finance Minister emphasized on preparedness along with due diligence through adherence to the regulatory framework by focusing on risk management, diversification of deposits and assets base. The Finance Minister underlined that PSBs must look at business models closely to identify stress points, including concentration risks and adverse exposures. Smt. Sitharaman also exhorted PSBs to use this opportunity to frame detailed crisis management and communication strategies. After detailed deliberations, the Finance Minister advised PSBs to remain vigilant about the interest rate risks and regularly undertake stress tests. Smt. Sitharaman also highlighted that PSBs must leverage the full potential of branches opened in International Financial Services Centres in GIFT City Gujarat to identify international opportunities, including prospects related to Persons of Indian Origin.

(PiB)



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IMF SAYS RISKS TO FINANCIAL STABILITY HAVE INCREASED, CALLS FOR

VIGILANCE: International Monetary Fund chief Kristalina Georgieva said on Sunday that risks to financial stability have increased and called for continued vigilance although actions by advanced economies have calmed market stress. The IMF managing director reiterated her view that 2023 would be another challenging year, with global growth slowing to below 3% due to scarring from the pandemic, the war in Ukraine and monetary tightening. Even with a better outlook for 2024, global growth will remain well below its historic average of 3.8% and the overall outlook remained weak, she said at the China Development Forum. The IMF, which has predicted global growth of 2.9% this year, is slated to release new forecasts next month.

(Financial Express)

FPIs INVEST RS 7,200 CR IN INDIAN EQUITIES IN MARCH SO FAR: Foreign investors have pumped Rs 7,200 crore into the Indian equities so far this month, mainly driven by bulk investment in the Adani Group companies by the US-based GQG Partners.

(Financial Express)

RBI MAY GO IN FOR 25 BASIS POINT INTEREST RATE HIKE IN MONETARY

POLICY MEET NEXT MONTH: With retail inflation remaining above the comfort level of 6 per cent and most global peers including US Fed continuing hawkish stance, the Reserve Bank of India too may go in for a 25 basis points hike in the bi-monthly monetary policy to be announced on April 6, opined experts. The Monetary Policy Committee (MPC) of the Reserve Bank will be meeting for three days on April 3, 5 and 6 to take into account various domestic and global factors before coming out with the first bi-monthly monetary policy for fiscal 2023-24.

(Mint)

RBI ALLOWS Paytm PAYMENTS TO CONTINUE ONLINE PAYMENT

AGGREGATOR BUSINESS AS IT AWAITS GOVT APPROVAL: Paytm Payments Services Limited (PPSL) has received an extension of time from the Reserve Bank of India (RBI) to resubmit its application for a Payment Aggregator (PA) license. The extension allows PPSL to continue its online payment aggregation business while it awaits approval from the Government of India (GoI) for past investments from One 97 Communications Limited (OCL) into PPSL, in accordance with Foreign Direct Investment (FDI) guidelines. PPSL must submit its application for authorization to operate as an online PA within 15 days of receiving approval from the GoI. If the GoI makes any adverse decisions, PPSL must immediately inform the RBI. During this process, PPSL is permitted to continue its online payment aggregation business for existing partners but cannot onboard new merchants. Paytm's payment aggregator licence application was rejected by the RBI in November last year and they were asked to reapply after meeting specific requirements within 120 days.



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(Business Today)

PAKISTAN'S INFLATION SOARS TO 47% FUELED BY HIGH FOOD PRICES; ONION UP 228%, WHEAT 120%:

Pakistan's retail inflation peaked to 47 percent on-year in the week ending March 22, 2023, on the account of skyrocketing food prices, as per the data shared by the Pakistan Bureau of Statistics (PSB). The numbers also marked a week-on-week increase, as the inflation rate stood at 45.64 percent as on March 15, 2023. The rate of essential commodities in the country has been on the rise, with the prices of staple food items like wheat flour surging by a staggering 120.66 percent on-year and onions by 228.28 percent, according to the data shared by the federal statistics body. Other commodities of mass usage also jumped to a record high, with the prices of cigarettes rising by 165.88 percent, tea by 94.60 percent, basmati broken rice by 81.22 percent and eggs by 79.56 percent.

(Moneycontrol)

ICICI LOMBARD BECOMES FIRST TO OFFER 'ANYWHERE CASHLESS' FEATURE:

In an industry-first, ICICI Lombard General Insurance launched 'Anywhere Cashless' feature for health insurance policyholders to avail cashless facilities at any hospital, even if not part of ICICI Lombard's current network of hospitals. The feature will be subject to the hospital's acceptance of the cashless facility. Policyholders must inform the company 24 hours prior to the date of admission by giving basic information about the patient, policy details, hospital name, diagnosis and treating doctor, among others. Initially launched as a pilot, the facility can now be availed through the 'IL TakeCare' application across India, wherein customers will not have to bear any out-of-pocket expenses.

(Business Line)

RCap RESOLUTION PLAN HITS ROADBLOCK AS BIDDERS UPSET OVER ANOTHER AUCTION PLAN:

The plan of debt-ridden Reliance Capital's lenders to conduct a second round of auction has hit a roadblock, as bidders are apparently not inclined to another round under the insolvency resolution process, according to sources. Meanwhile, the apex court has listed the matter regarding the second auction for hearing in August. The Supreme Court (SC) on March 20, 2023, admitted Torrent Investments' the highest bidder with Rs 8,640 crore resolution plan appeal against the lenders' decision to hold another round of auction. However, the court refused to stay the second round of the auction. The insolvency process of RCAP has been going on for more than 450 days, which is much longer than the statutory time limit of 330 days. According to the sources, Torrent has recently conveyed to the lenders that it is not willing to participate in the second round of auction. The other bidder IndusInd International Holdings Ltd (IIHL) of Hinduja Group has also told the lenders that it wants to withdraw its revised bid of Rs 9,000 crore, which it had made after the auction process, and retain the old offer of Rs 8,110 crore in the first round of auction.

(Financial Express)



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CRIF CONNECT PRIVATE GETS RBI LICENSE TO OPERATE AS NBFC

ACCOUNT AGGREGATOR: CRIF Connect Private, a subsidiary of CRIF S.p.A, has received the RBI's approval to commence operations as an NBFC Account Aggregator (AA). With CRIF's legacy, knowledge, and experience, CRIF Connect is uniquely positioned to benefit both consumers and financial institutions, it said in a release. It is an end-to-end encrypted platform that securely fetches and transfers a consumer's financial data based on their explicit consent between financial institutions, making data sharing extremely safe based on RBI-approved guidelines.

(Business Line)



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FINANCIAL TERMINOLOGY/CONCEPTS

How Blockchain can make invoice financing secure and safer for MSMEs

- ❖ Blockchain has the potential to improve security, enhance efficiency and reduce costs when it comes to receivable financing. This could particularly be good news for MSMEs that face significant hurdles in accessing credit.
- ❖ As per RBI, online fraud cases amounted Rs 128 crore to businesses in the year 2022. An increasing trend that is seen is smaller businesses are frequently becoming the target of cyberattacks as they cannot afford comprehensive security solutions. Here blockchain can help these businesses as it involves decentralised transaction records, so the data cannot be manipulated for any fraud.
- ❖ Blockchain consists of numerous blocks of data, which in turn are stored across nodes. Data that is stored across a network of nodes is more difficult to hack into than data that is stored at a central location. Even if fraudsters hack into some nodes and alter the data, it would give rise to suspicion as the data would differ from other copies across the network. The ability to automatically identify suspect data helps to streamline the receivables transactions.
- ❖ Blockchain uses digital tokens. Each participant in the supply chain is issued a token to authenticate the movement of goods. In this process, it becomes harder to steal or hack such tokens compared to paper or digital files. It also allows all parties to track and receive information about traded goods, monitor the process and verify completion of steps in real time. This reduces risk to the lender and brings about transparency.
- ❖ When it comes to trade receivables, a lot of time can be wasted in reconciling the data of the supplier with that of the buyer. When all parties concerned have access to a single source of information, the need to constantly verify and reconcile transactions is reduced and this further helps in lowering costs.



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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 : 82.2378
INR / 1 GBP : 100.9836
INR / 1 EUR : 89.0624
INR /100 JPY : 63.1300

EQUITY MARKET

Sensex: 57527.10 (-398.18)
NIFTY: 16945.00 (-131.90)
Bnk NIFTY: 39395.35 (-221.55)

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.**

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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)**

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TEAM BFSIB

**Banking, Financial Services & Insurance Board
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