



**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

29 March, 2023

PAN AND AADHAAR LINKAGE DEADLINE EXTENDED TILL JUNE 30: The deadline to link the Permanent Account Number (PAN) with the Aadhaar card has been extended till June 30, 2023, the finance ministry said in a release on March 28. The extension came shortly before the current deadline was set to expire on March 31. PAN cards which are not linked with Aadhaar will become inoperative from July 1, the finance ministry noted. The consequences will be that "no refund shall be made against such PANs", "interest shall not be payable on such refund for the period during which PAN remains inoperative", and "TDS and TCS shall be deducted at higher rate", the release stated. The linking of PAN and Aadhaar can be completed by visiting the Income Tax department's portal, and paying a fee of Rs 1,000. If the June 30 deadline is missed and the PAN becomes inoperative, it can be activated "again in 30 days", upon "intimation of Aadhaar to the prescribed authority after payment of fee of Rs 1,000," the finance ministry noted.

(Moneycontrol)

EPFO SETS 8.15% INTEREST RATE ON PROVIDENT FUND FOR THIS FISCAL:

The Central Board of Trustees (CBT) of the Employees Provident Fund Office (EPFO) on March 28 set an 8.15 percent interest rate on provident fund for this fiscal. The recommended rate of interest of 8.15 percent safeguards the surplus as well as guarantees increased income to members. Both the rate of interest at 8.15 percent and the surplus of Rs 663.91 crore are higher than the last year. The Board's recommendation involves distribution of more than Rs 90,000 crore in the members' accounts on a total principal amount of about Rs 11 lakh crore which was Rs 77,424.84 crore and Rs 9.56 lakh crore, respectively, in FY2021-22. The total income recommended for being distributed is highest till date. The growth in income and the principal amount is more than 16 percent and 15 percent as compared to 2021-22.

(Moneycontrol)

SEBI EXTENDS LAST DATE FOR NOMINATIONS BY MUTUAL FUND HOLDERS TO SEPTEMBER 30:

The Securities and Exchange Board of India (SEBI) on March 28 extended the last date for furnishing nominations for mutual fund investments from March 31 to September 30, 2023. The capital market regulator in June 2022 had mandated nominations or opting out of nominations for all the existing individual unit holder(s) holding mutual fund units either solely or jointly by March 31, 2023, failing which the folios would be frozen for debits. "Based on representations received from the market participants, it has been decided that the provision... with regard to freezing of folios, shall come into force with effect from September 30, 2023 instead of March 31, 2023," the regulator said in its latest circular.

(Moneycontrol)



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PUBLIC SECTOR BANKS WROTE OFF ₹91,000 CR IN 9 MONTHS OF FY23:

Public sector banks have written off around ₹91,000 crore in first 9 months of the current fiscal, according to data presented in the Rajya Sabha. PSBs have just managed to recover little over ₹1 out of ₹5 in written off accounts during FY22. However, the pace of recovery has picked up from around 8 % in 2017-18 to little over 21 % in FY22. SBI on the top (₹17,356 crore) followed by Union Bank of India (₹16,497 crore) and Bank of Baroda (₹13,032 crore). All the scheduled commercial banks (PSBs, private banks and foreign banks) wrote-off around ₹1.61-lakh crore worth of loan in FY18 while recovery from written off accounts was less than ₹13,000 crore or around 8 per cent of bad debts taken off from the book in that year. During all these five years, total amount in written off loan accounts was over ₹10 lakh crore, while recovery was over ₹1.3-lakh crore.

(Business Line)

CHINA'S ALIBABA GROUP TO SPLIT ITSELF INTO 6 BUSINESS GROUPS:

Alibaba is splitting itself into six business groups as the Chinese e-commerce company attempts to become more nimble in reacting to changes in the market and increase the value of those units. Alibaba Group Holding Ltd. said in a regulatory filing on Tuesday that the six new groups will be made up of the Cloud Intelligence Group, Taobao Tmall Business Group, Local Services Group, Global Digital Business Group, Cainiao Smart Logistics and Digital Media and Entertainment Group. The company said that each group will be able to raise outside capital and potentially seek its own initial public offering, except for Taobao Tmall Business Group, which will stay wholly-owned by Alibaba Group. Each group will be independently managed by its own CEO and board of directors.

(Business Line)

INDIA'S OVERALL EXPORTS CROSS AN ALL TIME HIGH OF US\$ 750 BILLION IN THE 75TH YEAR OF INDEPENDENCE: SH. PIYUSH GOYAL:

Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal announced that India's overall exports, that includes services and merchandise exports, have crossed US\$ 750 Billion today. This is an all time high and this achievement of 750 billion comes in the 75th year of independence as we celebrate the Azadi Ka Amrit Mahotsav. The Minister said that the Free Trade Agreements (FTA) signed by India with Australia and UAE have been welcomed by industry across the three countries and there has been positive feedback across media platforms. The speed, quality and extensive stakeholder consultations resulting in finding the right equitable balance has been appreciated by all sections, said the Minister. He also stated that a series of FTAs are under different stages of discussion to further expand the trade of India and will further open up game changing opportunities for the economy.

(PiB)



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CENTRE'S DEBT BURDEN HITS RS 146 LAKH CRORE IN Q3: The central government's total debt rose 2.6% in the December quarter of the current fiscal year from the previous quarter to Rs 146.36 lakh crore, according to the finance ministry data released on Tuesday. While internal debt rose 2.1% to Rs 125.24 crore as of December 2022 from the previous quarter, external debt totalled Rs 9.17 lakh crore, up 6.1%. The centre's other liabilities grew 5% during this period to Rs 11.96 lakh crore, showed the data.

(Economic Times)

SOUTH INDIAN BANK MD MURALI RAMAKRISHNAN OPTS OUT OF RE-

APPOINTMENT: The board of directors of South Indian Bank on March 28 considered the request of managing director & CEO Murali Ramakrishnan to not apply for an extension of his tenure after September 30, on account of personal and family reasons, as per an exchange notice by the bank.

(Financial Express)

FINANCIAL BIDS FOR IDBI BANK LIKELY BY JUNE: The centre hopes to seek financial bids within three months for the proposed stake sale in IDBI Bank, government sources have told Business Today Television. Denying any deferment of the disinvestment process of IDBI Bank, the Department of Investment and Public Asset Management (DIPAM) says the process is on track. The centre is confident of executing the transaction in fiscal 2023–24. "The geo-political situation has impacted market sentiment and also minority stake sales, but we have to move ahead carefully since the external factors will always exist", an official shared.

(Business Today)

SBI RECEIVED RS 8,800 CRORE FROM DFS IN FY18 WITHOUT ASKING FOR

IT: CAG : SBI received Rs 8,800 crore from the Department of Financial Services (DFS) as part of a recapitalisation exercise without asking for such funds in 2017-18, a report presented by the Comptroller and Auditor General of India (CAG) in the Parliament on Monday said. According to the "Compliance Audit Report Number 1 of 2023 of the CGI the department under the finance ministry did not conduct an assessment of the capital requirement according to its own standard practice before recapitalisation. "DFS infused Rs 8,800 crore into SBI in 2017-18 for credit growth considering it the largest Public Sector Bank in the country even though there was no demand.

(Business Standard)

SBI WILL CEASE TO BE EPFO FUND MANAGER FROM MARCH-END:

The country's largest lender State Bank of India (SBI) will cease to be a fund manager of retirement fund body EPFO by March-end, as a bank cannot function as an asset management company



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under the RBI norms. “We have been told that SBI cannot work (as fund manager of the EPFO). We have not engaged (its arm) SBI Mutual Fund (as fund manager) because it was not there (as an applicant at the time of bidding) earlier,” Labour Minister Santosh Gangwar said.

(Business Line)



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FINANCIAL TERMINOLOGY/CONCEPTS

Interchange on UPI transactions via PPIs

- ❖ NPCI has introduced interchange fees of up to 1.1 per cent on merchant UPI transactions done using prepaid payment instruments from April 1. The charge, starting from 0.5 per cent depending on the MCC (merchant category code), will be levied on UPI payments of over ₹2,000 made to online merchants, large merchants and small offline merchants. The interchange rates vary according to merchant category codes, in the range of 0.5 per cent to 1.1 per cent. Categories such as fuel, education, agriculture and utility payments attract a lower interchange of 0.5-0.7 per cent; convenience stores across food shops, specialty retail outlets and contractors, have the highest charge of 1.1 per cent.
- ❖ The new NPCI guidelines on wallet interoperability establish interchange fee for wallet usage, which will be paid to issuers of wallets such as Paytm, PhonePe and Google Pay, among others. They also include charges for UPI-wallet-loading that will be paid by wallet issuers to remitter banks or the bank accounts from which the amount is being debited.
- ❖ **How will this benefit wallet players?** The inter-operability norms will enable universal acceptance of wallets across all UPI QR codes and devices, thus increasing the salience or relevance of wallets. It will also ensure uniformity and parity by clearly defining the interchange fees on wallet payments.
- ❖ **Will this make wallet transactions costlier?** The interchange fees are paid by merchants to wallets or card issuers and are usually absorbed by merchants. Smaller merchants and shopkeepers are unlikely to be impacted as it is applicable only on payments of over ₹2,000. However, MDR (merchant discount) is applicable on wallets-on-UPI in certain cases and this move may lead to higher MDRs imposed on merchants, depending on payment companies' ability and willingness to pass on the interchange. This may subsequently impact merchants' ability to absorb the higher costs which could ultimately be passed on to customers.



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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 : 82.2068
INR / 1 GBP : 101.2536
INR / 1 EUR : 88.8968
INR /100 JPY : 62.8500

EQUITY MARKET

Sensex: 57613.72 (-40.14)
NIFTY: 16951.70 (-34.00)
Bnk NIFTY: 39567.90 (+136.60)

Courses conducted by BFSI Board

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- ❖ **Certificate Course on Credit Management of Banks**
- ❖ **Certificate Course on Treasury and International Banking**
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- ❖ **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
The Institute of Cost Accountants of India**

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