



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

December 01, 2022

GDP GROWTH FALLS TO 6.3% IN JULY-SEP: India's GDP growth more than halved to 6.3 % in July-September from 13.5 percent in April-June, data released on November 30 by the Ministry of Statistics and Programme Implementation showed. In terms of Gross Value Added, or GVA, the growth in July-September was 5.6 percent, down from 12.7 % in April-June and 8.3 % in the same quarter last year. In nominal terms, India's GDP grew by 16.2 % last quarter. The sharp fall in GDP growth in July-September was due to the fading away of a favourable base effect.

(Moneycontrol)

CENTRE'S APRIL-OCTOBER FISCAL DEFICIT WIDENS TO RS 7.58 LAKH CRORE, 45.6% OF FY23 AIM: Central government's fiscal deficit widened to Rs 7.58 lakh crore in April-October, accounting for 45.6 % of the full-year target. The fiscal deficit for April-October 2021 had accounted for 36.3 percent of the FY22 target. The Centre is targeting a fiscal deficit of Rs 16.61 lakh crore for FY23, or 6.4 percent of GDP.

(Moneycontrol)

US REVISES UP LAST QUARTER'S GDP GROWTH RATE TO 2.9%: Despite high interest rates and chronic inflation, the U.S. economy grew at a 2.9% annual rate from July through September, the government said Wednesday in an upgrade from its initial estimate.

(Moneycontrol)

PMEGP UNITS SET UP IN FY22 CROSSED 1 LAKH MARK FOR FIRST TIME IN 14 YEARS: The number of new manufacturing and service units set up under the central government scheme Prime Minister's Employment Generation Programme (PMEGP) crossed the 1 lakh mark for the first time in 14 years since the latter's launch in 2008, said Minister of State for MSMEs Bhanu Pratap Singh Verma on Wednesday. Addressing the 19th Global MSME Business Summit by industry body CII in Delhi, Verma highlighted 8.25 lakh jobs created under the scheme in FY22, hitting a record high since 2008. According to the government data, PMEGP units in FY22 increased by 38 per cent from FY21, with a margin money subsidy of Rs 2,977 crore disbursed during the year. The number of new micro units set up in FY21 with the support of PMEGP was 74,415 with Rs 2,188 crore in subsidy. In comparison, 66,653 new micro enterprises were set up with Rs 1,950 crore subsidy pre-Covid in FY20.

(Financial Express)



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TATA SONS ANNOUNCES AIR INDIA-VISTARA MERGER; DEAL TO BE COMPLETED BY MARCH 2024:

In a transaction that can lift Air India (AI) to new heights, Singapore Airlines (SIA) on Tuesday announced it would become a 25.1% shareholder in a new, enlarged entity formed by the merger of Vistara with AI. The merger is expected to be completed by March, 2024.

(Financial Express)

NCLT ADJOURNS JET AIRWAYS RESOLUTION MATTER: Lenders of the Jet Airways argued for the dismissal of an application filed by Jalan-Kalrock Consortium (JKC) at NCLT accusing it of being incomplete and misleading. The response was filed by SBI on behalf of the financial creditors. The application filed by JKC on October 18 required NCLT to pass orders that all the five conditions precedent (CP) under the resolution plan stand completed. The NCLT on Tuesday adjourned the matter to December 6. The five CPs include validation of air operator certificate of Jet Airways, approval of allotment of slots, submission of business plan to the Directorate General of Civil Aviation and Ministry of Civil Aviation (MoCA) and approval of de-merger of ground handling business and international traffic rights clearances. However, the fifth CP can only be issued after Jet Airways starts operations and has a minimum 20 aircraft.

(Financial Express)

TCS BAGS CONTRACT TO BUILD UK GOVERNMENT'S RAIL DATA MARKETPLACE:

Tata Consultancy Services (TCS), India's largest IT services firm, has signed a six-year contract, with an extension term opportunity, with the United Kingdom-headquartered Rail Delivery Group to build and run the UK government's Rail Data Marketplace (RDM). The IT services major will be using TCS Dexam to design, develop, implement and operate RDM, which is expected to bring together fragmented sources of rail data into one digital service to accelerate innovation in the transport sector and enhance the passenger experience. RDM will be used for sharing real-time information with passengers across the UK, simplifying data sharing across operational bodies and increasing data access for public and private bodies to improve transparency.

(Moneycontrol)

INDIA, AUSTRALIA FREE TRADE AGREEMENT TO COME INTO FORCE FROM DECEMBER 29:

The free trade agreement between India and Australia will come into force from December 29, a move which will help in almost doubling the bilateral commerce to USD 45-50 billion in around five years. The agreement, which was signed on April 2, would provide duty-free access to Indian exporters of over 6,000 broad sectors, including textiles, leather, furniture, jewellery and machinery in the Australian market. Labour-intensive sectors which



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would gain immensely include textiles and apparel, few agricultural and fish products, leather, footwear, furniture, sports goods, jewellery, machinery, and electrical goods.

(Moneycontrol)

WORLD BANK SAYS REMITTANCES UP 5% IN 2022: Remittances to low- and middle-income countries grew by nearly 5% to around \$626 billion in 2022 - about half the expansion seen last year - and growth is expected to slow further to around 2% next year, the World Bank reported.

(Economic Times)

NBFCs, LARGE CORPORATES, HOME LOANS DRIVE CREDIT GROWTH IN

INDIA: The Reserve Bank of India's latest data on credit growth indicates that loan growth at 18.3 percent in October kept pace to be at a decadal high. Loans to MSMEs and retail via NBFCs, home loans and large corporate accounted for a big chunk of credit growth during a year upto October. But the industry demand is mostly driven by large companies rising 11 percent from a contraction last year, for working capital due to rising input prices.

(Economic Times)

RETAIL INFLATION FOR INDUSTRIAL WORKERS EASES TO 6.08% IN

OCTOBER: According to government data, due to lower prices of certain food items, the retail inflation for industrial workers rose to 6.08% in October from 6.49% in September 2022, on Wednesday. "Year-on-year inflation for the month stood at 6.08 per cent compared to 6.49 per cent for the previous month (September) and 4.52 per cent during the corresponding month (October 2021). The ministry statement also stated that food inflation stood at 6.52% against 7.76% in September, 2022 and 2.20% in October 2021 (y-0-y).

(Economic Times)

HSBC TO SELL CANADA BUSINESS TO RBC FOR \$10 BILLION, SAYS

REPORT: HSBC has agreed to sell its business in Canada to Royal Bank of Canada for \$13.5 billion Canadian dollars (\$10.04 billion) in cash. The sale comes as HSBC pursues a strategy of focusing its resources on its core markets, amid pressure from its biggest shareholder Ping An to improve its performance. Chinese insurance company Ping An Insurance Group has been pushing HSBC to split off its Asian business to boost returns.

(Business Standard)

CORE SECTOR OUTPUT GROWTH SLOWS TO 20-MONTH LOW OF 0.1% IN

OCTOBER: Growth in production by eight infrastructure industries, which comprise the core sector, slowed down sharply to a 20-month low of 0.1 per cent in October, owing to a high



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base effect and weak activity. Crude oil, natural gas, refinery products, and cement registered a contraction, while the power industry witnessed marginal growth. The corresponding last year figure was 8.7 per cent. The October number is the lowest since February 2021 when there was a contraction of -3.3 per cent. In September this year, core sector output growth was 7.8 per cent.

(Business Standard)

RBI's MODIFIED DIGITAL LENDING NORMS TO COME IN EFFECT FROM DEC

1: The Reserve Bank's modified guidelines on digital lending that seek to protect customers from exorbitant interest rates by certain entities and also check unethical loan recovery practices will come into effect from Thursday. Under the new norms, all loan disbursements and repayments are required to be executed only between the bank accounts of borrower and the regulated entities (like banks and NBFCs) without any pass-through/ pool account of the Lending Service Providers (LSPs). Also, "any fees, charges, etc, payable to LSPs in the credit intermediation process shall be paid directly by RE and not by the borrower"

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

INDEX OF INDUSTRIAL PRODUCTION (IIP)

- ❖ The Index of Industrial Production (IIP) is a composite indicator that measures the short-term changes in the volume of production of a basket of industrial products during a given period with respect to that in a chosen base period. In India, the first official attempt to compute the Index of Industrial Production (IIP) was made much earlier than the first recommendation on the subject came at the international level. With the inception of the Central Statistical Organization (now known as National Statistics Office (NSO)) in 1951, the responsibility for compilation and publication of IIP was vested with it.
- ❖ In India, the eight core industries account for 40.27 per cent of the weighting of items included in the Index of Industrial Production (IIP). The 8 core industries includes; Electricity, Steel, Refinery products, Crude oil, Coal, Cement, Natural gas and Fertilizers.
- ❖ The Index is used by government agencies and departments such as the Finance Ministry and the RBI for policymaking. It is also used for estimating the Gross Value Added of the manufacturing sector quarterly. It is the only measure of the physical volume of production. It is also extremely useful for the projection of advance GDP estimates.



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RBI KEY RATES

Repo Rate: 5.90%
SDF: 5.65%
MSF & Bank Rate: 6.15%
CRR: 4.50%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 81.5970
INR / 1 GBP : 97.7543
INR / 1 EUR : 84.4507
INR /100 JPY : 58.9500

EQUITY MARKET

Sensex: 63099.65 (+417.81)
NIFTY : 18758.30 (+140.30)
Bnk NIFTY: 43231.00 (+177.60)

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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(CMA Chittaranjan Chattopadhyay)

Chairman,

Banking, Financial Services & Insurance Board

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