



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

02 March, 2023

BAJAJ FINSERV GETS SEBI LICENCE TO COMMENCE MUTUAL FUND BUSINESS:

Bajaj Finserv has received the final registration from SEBI, the financial markets regulator, to commence its mutual fund operations under Bajaj Finserv Mutual Fund (BFMF). This adds a new asset manager to the Indian mutual fund industry that manages assets worth Rs 39.62 trillion through 42 asset management companies as on 31.01.2023.

(Moneycontrol)

FEBRUARY GST COLLECTIONS EASE ON-MONTH TO RS 1.50 LAKH CRORE:

The government collected Rs 1.50 lakh crore as Goods and Services Tax (GST) in February, the finance ministry said on March 1. The GST collections for February fell from Rs 1.58 lakh crore in January, which were the second-highest monthly collection ever under the indirect tax regime which was introduced in July 2017. The February GST collections are 12 percent higher from the same month a year ago. GST collections have exceeded the Rs 1.4-lakh crore mark for 12 months in a row.

(Moneycontrol)

GOVERNMENT e-MARKETPLACE (GeM) COMMEMORATES THE SUCCESS OF “SWAYATT”:

A function was held to commemorate the success of “SWAYATT”, an initiative to promote Start-ups, Women and Youth Advantage Through eTransactions on Government eMarketplace (GeM) in New Delhi. GeM promotes social and financial inclusion by registering more than 8.5 lakh Micro and Small Enterprises (MSEs) on GeM portal; MSEs on GeM secure business worth over Rs. 1.87 lakh crore spread across 68 lakh+ orders. More than 1.45 lakh women MSEs have fulfilled 7.32 lakh orders worth 15, 922 Crore and approx. 43K SC/ ST MSEs have delivered 1.35 lakh+ order worth 2,592 Crore on the GeM portal so far.

(PiB)

PNB WITHDRAWS DIVESTMENT PROCESS IN CANARA HSBC LIFE INSURANCE:

Punjab National Bank (PNB) on Wednesday announced that it will discontinue the process of divestment in associate company Canara HSBC Life Insurance, the company stated in a regulatory filing. "The Exchange is hereby informed that on account of recent IRDAI Notification dated 05.12.2022 on IRDAI (Registration of Indian Insurance Companies) Regulations, 2022, the Board of Directors of the Bank in its meeting held on 28.02.2023, has accorded approval for withdrawal of the process for divestment of Bank's stake in Canara HSBC Life Insurance Co. Ltd. The Bank shall hold its stake in the Company as an investor, subject to regulatory approvals," the press release stated.

(Economic Times)



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CENTRE SUSPENDS FOREIGN FUNDING LICENCE OF CENTRE FOR POLICY

RESEARCH: The Central government on Wednesday suspended the Foreign Contribution Regulation Act (FCRA) licence of public think-tank Centre for Policy Research (CPR) over violation of laws. In a letter to the think tank, the Ministry of Home Affairs said that its registration under the FCRA has been suspended for a period of 180 days over violation of laws. Founded in 1973, CPR has been involved in research with a focus on India's 21st Century challenges. Meenakshi Gopinath, a political scientist who taught at Jawaharlal Nehru University, is its chairperson. Yamini Aiyar, daughter of senior Congress leader Mani Shankar Aiyar, is the President and Chief Executive of the Centre for Policy Research. In 2008, she founded the Accountability Initiative at CPR, which is credited with pioneering one of India's largest expenditure tracking surveys for elementary education.

(Business Today)

HDFC, ICICI, AXIS BANK TO HIRE YOUNG TALENT THROUGH JOB-ASSURED

COURSES: Private banks are catching future bankers young by offering a diploma that includes hands-on training leading to a regular job after its completion. The course-cum-job route is now the mainstay of hiring of freshers by leading private banks - HDFC Bank, ICICI Bank, and Axis Bank - which have tied up with private universities for running a portion of the residential course on their campuses. ICICI Bank, for instance, has now called for applications to join the ICICI Bank Manipal Probationary Officers Programme in association with Manipal Academy of Higher Education.

(Business Line)

BANK CREDIT TO MICRO, SMALL ENTERPRISES GREW 15% IN JANUARY:

RBI DATA: Gross bank credit deployed to micro and small enterprises (MSEs) under priority sector loans by scheduled commercial banks jumped 15.2 per cent year-on-year (YoY) in January 2022 vis-a-vis 7.6 per cent YoY growth in December 2021, according to the latest monthly data on sectoral deployment of bank credit by the Reserve Bank of India (RBI). MSEs were deployed Rs 15.34 lakh crore in bank credit in January this year vis-a-vis Rs 13.31 lakh crore in January last year and Rs 15.26 lakh crore in December 2022. On the other hand, credit to medium-sized enterprises grew by 17.3 per cent YoY in January 2023 to Rs 3.93 lakh crore from Rs 3.35 lakh crore deployed in January 2022 while Rs 3.86 lakh crore were deployed in December 2022. The total bank credit deployed to MSEs and medium enterprises in January stood at Rs 19.27 lakh crore – 14.4 per cent of Rs 133.4 lakh crore overall bank credit deployed across sectors –with 15.6 per cent growth from Rs 16.66 lakh crore deployed in January 2022.

(Financial Express)



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INDIA'S UNEMPLOYMENT RATE ROSE TO 7.45% FROM 7.14% IN JANUARY:

India's unemployment rate rose to 7.45% in February from 7.14% in the previous month, data from the Centre for Monitoring Indian Economy (CMIE) showed on Wednesday. The urban unemployment rate declined to 7.93% in February from 8.55% in the previous month, while the rural unemployment rate rose to 7.23% from 6.48%, the data showed.

(Business Standard)

MANUFACTURING PMI AT A 4-MONTH LOW OF 55.3 IN FEB: India's purchasing managers' index (PMI) for manufacturing in February saw a marginal decline to a four-month low of 55.3, from 55.4 in January, as input costs in the manufacturing industry increased further and new orders from abroad increased only fractionally, said a private survey.

(Business Standard)

IRCTC PARTNERS WITH HDFC BANK TO LAUNCH CO-BRANDED TRAVEL

CREDIT CARD: Indian Railway Catering and Tourism Corporation Ltd (IRCTC) and HDFC Bank on Wednesday announced a partnership to launch a co-branded travel credit card. Known as the IRCTC HDFC Bank Credit Card, the co-branded card is in a single variant and is available on NPCI's Rupay network. This is the third tie-up of IRCTC after State Bank of India and Bank of Baroda.

(Business Standard)

RBI LAUNCHES 2 SURVEYS TO GATHER 'USEFUL INPUTS' FOR MONETARY

POLICY: The Reserve Bank of India on Wednesday launched two key surveys, results of which provide "useful inputs" for the central bank's bi-monthly monetary policy. One of the surveys is to know inflation expectations of households and the other is to gauge the consumer confidence. The March 2023 round of Inflation Expectations Survey of Households (IESH), RBI said, aims at capturing subjective assessments on price movements and inflation, based on their individual consumption baskets, across 19 cities.

(Business Standard)

MOODY'S UPS INDIA'S GROWTH PROJECTION FOR 2023 TO 5.5% ON

HIGHER CAPEX: Moody's Investors Service on Wednesday raised India's economic growth estimate for 2023 to 5.5 per cent from 4.8 per cent pegged earlier, on the back of a sharp increase in capital expenditure in the Budget and a resilient economic momentum.

(Business Standard)

CREDIT RATED INDIAN BANKS CAN MOVE OVER TO IFRS 9: S&P GLOBAL

RATINGS: Credit rated banks in India are well placed to transition to the expected credit loss



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approach under the International Financial Reporting Standard 9 (IFRS 9) which is more forward looking, said S&P Global Ratings. "We believe IFRS 9's more forward-looking approach to provisioning will improve the timeliness of loan-loss provisions, more closely align reporting with global norms, and facilitate regulatory oversight that should help to mitigate disclosure complexities," S&P Global Ratings said in a report. The report also said the transition by the Indian banks to IFRS 9 will not change their credit ratings. The Reserve Bank of India is set to release guidance on the rollout of IFRS 9 after years of delay while the banks shaped up.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

ESG INVESTING

- ❖ ESG Investing (also known as “socially responsible investing,” “impact investing,” and “sustainable investing”) refers to investing which prioritizes optimal environmental, social, and governance (ESG) factors or outcomes. ESG investing is widely seen as a way of investing “sustainably”—where investments are made with consideration of the environment and human wellbeing, as well as the economy. It is based upon the growing assumption that the financial performance of organizations is increasingly affected by environmental and social factors.
- ❖ ESG investing may have officially entered mainstream investing discourse following the release of the Principles for Responsible Investments (PRI)⁴ in 2006 – a set of United Nations guidelines for the incorporation of ESG factors into business policy and strategy. The PRI have over 2,000 signatories and are widely considered the official point of reference for all things ESG investing.
- ❖ Recent years have seen a significant expansion of ESG investing around the globe as organizations and individuals increasingly recognize the interdependencies between social, environmental, and economic issues. More investors are looking to fund organizations and products that support and promote sustainability, and comply with emerging regulations such as climate change regulations.



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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 : 82.5467
INR / 1 GBP : 99.4732
INR / 1 EUR : 87.4995
INR /100 JPY : 60.5500

EQUITY MARKET

Sensex: 59411.08 (+448.96)
NIFTY: 17450.90 (+146.90)
Bnk NIFTY: 40698.20 (+429.10)

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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