



**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**

***December 06, 2022***

**FINANCE MINISTRY HOLDS REVIEW MEETING WITH HEADS OF BANKS TO PROMOTE CROSS-BORDER TRADE IN RUPEE:** The finance ministry on Monday had a comprehensive review meeting with CEOs of banks including top six private sector lenders and discussed ways to promote cross-border trade in rupee. Following detailed guidelines from the RBI on cross-border trade transactions in domestic currency in July, about nine special vostro accounts have been opened with two Indian banks to facilitate overseas trade in rupee. Sberbank and VTB Bank; the largest and second-largest banks of Russia, respectively are the first foreign lenders to receive the approval after the RBI announced the guidelines. RBI, as per the guidelines, decided to put in place an additional arrangement for invoicing, payment, and settlement of exports/imports in INR. Another Russian bank Gazprom, which does not have its bank in India, has also opened this account with Kolkata-based UCO Bank.

***(Economic Times)***

**SHRIRAM FINANCE BECOMES THE LARGEST RETAIL NBFC IN INDIA:** Shriram Transport Finance Company, the largest financier of commercial vehicles, and Shriram City Union Finance, the largest two-wheeler financier and leader in micro, small and medium enterprise (MSME) lending, have been merged to form Shriram Finance. The company further announced the appointment of Jugal Kishor Mohapatra as Chairman of the Company and Maya Sinha as an Independent Director.

***(Moneycontrol)***

**ICICI BANK TO SHIFT FOCUS TO SME LENDING & SUPPLY CHAIN FINANCE FOR FUTURE GROWTH:** Private lender ICICI Bank that built its fortunes on lending for building big projects, would be shifting focus to SME lending and supply chain financing to grow in the future as it works to ensure that new risks don't build up, the management told analysts. "We see strong opportunity for ICICI Bank in the SME space where it has customised offerings for micro-segments and offered many firsts to clients," brokerage house Jefferies said in a note.

***(Economic Times)***

**INDIA RECORDS OVER 23 BILLION DIGITAL PAYMENTS WORTH RS 38.3 LAKH CRORE IN Q3:** India logged 23.06 billion digital transactions worth Rs 38.3 lakh crore in the third quarter of FY23, stated a report on Monday. These digital transactions include payment done by Unified Payments Interface (UPI), debit and credit cards, prepaid



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payment instruments like mobile wallets, and prepaid cards. The UPI related transactions clocked over 19.65 billion transactions in volume and Rs 32.5 lakh crore in terms of value.

**(Economic Times)**

**IRAN STOPS BUYING INDIAN TEA AND BASMATI:** Iran has completely stopped signing new contracts for importing tea and basmati rice from India from last week. While there is no clarification from Iranian buyers about the reason for this sudden stoppage, Indian exporters believe this is largely because shops, hotels and markets in the West Asian country remain closed amid strong anti-hijab movement across the country.

**(Economic Times)**

**EPFO DATA POINT TO 35% RISE IN FORMAL JOB CREATION IN H1 FY23:** The first half of FY23 saw 87.1 lakh new formal jobs being created across the country, according to an analysis of the data put out by the Employees' Provident Fund Organisation (EPFO). This is a 35 per cent increase compared to the year-ago period. EPFO's payroll data covers organised sector workforce for establishments that employ more than 20 workers and have provident fund accounts opened for them.

**(Business Line)**

**GOVT MULLS PLI SCHEME FOR TOYS WITH ₹3,500 CR OUTLAY:** Toy production in India is set to get a big push with the government actively considering the extension of the Production Linked Incentive (PLI) scheme to the sector with a proposed outlay of about ₹3,500 crore, according to sources. "The Department for Promotion of Industry and Internal Trade has identified toys as a top sector that could benefit from the PLI scheme and is in active discussion with the Finance Ministry on the matter. The other two sectors on DPIIT's list for eligibility for PLI benefits are bicycles and leather footwear," a source tracking the matter told *businessline*.

**(Business Line)**

**PENSION AUM TOUCHES ALMOST ₹8.5 LAKH CRORE IN END-NOVEMBER:** As per the PFRDA data, Pension assets under management, National Pension System and Atal Pension Yojana have touched almost ₹8.5 lakh crore as of end November, data available with PFRDA showed. At total AUM of ₹8.39 lakh crore as of November 26, this represents a 22.3 per cent increase over total AUM of ₹6.86 lakh crore as of November 27, 2021.

**(Business Line)**

**RBI MPC NEARING END OF RATE-HIKE CYCLE; REPO RATE MAY BE RAISED BY 35 BPS:** The debate is wide open on the quantum of the next rate hike by RBI on December 7. A 35 bps hike to take repo rate to 6.25% seems apposite given that global central



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banks are moving towards slowing their rate hikes' pace, domestic inflation has been coming off though risks remain on the higher side, and risks of global demand slowdown. The RBI could enter into a phase of wait-and-watch after the December policy to assess the impact of rate hikes on the domestic economy.

*(Financial Express)*

**FLIPKART PARTNERS WITH ODISHA GOVT TO GET SELF-HELP GROUPS, ARTISANS, WEAVERS INTO E-COMMERCE FOLD:** E-commerce company Flipkart on Monday announced signing a memorandum of understanding (MoU) under its Samarth programme with the Department of Mission Shakti, Government of Odisha to support self-help groups (SHGs), artisans and weavers in the state sell goods online. Launched in July 2019, the Samarth programme focuses on getting artisans, weavers and micro enterprises into the e-commerce fold.

*(Financial Express)*

**SBI'S PERSONAL BANKING ADVANCES EXCLUDING HOME LOANS CROSS RS 5 LAKH-CR MARK:** SBI on Monday announced that its personal banking advances excluding high value home loans have crossed the Rs 5 lakh-crore mark. The largest lender in the country took a year to book the last Rs 1 lakh crore of advances, as against over 15 months for the previous Rs 1 lakh crore and over 30 months for the previous Rs 1 lakh crore, as per an official statement.

*(Financial Express)*

**ADANI GROUP BECOMES SINGLE-LARGEST SHAREHOLDER IN NDTV WITH 37.4% STAKE:** The 13-day open offer for an additional 26 per cent stake in New Delhi Television (NDTV) by the Adani group closed on Monday, with investors tendering 5.32 million shares or a third of the open offer size of 16.7 million shares, according to BSE data. As a result, the Adani group, which has a 29.18 per cent in NDTV, has picked up an additional 8.26 per cent stake in the media company through the open offer route. It is the largest shareholder in the news broadcaster with a 37.44 per cent stake, ahead of the founder-promoters Radhika and Prannoy Roy, who together hold 32.26 per cent in the company.

*(Business Standard)*

**FIRMS' PAN TO BE IDENTIFIER FOR GOVT SINGLE WINDOW CLEARANCE SYSTEM:** Businesses can cite their permanent account number (PAN) as a unique identifier for accessing the national single window system (NSWS) to obtain clearances and approvals from central and state government departments, said union commerce minister Piyush Goyal on Monday. Businesses presently use EPFO number, ESIC number, GSTN, TIN, TAN and PAN to apply for government approvals. Goyal said that the PAN number will help



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automatically populate other application forms received in the system to speed up approvals. "We are moving towards using one of the existing databases as the entry point, which is already available with the government...and most probably that will be the PAN number. So with the PAN, a lot of the basic data about the company, its directors, addresses, and a lot of common data is already available in the PAN database," Goyal told reporters after a review meeting of NSWS in Delhi. NSWS, which is in the beta stage, has received more than 76,000 requests and it has approved around 48,000 requests. "Only 514 applications faced some sort of technical glitches, which shows the efficiency of the system", Goyal said.

***(Business Standard)***



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## ***FINANCIAL TERMINOLOGY/CONCEPTS***

### **NEO BANK**

- ❖ A Neo bank is a digital only and mobile-first bank. In India, service providers partner up with traditional banks to create a digital banking platform to give customers seamless banking on the go. Neo banks work best for tech savvy and cashless individuals who are comfortable with a digital only bank. From online payments to saving and investing, neo banks are generally feature packed and super convenient.
- ❖ Neobanks are generally digital banks which work completely online. They don't have physical branches and all you'd need from the bank is on an app. Currently, RBI regulations recognise that neo banks aren't actual banks. While they can ease banking services by taking them online, the banking will be operated through a traditional recognised bank.
- ❖ Neo banks in India have not yet been permitted by the Reserve Bank of India (RBI) to hold a banking license. Therefore, they are, strictly speaking, platforms that offer financial services through their banking partners who hold a banking license.
- ❖ The stars of Neo banks in India look promising and brimming with potential. However, the biggest challenge for these platforms is gaining customers' trust. Understandably, most customers may find it difficult to trust an unfamiliar entity over banking names they have known for years.
- ❖ Some of the Neo Banks operating in India are Freo, Fi Money, RazorPay etc.



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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 : 81.5855  
INR / 1 GBP : 100.5840  
INR / 1 EUR : 86.2718  
INR /100 JPY : 60.6200

### **EQUITY MARKET**

Sensex: 62834.60 (- 33.90)  
NIFTY : 18701.00 (+4.90)  
Bnk NIFTY: 43332.95 (+229.20)

### **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  
COUNCIL MEMBER**

**The Institute of Cost Accountants of India**

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