



**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

November 07, 2022

SBI NET PROFIT JUMPS 74 % TO RS 13,265 CRORE IN JULY-SEPTEMBER:

State Bank of India on Saturday said its standalone profit jumped 74 per cent to Rs 13,265 crore in the second quarter of FY23, aided by lower bad loans and higher interest income. The Bank had earned a profit of Rs 7,627 crore in the same quarter a year ago. The asset quality of the bank improved with the gross non-performing assets (NPAs) declining to 3.52 per cent of the gross advances as on September 30, 2022, from 4.90 per cent a year ago. Net NPAs or bad loans too declined to 0.80 per cent of the advances from 1.52 per cent in the year-ago period.

(Financial Express)

BANK OF BARODA Q2 PROFIT RISES 59% TO RS 3,313 CRORE:

State-owned Bank of Baroda on Saturday reported a jump of 59 per cent in its net profit to Rs 3,313 crore for the second quarter ended September on the back of a decline in bad loans and rise in interest income. The lender improved its asset quality, with the gross NPAs coming down to 5.31 % and Net NPAs fell to 1.16 per cent from 2.83 %. Net interest margins rose to 3.33 %.

(Financial Express)

INDIA RESUMES SUGAR EXPORTS; ALLOWS 6 MILLION TONS ON QUOTA

BASIS TILL MAY 31: The government on Saturday allowed export of 6 million tonnes of sugar on quota basis till May 31, according to a food ministry notification. As per the notification, the ministry has allocated a uniform export quota of 18.23 per cent of the three years average production of the sweetener in operational sugar seasons. Sugar mills can export themselves or through exporters or swap with domestic sale quota of any other mills, it said. In order to prevent uncontrolled export of sugar or with a view to ensure sufficient availability of sugar for domestic consumption at a reasonable price, government has decided to allow export of sugar upto a reasonable limit with effect from November 1 till May 31, 2023

(Business Today)

69% HOUSEHOLDS IN INDIA STRUGGLE WITH FINANCIAL INSECURITY:

SURVEY: Despite robust growth in financial inclusion and the burgeoning financial services industry, almost 69 per cent of Indian households struggle with financial insecurity and vulnerability, according to a personal finance survey conducted by Money9. The survey finds that the average income of an Indian family of 4.2 persons is Rs 23,000 per month. Over 46 per cent of Indian families have an income of less than Rs 15,000 per month i.e. belong to the aspiring or lowest-income cohort," it said. "Only 3 per cent of Indian households have a luxury standard of living and most of them belong to higher income cohorts. Over 64 per cent of



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savings are parked in bank accounts, while only 19 per cent households have insurance. Only 11 per cent of Indian households have active loans with banks or NBFCs. Among all retail loans, the consumption of personal loans is highest, followed by home loans.

(Business Today)

WARREN BUFFETT'S BERKSHIRE TAKES A BEATING ON AUTO INSURANCE:

Warren Buffett, who has long reiterated his love for insurance companies, took a painful hit on Berkshire Hathaway Inc.'s underwriting businesses as inflation continues to weigh on the company's operating units. The conglomerate reported a \$962 million loss on insurance underwriting in the third quarter, the worst quarterly loss in a year. Auto-insurer Geico took the biggest hit among its insurance businesses, with a pre-tax loss of \$759 million. Auto insurers have struggled to keep pace with elevated used-car prices, worsening frequency and severity of accidents and higher costs tied to medical claims and litigation related to accidents. The broader insurance industry has also had to grapple with the aftermath of Hurricane Ian, in southwest Florida in September.

(Live Mint)

CEA V ANANTHA NAGESWARAN PEGS MEDIUM TERM INDIA GROWTH AT

6.5-7%: The Indian economy is likely to grow 6.5-7% in the medium term, buoyed by a revival in the capital formation cycle, chief economic adviser (CEA) V Anantha Nageswaran said, but warned that a proposed price limit by the West on Russian crude oil would be a matter of concern. The International Monetary Fund has forecast the economy to grow by 6.8% in the current fiscal year and 6.1% in the next.

(Economic Times)

CCPA FINES CLOUDTAIL WITH RS 1 LAKH FOR NOT COMPLYING WITH BIS STANDARDS:

The Central Consumer Protection Authority (CCPA) has imposed a fine of Rs 1 Lakh on Cloudtail India for violating the Quality Control Orders and consumer rights. The company has also been asked for the price reimbursement of 1,033 pressure cookers to the consumers and is directed to submit the compliance report within 45 days. Cloudtail, a retail company selling pressure cookers on an e-commerce platform, was issued an order for unfair trade practice by selling domestic pressure cookers in violation of mandatory standards prescribed as per the Domestic Pressure Cooker (Quality Control) Order, 2020.

(Business Standard)

SOON, 300 DRUG FORMULATIONS TO HAVE MANDATORY BAR CODES ON PACKAGES:

To curb the menace of spurious medicines, Govt is in the process of mandating pharmaceutical companies to print bar code on the packages of 300 drug formulations so that information such as manufacturing licence and batch number can be accessed upon scanning.



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The amendments to Drugs and Cosmetic Rules, 1945 which, once approved, will come into force from May next year.

(Business Standard)

BORROWER CAN'T CLAIM EXTENSION OF TIME UNDER OTS AS MATTER OF

RIGHT: SC: The Supreme Court has said a borrower cannot claim further extension of time as a matter of right for making payment under the one-time settlement (OTS) scheme. A bench of Justices M R Shah and Krishna Murari quashed the Punjab and Haryana High Court judgement delivered in March, which had granted further six weeks to a borrower, a company, to make the payment of balance amount with interest to the State Bank of India according to the sanctioned letter of OTS. The top court observed that rescheduling the payment under the OTS scheme and granting extension of time would tantamount to "rewriting the contract", which is not permissible while exercising the powers under Article 226 of the Constitution.

(Business Standard)

ICCI TIES UP WITH TAIWAN FOR GREEN TECHNOLOGY TO CURB CARBON

FOOTPRINTS: The local chapter of Indian Chamber of Commerce and Industry (ICCI) has joined hands with National Productivity Council, and Taiwan which would provide industries innovative green solutions to curb carbon footprints in the wake of growing climate change threats.

(Business Standard)

IOB Q2 NET UP 33% TO RS 501 CR: State-run Indian Overseas Bank (IOB) posted a 33 per cent increase in net profit during the second quarter of the current financial year ended on September 30 to Rs 501 crore, from Rs 376 crore in the same quarter of FY22. Its gross non-performing assets declined by six per cent from Rs 15,666 crore during the second quarter in 2021-22 to Rs 14,726 crore during the same quarter this fiscal. GNPA ratios improved to 8.53 per cent from 10.66 per cent on a quarter on quarter basis. Net NPA during the quarter was up 11 per cent to Rs 4,148 crore with a ratio of 2.56 per cent.

(Business Standard)

RELIANCE INDUSTRIES INDIA'S BEST EMPLOYER, IN TOP 20 WORLDWIDE:

FORBES: Reliance Industries, the country's largest company by revenues, profits and market value, is India's best employer and the world's 20th best firm to work with, according to Forbes' World's Best Employers rankings 2022. The global ranking was topped by South Korean giant Samsung Electronics, followed by US giants Microsoft, IBM, Alphabet and Apple.

(Business Standard)



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DISBURSALS TO SHGs AND ROAD SECTOR IN RURAL AREAS LAG: NSO

REPORT: Roads constructed under the Pradhan Mantri Gram Sadak Yojana and the self-help groups' (SHGs) Community Investment Fund (CIF) are among four schemes that have underperformed during the June quarter. This was revealed by the National Statistical Office (NSO), which monitors these schemes on a quarterly basis under the 20-point programme (TPP).

(Business Standard)

WITH RS 14,752 CRORE NET, SBI BEATS RIL TO BECOME MOST PROFITABLE COMPANY IN Q2:

SBI has become the country's most profitable corporate with Rs 14,752 crore of consolidated net income in the second quarter of FY23, beating Reliance Industries having net earnings of Rs 13,656 crore. On a first half basis, however, Reliance continues to be the most profitable firm with Rs 31,611 crore in net as against SBI's Rs 22,077 crore.

(Financial Express)



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FINANCIAL TERMINOLOGY/CONCEPTS

DUE DATE RATE

- ❖ Due date, also known as maturity date, is the day when some accruals fall due. Due date rate is the amount of debt that has to be paid on a date decided in the past. It can also be known as maturity date rate. If the due date amount is higher than the actual amount, then it results in profit, otherwise it's a loss.
- ❖ Due date rate, also called maturity amount, is the amount of debt that a debtor has to pay on a date decided earlier. For example, if a person named ABC borrowed Rs 100 from someone called XYZ and it has been decided that ABC would pay Rs 110 on a date decided at the time of making the transaction, then Rs 110 is called the due date rate, maturity amount or maturity rate and the date is called the due date or maturity date.
- ❖ Due date amount is also calculated widely for bank deposits, FDs, NSCs, and other investment instruments and via financial institutions. The due date amount/rate for a fixed deposit of Rs 10,000 with 10 per cent annual rate of interest for one year will be Rs 11,000.
- ❖ The difference between the principle and due date rate can be determined as profit/loss. If the due date rate is higher than the actual rate, the difference amount is called profit, otherwise it will be treated as loss.



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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 : 82.5287
INR / 1 GBP : 92.5928
INR / 1 EUR : 80.7191
INR /100 JPY: 55.7800

EQUITY MARKET

Sensex: 60950.36 (+113.95)
NIFTY : 18117.20 (+64.50)
Bank NIFTY: 41258.45 (-39.85)

(CMA Chittaranjan Chattopadhyay)

Chairman,

Banking, Financial Services & Insurance Board

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