



**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. ICAI**

**September 08, 2022**

### **RBI CLARIFIES ON RISK WEIGHTS FOR EXPOSURES GUARANTEED BY CREDIT GUARANTEE SCHEMES (CGS):**

In terms of RBI master circular on BASEL III norms, banks are permitted to apply zero percent risk weights in respect of claims on CGTMSE, Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) and individual schemes NCGTC. In order to have a consistent approach with regard to risk weights for exposures guaranteed by such Trust Funds, RBI advised that the risk weight of zero percent shall be applicable in respect of exposures guaranteed under any existing or future schemes launched by CGTMSE, CRGFTLIH and NCGTC. Such guarantees to be direct, explicit, irrevocable and unconditional and the zero percent risk weight shall be restricted to the maximum permissible claim. Further, in order to be eligible for zero percent risk weight, the trust shall provide for settlement of the eligible guaranteed claims within thirty days from the date of lodgement.

**(RBI notification)**

**KING DOLLAR STOMPS ON YEN, STERLING UNDER HEAVY PRESSURE:** The dollar was lord of all it surveyed on Wednesday, at a fresh 24-year peak on the rate-sensitive yen and retesting multi year highs on the euro and sterling as economic problems in Europe contrasted with a strong U.S. economy. The dollar soared as high as 144.99 yen , up 1.5%, hitting the level for the first time since August 1998. It is now within a large leap of its 1998 high of 147.43. Meanwhile sterling was at \$1.4175, down 0.7%. It was holding just above the \$1.1413 level, a fall below which would be its weakest level since 1985, according to Refinitiv data. The euro wallowed below 99 cents after dipping as low as \$0.9864 overnight, its lowest since late 2002.

**(Moneycontrol)**

### **CENTRE TO DISBURSE ₹18,128 CRORE IN FIVE YEARS UNDER PM SHRI SCHEME:**

The Centre will disburse ₹18,128 crore to schools as its share under the PM SHRI (PM Schools for Rising India) scheme over a five-year period from 2022-23 to 2026-27. PM SHRI is a centrally sponsored scheme of ₹27,360 crore, of which the majority will be contributed by the Centre, while the States will contribute the remaining ₹9,232 crore. The scheme will target development of more than 14,500 schools across the country.

**(Business Line)**

**INDIAN BANKS SET FOR SECOND LEG OF RE-RATING: MORGAN STANLEY:** Global investment advisory firm Morgan Stanley has said that Indian banks are set for re-rating, thanks to a slew of catalysts such as strong balance sheets, lessening macro concerns and improving capacity utilisation which set the stage for a capex upcycle in FY24-25. Bank stock re-rating cycles work in two legs; Indian banks appear to be in a transition phase between the two.

**(Business Line)**



**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

**GOVT TO MAKE IT MANDATORY FOR CARMAKERS TO PROVIDE SIX AIRBAGS IN 8-SEATER VEHICLES:** The government is trying to make it mandatory for carmakers to provide at least six airbags in eight-seater vehicles for enhanced safety of occupants from October, road transport minister Nitin Gadkari said. *(Business Line)*

**AXIS BANK AIMS TO MAKE PRIORITY SECTOR LENDING PROFITABLE ORGANICALLY:** Axis Bank aims to organically grow its Priority Sector Lending (PSL) book and make it a profitable business, a senior official said on Wednesday. Speaking at an event to announce a partnership with Paynearby, the third largest private sector lender's head of 'Bharat Banking' initiative Munish Sharda told reporters that the bank wants to become profitable on the PSL front and tie-ups will help in the same cause. Banks are mandated to lend up to 40 per cent of their overall lending in a year to certain marginalised sections of the society, which is classified as PSL. *(Financial Express)*

**FORMER RBI GOVERNOR D SUBBARAO SUGGESTS 10-YEAR ROAD MAP FOR PRIVATISATION OF ALL PSBs:** Former RBI governor D Subbarao has suggested that the government should come up with a 10-year road map for privatisation of all Public Sector Banks (PSBs) as it would provide much needed predictability to stakeholders. Subbarao further said that the big bang approach to privatisation of state-owned banks is not desirable but at the same time the issue should not be put on the back burner. "Ideally, we should have a road map, maybe over a 10 year timeframe, to privatise all PSBs. "That will give much needed predictability to all stakeholders," he told PTI. Meanwhile, Subbarao said the government should also be thinking about corporatisation of public sector banks so that they come within the umbrella of uniform RBI regulation. *(Financial Express)*

**HDFC BANK TO HAVE PERSONAL LOAN READY FOR ALL IN 10 SECONDS:** Private lender HDFC Bank is treading into a territory it avoided till now - unsecured personal loans in 10 seconds for even those who do not have an account with the bank, said head of retail assets Arvind Kapil. As competition intensifies and data availability improves, the bank is widening its offers to self-employed who were not seen as creditworthy. The bank is looking to increase loan exposure to self-employed customers who form only 5% of the total market. The private lender has 12 million pre-approved loan customers across products. It has set up an infrastructure base across 650 districts in India to disburse unsecured loans. *(Economic Times)*

**RBI, FINMIN ASK BANKS, TRADE BODIES TO PUSH CROSS-BORDER RUPEE TRADE:** Reserve Bank and the finance ministry on Wednesday asked top management of banks



**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

and representative of trade bodies to push exports and import transactions in rupee. It was stressed during a meeting that banks should connect with their foreign counterparts for opening special rupee vostro accounts to facilitate cross-border trade in Indian currency rather than popular mode dollar, sources said. **(Business Standard)**

**RBI RELEASES 'ALERT LIST' OF 34 ENTITIES BARRED FROM FOREX TRADES:** After receiving repeated enquiries on the authorisation status of certain electronic trading platforms for foreign exchange transactions, the Reserve Bank of India has released a list of entities that are not authorised to undertake such trades. The list, which will be referred to as an 'alert list', is not exhaustive and is based on the latest information available to the RBI at the time, the central bank said on Wednesday. The list includes entities that are neither authorised to deal in foreign exchange under the Foreign Exchange Management Act, 1999 nor to operate electronic trading platforms for forex transactions. **(Business Standard)**

**SBI SELLS LARGEST AT-1 TRANCHE AT LOWEST RATE FOR ANY BANK SO FAR THIS YEAR:** State Bank of India on Wednesday issued additional tier-1 (AT1) bonds worth a total of Rs 6,872 crore at a cut-off of 7.75 per cent, the lowest rate set for such debt issuances by any bank so far in the current financial year. The bank had notified an amount of Rs 7,000 crore to be raised through a single tranche of AT1 bonds in order to augment capital. **(Business Standard)**

**BANKS IN TALKS WITH SINGAPORE'S DBS TO BEGIN REAL-TIME REMITTANCE SYSTEM:** At least five Indian banks, including SBI and ICICI Bank, are in discussions with Singapore's DBS Bank to start a real-time remittance system using UPI as the backbone, reported *The Economic Times* on Wednesday. The banks are in discussions to start a common remittance platform with the city-state in collaboration with Singapore's PayNow funds' transfer service **(Economic Times)**



**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

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

### **ENVIRONMENT DRIVEN TAXES**

Recently, there has been growing awareness of the imposition of environmental taxes, and a very large basket has already been designed in different countries. An extract depicts the current status of their coverage globally. According to the OECD (2006), there are about 375 environmentally related taxes in the OECD countries.

Carbon taxes are the most contentious fiscal instruments widely discussed, which serve the dual purpose of acting as a deterrent and raising resources from activities that impact sustainable economic development. Some of the other taxes in this area which have also been explored globally are:

- Taxes on plastic bags in Ireland were introduced in 2002 which generated Euro 200 million in over 12 years.
- Deposit refund packaging scheme in Finland was first introduced in 1950.
- Landfill tax in the UK was introduced in 1996 to reduce the amount of waste sent for landfilling and boost waste recycling.
- Tax on nitrogen emissions in Sweden was introduced in 1992 to discourage activities with nitrogen emissions.

**Ecotax:** An ecotax is a tax whose tax base is defined so as to internalise the negative externality generated either from the production/consumption/extraction behavior in an economy". Some examples of "ecotax" in India at a regional level are; Clean energy tax by the Government of India introduced in 2010, imposed on coal, peat and lignite, Gujarat Green Cess , Goa Green Cess, tax on old vehicles on some states etc.



**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

### **RBI KEY RATES**

Repo Rate: 5.40%  
SDF: 5.15%  
MSF & Bank Rate: 5.65%  
CRR: 4.50%  
SLR: 18.00%  
Fixed Reverse Repo: 3.35%

### **FOREX (FBIL 1.30 PM)**

INR / 1 USD : 79.9220  
INR / 1 GBP : 91.7291  
INR / 1 EUR : 79.0700  
INR /100 JPY: 55.4600

### **EQUITY MARKET**

Sensex: 59028.91 (- 168.08)  
NIFTY : 17624.40 (- 31.20)  
Bank NIFTY: 39455.90 (-210.60)

**(CMA Chittaranjan Chattopadhyay)**  
**Chairman,**  
**Banking, Financial Services & Insurance Board**

***Disclaimer:** Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICAI. For Restricted Circulation only. A Compilation of News in this regard from Secondary Sources.*