



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

November 09, 2022

NEW BUSINESS PREMIUM FOR LIFE INSURANCE INDUSTRY RISES 15.32% IN

OCTOBER: Collective new business premium income for life insurance companies witnessed a 15.32% year-on-year rise to 24,916.58 crore for the month of October this year from Rs 21,606.25 crore in the year-ago period, according to Life Insurance Council. The growth was backed by close to 18% y-o-y growth for the state-run LIC. New business premium or the first-year premium of private sector life insurance companies in October grew 11% y-o-y to Rs 8996.45 crore, while state-run LIC registered a 17.92% y-o-y growth to Rs 15,920.13 crore.

(Economic Times)

KARNATAKA ACCOUNTS FOR 55% OF INDIA'S START-UP VALUATIONS: Speaking at the curtain raiser press meet for Bengaluru Tech Summit (BTS), Karnataka IT&BT Minister CN Ashwath Narayan said over 40 per cent of unicorns in the country belong to the state and it accounts for 55 per cent of the country's start-up ecosystem's valuation.

(Business Today)

IIM BANGALORE'S NSRCEL AND YUNUS SOCIAL BUSINESS FUND TO BACK SOCIAL START-UPS FROM RURAL INDIA:

NSRCEL, the entrepreneurship centre of IIM Bangalore, has signed an MoU with Yunus Social Business Fund Bengaluru (YSBFB) in social business financing and scaling. NSRCEL's Impact Orbit Incubation Vertical recently launched its first-ever Rural Entrepreneurship Incubation program, which aims to identify, nurture and scale social innovations in rural India. According to the company, NSRCEL will support nine early-stage startups in scaling their revenues through specialised businesses and investment-readiness training through this program. The goal of this incubation program is to support at least 25% of the cohort to double their revenue and to directly impact 500-700 livelihoods and indirectly benefit 2500-3000 lives.

(Business Today)

UJJIVAN SFB Q2 RESULTS: PAT GROWS TO RS 294 CRORE, IN SEPTEMBER

QUARTER: Ujjivan Small Finance Bank has recorded strong profitability growth during the September quarter this fiscal, which ended on September 30, 2022. As per its filing, it garnered a profit after tax of Rs 294.29 crore in Q2 FY23, registering a growth of 45.01 per cent as against a PAT of Rs 202.94 crore in the first quarter of this fiscal (April to June). Besides, it reported that deposits were at Rs 20,396 crore in the September quarter, which was up by 45 per cent year-on-year. Its Net Interest Margin (NIM) came in at 9.8 per cent in Q2 FY23 expanding from 8.1 per cent in Q2FY22. In terms of non-performing assets, the bank said its GNPA declined to 4.4% in the September quarter as against 5.9 per cent in Q1 FY23.

(Business Today)



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RICE EXPORT, COAL IMPORT NORMS CLARIFIED: The government has said that broken rice consignments held up at container freight stations, which had been handed over to these stations before the September 8 decision of their export ban, should be cleared for shipments. After imposing a 20% export duty on non-basmati rice, the government on September 8 banned the export of broken rice to increase its domestic availability. In a separate notification, the DGFT said that under the coal import monitoring system, importers can apply for registration not earlier than 60th day and not later than five days before the expected date of arrival of the consignment.

(Business Today)

RBI, CCIL URGE JAPAN TO DROP INSPECTION CLAUSE: The tussle between Indian financial market regulators and their peers in developed countries over 'extra-territorial jurisdictions' is playing out on multiple fronts, leaving a dozen MNC banks trying to figure out the way forward. The Reserve Bank of India (RBI) and Clearing Corporation of India (CCIL), which settles large volumes of trades on bonds, derivatives and foreign exchange, are trying to resolve a standoff with Bank of Japan (BoJ) and Financial Services Agency, Japan (JFSA) which are keen on having inspection rights over CCIL.

(Economic Times)

CRYPTO EXCHANGE BINANCE TO ACQUIRE RIVAL FTX: Cryptocurrency exchange FTX, just months removed from looking like a shining survivor in a struggling industry, succumbed Tuesday to a sudden liquidity crunch of its own and was taken over by rival Binance.

(Live Mint)

BUYING RUSSIAN OIL IS TO INDIA'S ADVANTAGE: S JAISHANKAR: External Affairs Minister S Jaishankar on Tuesday said that buying the Russian oil is to India's advantage and India will continue doing that. Jaishankar's comments came after he met his Russian counterpart Sergey Lavrov in Moscow. India has been buying oil from sanctions-hit Moscow amid the Ukraine conflict that started earlier this year, much to the chagrin of the West, which has severed trade ties with Russia. Speaking about the India-Russia relationship, EAM Jaishankar said they have an "exceptionally" steady and time-tested relationship and the objective now is to fashion a balanced, mutually beneficial and long-term engagement in the backdrop of the increasing economic cooperation.

(Live Mint)

PAYTM Q2 RESULTS: NET LOSS WIDENS TO ₹571 CRORE, REVENUE UP 76%: Digital financial services firm One97 Communications, which operates under the Paytm brand name, on Monday reported a widening of consolidated loss to ₹571 crore for the September 2022 quarter. The company had recorded a net loss of ₹472.90 crore in the same period last year. Paytm's consolidated revenue from operations for the second quarter of the fiscal jumped 76% to ₹1,914 crore on a year-on-year (Y-o-Y) basis from ₹1,086 crore. It is 14% higher than the



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revenue of ₹1,679.60 crore in the previous quarter. The revenue was driven by increase in merchant subscription revenues, growth in bill payments due to growing MTU and growth in disbursements of loans through our platform, the company said.

(Live Mint)

GOLD PRICES DIPS AS DOLLAR GAINS, INVESTORS AWAIT US INFLATION

DATA: Gold prices slipped on Tuesday as the dollar regained some ground, while investors braced for the U.S. inflation data later this week that could determine the Federal Reserve's future policy path. Spot gold fell 0.4% to \$1,668.50 per ounce by 0844 GMT. Prices hit a three-week peak in the previous session, buoyed by a weaker dollar. U.S. gold futures shed 0.5% to \$1,671.50.

(Business Standard)

INFLATION, RISING COSTS TO SLOW DOWN DIGITAL TRANSFORMATION:

REPORT: About 58 per cent healthcare industry professionals globally believe that digital transformation initiatives would be slowed down due to inflation and rising costs, a new report showed on Tuesday. About 63 per cent of healthcare and pharmaceutical industry professionals in North America expected a disruption to digitalisation initiatives in their business units due to inflation. The same opinion was expressed by 55 per cent of industry professionals in Europe and 47 per cent in the Asia-Pacific region, according to Global Data, a leading data and analytics company.

(Business Standard)

DRUG FIRM LUPIN GETS USFDA NOD TO MARKET GENERIC ANTIBIOTIC MEDICINE IN US:

Drug firm Lupin on Tuesday said it has received approval from the US health regulator to market Doxycycline Capsules used to treat bacterial infections in the American market. The drug firm has received tentative approval from the US Food and Drug Administration (FDA) for its abbreviated new drug application (ANDA) for Doxycycline Capsules, 40 mg, a generic equivalent of Galderma Laboratories' Oracea capsules, Lupin Ltd said in a statement.

(Business Standard)

PSBs' OPERATING PROFITS GET FEE INCOME BOOST IN Q2FY23: A clutch of public sector banks saw higher operating profits in the second quarter of the current financial year as the treasury losses were more than offset by fee income. Major PSBs had seen a loss at an operating level in the previous quarter due to loss on investments. SBI reported a 17% jump in pre-provisioning operating profit (PPOP) while Bank of Baroda (BoB) saw a muted 6% rise. Other banks such as Union Bank of India, Punjab National Bank (PNB), Canara Bank and Bank of India saw their operating profits rising in the range of 8-39%. PNB saw the highest rise at 39% in its PPOP. Union finance minister Nirmala Sitharaman on Monday said that the 12 PSBs reported a 50% jump in combined net profit to Rs 25,685 crore in Q2.

(Financial Express)



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FINANCIAL TERMINOLOGY/CONCEPTS

REGULATORY SANDBOX

- ❖ Regulatory sandbox refers to live testing of new products or services in a controlled regulatory environment. It acts as a "safe space" for business as the regulators may or may not permit certain relaxations for the limited purpose of testing.
- ❖ The sandbox allows the regulator, the innovators, the financial service providers and the customers to conduct field tests to collect evidence on the benefits and risks of new financial innovations, while carefully monitoring and containing their risks.
- ❖ Entities are allowed to experiment with fintech solutions in a live environment and on a limited set of real users for a limited time frame.
- ❖ Firstly, regulators obtain first-hand empirical evidence on the benefits and risks of emerging technologies and their implications, enabling them to take a considered view on the regulatory changes or new regulations that may be needed to support useful innovation, while containing the attendant risks. Second, users of a sandbox can test the product's viability without the need for a larger and more expensive roll-out.
- ❖ Third, fintechs provide solutions that can further financial inclusion in a significant way.
- ❖ In India, financial regulators such as the Reserve Bank of India, Securities and Exchange Board of India, Insurance Regulatory and Development Authority and the International Financial Services Centres Authority run their own sandboxes.
- ❖ The RBI sandbox scheme, introduced in 2019, is based on thematic cohorts. The first four cohorts were on retail payments, cross-border payments, MSME lending, and prevention of financial frauds, respectively.
- ❖ In September, the RBI announced the fifth cohort and based on feedback received from various stakeholders, it has kept the theme neutral. Innovative products, services or technologies cutting across various functions in RBI's regulatory domain would be eligible to apply.



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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 : 82.2112
INR / 1 GBP : 93.1327
INR / 1 EUR : 81.7579
INR /100 JPY: 55.8400

EQUITY MARKET

Sensex: 61185.15 (+234.79)
NIFTY : 18202.80 (+85.60)
Bank NIFTY: 41686.70 (+428.25)

(CMA Chittaranjan Chattopadhyay)

Chairman,

Banking, Financial Services & Insurance Board

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