



**THE INSTITUTE OF
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(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

August 11, 2022

- **CABINET APPROVES CONTINUATION OF PRADHAN MANTRI AWAS YOJANA-URBAN (PMAY-U) - “HOUSING FOR ALL” MISSION UP TO 31ST DECEMBER 2024:** The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi, today has approved the proposal of Ministry of Housing and Urban Affairs (MoHUA) for continuation of Pradhan Mantri Awas Yojana-Urban (PMAY-U) up to 31st December 2024 wherein financial assistance is to be provided for the completion of already sanctioned 122.69 lakh houses till 31st March 2022. Central Assistance approved since 2015 is Rs. 2.03 lakh crore against Rs. 20,000 crore in 2004-2014. Upto 31st March 2022, Central Assistance/subsidy of ₹1,18,020.46 crore has already been released and ₹85,406 crore will be released as Central Assistance/subsidy till 31st December 2024.
<https://pib.gov.in/PressReleaselframePage.aspx?PRID=1850679>
- **UNION MINISTER FOR SOCIAL JUSTICE & EMPOWERMENT TO LAUNCH “SMILE-75 INITIATIVE” ON 12 AUGUST 2022:** The Government of India has formulated a comprehensive scheme of SMILE (Support for Marginalised Individuals for Livelihood and Enterprise) to address the persisting problem of destitution and beggary. Under the “SMILE-75 Initiative”, 75 identified Municipal Corporations, in the spirit of Azadika Amrit Mahotsav, will undertake comprehensive rehabilitation of persons engaged in the act of begging. The Ministry of Social Justice & Empowerment has allocated a total budget of Rs.100 crore for the SMILE scheme for coming years till 2025-26. The “SMILE-75 Initiative” will be launched by Union Minister for Social Justice & Empowerment Dr. Virendra Kumarin presence of Shri A. Narayanaswamy, Hon’ble Minister of State (SJ&E) on 12.08.2022 at 02:00 PM at a Shelter Home (Rain Basera) near Nizamuddin Metro Station in New Delhi. The identified 75 Municipal Corporations, experts from the field of beggary and eminent NGOs will participate in this nationwide launch through online and offline mode. Under the SMILE-75 initiative, seventy five (75) Municipal Corporations in collaboration with NGOs and other stakeholders will cover several comprehensive welfare measures for persons who are engaged in the act of begging with focus extensively on rehabilitation, provision of medical facilities, counselling, awareness, education, skill development, economic linkages and convergence with other Government welfare programmes etc. The objective of SMILE- 75 is to make our cities/town and municipal areas begging-free and make a strategy for comprehensive rehabilitation of the persons engaged in the act of begging through the coordinated action of various stakeholders.
<https://pib.gov.in/PressReleasePage.aspx?PRID=1850579#:~:text=The%20%E2%80%9CSMILE%2D75%20Initiative%E2%80%9D%20will%20be%20launched%20by%20Union,Metro%20Station%20in%20New%20Delhi.>



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- **RBI RELEASES FIRST SET OF NORMS FOR DIGITAL LENDING:** The Reserve Bank of India on August 10 released norms to regulate digital lending to crack down on the growing number of frauds and unlawful activities. All loan disbursements and repayments have to be executed only between the bank accounts of the borrower and the regulated entity without any pass-through or pool account of the lending service provider (LSP) or any third party, the regulator said. Any fees or charges payable to LSPs in the credit intermediation process shall be paid directly by the regulated entity and not by the borrower. Digital lenders are classified into three categories. The first are those entities regulated by the RBI and permitted to carry out lending business. Second are those entities authorized to carry out lending as per other statutory or regulatory provisions but not regulated by RBI. The third category includes those entities lending outside the purview of any statutory or regulatory provisions. A standardised Key Fact Statement (KFS) must be provided to the borrower before executing any loan contract, the RBI said.
[RBI releases first set of norms for digital lending \(moneycontrol.com\)](#)
- **FARE CAPS ON DOMESTIC FLIGHTS TO BE LIFTED FROM AUGUST 31:** Upcoming festival season could witness a surge in airfares. As of August 31, India will remove fare caps imposed on domestic airlines during the pandemic. The move will lead to a lifting of restrictions on ticket prices and allow airlines to charge fares as per “demand and supply dynamics”.
[India to do away with fare caps on domestic routes from August 31 - The Hindu BusinessLine](#)
- **CENTRE RELEASES TWO INSTALMENTS OF RS 1.16-TRN TAX DEVOLUTION TO STATES:** The Centre on Wednesday released two instalments of tax devolution totalling Rs 1.16 lakh crore to states. This is in line with the commitment of the government to strengthen the hands of states to accelerate their capital and developmental expenditure, a finance ministry statement said. "The Union Government has released two instalments of tax devolution to State Governments amounting to Rs 1,16,665.75 crore on 10th August, 2022, as against normal monthly devolution of Rs 58,332.86 crore," it said. Currently, 41 per cent of taxes collected by the Centre is devolved in 14 instalments among states during a fiscal year.
[Centre releases two instalments of Rs 1.16-trn tax devolution to states | Business Standard News \(business-standard.com\)](#)
- **BANKS WROTE OFF RS 10 TRILLION IN LAST FIVE FINANCIAL YEARS: CENTRE:** A recent Parliament reply disclosed that scheduled commercial banks have written off loans worth about Rs 10 lakh crore in the last five financial years. According to a reply by the Finance Ministry, during 2021-22, the write-off amount came down to Rs 1,57,096 crore compared to Rs 2,02,781 crore in 2020-21. As per the written reply by Minister of State for Finance, Bhagwat K. Karad in Rajya Sabha, during 2019-20, the write-off was worth Rs 2,34,170 crore, down from Rs 2,36,265 crore, the highest in five years recorded in 2018-19. During 2017-18, the write-off by banks stood at Rs 1,61,328 crore. In all, bank loans to the tune of Rs 9,91,640 crore have been written off in the last five years -- 2017-18 to 2021-22.
[Banks wrote off Rs 10 trillion in last five financial years: Centre | Business Standard News \(business-standard.com\)](#)



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- **HDFC – HDFC BANK MERGER MAY RESULT IN RS 48000 CRORE FUND FLOWS, SEE 14% OF INDEX WEIGHT RE-ADJUSTED:** Merger of HDFC Bank with Housing Development Finance Corporation (HDFC) could turn out to be a major event for the benchmark NSE Nifty 50 index, which currently consists of both the stocks. According to analysts at ICICI Securities, the proposed merger, once in place, will likely result in an unprecedented ~14% of the Nifty 50 weight getting readjusted. This would likely result in close to Rs 48,000 crore worth of buying and selling based on July 2022 prices, analysts said. HDFC and HDFC Bank have secured a few approvals for their merger, which was announced in April this year, including that of the Reserve Bank of India (RBI) and the stock exchanges.
[HDFC – HDFC Bank merger may result in Rs 48000 crore fund flows, see 14% of index weight re-adjusted | The Financial Express](#)
- **NPAs IN MSME SECTOR INCREASED BY 12.5% IN Q4 FY22 FROM YEAR-AGO PERIOD: REPORT:** he non-performing assets (NPAs) in the micro, small and medium enterprise (MSME) sector have jumped 12.59 per cent in the fourth quarter of the financial year 2021-22 to Rs 2.95 lakh crore from Rs 2.62 lakh crore during Q4 FY21, a report by SIDBI and credit bureau TransUnion CIBIL showed, indicating the Covid impact. The overall MSME NPA rate as on March'22 stood at 12.8 per cent in comparison to 12.5 per cent for March'21 and 12.6 per cent for March'20. The NPAs started to climb from Rs 2.42 lakh crore during Q3 FY21 and peaked at Rs 3.10 lakh crore during Q2 FY22 before dropping slightly to Rs 3.01 lakh crore in the following quarter and further in Q4, showed MSME Pulse August 2022 report. Importantly, the drop in NPAs was visible across all segments of the sector viz., micro, small, and medium.
[NPAs in MSME sector increased by 12.5% in Q4 FY22 from year-ago period: Report | The Financial Express](#)
- **GAUTAM ADANI GETS 'Z' CATEGORY SECURITY:** Billionaire Gautam Adani is the new entrant to the 'Z' category VIP security club after the Union home ministry recently approved an armed commando squad following threat perception to the business tycoon. The ministry sources told India Today that the amount spent on security will be borne by the Adani Group chairman. Under the 'Z' category security, a total of 33 security guards will be posted. Before this, Reliance Industries (RIL) chairman Mukesh Ambani and his wife Nita also got the 'Z' category security. They also pay the amount spent on their security to the respective forces on a monthly basis.
[BREAKING: Gautam Adani gets 'Z' category security - BusinessToday](#)
- **BANK CREDIT RISES 14.52 PER CENT: RBI DATA:** Bank credit rose 14.52 per cent to Rs 123.69 lakh crore and deposits increased 9.14 per cent to Rs 169.72 lakh crore in the fortnight ended July 29, according to RBI data. In the fortnight ended July 30, 2021, bank advances stood at Rs 108 lakh crore and deposits at Rs 155.49 lakh crore, as per the Reserve Bank of India's Scheduled Banks' Statement of Position in India as on July 29. The data was released on Wednesday.
[rbi: Bank credit rises 14.52 per cent: RBI data - The Economic Times \(indiatimes.com\)](#)



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- **IN A FIRST, SBI FORMALISES POLICY TO FINANCE MAKERS OF LAB-GROWN DIAMONDS:** SBI is the first Indian lender to frame a policy to fund makers of lab-grown diamonds which come across as replicas of the natural stones, but are often looked at with suspicion by high-street banks and scoffed at by many traditional diamantaires. Reflecting the slow shift in the diamond trade, the decision by the country's largest bank comes amid some of the jewellers putting up factories in Surat to produce synthetic diamonds and many diamond houses considering relocating from the financial capital Mumbai to the southern Gujarat town, which for decades has been the hub of diamond cutters and polishers.

"The man-made (or lab-grown) diamond lobby is becoming stronger by the day. Though volumes are still a fraction of natural diamonds, SBI probably thinks it is an emerging business. With the pandemic and decline in affordability, demand for lab-grown stones has improved," a senior industry person told ET.

[sbi: In a first, SBI formalises policy to finance makers of lab-grown diamonds - The Economic Times \(indiatimes.com\)](https://www.economictimes.com/sbi-in-a-first-sbi-formalises-policy-to-finance-makers-of-lab-grown-diamonds)

**TODAY'S FINANCIAL
TERMINOLOGY: GREEN BANKING**

Green banking means promoting environmental friendly practices and reducing your carbon footprints from your banking activities. Green banking aims at improving the operations and technology along with making the clients habits environment friendly in the banking business. It is like normal banking along with the consideration for social as well as environmental factors for protecting the environment.



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RBI KEY RATES

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

FOREX RATES (AS PER FBIL .30 PM)

INR / 1 USD : 79.5033
INR / 1 GBP : 95.9695
INR / 1 EUR : 81.1522
INR /100 JPY: 58.8600

EQUITY MARKET

Sensex: 58817.29 (-35.78)
NIFTY : 17534.80 (+9.70)
Bank NIFTY: 38287.85 (+50.45)

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