



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

September 12, 2022

ADB WILL STRENGTHEN PARTNERSHIP WITH INDIA: The Asian Development Bank (ADB) will further strengthen its partnership with India and support the country's development priorities for inclusive growth, an official said. Asian Development Bank (ADB) Vice-President Shixin Chen, on his India visit during September 5 – 9, reiterated the multilateral lending agency's commitment to further strengthen its partnership with India. Chen affirmed ADB's support to the government's development priorities that target the country's fast, green, and inclusive post-COVID-19 economic recovery, ADB said in a release on Saturday. Commending the achievement of record USD 4.87 billion of ADB lending commitment to India in 2021, including USD 274 million for private sector operations, he discussed future cooperation with the country.

(Financial Express)

DRIVE AGAINST DIGITAL FRAUDS: RBI TO CRACK DOWN ON ILLEGAL LOAN APPS: Clamping down on illegal loan apps proliferating outside the regular banking channels, the government has asked the Reserve Bank of India to prepare a "white list" of legal apps to be permitted in app stores. The central bank will also monitor money-laundering through mule/rented accounts, take proactive action in cancelling dormant NBFC licences and remove unregistered payment aggregators within a time frame. The decision was taken in a meeting chaired by finance minister Nirmala Sitharaman here on Thursday, which discussed various issues related to illegal loan apps. There have been rising instances of fraud by digital lending apps, which are not registered with the central bank and operate on their own.

(Financial Express)

BHARAT BIOTECH WINS BUSINESSLINE'S CHANGEMAKER OF THE YEAR AWARD: Finance Minister Nirmala Sitharaman presented BusinessLine's Changemaker of the Year award to Bharat Biotech for its stirring work during the pandemic in producing a homegrown vaccine in super quick time. The prodigiously talented Mithali Raj, who single-handedly put women's cricket centre stage, was crowned the iconic changemaker of the year.

(Business Line)

INDIA NOT PART OF IPEF'S TRADE PILLAR; BROADER CONSENSUS YET TO EMERGE AMONG NATIONS: India has not agreed to the commitments of the trade pillar of the 14-member Indo-Pacific Economic Framework (IPEF) as broader consensus has so far not emerged on certain issues like environment, labour and public procurement. Commerce and Industry Minister Piyush Goyal says India would continue to engage with the trade track in the IPEF and will wait for the final contours to be decided on the trade pillar.

(Business Line)



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GOLD PRICE REBOUNDS FROM 6-WEEK LOW: Despite hawkish rhetoric of various US Fed officials, spot gold price bounced back after hitting its six week low of \$1,680 per ounce. Gold October 2022 future contract finished ₹165 higher at ₹50,521 per 10 gm levels on Friday, ending its three weeks losing streak. Reason for this rise in gold rates can be attributed mainly to ease in dollar index after the surprise 75 bps interest rate hike by the European Central Bank.

(Live Mint)

TAMIL NADU: REVISED POWER TARIFF COMES INTO EFFECT DESPITE OPPOSITION: The Tamil Nadu Electricity Regulatory Commission (TNERC) has revised the tax rates with effect from Saturday in spite of solid resistance from opposition from various sectors. The revised power tariff of the Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO) came into effect on Saturday. The new tariff, however, retained the existing scheme of providing 100 units free to domestic, multi-tenements, old age homes, and handlooms consumers. TANGEDCO has presented a peak hour framework for LT duty II-B (1), IIB(2), IIIB and V. TANGEDCO will gather 25 per cent energy charges for commercial consumers through the new framework. The duration of peak hours is 6 to 10 in the morning and evening.

(Live Mint)

FISHERIES SECTOR SEES ALL-TIME HIGH EXPORTS OF 13.64 LAKH TONNES: GOVT: The Ministry of Fisheries on Saturday said that fish production reached an all-time high 161.87 lakh tons during 2021-22 compared to 141.64 lakh tons during 2019-20. Pradhan Mantri Matsya Sampada Yojana (PMMSY) has supported 31.47 lakh farmers under insurance coverage from 22 state and 7 UTs and additional 6.77 lakh farmers have been covered for livelihood and nutritional support during lean/ban period. "Further, to meet short-term credit requirements of the sector, the Government has extended the Kisan Credit Card (KCC) to Fishers, Fish Farmers, SHGs, Joint Liability Groups, Women Groups, etc. As on Jan 2022, a total of 6,35,783 applications have been submitted and an amount of ₹1,04,179 Lakh has been sanctioned," the ministry said.

(Live Mint)

PHARMA BODY CLEARS MICRO LABS OF CHARGES OF SPENDING RS 1000 CR ON FREEBIES: The Indian Pharmaceutical Alliance (IPA) on Saturday cleared Micro Labs, the makers of the paracetamol tablet Dolo-650, of the charge that they offered freebies worth Rs 1,000 crore to doctors to prescribe the brand. The IPA, in a report submitted to the National Pharmaceutical Pricing Authority (NPPA) said that, Rs 1,000 crore expenditure on single brand Dolo-650 on freebies in one year is not correct."

(Business Standard)

RELIANCE INDUSTRIES ACQUIRES SHUBHALAKSHMI POLYESTERS FOR RS 1,592 CR: Reliance Petroleum Retail (under name change to 'Reliance Polyester'), a wholly-



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owned subsidiary of Reliance Industries, acquired the polyester business of Shubhalakshmi Polyesters (SPL) and Shubhlaxmi Polytex (SPTex) for Rs 1,522 crore and Rs 70 crore, respectively, in cash.

(Business Standard)

FINMIN MULLS CHANGES IN INSURANCE LAWS TO BOOST

PENETRATION: The finance ministry is contemplating changes in insurance laws, including reduction in minimum capital requirement, with a view to increasing the insurance penetration in the country. Insurance penetration in India increased from 3.76 per cent in 2019-20 to 4.20 per cent in 2020-21, registering a growth of 11.70 per cent. Insurance penetration measured as the percentage of insurance premium to GDP witnessed handsome growth during the year, mainly due to the outbreak of COVID-19. The ministry is doing a comprehensive review of the Insurance Act, 1938 and also looking at making relevant changes to help push growth of the sector, sources said, adding the process is at a preliminary stage. One of the provisions being considered is lowering the minimum capital requirement of Rs 100 crore for setting up an insurance business, the sources said.

(Business Standard)

CONSULTATIONS UNDERWAY WITH STAKEHOLDERS FOR MAKING NATIONAL E-COMMERCE POLICY:

Department for Promotion of Industry and Internal Trade (DPIIT) Secretary Anurag Jain on Sunday said that consultations are underway with stakeholders to formulate the national e-commerce policy, which is aimed at promoting the growth of the sector in the country.

(Economic Times)

SFIO ARRESTS CHINESE SHELL COMPANIES' RACKET MASTERMIND & CHIEF PLOTTER:

Serious Fraud Investigation Office (SFIO) has arrested Dortse, a Board member of Jillian Ltd, who has emerged as the mastermind of the racket of incorporating a large number of shell companies with Chinese links in India and providing dummy directors on their Boards. Dortse was arrested on Saturday evening at a remote place in Bihar —he had fled from NCR Delhi and was looking to get out of India.

(Business Line)



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FINANCIAL TERMINOLOGY/CONCEPTS

APPROPRIATION BILL

- ❖ Under Article 114(3) of the Constitution, no amount can be withdrawn from the Consolidated Fund without the enactment of such a law by Parliament. After the Demands for Grants are voted by the Lok Sabha, Parliament's approval to the withdrawal from the Consolidated Fund of the amounts so voted and of the amount required to meet the expenditure charged on the Consolidated Fund is sought through the Appropriation Bill.
- ❖ The whole process beginning with the presentation of the Budget and ending with discussions and voting on the Demands for Grants requires a fairly long time. The Lok Sabha is, therefore, empowered by the Constitution to make any grant in advance in respect of the estimated expenditure for a part of the financial year pending completion of procedure for the voting on the demands. The purpose of the 'Vote on Account' is to keep the government functioning, pending voting of 'final supply'.
- ❖ The Vote on Account is obtained from Parliament through an Appropriation (Vote on Account) Bill.



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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 : 79.6358
INR / 1 GBP : 92.3467
INR / 1 EUR : 80.1832
INR /100 JPY: 55.7200

EQUITY MARKET

Sensex: 59793.14 (+104.92)
NIFTY : 17833.30 (+34.50)
Bank NIFTY: 40415.70 (+206.80)

(CMA Chittaranjan Chattopadhyay)

Chairman,

Banking, Financial Services & Insurance Board

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