



**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 12, 2022

LIC Q2 RESULT : NET PROFIT SURGES MULTIFOLD TO RS 15,952 CRORE:

Life Insurance Corporation (LIC) reported a net profit of Rs 15,952 crore for the quarter ended September (Q2FY23), a manifold increase from Rs 1,433 crore in the corresponding period last year. In the June quarter, the insurer had reported a net profit of just Rs 682.9 crore. First-year premium, came in at Rs 9,124.7 crore for the quarter compared with Rs 8198.30 crore a year ago. Net premium income was Rs 1.32 lakh crore, compared with Rs 1.04 lakh crore in the year-ago period.

(Moneycontrol)

IIP GROWS 3.1% IN SEP 23: India's industrial growth, as per the Index of Industrial Production (IIP), rose to 3.1 percent in September well supported by mining and electricity. Mining output increased by 4.6 percent following a contraction of 3.9 percent in August, whereas electricity production jumped by 11.6 percent YoY in September. Output had contracted by 0.8 percent in August - the industry's worst performance in 18 months.

(Moneycontrol)

US DEPARTMENT OF TREASURY REMOVES INDIA FROM ITS CURRENCY MONITORING LIST:

The US on Friday removed India along with four other countries from its Currency Monitoring List. The US Department of Treasury, in its biannual report to the Congress, said that India, Italy, Mexico, Thailand and Vietnam have been removed from the list. The countries that have been removed from the list have met only one out of three criteria for two consecutive reports, it said. China, Japan, Korea, Germany, Malaysia, Singapore, and Taiwan are the seven economies that are a part of the current monitoring list. "China's failure to publish foreign exchange intervention and broader lack of transparency around key features of its exchange rate mechanism makes it an outlier among major economies and warrants Treasury's close monitoring," said the report. The US treasury department had placed India on a watchlist of currency manipulators in June this year on account of its significant bilateral trade surplus. The US treasury department puts a trading partner on the watchlist if that country had intervened in the currency market by higher levels than 2% of its GDP over a 12-month period, and had a current account surplus of 2% of GDP and a trade surplus with the US.

(Economic Times)

FTX TO FILE FOR US BANKRUPTCY PROTECTION, CEO RESIGNS:

Cryptocurrency exchange FTX said on Friday it was commencing bankruptcy proceedings in the United States and Sam Bankman-Fried is resigning from his role as chief executive officer.



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The move comes days after larger rival Binance walked away from a proposed acquisition and left it scrambling to raise about \$9.4 billion from investors and rivals. The embattled company was seeking a lifeline after a liquidity crunch due to customers withdrawing funds at a frenetic pace. It also fans concerns about the future of the crypto industry, which faces an uphill task of regaining favor among retail investors after several blowups this year.

(Economic Times)

MOODY'S CUTS 2022 GROWTH FORECAST FOR INDIA TO 7%: Moody's Investors Service on Friday lowered India's economic growth projection for 2022 to 7% from 7.7% earlier. This is the second time that Moody's Investors Service has cut India's growth estimates. In September, it had cut projections for the current year to 7.7 per cent from 8.8 per cent estimated in May. "For India, the 2022 real GDP growth projections have been lowered to 7 per cent from 7.7 per cent. The downward revision assumes higher inflation, high-interest rates and slowing global growth will dampen economic momentum by more than we had previously expected," the agency said in its Global Macro Outlook 2023-24.

(Economic Times)

DIRECT TAXES COLLECTIONS CROSS ₹10.5 LAKH CRORE SO FAR THIS FISCAL: The Income Tax Department on Friday said gross direct tax collections crossed ₹10.5 lakh crore this fiscal year up to November 10. This is 30.69 per cent higher than the gross collections of over ₹8 lakh crore for the corresponding period of last year. It is over 61 per cent of the budget target of ₹14.20 lakh crore.

(Business Line)

SEBI INTRODUCES REGULATORY FRAMEWORK TO ASSIST ONLINE BOND PLATFORM PROVIDERS: Capital markets regulator Securities and Exchange Board of India (Sebi) has introduced a regulatory framework to facilitate providers of online bond platforms that are selling listed debt securities. Under the new rules, no person would act as an online bond platform provider without obtaining registration certificate as a stock broker from Sebi, the regulator said in a notification made public on Friday. Such a person would have to comply with the conditions of registration and such other requirements specified by the regulator from time to time. The move will also enhance the confidence among investors, particularly non-institutional investors, as the platforms would be provided by Sebi-regulated intermediaries. A person acting as an online bond platform provider without registration certificate prior to the date of this regulation coming into force can continue to do so for a period of three months.

(Business Today)



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CANADA PENSION PLAN INVESTMENT BOARD COMMITS RS 1850 CR TO KOTAK INFRASTRUCTURE INVESTMENT FUND:

Global investment management firm Canada Pension Plan Investment Board (CPPIB) said it has committed Rs 1850 crore towards the first close of Kotak Infrastructure Investment Fund (KIIF), a closed-end private debt fund by Kotak Investment Advisors Limited, in the second quarter of fiscal 2023.

(Business Today)

SHRIRAM GROUP MERGER GETS NCLT NOD; NEW ENTITY TO TAKE BIRTH

BY NOV-END: The National Company Law Tribunal (NCLT) has given its nod for the mega merger of Shriram Transport Finance and Shriram City Union Finance (SCUF). The group is preparing to announce the birth of the new entity, Shriram Finance, by the third week of November. The new entity is expected to have combined assets under management (AUM) of more than Rs 1.5 trillion, some 20 million consumers, and a distribution network of around 3,500.

(Business Standard)

TELANGANA TO DEVELOP DEDICATED INDUSTRIAL PARK FOR TAIWANESE COMPANIES:

A team from Taiwan Electrical and Electronic Manufacturers' Association (TEEMA) and Taipei Economic and Cultural Center (TECC) on Friday met Telangana Minister for IT and Industries K T Rama Rao and discussed a wide range of topics ranging from trade and economic cooperation to cultural exchange programmes. An official release said the minister spoke about Telangana's unique investment policy, TS-iPASS and also highlighted about creating a dedicated industrial park in the State for Taiwanese companies and jointly work with industry and trade organisations of Taiwan to take it forward.

(Business Standard)

PIYUSH GOYAL PITCHES FOR PPP MODEL TO REVAMP COTTAGE

EMPORIUM: Union Minister Piyush Goyal has directed officials to explore the possibility of a public private partnership (PPP) in revamping the Cottage Emporium and expanding its business. The textiles minister was inspecting Central Cottage Industries Emporium, a retail outlet under Central Cottage Industries Corporation (CCIC), on Thursday. He emphasized on promoting Indian craft globally by providing a modern and viable marketing platform.

(Business Standard)

FOREX DROPS BY \$1.09 BN TO \$529 BN ON SHARP DECLINE IN GOLD

RESERVES: : India's foreign exchange reserves dropped by USD 1.087 billion to stand at USD 529.994 billion for the week ended November 4 on a sharp decline in the gold reserves, the Reserve Bank said on Friday. In the previous reporting week, the reserves had swelled by



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USD 6.561 billion to reach USD 531.081 billion, making it the biggest weekly jump in a year. In October 2021, the country's forex kitty had reached an all-time high of USD 645 billion. The reserves have been declining as the central bank deploys the kitty to defend the rupee amid pressures caused by global developments. Foreign currency assets (FCA), a major component of the overall reserves, decreased by USD 120 million to USD 470.727 billion during the week to November 4, according to the Weekly Statistical Supplement released by the RBI. The gold reserves dropped by USD 705 million to USD 37.057 billion, it said. The Special Drawing Rights (SDRs) were down by USD 235 million to USD 17.39 billion.

(Business Standard)

SENSEX LOGS NEW LIFETIME HIGH ON US INFLATION BOOST:

The Sensex logged a new lifetime closing high on Friday after the softer-than-expected US consumer price inflation data triggered a sharp rally in global markets. The Nifty closed at 18,350, up 322 points, or 1.8 %

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

ACCOUNT AGGREGATORS

- ❖ An Account Aggregator (AA) is a type of RBI regulated entity (with an NBFC-AA license) that helps an individual securely and digitally access and share information from one financial institution they have an account with to any other regulated financial institution in the AA network. **Data cannot be shared without the consent of the individual.**
- ❖ The account aggregator (AA) framework **facilitates sharing of financial and other information on a real-time basis and in a data blind manner between different regulated entities.**
- ❖ There will be many Account Aggregators an individual can choose between.
- ❖ India's financial system involves many hassles for consumers today -- sharing physical signed and scanned copies of bank statements, running around to notarise or stamp documents, or having to share your personal username and password to give your financial history to a third party. The Account Aggregator network would replace all these with a simple, mobile-based, simple, and safe digital data access & sharing process. This will create opportunities for new kinds of services -- eg new types of loans.
- ❖ The individual's bank just needs to join the Account Aggregator network.



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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 : 80.6483
INR / 1 GBP : 94.4929
INR / 1 EUR : 82.4661
INR /100 JPY: 56.9600

EQUITY MARKET

Sensex: 61795.04 (+1181.34)
NIFTY : 18349.70 (+321.50)
Bnk NIFTY: 42137.05 (+533.25)

(CMA Chittaranjan Chattopadhyay)

Chairman,

Banking, Financial Services & Insurance Board

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