



**THE INSTITUTE OF
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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

July 14, 2022

- **US INFLATION ACCELERATES TO 9.1%, HIGHEST IN 41 YEARS:** US inflation accelerated in June by more than forecast, underscoring relentless price pressures that will keep the Federal Reserve on track for another big interest-rate hike later this month. The consumer price index rose 9.1% from a year earlier in a broad-based advance, the largest gain since the end of 1981, Labor Department data showed Wednesday. The widely followed inflation gauge increased 1.3% from a month earlier, the most since 2005, reflecting higher gasoline, shelter and food costs. Economists projected a 1.1% rise from May and an 8.8% year-over-year increase, based on the Bloomberg survey medians. The so-called core CPI, which strips out the more volatile food and energy components, advanced 0.7% from the prior month and 5.9% from a year ago, above forecasts.
[US inflation accelerates to 9.1%, highest in 41 years \(moneycontrol.com\)](#)
- **HDFC TO RAISE UP TO RS 5,000 CRORE THIS WEEK:** Mortgage major HDFC Ltd will launch an issue of bonds on a private placement basis on Friday to raise up to Rs 5,000 crore, the company said on July 13. The secured redeemable non-convertible debentures (NCDs) will bear interest rate at 7.77 per cent, payable annually and has a tenor of 4 years 11 months and 10 days, HDFC said in a regulatory filing. The issue size is of Rs 2,500 crore with an option to retain oversubscription of Rs 2,500 crore. "The object of the issue is to augment the long-term resources of the Corporation. The proceeds of the present issue would be utilised for financing/refinancing the housing finance business requirements of the Corporation," HDFC said. The issue opens on July 15, 2022, and closes on the same day. Axis Bank is the arranger of the proposed bonds issue.
[HDFC to raise up to Rs 5,000 crore this week \(moneycontrol.com\)](#)
- **INDIA'S TRADE DEFICIT WITH CHINA WIDENS AS COMMODITY PRICES FALL:** India's trade deficit with China widened sharply in the first two months of the current financial year as imports grew and exports fell. Exports contracted because of a sharp decline in commodity prices as global recession fears grew. Sluggish Chinese demand amid COVID-19 restrictions contributed to the decline. Specifically, iron ore and copper exports slumped. Trade between the two countries grew a mere 2 percent in April-May 2022 from a year ago, compared to a rapid 34 percent rise in the trade between India and the United States. Country-level trade data for June had not been published at the time of writing this report. Trade data for April and May show that India's exports to China contracted about 31 percent to \$3.07 billion while imports climbed 12.8 percent to \$15.39 billion. Petroleum product exports grew as private refiners stepped up overseas sales to offset losses from selling domestically during those months.
[India's trade deficit with China widens as commodity prices fall \(moneycontrol.com\)](#)



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- **OVER 2 LAKH JOBS GENERATED BY INDIAN TECH PLAYERS IN THE US: NASSCOM:** The Indian tech industry has directly generated \$103 billion of revenue and directly employed 2,07,000 people in the US with an average wage of \$1,06,360, witnessing a 22 per cent of employment growth since 2017, according to a new report from Nasscom.
“From the value chain through to the end customers, Indian technology companies invest in American talent and technology that they augment with their global resources to develop and produce cutting-edge innovations for industries & clients,” Nasscom said in its reports titled, “Impact of Indian Technology companies on the US Economy” and “Building the current and future US workforce: role of the Indian technology industry in the US”, commissioned by IHS Markit (now part of S&P global). The direct impact of the Indian tech industry in both operational and investment spending as well as supporting their client base, has rippled through the US economy generating a total of \$396 billion in US sales (output), supporting a total of 1.6 million jobs and contributing over \$198 billion to the US economy – larger than the combined economies of 20 US states in 2021, Nasscom added.
[Over 2 lakh jobs generated by Indian tech players in the US: Nasscom - The Hindu BusinessLine](#)
- **MFIs' GROSS LOAN PORTFOLIO RISES TO ₹2.9 LAKH CRORE AT MARCH-END- REPORT:** The Gross Loan Portfolio (GLP) of microfinance industry grew by 10.2 per cent to nearly ₹2.9 lakh crore at the end of March, says a report. The same stood at ₹2.6 lakh crore in the year-ago period. On a sequential basis, the GLP rose by 8.6 per cent during the period that ended March 2022. Banks continue to dominate the microfinance market with portfolio share of 37.7 per cent, followed by NBFC-MFIs with a share of 33.3 per cent and Small Finance Banks (SFBs) at 17.1 per cent, as of March 2022, according to a quarterly report released by CRIF High Mark, a credit information bureau, on Wednesday. During Q4FY22, ₹191.2 lakh loans were disbursed, a growth of 15.5 per cent compared to Q3FY22. However, it was a decline of 17.2 per cent compared to Q4FY21.
[MFIs' gross loan portfolio rises to ₹2.9 lakh crore at March-end: Report - The Hindu BusinessLine](#)
- **HC DIRECTS VIVO TO GIVE RS 950-CR BANK GUARANTEE TO OPERATE BANK ACCOUNTS:** The Delhi High Court on Wednesday allowed Chinese smartphone manufacturer Vivo to operate its bank accounts after furnishing a bank guarantee of Rs 950 crore. The next hearing is likely on July 28. This comes after the Enforcement Directorate (ED) had frozen the bank accounts of the phone company and the HC had refused to unfreeze the accounts on July 8. The phone manufacturer had said the account freeze would hamper its ability to pay for its liabilities, such as taxes and employee salaries. After the last court order, the ED had asked Vivo to provide specific information supporting its claim that it currently has expenses of Rs 451 crore towards taxes, Rs 12 crore towards employee benefits, and Rs 2,363 towards operating expenses.
[HC directs Vivo to give Rs 950-cr bank guarantee to operate bank accounts | Business Standard News \(business-standard.com\)](#)



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- **FRONT-RUNNING SCANDAL AT AXIS MUTUAL FUND SET TO ROCK \$465-BN MF INDUSTRY:** A sprawling regulatory probe that's ensnared the Indian partner of Schroders Plc is roiling one of the nation's largest asset managers and is poised to shake up India's \$465 billion mutual fund industry. Axis Asset Management Co., which is India's seventh largest mutual fund manager and partly owned by Schroders, in May sacked two employees, including its chief dealer, amid an ongoing internal probe. The fund in early July submitted its findings to regulators and said it had evidence to believe that the terminated executives had violated securities law. Meanwhile, the Securities & Exchange Board of India has been carrying out its own investigation into potential front-running by the two men, a person familiar with the agency's probe said, asking not to be identified discussing private information. Front running is the trading of stocks by someone privy to information about a large impending transaction that will move prices. It's illegal in India.
[Front-running scandal at Axis Mutual Fund set to rock \\$465-bn MF industry | Business Standard News \(business-standard.com\)](#)
- **MORGAN STANLEY-BACKED CONTINUUM GREEN ENERGY RAISES \$350 MN VIA BONDS:** Continuum Green Energy, a renewable energy platform, on Wednesday said it has raised USD 350 million (about Rs 2,786 crore) in debt through a bond issue to expand its solar hybrid and wind projects. The company, which has a portfolio of 1.3 GW of assets either operational or nearing commissioning, issued senior secured floating rate notes to two marquee international institutional investors, as per an official statement.
[Morgan Stanley-backed Continuum Green Energy raises \\$350 mn via bonds | Business Standard News \(business-standard.com\)](#)
- **NEWS ON RBI NOD FOR ARC STAKE SPECULATIVE, LACKS BONAFIDE SOURCES: YES Bank:** Private sector lender YES Bank said on Wednesday that media reports saying that the bank had received in-principle approval from the Reserve Bank of India to hold 20 per cent stake in an asset reconstruction company are speculative. In a release to exchanges YES Bank said that the media reports have no bonafide reference. "The Bank is not aware of the source, which resulted in the abovementioned news item and as a matter of policy, the Bank would not like to comment on such speculation," the lender said. YES Bank clarified that it had indeed started the process of seeking a partner for an asset reconstruction company through a public expression of interest, but added that the process is still underway. At present, YES Bank has not taken any binding or effective decisions on the matter.
[News on RBI nod for ARC stake speculative, lacks bonafide sources: YES Bank | Business Standard News \(business-standard.com\)](#)



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- **RBL BANK, IMGC TIE UP FOR MORTGAGE GUARANTEE-BACKED HOME LOANS:** India Mortgage Guarantee Corporation (IMGC) on Wednesday announced its strategic partnership with RBL Bank to offer mortgage guarantee-backed home loan products to salaried and non-salaried customers. This partnership with IMGC will help RBL Bank extend mortgage guarantee-backed home loans to new borrower segments through the bank's network of over 500 branches across the country, IMGC said in a statement. Private player IMGC provides mortgage guarantee to lenders for home loans. It has provided guarantee to more than 85,200 home loans amounting to more than Rs 15,400 crore through its partnership with 23 lenders, including banks and housing finance companies.
[RBL Bank, IMGC tie up for mortgage guarantee-backed home loans | The Financial Express](#)
- **NASSCOM, GOOGLE SET UP CALL CENTRE TO HELP RURAL WOMEN ENTREPRENEURS SCALE UP BUSINESS:** Nasscom Foundation along with Google has set up a call centre in collaboration with a not-for-profit body ISAP to help women farmers scale up their business. The project is being run on a pilot basis to initially reach out to 20,000 rural women entrepreneurs across six states — Himachal Pradesh, Uttarakhand, Uttar Pradesh, Bihar, Haryana and Rajasthan, Nasscom Foundation CEO Nidhi Bhasin said at the launch of "DigiVaani Call Center".
[Nasscom, Google set up call centre to help rural women entrepreneurs scale up business | The Financial Express](#)
- **NOMURA LOWERS INDIA 2023 GROWTH FORECAST BY 70 BASIS POINTS TO 4.7%:** Nomura has lowered its India gross domestic product growth projection for 2023 by 70 basis points from 5.4% to 4.7% as economic recovery faces several headwinds. Nomura expects GDP growth of 7.2% in 2022 and projects the economy to grow 7% in fiscal year 2022-23 and 5.5% in fiscal year 2023-24.
[Nomura lowers India 2023 growth forecast by 70 basis points to 4.7% \(moneycontrol.com\)](#)
- **NOW, EPFO HAS MORE TIME TO DECIDE WHEN TO SELL STOCKS:** The Employees' Provident Fund Organisation has advanced its decision making on offloading equity to August instead of February, in a move that will help the retirement body plan liquidation of its equity investments better. A senior government official told ET that the EPFO was so far taking a decision to offload equity in February and had less than a month to realise the capital gains basis which it declared the rate of interest on PF deposits for the concluding year. "However, from this year onwards, we will take a decision sometime in August, so that actual offloading can happen over the next six to seven months depending on the stock market conditions," the official added. EPFO offloads equity on the 'first in, first out' principle, which means the investments made in equity in the first year are offloaded in the fourth year, so that the money remains invested for a longer duration and fetches better returns. EPFO started investing in equities in 2015-16, starting with 5% in the first year, 10% in the second year and 15% in the subsequent years. It has made a cumulative investment of ₹1.7 lakh crore, out of which over ₹22,000 crore have been redeemed till March 31, 2022. EPFO invests up to 15% of its incremental corpus of ₹1.5 lakh crore into equity in the form of exchange traded funds, both on the Nifty and Sensex. Its accumulated corpus stands at over ₹16 lakh crore now and it has nearly 60 million subscribers to it.
[epfo: Now, EPFO has more time to decide when to sell stocks - The Economic Times \(indiatimes.com\)](#)



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RBI KEY RATES

Repo Rate: 4.90%
SDF: 4.65%
MSF & Bank Rate: 5.15%
Fixed Reverse Repo Rate: 3.35%
CRR: 4.50%
SLR: 18.00%

FOREX RATES (AS PER FBIL 1.30 PM)

INR / 1 USD : 79.6592
INR / 1 GBP : 94.8890
INR / 1 EUR : 79.9497
INR /100 JPY: 58.1200

EQUITY MARKET

Sensex: 53514.15 (-372.46)
NIFTY: 15966.70 (-91.60)

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