



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
**CMA BHAWAN**  
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035  
+ 91-33-2252-1602/1492/1619  
+ 91-33- 2252-7143/7373/2204  
Fax :+91-33-2252-7993  
+91-33-2252-1026  
+91-33-2252-1723  
Website :www.icmai.in

## **DAILY NEWS DIGEST BY BFSI BOARD**

**September 21, 2022**

**RBI TAKES CENTRAL BANK OF INDIA OUT OF PCA FRAMEWORK:** Reserve Bank of India on Tuesday announced that Central Bank of India has been taken out of PCA framework. "The performance of the Central Bank of India, currently under the Prompt Corrective Action Framework (PCAF) of RBI, was reviewed by the Board for Financial Supervision. It was noted that as per the assessed figures of the bank for the year ended March 31, 2022, the bank is not in the breach of the PCA parameters," said the central bank in a statement. Central Bank of India has provided a written commitment that it would comply with the norms of Minimum Regulatory Capital, Net NPA and Leverage ratio on an ongoing basis. Central Bank of India was the only Bank under PCA. IOB, UCO Bank and IDBI Bank have been taken out of PCA framework last year.

**(Business Standard)**

**BharatPe MAY GO PUBLIC IN NEXT 18 TO 24 MONTHS, SAYS CHAIRMAN RAJNISH KUMAR:** Veteran banker and current chairman of BharatPe Rajnish Kumar said on September 20 that the company could go public in another 18 to 24 months. Speaking about attracting investors, Kumar told *CNBC-TV18* that there should be a few quarters of profitability for investors to get confidence that the company has a plan, it is working towards the same, and that there is potential for growth and profit. He said: "There should be a consistent record of a few quarters as far as growth and profit are concerns for investors to gain confidence", and added: "We would like to go to the markets with that confidence -- 18 to 24 months is the time period by which we can aim to list BharatPe."

**(Moneycontrol)**

**MTM LOSSES: NO RBI BREATHER FOR BANKS:** The Reserve Bank of India has rejected banks' request for allowing flexibility in the accounting of mark-to-market (MTM) losses in their balance sheet, banking sources told FE. The request was aimed at delinking banks' MTM losses from their operating performance. This is for the second time since June that the central bank has turned down banks' request for forbearance on accounting for treasury losses. An earlier proposal for allowing them to spread such losses, incurred during the June quarter, over the remaining quarters of this fiscal, was rejected. Banks suffered huge MTM losses due to a rise in interest rates this fiscal.

**(Financial Express)**

**WITHDRAWAL TIMELINE FOR NPS SUBSCRIBERS REDUCED TO 'T+2' FROM 'T+4':** The time taken for executing the withdrawal requests of National Pension System (NPS) subscribers has been slashed from 'T+4' to 'T+2'. For subscribers associated with Protean eGov Technologies Ltd, which is one of the Central Recordkeeping Agencies (CRAs),



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
**CMA BHAWAN**  
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035  
+ 91-33-2252-1602/1492/1619  
+ 91-33- 2252-7143/7373/2204  
Fax :+91-33-2252-7993  
+91-33-2252-1026  
+91-33-2252-1723  
Website :www.icmai.in

the "requests authorised up to 10:30 AM will be settled on a T+2 basis", the regulatory body added. For subscribers associated with KFin Technologies Ltd & CAMS - the two other CRAs - the requests "authorised up to 11 AM" will be settled on a T+2 basis, it noted.

**(Moneycontrol)**

**RBI WANTS FINTECH OPERATORS TO FOLLOW RULES OF GAME:** Warning against mushrooming of lending apps and their usurious recovery prices, the Reserve Bank said it is not interested in penalizing operators or stifling innovation but wants them to follow the rules of the game, governor Shaktikanta Das said on Tuesday. Addressing the third edition of the global fintech summit here this evening, he said the intention of the central bank is not to penalize or stifle anyone but to ensure that everyone follows traffic rules.

**(Economic Times)**

**FORMAL JOB CREATION JUMPS 24.5% TO 1.82 MILLION IN JULY:** Formal job creation under the Employees' Provident Fund Organisation jumped by 24.5% in July to 1.82 million compared to 1.46 million added in July 2021 on the back of strong pick-up in economic activity. Out of the total 1.82 million net subscribers added during the month, around 1.05 million new members have been enrolled under the social security cover of EPF & MP Act, 1952 for the first time.

**(Economic Times)**

**FM GIVES A STATUS REPORT ON COMMON KYC FOR FINANCIAL TRANSACTIONS:** Work is going on for implementing common KYC for all financial transactions, Finance minister Nirmala Sitharaman said on Tuesday. The common KYC can be used for undertaking various financial transactions across institutions, she said. "There is a central repository which takes care of central KYC. We are also now working in such a way that once you have given your KYC, it can be applicable at various institutions at various times for various requirements that you may have.

**(Economic Times)**

**RETAIL INFLATION FOR FARM, RURAL WORKERS RISE IN AUGUST:** Retail inflation for farm and rural workers increased to 6.94 per cent and 7.26 per cent, respectively, in August mainly due to higher prices of certain food items. Food inflation stood at 6.16 per cent and 6.21 per cent for agricultural labourers (CPI-AL) and rural labourers (CPI-RL) respectively, in August 2022.

**(Economic Times)**

**CENTRE SEEKS HIRING PLAN AFTER PUBLIC BANKS SEE DIP IN STAFF STRENGTH:** After several Public Sector Banks (PSBs) acknowledged the shortage of staff, especially clerical, the finance ministry has reportedly asked bank chiefs to take stock of the employment situation in these entities. The ministry has sought a monthly hiring plan from the banks, a report in the *Times of India (TOI)* stated. The TOI report added that in the last 10 years, till March 2021, the number of branches of PSBs in India has gone up by 28 per cent.



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
**CMA BHAWAN**  
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035  
+ 91-33-2252-1602/1492/1619  
+ 91-33- 2252-7143/7373/2204  
Fax :+91-33-2252-7993  
+91-33-2252-1026  
+91-33-2252-1723  
Website :www.icmai.in

The number of branches was up from 67,466 in 2010-11 to 86,311 in 2020-21. On the other hand, the total staff strength has fallen from 776,000 in 2010-11 to 771,000 lakh in 2020-21.

***(Business Standard)***

### **RBI ASKS URBAN COOPERATIVE BANKS TO APPOINT COMPLIANCE CHIEFS**

**BY APRIL 2023:** The Reserve Bank of India has asked Urban Cooperative Banks (UCBs) with deposits above Rs 10,000 crore to appoint a chief compliance officer (CCO) by April 01, 2023, to improve corporate governance. These banks are categorised as tier-4 entities. RBI gave tier-3 banks — those with deposits above Rs 1,000 crore and less than Rs 10,000 crore — time till October 01, 2023, to appoint CCO.

***(Business Standard)***

### **HERO MOTO TIES UP WITH HPCL TO SET UP ELECTRIC TWO-WHEELER CHARGING INFRA:**

Hero MotoCorp on Tuesday said it has joined hands with HPCL to set up charging infrastructure for electric two-wheelers in the country. As a part of the initiative, the two companies will first establish charging infrastructure at HPCL's existing network of stations, with the likelihood of subsequently broadening the collaboration for supplementary business opportunities.

***(Business Standard)***

### **SBI ASKS ITS BRANCHES TO AVOID DOLLAR EXPOSURE ON BANGLADESH:**

SBI has asked its branches to avoid taking major foreign currency exposure on Bangladesh until further instructions, in light of a forex crisis there.

***(Financial Express)***



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
**CMA BHAWAN**  
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035  
+ 91-33-2252-1602/1492/1619  
+ 91-33- 2252-7143/7373/2204  
Fax :+91-33-2252-7993  
+91-33-2252-1026  
+91-33-2252-1723  
Website :www.icmai.in

---

## ***FINANCIAL TERMINOLOGY/CONCEPTS***

### **CAPITAL FLIGHT**

---

- ❖ Capital flight, occurs when assets or money rapidly flow out of a country, due to an event of economic consequence or as the result of a political event such as regime change or economic globalization. Such events could be an increase in taxes on capital or capital holders or the government of the country defaulting on its debt that disturbs investors and causes them to lower their valuation of the assets in that country, or otherwise to lose confidence in its economic strength.
- ❖ This leads to a disappearance of wealth, and is usually accompanied by a sharp drop in the exchange rate of the affected country—depreciation in a variable exchange rate regime, or a forced devaluation in a fixed exchange rate regime.
- ❖ This fall is particularly damaging when the capital belongs to the people of the affected country because not only are the citizens now burdened by the loss in the economy and devaluation of their currency but their assets have lost much of their nominal value. This leads to dramatic decreases in the purchasing power of the country's assets and makes it increasingly expensive to import goods and acquire any form of foreign facilities, e.g. medical facilities.
- ❖ Capital flight was seen in some Asian and Latin American markets in the 1990s. Perhaps the most consequential of these was the 1997 Asian financial crisis that started in Thailand and spread through much of East Asia beginning in July 1997, raising fears of a worldwide economic meltdown due to financial contagion.



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
**CMA BHAWAN**  
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035  
+ 91-33-2252-1602/1492/1619  
+ 91-33- 2252-7143/7373/2204  
Fax :+91-33-2252-7993  
+91-33-2252-1026  
+91-33-2252-1723  
Website :www.icmai.in

### **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 : 79.6778  
INR / 1 GBP : 91.1647  
INR / 1 EUR : 79.9498  
INR /100 JPY: 55.5800

### **EQUITY MARKET**

Sensex: 59719.74 (+ 578.51)  
NIFTY : 17816.30 (+ 194.00)  
Bank NIFTY: 41468.30 (+ 563.90)

**(CMA Chittaranjan Chattopadhyay)**

**Chairman,**

**Banking, Financial Services & Insurance Board**

***Disclaimer:** Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICAI. For Restricted Circulation only. A Compilation of News in this regard from Secondary Sources.*