



**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 22, 2022

CABINET APPROVES SECOND TRANCHE OF PLI SCHEME FOR SOLAR PV MODULES WITH RS 19,500 CRORE ALLOCATION:

Union Cabinet on approved the second tranche of the performance-linked incentive scheme for development of solar PV modules, with an outlay of Rs 19,500 crore. The "National Programme on High-Efficiency Solar PV Modules" is aimed at achieving a manufacturing capacity of "Giga Watt (GW)-scale in high-efficiency solar PV modules". The Centre, in an official release, noted that the scheme will bring "direct investment of around Rs 94,000 crore", and lead to direct employment of about 1,95,000 persons and indirect employment of around 7,80,000. The incentive will be disbursed for 5 years post commissioning of solar PV manufacturing plants.

(Moneycontrol)

RBI ANNOUNCES RATE OF INTEREST ON GOVERNMENT OF INDIA FLOATING RATE BOND 2033:

As per press released dated 21 September 2022, The rate of interest on Government of India Floating Rate Bond 2033 (GOI FRB 2033) applicable for the half year September 22, 2022 to March 21, 2023 shall be 7.42 percent per annum. It may be recalled that FRB 2033 will carry a coupon, which will have a base rate equivalent to the average of the Weighted Average Yield (WAY) of last 3 auctions (from the rate fixing day, i.e., September 22, 2022) of 182 Day T-Bills, plus a fixed spread (1.22 percent).

(RBI Press Release)

CONVERGENCE PORTAL BETWEEN AGRICULTURE INFRASTRUCTURE FUND SCHEME, PRIME MINISTER'S MICRO FOOD ENTERPRISES UPGRADATION SCHEME AND PM KISAN SAMPADA YOJANA LAUNCHED:

Union Minister Shri Narendra Singh Tomar today launched the convergence module between the Agriculture Infrastructure Fund (AIF) scheme of the Ministry of Agriculture and Farmers Welfare, Pradhan Mantri Micro Food Enterprises Upgradation Scheme (PMFME) and Pradhan Mantri Kisan Sampada Yojana (PMKSY) of the Ministry of Food Processing Industries. Through this convergence, the eligible beneficiaries under PMFME and PMKSY Scheme availing credit-linked subsidy would be able to avail an additional benefit of Interest Subvention @3% on the interest rate being charged by the banks over and above the 35% of subsidy being provided under the PMFME Scheme. For the ease of approval of projects under both schemes, the AIF MIS portal has been modified for the acceptance of applications from the beneficiaries under



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the PMFME and PMKSY scheme. The PMFME beneficiaries would be able to apply directly for the benefit of Interest Subvention on the AIF portal with the DPR approved under PMFME. Similarly, AIF beneficiaries eligible under PMFME Scheme can seek additional benefits of subsidy by applying in the PMFME MIS portal with the sanction letter under AIF and DPR.

(PIB, GoI)

WIPRO FIRES 300 EMPLOYEES FOUND MOONLIGHTING WITH RIVAL

COMPANY: Wipro Chairman Rishad Premji on Wednesday said the company had found 300 of its employees worked with one of its competitors at the same time, and added that action was taken in such cases by terminating their services. Premji asserted that he stands by his recent comments on moonlighting being a complete violation of integrity "in its deepest form".

(Moneycontrol)

ZEPTO'S KAIVALYA VOHRA: YOUNGEST INDIAN WITH NET WORTH ABOVE

RS 1,000 CRORE: Nineteen-year-old Kaivalya Vohra, the founder of quick grocery delivery app Zepto, emerged as the youngest Indian to have a net worth of over Rs 1,000 crore in a survey. He stood at the 1,036th spot in the IIFL Wealth Hurun India Rich List 2022, with a net worth of Rs 1,000 crore. Vohra founded Zepto with Aadit Palicha in 2020. Palicha, 20, has also made it to the list with a net worth of Rs 1,200 crore.

(Business Standard)

ADB CUTS FY23 GDP FORECAST FOR INDIA TO 7%: The Asian Development Bank cut its fiscal year 2022-23 (FY23) gross domestic product growth forecast for India to 7 per cent from 7.2 per cent on Wednesday, citing sluggish global demand and tightening of monetary policy to manage inflationary pressures from elevated prices for oil and other commodities.

(Business Standard)

25% MICRO CREDIT CUSTOMERS GRADUATED TO SMES SINCE COVID:

BANDHAN BANK MD: Around 25 per cent of Bandhan Bank's micro credit customers graduated to become small and medium enterprise (SME) loans in the last couple of years amid pandemic. According to Bandhan Bank's founder Managing Director and Chief Executive Officer Chandra Shekhar Ghosh, the average ticket size for these customers too grew from Rs 55,000 to Rs 1.15 lakh in the past two years.

(Business Standard)



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HDFC BANK SIGNS MULTI-YEAR DATA AND TECHNOLOGY DEAL WITH

REFINITIV: HDFC Bank on Wednesday signed a multi-year data and technology agreement with Refinitiv, a London Stock Exchange Group business, as the Mumbai-based lender looks to reach more customers and cut costs. The Bank will get comprehensive access to Refinitiv's data and products under the agreement, enabling cost savings across several bank divisions, the companies said in a joint statement.

(Business Standard)

INDIA'S BANKING SYSTEM LIQUIDITY SLIPS INTO DEFICIT AFTER 40 MONTHS - RBI:

India's banking system liquidity has slipped into deficit for the first time in nearly 40 months, according to the Reserve Bank of India. The RBI infused 218 billion Indian rupees (\$2.73 billion) into banking system on Tuesday, the biggest since May 2019. Overnight rates continue to stay elevated, with one-day call money rate jumping to 5.85%, highest since July 2019.

(Business Standard)

INDIA HOLDS DEBT RESTRUCTURING TALKS WITH SRI LANKA:

India and Sri Lanka held the first round of talks here last week on restructuring the bilateral official debt of the island nation facing economic crisis, according to an official statement on Tuesday. The discussions symbolise India's support to early conclusion and approval of a suitable IMF Programme for Sri Lanka, for which financing assurances from creditors to make Sri Lanka's debt sustainable are required.

(Economic Times)

NPA SALES TO NARCL EXPECTED TO HELP CONTAIN NPAs BY AT LEAST 50 BPS, SAYS REPORT:

A good amount of clean up through sale of NPAs to NARCL is expected to help banks contain reported gross NPAs by 50 basis points. Overall Gross NPAs are expected to touch a low of 4 percent of their advances by FY '24, a study by ratings firm Crisil said. Crisil expects slippages to trend 50 bps (one bps or 0.03 percent) lower at 2.0% for fiscal 2024 versus 2.5% last fiscal as the economy stabilises.

(Economic Times)



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FINANCIAL TERMINOLOGY/CONCEPTS

GOLDILOCKS SCENARIO

- ❖ A Goldilocks scenario in an economy refers to an ideal situation where there is a steady growth. The economic growth is neither too high to trigger inflation and nor too low for a slowdown. In simple terms, in a goldilocks scenario, the economy is not expanding by a huge margin with inflation or shrinking into recession.
- ❖ In this state of the economy, there are certain features attached. For one, the unemployment rate in the economy is really low. There is steady growth in the Gross Domestic Product (GDP) numbers and companies report better earnings. The retail inflation and the interest rates are relatively low. The Goldilock scenario is good for investors as companies perform well and stocks rally.
- ❖ If the economy is steady and not in for sudden shocks, there will be profitable business growth. Central bankers and fiscal policy makers often try to direct their policies towards maintaining a goldilocks economy. In the US, there have been several phases of goldilock economies with the most recent in 2017, when the economy grew at near 4% and no signs of high inflation. Recently, HSBC securities said it sees a potential goldilocks scenario supporting the bull market in India.



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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 : 79.9226
INR / 1 GBP : 90.8230
INR / 1 EUR : 79.4079
INR /100 JPY: 55.6100

EQUITY MARKET

Sensex: 59456.78 (-262.96)
NIFTY : 17718.30 (-98.00)
Bank NIFTY: 41203.40 (-264.90)

(CMA Chittaranjan Chattopadhyay)

Chairman,

Banking, Financial Services & Insurance Board

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