



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

September 24, 2022

AT 16.2%, CREDIT GROWTH IN BANKING SYSTEM FASTEST IN 9 YEARS:

RBI DATA: Credit growth in the banking system was at a multi-year high of 16.2 per cent year-on-year (YoY), for the fortnight ended September 9, the latest data released by the RBI showed. Last time, credit growth touched 16 per cent was in November 2013.

(Business Standard)

NON-LIFE INSURERS SEE 12% RISE IN GROSS DIRECT PREMIUM INCOME IN

AUG: IRDAI: Non-life insurers registered a 12 % yearly growth in their gross direct premium income during August this fiscal at Rs 24,471.95 crore as per IRDAI data. In the same month a year ago, all the 31 non-life insurance companies in the domestic market had garnered a gross premium income of Rs 21,867.93 crore.

(Business Standard)

SKILL INDIA PARTNERS WITH SAMSUNG TO UPSKILL YOUTH IN FUTURE

TECHNOLOGIES: The Electronics Sector Skill Council of India (ESSCI) signed a memorandum of understanding (MoU) with Samsung India today, for a skilling initiative that aims to empower the youth with industry relevant skills in emerging technologies such as Artificial Intelligence, Internet of Things, Big Data and Coding & Programming, in a bid to enhance their employability. The programme will be executed by ESSCI, which is a National Skill Development Corporation (NSDC) entity through its nationwide network of approved training and education partners.

(Business Standard)

GOVT MAKING EFFORTS TO KEEP INFLATION UNDER 4%: NIRMALA

SITHARAMAN: Union Finance Minister Nirmala Sitharaman on Thursday said the government was making efforts to keep inflation under 4 per cent and steps were being taken to ensure people get essential goods at fair price and on time. " She said the issue of inflation should be understood in global context. "America is experiencing the kind of high inflation which was not witnessed in the last 40 years.

(Business Standard)

CBIC OFFERS CLARITY ON CLASSIFICATION OF CRANES FOR GST,

CUSTOMS DUTY: The Central Board of Indirect taxes and Customs (CBIC) has offered clarity on the classification of mobile machines such as all-terrain cranes and truck-mounted cranes into motor vehicles and cranes. Mobile cranes whose working machines are merely mounted on the chassis and are not mechanically integrated with it will be treated as motor vehicles, and will attract a higher rate of customs duty than those whose work machines are



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specifically designed for chassis. The latter category would be treated as cranes, CBIC clarified. Motor vehicles attract basic customs duty of 10 per cent, while cranes attract 7.5 per cent.

(Business Standard)

AMAZON INDIA EXTENDS FOUR-HOUR DELIVERY TO 50 CITIES AND TOWNS:

Amazon India is expanding its 4-hour delivery offering for Prime members to more than 50 cities and towns across the country. Same-day delivery, which was introduced in India in 2017, is now available in more pin codes. Amazon said more than 97 per cent pin codes now receive deliveries within two days of placing an order. *(Business Standard)*

RAJEEV CHANDRASEKHAR BACKS MOONLIGHTING, SAYS COMPANIES SHOULD NOT PUT LID ON EMPLOYEE DREAMS:

Union Minister of State for Electronics and Information Technology and Skill Development Rajeev Chandrasekhar on September 23 supported moonlighting, saying that companies should not put a lid on employees' dreams. These comments come at a time when software major Wipro has fired 300 of its employees for moonlighting and peer Infosys has warned its personnel that moonlighting could lead to termination of their jobs.

(Moneycontrol)

NCLT ISSUES NOTICE TO SPICEJET ON INSOLVENCY PLEA: The National Company Law Tribunal has issued a notice to SpiceJet on an insolvency plea and directed the domestic budget carrier to respond to it within two weeks. The NCLT issued the notice to SpiceJet based on an application filed by one of the operational creditors of the airlines -- Acres Buildwell Pvt Ltd. The company claims that outstanding dues to the tune of Rs 3.25 crores are owed to it by SpiceJet.

(Moneycontrol)

TATA STEEL TO MERGE 7 SUBSIDIARIES WITH ITSELF: In a bid to drive efficiency and cut operational cost, Tata Steel has decided to merge seven subsidiaries, including four listed entities with itself. The Board of Directors of all the Tata Steel group companies have approved the schemes for the proposed amalgamation.

(Business Line)

CITIGROUP SETS INDIA AS HIGH PRIORITY MARKET AMID CHINA RISKS:

Citigroup Inc. is targeting India as one of its top markets to expand globally as risks mount in China and other regions, the bank's global co-head of investment banking said. India presents "very clear" opportunities, said Manolo Falco, the global co-head of Banking, Capital markets and Advisory. The New York-based lender expects initial public offerings in India to pick up next year.

(Financial Express)



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AGEAS BECOMES FIRST FOREIGN COMPANY WITH 74% STAKE IN INDIAN

LIFE INSURER: Ageas Federal Life Insurance has become the first Indian life insurer to have 74% foreign shareholding following the exit of IDBI Bank which sold its entire 25% stake to Ageas Insurance International NV.

(Business Line)

GOVT AMENDS RULES GOVERNING CORPORATE SOCIAL RESPONSIBILITY:

The government has asked companies having any amount in their unspent corporate social responsibility accounts to set up a CSR committee. To this effect, the government has amended rules governing corporate social responsibility (CSR), according to an official notification issued by the Ministry of Corporate Affairs. Under the Companies Act, 2013, certain classes of profitable companies are required to spend at least 2 per cent of their average net profit of the preceding three financial years on CSR activities in a particular financial year. Prior to the amendment, CSR rules capped the expenditure of impact assessment that could be counted towards CSR obligations of a company to 5 per cent of its CSR expenditure or Rs 50 lakh, whichever is lower. This limit has now been increased to the higher of 2 per cent or Rs 50 lakh, which will enable companies to undertake comprehensive impact assessment for large scale CSR projects and account for the same towards their CSR obligation.

(Economic Times)

BANK CREDIT GROWTH ACCELERATES TO 14 PC IN Q1 DESPITE HIKE IN

LENDING RATES: RBI DATA: Banking system's credit growth at the end of the June quarter accelerated to 14 per cent as compared to the year-ago period, the RBI said on Friday. Growth in personal loans at 20.8 per cent in June 2022 drove the overall system credit growth. Credit to industry grew at 7.2 per cent in June 2022 quarter, up from 4.8 per cent in the quarter-ago period. Private sector banks continued to record higher credit growth than their state-run rivals, it said, adding that the share of private sector banks in total credit has now increased to 38 per cent from 35.3 per cent in June 2020.

(Financial Express)

SENSEX SINKS 1,020 POINTS AS RATE HIKES TRIGGER GLOBAL SELL-OFF;

POSTS WEEKLY LOSS: The Sensex tumbled 1,020 points while the Nifty crashed below the 17,350-mark on Friday as a flurry of rate hikes by global central banks spooked investors and sparked a global sell-off. The rupee breached the 81-mark against the US dollar in intra-day trade for the first time ever, adding to the negative sentiment. Sliding for the the third straight session, the 30-share BSE Sensex tanked 1,020.80 points or 1.73 per cent to close at 58,098.92. Similarly, the NSE Nifty plummeted 302.45 points or 1.72 per cent to end at 17,327.35.

(Business Line)



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FINANCIAL TERMINOLOGY/CONCEPTS

NEO BANKS

- ❖ A neobank is a digital bank that does not have any branches. Instead of having a physical presence at a set location, neobanking is entirely online. A broad collection of financial service providers, who primarily target tech-savvy customers, comes under the umbrella of neobanking. Basically, a neobank is a fintech firm that provides digital and mobile-first services like payments, debit cards, money transfers, lending, and more.
- ❖ Neobanks have made a splash in the fintech industry. New players have entered the market in considerable numbers. Their uniqueness is, they simplify financial services to the point where they meet the expectations of today's digital generation.
- ❖ Since Neobanks don't have a physical office in neighbourhoods, consumers can create their accounts from their mobile devices from the comfort of their home. And, given their technology-driven KYC process, the account can be ready in just a couple of minutes.
- ❖ In India, neobanks don't have a bank license of their own. Instead, they count on bank partners that are regulated to provide bank-licensed services. The likes of Jupiter, Fi, Niyo, and RazorpayX are currently working in partnerships with traditional banks.



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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 : 80.9165
INR / 1 GBP : 90.9156
INR / 1 EUR : 79.5064
INR /100 JPY: 56.9100

EQUITY MARKET

Sensex: 58098.92 (-1020.80)
NIFTY : 17327.30 (-302.50)
Bank NIFTY: 39546.30 (-1084.30)

(CMA Chittaranjan Chattopadhyay)

Chairman,

Banking, Financial Services & Insurance Board

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