



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

**February 28, 2023**

**BANK CREDIT GROWTH EASES TO 16.8% IN DECEMBER QUARTER:** Banks' credit growth eased to 16.8 percent in the December quarter from 17.2 % in the preceding quarter, data from the RBI's "Quarterly Statistics on Deposits and Credit of SCBs: December 2022" showed. In the year-ago period, bank credit grew at 8.4 percent. The growth in credit was led by bank branches in metropolitan centres, which account for nearly 60 percent of the total credit by scheduled commercial banks (SCBs) and recorded 17.2 % rise on-year in lending; urban, semi-urban and rural centres also recorded double-digit credit growth.

**(Moneycontrol)**

**INDIA INC'S PROFIT MARGIN NARROWS IN DECEMBER QUARTER ON HIGH INFLATION:** India Inc's operating profit margin narrowed by a sharp 2.37 per cent in the December quarter to 16.3 per cent on an annual basis due to inflation and rising energy costs, a domestic ratings agency ICRA said on Monday. The operating profit margin for the December quarter expanded by 1.80 per cent over the preceding September quarter.

**(Financial Express)**

**GOVT. TRANSFERS RS. 16,800 CRORE TOWARDS PM KISAN SAMMAN NIDHI:** Prime Minister Shri Narendra Modi today transferred the 13th installment of about Rs 16,800 crore under the ambitious Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme of the Government of India, through Direct Benefit Transfer (DBT) to the bank accounts of more than 8 crore beneficiary farmers across the country. Thousands of farmers were present in this huge programme at Belagavi in Karnataka, while crores of farmers and others joined online. It is a matter of pride that so far Rs. 2.24 lakh crores has been transferred to the accounts of about 11.5 crore farmers.

PM said that ever since Prime Minister Shri Modi assumed office, it has been his constant endeavour how to make the farmers prosperous, how the country moves forward, how the condition of the village, poor and farmers improves, so now the budget of the Ministry of Agriculture is raised to Rs 1.25 lakh crore, which is benefiting farmers across the country. Not only this, the Pradhan Mantri Fasal Bima Yojana (PM Crop Insurance scheme), the Agri Infrastructure Fund worth Rs 1 lakh crore and Rs. 50,000 crores worth of funds for Agriculture and Allied sectors have been launched. Adequate investment has been made to fill gaps everywhere so that the Agriculture becomes remunerative. In this budget also, along with financing the Agri Startups, promoting Natural Farming, Millets and Horticultural crops, development through technology in the Agriculture sector, increasing plantations, which is benefitting the Agriculture sector and will continue.

**(PiB)**



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**JAPAN'S OFFICIAL DEVELOPMENT ASSISTANCE (ODA) TO INDIA:** The Notes were exchanged today between Mr. Rajat Kumar Mishra, Additional Secretary, Department of Economic Affairs, Ministry of Finance, Government of India, and Mr. Suzuki Hiroshi, Ambassador of Japan, to India for Mumbai Trans-Harbour Link Project (III) of JPY 30.755 billion Rs. 1,728 crore approx.) and Project for the Establishment of Mizoram State Super-Specialty Cancer and Research Centre of JPY 9.918 billion (Rs. 560 crore approx.).

*(PiB)*

**GOVT EXTENDS FREE 5G TEST BED FACILITY FOR REGISTERED MSMEs, STARTUPS TILL JANUARY 2024:** The Department of Telecommunications (DoT) on Monday announced offering the 5G test bed facility for use free of cost to the government-recognised MSMEs and startups up to January 2024, extending it by a year from January 2023. The government in August last year had announced the free use of the test bed for six months up to January this year to boost the 5G ecosystem in India.

*(Financial Express)*

**INDIA'S FERTILISER IMPORTS ROSE 3.9PC TO 19.04 LAKH TON IN JANUARY:** The country's fertiliser imports rose by 3.9 per cent to 19.04 lakh tonnes in January this year compared to the year-ago period, according to the Fertiliser Ministry data. The country imported 18.33 lakh tonnes of fertilisers during January 2022. According to the latest data, of the total imports of 19.04 lakh tonne, 10.65 lakh tonnes of urea, 5.62 lakh tonnes of Di-ammonium Phosphate (DAP), 1.14 lakh tonnes of Muriate of Potash (MoP) and 1.63 lakh tonnes of complexes were imported. In the same month of the previous year, the country imported 12.48 lakh tonnes of urea, 2.45 lakh tonnes of DAP and 3.40 lakh tonnes of MoP. The quantity of MoP was for both agriculture and industrial use.

*(Financial Express)*

**PMEGP: KVIC RELEASES RS 100 CRORE IN SUBSIDY TO OVER 3,000 BENEFICIARIES:** Khadi and Village Industries Commission (KVIC) Chairman Manoj Kumar on Sunday released the margin money subsidy of Rs 100.63 crores to 3,083 beneficiaries under the Prime Minister's Employment Generation Programme (PMEGP) scheme with the sanctioned loan of Rs 296.19 crore for PMEGP projects (new enterprises). This will create new employment opportunities for around 25,000 people, the MSME ministry said in a statement.

*(Financial Express)*

**INSOLVENCY CASE: NSE SAYS ZEE ENT TO MOVE OUT OF IBC FRAMEWORK, F&O CONTRACTS FOR MAY EXPIRY TO BE MADE AVAILABLE:** Amidst the stay order of NCLAT on the insolvency proceedings, the National Stock Exchange of India (NSE) on Monday said, Zee Entertainment (ZEEL) shall move out of the IBC



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framework and the corresponding surveillance actions on the company will be reverted. Also, the exchange informed that futures and options contracts for May 2023 expiry will be made available for trading in ZEEL from February 28th. In a notice, NSE said, "NCLAT, Principal Bench, New Delhi... has granted a stay on the NCLT, Mumbai Bench, Court III order... w.r.t IBC proceedings initiated against Zee Entertainment Enterprises Ltd (ZEEL)."

*(Mint)*

### **JPMORGAN CHASE & CO INVESTMENT ARM PURGES ITS ESG FUNDS OF**

**ADANI STOCKS:** The asset management unit of JPMorgan Chase & Co. has wiped its ESG portfolios clean of their exposure to the Adani empire. The data compiled by Bloomberg, comes as a number of major investment firms such as BlackRock Inc. and the fund management unit of Deutsche Bank AG, DWS Group, continue to sit on Adani stakes in ESG funds that track indexes offered by MSCI Inc.

*(Business Standard)*

### **MFIs' NET PROFIT MORE THAN DOUBLES IN Q3 ON BUOYANT INTEREST**

**INCOME:** Emerging from the shock of the pandemic period, the net profit of listed microfinance institutions (MFIs) and MFI subsidiaries of listed firms more than doubled YoY to Rs 508 crore in the third quarter ended December 2022. The buoyant interest income – 25 per cent YoY and decline in credit costs helped non-banking finance corporation (NBFC) MFIs to report a healthy bottom line. Sequentially, the pace of growth in net profit was slower compared with YoY growth. It stood at 16.7 per cent over Rs 435 crore posted in the second quarter ended September 2022 (Q2FY23).

*(Business Standard)*

### **DEPOSITS BY PUBLIC SECTOR BANKS UP 8.8% IN DECEMBER QUARTER:**

**RBI DATA:** Backed by robust demand and healthy financials, public sector banks (PSBs) improved their business — advances and deposits, during the third quarter ended December 2022 (Q3), according to RBI data. State-owned banks increased their credit portfolio by 15.7 per cent during the calendar year 2022 (4.7 per cent in the year 2021). The corresponding growth for private sector banks, however, remained higher at 19.1 per cent (13.1 per cent a year ago), Reserve Bank of India (RBI) said in a statement. The deposit mobilisation by PSBs improved to 8.8 per cent (year-on-year or YoY) in December 2022 (6.9 per cent a year ago), though it remained lower than 13.2 per cent growth in deposits with private sector banks. Referring to overall growth of advances of the commercial banking system, RBI said bank credit growth (YoY) stood at 16.8 per cent in December 2022 as compared with 17.2 per cent a quarter ago (Q2) and 8.4 per cent a year ago.

*(Business Standard)*



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## **UIDAI STARTS SECURITY MECHANISM FOR FASTER DETECTION OF SPOOFING ATTEMPTS:**

UIDAI has successfully rolled out a new security mechanism for Aadhaar-based fingerprint authentication and faster detection of spoofing attempts. The artificial intelligence and machine learning (AI and ML) based security mechanism developed in-house is now using a combination of both finger minutia and finger image to check the liveness of the finger print captured. This is making Aadhaar authentication transactions even more robust and secure, official sources said. The new two factor or layer authentication is adding add-on checks to validate the genuineness (liveness) of the fingerprint so as to further cut down the chances of spoofing attempts. The move will be of immense use in segments including banking and financials, telecom and government sectors.

***(Business Standard)***



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

### **SMALL COMPANY**

- ❖ MCA notified Companies (Specification of definition details) Amendment Rules, 2022 amending the definition of small company w.e.f. 15.09.2022 the limit of paid up capital and turnover for the small company has been increased to Rs. Four crore (Earlier 2 Crs.) and Rs. Forty crore (Earlier 20 Crs.) respectively.
- ❖ Small companies represent the entrepreneurial aspirations and innovation capabilities of lakhs of citizens and contribute to growth and employment in a significant manner. The Government has always been committed to taking measures which create a more conducive business environment for law-abiding companies, including reduction of compliance burden on such companies.
- ❖ Some of the benefits for small companies are; No need to prepare cash flow statement as part of financial statement, no need for mandatory rotation of auditors, holding of only two board meetings in a year is sufficient, Annual Return of the company can be signed by the company secretary, or where there is no company secretary, by a director of the company etc.



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### **RBI KEY RATES**

Repo Rate: 6.50%  
SDF: 6.25%  
MSF & Bank Rate: 6.75%  
CRR: 4.50%  
SLR: 18.00%  
Fixed Reverse Repo: 3.35%

### **FOREX (FBIL 1.30 PM)**

INR / 1 USD : 82.9145  
INR / 1 GBP : 99.0121  
INR / 1 EUR : 87.4085  
INR /100 JPY : 60.8400

### **EQUITY MARKET**

Sensex: 59288.35 (- 175.58)  
NIFTY: 17392.70 (- 73.10)  
Bnk NIFTY: 40307.10 (+397.70)

### **Courses conducted by BFSI Board**

- ❖ **Certificate Course on Concurrent Audit of Banks**
- ❖ **Certificate Course on Credit Management of Banks**
- ❖ **Certificate Course on Treasury and International Banking**
- ❖ **Certificate Course on Investment Management**
- ❖ **Certificate Course on General Insurance.**

For details please visit BFSIB portal of the ICAI website

### **Publications by BFSI Board**

- ❖ **Aide Memoire on Infrastructure Financing.**
- ❖ **Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit ).**
- ❖ **Guidance Note on the Internal Audit of General Insurance Companies.**
- ❖ **BFSI Chronicle (quarterly issue of BFSIB)**

To purchase please visit BFSIB portal of ICAI

**CMA Chittaranjan Chattopadhyay**

**Chairman,**

**Banking, Financial Services & Insurance Board**

**The Institute of Cost Accountants of India**

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