



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

November 28, 2022

RABI AREA COVERAGE HAS INCREASED BY 24.13 LAKH HA OVER LAST

YEAR: Union Agriculture & Farmers Welfare Minister Shri Narendra Singh Tomar informed that Rabi area coverage has increased by 24.13 lakh ha over last year. As on 25.11.2022, total area sown under Rabi crops reported was 358.59 lakh ha (which is 57% of the normal Rabi area) as compared to 334.46 lakh ha of the corresponding period of last year. Thus, Rabi area coverage has increased by 24.13 lakh ha over last year.

(PiB, Govt. of India)

IDBI BANK TO CONTINUE AS 'INDIAN PRIVATE SECTOR BANK' POST STRATEGIC SALE:

IDBI Bank will continue to operate as an 'Indian private sector bank' after its strategic sale and the government's residual 15 per cent stake in the lender post privatisation will be considered as 'public shareholding', the finance ministry said. The government had on October 7 invited bids for privatising IDBI Bank and said that it together with LIC will sell a total of 60.72 per cent stake in the financial institution.

(Moneycontrol)

COMPETITION COMMISSION MANDATED TO SHARE INFO WITH ENFORCEMENT DIRECTORATE UNDER PMLA:

The Centre has brought Competition Commission of India (CCI) within the ambit of agencies that have to mandatorily share information, including confidential ones, with the Enforcement Directorate (ED) under the Prevention of Money Laundering Act (PMLA Act). It has empowered the ED to obtain corporate information from CCI, putting at risk the confidential information shared by corporate India with the competition watchdog

(Business Line)

CUMULATIVE RECOVERY RATE UNDER INSOLVENCY RESOLUTION FALLS TO 30.18 PC IN SEPTEMBER QUARTER:

The cumulative recovery rate under the insolvency resolution processes of debt-ridden companies declined to 30.18 per cent at the end of the September quarter, indicating that lenders took more haircut on their exposure, shows a study. The recovery rate has fallen steeply from a peak of 43 per cent in Q1 FY20. Of the Rs 7,90,626.2 crore claims from the financial creditors admitted by various benches of the National Company Law Tribunal (NCLT), only Rs 2,43,452.5 crore or 30.18 per cent have been recovered till the end of Q2 FY23, as per an analysis of IBBI data done by Care Ratings. The overall recovery rate implies a haircut of around 70 per cent for the lenders.

(Economic Times)



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CII URGES RBI TO MODERATE PACE OF INTEREST RATES HIKES: India Inc has begun to feel the adverse impact of RBI's interest rate hikes of 190 basis points in the current financial year, industry body CII said on Sunday, as it urged the central bank to consider moderating the pace of its monetary tightening ahead of the forthcoming policy. CII's analysis of results of 2,000-odd companies in the second quarter (July-September 2022) shows that both the top-line and bottom-line has moderated on sequential and annual basis. Thus, moderation in pace of monetary tightening is the need of the hour, it argued.

(Financial Express)

SMALL BUSINESSES TO SOON PROVIDE BOAT, VESSEL SERVICE TO GOVT ON E-COMMERCE PORTAL GeM: The government will soon launch boat and vessel service on its e-commerce portal Government eMarketplace (GEM) and service providers for taking care of the supply, manning, operation and maintenance of the required boats. Boat and vessel hiring is among a number of new services GeM is looking at to diversify its offerings after removing thousands of unpopular categories from the portal earlier this year.

(Financial Express)

RBI ASKS Paytm PAYMENTS SERVICES TO RE-APPLY FOR PAYMENT AGGREGATOR LICENCE: The Reserve Bank of India (RBI) has asked Paytm Payments Services to resubmit the application for a payment aggregator licence within 120 days, the payments services company's parent One97 Communications said in a press release late on Friday. A letter from RBI has asked the payments services company to seek regulatory approval for past downward investment from One97 Communications to Paytm Payments Services to comply with foreign direct investment norms.

(Financial Express)

RBI PAUSES ONBOARDING OF ONLINE MERCHANTS BY Paytm PAYMENTS SERVICES: RBI has put a pause on onboarding of online merchants by Paytm Payments Services, even as the company said it will have no material impact on its business, according to a regulatory filing. One97 Communications (OCL), which owns the Paytm brand, had proposed to transfer the payment aggregator services business undertaken by it to Paytm Payments Services (PPSL) in December 2020 to comply with payment aggregator (PA) guidelines of the Reserve Bank of India (RBI) but the banking regulator had rejected its application.

(Financial Express)

NITI AAYOG VC SAYS OLD PENSION SCHEME WILL BURDEN FUTURE TAXPAYERS: NITI Aayog Vice Chairman Suman Bery on Sunday expressed concern over



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the revival of Old Pension Scheme by some states, saying it would burden future taxpayers at a time when India needs to focus on fiscal prudence and promoting sustained growth.

(Business Standard)

BATTLE FOR RELIANCE NIPPON LIFE INSURANCE: NIPPON TOP BRASS TO VISIT INDIA:

The race for acquisition of Reliance Capital's 51 per cent stake in Reliance Nippon Life Insurance Co (RNLIC) is intensifying, with the top brass of the Japanese partner in the joint venture likely to visit India this week to flag its concerns with the ongoing resolution process under insolvency laws, sources said. Japan's Nippon Life, which holds 49 per cent stake in RNLIC, is opposed to the entry of Aditya Birla Sun Life in the race to acquire Reliance Capital's stake in RNLIC. Sources with knowledge of the matter said Nippon Life's Global President Hiroshi Shimizu along with Minoru Kimura, managing executive officer and head of global business, Nippon Life Insurance, and Tomohiro Yao, regional CEO, Nippon Life Asia Pacific and Director, RNLIC, are likely to visit Mumbai on Monday.

(Business Standard)

MUTHOOT FINANCE TO RAISE RS 300 CRORE THROUGH SECURED REDEEMABLE NCDs:

Muthoot Finance Ltd has announced its 29th series of public issue of secured redeemable non-convertible debentures (NCD) of face value of Rs 1,000 each. The issue offers an attractive rate of return of 7.75% to 8.25% to retail and high networth individual investors. The interest rate has been increased by 0.25%-0.35% per annum as compared to the last issue. Indicating a high degree of safety, the proposed NCD issue is rated as AA+ (stable) by ICRA. The issue is with a base issue size of Rs 75 crore with an option to retain oversubscription up to Rs 225 crore aggregating up to a tranche limit of Rs 300 crore (issue).

(Business Standard)

INDIA NOW HAS SECOND LARGEST GAMER BASE IN WORLD AT OVER 369 MILLION:

India now has the second largest gamer base in the world with 396.4 million gamers, a new report has showed. India now makes up 50.2 per cent of all gamers in the top 10 Asian countries' list, according to the data provided by market research firm Niko Partners. "India is also the fastest growing market with a 5-year growth rate of 21 per cent for revenue," mentioned the report titled 'The Asia-10 Games Market'.

(Business Standard)

EQUITIES PREFERRED PICK IN NOV; FPIS BUY SHARES WORTH ₹31,630 CR

SO FAR: After a mild selloff in October, the equities market witnessed a huge buying appetite from foreign portfolio investors (FPIs) to the tune of ₹31,630 crore so far in November. Strong buying in equities has offset the selloffs in debt and hybrid markets in the current month. FPIs who made record-high selloffs in equities in the first six months of 2022, have made notable



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buying in the second half so far. Last week, FPIs picked up equities in the last two trading sessions after FOMC minutes indicated a less hawkish stance going forward which led to a drop in the dollar and yields. Sensex hit a fresh historic high, while Nifty 50 is also closing the gap between its all-time high.

(Business Standard)

INDIAN PHARMA EXPORTS RISE BY 4.22% TO \$14.57 BN DURING APRIL-

OCT: Pharmaceutical exports from India registered a growth of 4.22 per cent to reach USD 14.57 billion during the April-October period despite a negative trend last month, according to a senior official of an export promotion body under Government of India.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

DISCOUNT BROKING

- ❖ A discount broker is a stockbroker who carries out buy and sell orders at reduced commission rates compared to a full-service broker. However, a discount broker does not provide investment advice or perform analysis on a client's behalf, unlike a full-service broker.
- ❖ The evolution of technology has revolutionized the way trading is conducted. Penetration of the internet has given a major impetus to discount brokers, most of whom operate through online platforms. More and more discount online brokers have come into the fray that enables individuals with smaller capital to trade at lower fees. One of the main reasons why discount brokers can afford to operate at lower fees is because they don't target working with high-net-worth individuals (HNWI). Their affordability lies in their online business activities, which translates to lower overhead costs. Furthermore, they don't offer services like customized research and planning, personal consultations, or tax planning to their customers. Online brokerage is almost synonymous with a discount brokerage. They are attracting young and tech-savvy individuals, who form the new generation of traders.



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RBI KEY RATES

Repo Rate: 5.90%
SDF: 5.65%
MSF & Bank Rate: 6.15%
CRR: 4.50%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 81.5289
INR / 1 GBP : 98.6576
INR / 1 EUR : 84.8732
INR /100 JPY : 58.7900

EQUITY MARKET

Sensex: 62293.64 (+20.96)
NIFTY : 18512.80 (+28.70)
Bnk NIFTY: 42983.90 (-91.50)

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

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