



**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

December 28, 2022

COMMERCIAL BANKS RECOVER RS 47,421 CRORE VIA IBC ROUTE IN 2021-

22: RBI REPORT: Schedule commercial banks have recovered Rs 47,421 crore through the IBC route during 2021-22. During 2021-22, the amount involved in the IBC was Rs 1,99,250 crore, of which only 23.8 percent has been recovered by the banks, a report on the Trend and Progress of Banking in India 2021-22 showed. The amount recovered during 2021-22 was sharply higher than Rs 27,311 crore recovered during 2020-21 by SCBs through IBC. The number of cases referred has increased to 885 in 2021-22 as against 536 during 2020-21, the report added. Meanwhile, the amount recovered through SARFAESI Act stood at Rs 27,349 crore during 2021-22, as against Rs 27,686 crore in the year-ago.

(Moneycontrol)

NUMBER OF BANKING FRAUDS GO UP IN FY22; SUBSTANTIALLY DOWN BY

VALUE: In FY22, banks reported 9,102 frauds involving an underlying amount of Rs 60,389 crore against 7,358 frauds with an amount involved of Rs 1.37 lakh crore in FY21. RBI data shows

(Moneycontrol)

RETAIL LOANS CAN BECOME A SOURCE OF SYSTEMIC RISK, WARNS RBI:

Retail loans, long considered a panacea for the banking system, may become a systemic risk, the Reserve Bank said on Tuesday. "Empirical evidence suggests that a build-up of concentration in retail loans may become a source of systemic risk," the RBI said in its trends and progress in banking report for FY22. It can be noted that in the recent past, banks, which faced huge loan reverses on the large exposure front, had switched focus towards the retail assets building front to avoid any major reverses in asset quality as done after the asset quality review.

According to experts, the granularity of loans, coupled with the clearer sight of end use and better diligence and monitoring, given the progress on the credit information companies front, made retail a safer bet for banks all this while.

The report said in recent years, Indian banks appear to have displayed a "herding behaviour" in "diverting" from the industrial sector towards retail loans. The report explained that 'systemic as a herd' refers to a phenomenon when institutions which are not individually systemically important behave in a way similar to the market leaders and, as a result, get exposed to common risks. "This could amplify systemic risk through higher co-movement of performance of banks, even though individually they may focus on reducing their standalone bank risk through portfolio diversification," it added.

(Moneycontrol)



**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

SEBI BANS MONEYTREE RESEARCH, ITS PROPRIETOR FROM SECURITIES

MARKETS FOR THREE YEARS: Markets regulator SEBI has barred Moneytree Research and its proprietor Narendra Madan Rathod from the securities markets for three years for providing unauthorised investment services. The order came after SEBI received a complaint against Moneytree and Rathod. Thereafter, the regulator examined the matter and subsequently issued a show-cause notice to Moneytree Research and Rathod in August 2021.

(Moneycontrol)

NO MORE PARTIAL WITHDRAWAL OF NPS CORPUS ON SELF-DECLARATION

BASIS BY GOVT SUBSCRIBERS: From January 1, 2023, all the government sector; Central, State and autonomous bodies NPS subscribers can go in for partial withdrawal of their National Pension System (NPS) corpus only through their associated nodal offices. The earlier available Covid-19 period regime of direct online applications on a self-declaration basis would now stand withdrawn for government sector NPS subscribers from January 1, PFRDA has said.

(Business Line)

BANKS' GROSS NPAS DECLINE TO 5% IN H1 ON LOWER SLIPPAGES,

RECOVERIES: RBI REPORT: Gross NPA (non-performing assets) ratio of banks has declined sequentially to 5 per cent as of September 2022 from the peak levels of around 9 per cent in 2017-18, led by lower fresh slippages, strong recoveries and write-offs, according to the RBI. "The reduction in NPAs was mainly contributed by written-off loans in the case of PSBs (public sector banks), while upgradation of loans was the primary driver for asset quality improvement for PVBs (private banks)," the central bank said in its report on Trend and Progress of Banking in India for 2021-2022. As of March 2022, gross NPAs were at 5.8 per cent, lower than 7.3 per cent in the year ago period. Over the same period, the net NPA ratio improved to 1.7 per cent from 2.4 per cent, RBI data showed. The share of large borrowal accounts those with a total exposure of ₹5 crore and above comprised 47.8 per cent of the total advances in 2021-22 compared with 48.4 per cent in 2020-21. Correspondingly, their share in total NPAs also declined to 63.4 per cent from 66.4 per cent.

(Business Line)

IAS OFFICER RAJNEESH TO JOIN MSME MINISTRY AS NEW ADDITIONAL SECRETARY AND DEVELOPMENT COMMISSIONER:

1997 batch Indian Administrative Service (IAS) officer of Himachal Pradesh cadre Rajneesh has been appointed as the new Additional Secretary and Development Commissioner (AS & DC) in the ministry of micro, small and medium enterprises. The Appointments Committee of the Cabinet (ACC) on Monday approved the appointment of "Rajneesh, IAS (HP:97), presently in the cadre, as



**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

Additional Secretary & Development Commissioner, Ministry of Micro, Small & Medium Enterprises," the official order from the Department of Personnel and Training under Ministry of Personnel, Public Grievances and Pensions read.

(Financial Express)

GOVT TWEAKS GST RULES FOR CLAIMING INPUT TAX CREDIT: GST taxpayers will be required to reverse by November 30 the ITC claimed in the last fiscal in case their suppliers fail to deposit the due tax by September 30, Finance Ministry said. However, they can reclaim the ITC later following the deposit of taxes by the supplier. The ministry has inserted Rule 37A in Central Goods and Services Tax rules to give effect to the new provision. "Where input tax credit has been availed by a registered person, but the Form GSTR-3B for the tax period corresponding to the said statement of outward supplies has not been furnished by such supplier till September 30, the input tax credit shall be reversed on or before November 30 following the end of the such financial year,"

(Economic Times)

ONLY 8.2% OF 463 MILLION JAN DHAN ACCOUNTS ARE ZERO BALANCE:

Pradhan Mantri Jan Dhan Yojana accounts in the country have seen an increase in the deposit base during the past eight years, and only 8.2 per cent of such accounts had zero balance in August, the Reserve Bank of India's Trend & Progress report said. "By August 2022, out of a total of 462.5 million PMJDY accounts, 81.2 per cent were operative, up from 76 per cent in 2017. Only 8.2 per cent of PMJDY accounts were zero balance accounts," it said.

(Business Standard)

GST OFFICERS TO SEEK DETAILS OF ALL INVOICES IN CASE OF ITC

MISMATCH: GST officers will have to seek details of all invoices on which input tax credit (ITC) has been availed of by erring business in cases of mismatch in GSTR-1 and GSTR-3B before initiating recovery action for short payment or non-payment of taxes. The Central Board of Indirect Taxes & Customs (CBIC) on Tuesday issued circular clarifying guidelines on recovery proceedings for the period 2017-18 and 2018-19. This is following the recommendations of the GST Council in its last meeting on December 17.

(Business Standard)

TOTAL GOVT DEBT INCREASES TO RS 147 TRN IN Q2, SHOWS FINMIN

REPORT: The total liabilities of the government increased to Rs 147.19 lakh crore at September-end from Rs 145.72 lakh crore at the end of June this fiscal year, according to the latest data on public debt. In percentage terms, it reflects a quarter-on-quarter increase of 1 per cent in second quarter of 2022-23. Public debt accounted for 89.1 per cent of total gross



**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

liabilities at September-end 2022, up from 88.3 per cent as on June 30, the quarterly report on public debt management released by the finance ministry on Tuesday said.

(Business Standard)

RBI TO STREAMLINE CHARGES FOR A SAFER, MORE AFFORDABLE PAYMENTS SYSTEM: The Reserve Bank of India is aiming to streamline the framework of charges for different payment systems to ensure that the country has a state-of-the-art payment system, which is not only safe and secure but also swift and affordable. The central bank had, in August, released a discussion paper that outlined existing rules for charges in payment systems, while also presenting other options through which such charges could be levied. Based on the feedback received from the stakeholders, the central bank has said that it will structure its policies and streamline the framework of charges for different payment services and activities in the country.

(Business Standard)



**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

APPLICATION PROGRAMMING INTERFACE (API)

- ❖ This is an intermediary that enables two applications to communicate. Application programming interface (API) is a concept in software technology that refers to how multiple applications can interact with and obtain data from one another.
- ❖ API in banking involves a set of regulated protocols, tools, or routines that allows access to banking services by a financial or third-party institution via API. These banks provide secured and restricted access of its central bank system to third-party systems to carry out functions.
- ❖ Some examples of API are Universal logins (A popular API that enables people to log into websites by using their Facebook, Twitter, or Google profile login details), Third Party Payment Processing, Travel Booking comparisons etc.



**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: 6.25%
SDF: 6.00%
MSF & Bank Rate: 6.50%
CRR: 4.50%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 82.7936
INR / 1 GBP : 100.0958
INR / 1 EUR : 88.2276
INR /100 JPY : 62.3300

EQUITY MARKET

Sensex: 60927.43 (+361.01)
NIFTY : 18132.30 (+117.70)
Bnk NIFTY: 42859.50 (+229.30)

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

***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.*