



**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 30, 2022**

### **GOVT HIKES RATES ON SOME SMALL SAVINGS SCHEMES BY UP TO 30 BPS**

**FOR OCT-DEC:** The finance ministry has raised interest rates on some small savings schemes by 10 basis points to 30 basis points for October-December. The rates have been changed after keeping them unchanged for nine consecutive quarters. The interest rates on the various instruments now range from 4 percent to 7.6 %. The small savings interest rates, while set by the government, are linked to market yields on government securities at a spread of 0-100 basis points over the yield of these securities of comparable maturities.

Scheme	Existing rate	Revised Rate (Q3)
PPF	7.10%	7.10%
SCSS	7.40%	7.60%
Sukanya Samridhi	7.60%	7.60%
NSC	6.80%	6.80%
KVP	6.9% (124 months)	7.0% (123 months)

**(Moneycontrol)**

### **INDIA'S CURRENT ACCOUNT DEFICIT WIDENS TO \$23.9 BILLION OR 2.8%**

**OF GDP IN APRIL-JUNE:** India's current account deficit (CAD) widened to \$23.9 billion in April-June from \$13.4 billion in January-March, according to data released by RBI on September 29. The current account had recorded a surplus of \$6.6 billion in April-June 2021. In percentage terms, the CAD in April-June 2022 was 2.8 percent of GDP, up from 1.5 percent of GDP the previous quarter. Underlying the current account deficit in April-June was the widening of the merchandise trade deficit to \$68.6 billion from \$54.5 billion in January-March and an increase in net outgo of investment income payments, the RBI said in the release.

**(Moneycontrol)**

### **GOVT CUTS FY23 BORROWING marginally, TO SELL RS 5.92 LAKH CRORE OF BONDS IN OCTOBER-MARCH:**

The Central government has marginally lowered its market borrowing target for financial year 2022-23 amid robust tax revenues. The full-year borrowing target has been cut to Rs 14.21 lakh crore, from Rs 14.31 lakh crore as spelt out by the Budget for 2022-23. Despite the cut, the borrowing will be the highest ever. The Centre will borrow Rs 5.92 lakh crore from the market in the second half of 2022-23, the finance ministry said in a statement on September 29.

**(Moneycontrol)**

### **GST OFFICERS DETECT RS 824 CR TAX EVASION BY INSURANCE COMPANIES:**

GST officers have detected Rs 824 crore tax evasion by 15 insurance companies, intermediaries and banks through issuance of fake invoices, officials said on



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Thursday. The investigations revealed that these entities had formed an arrangement to pass on ineligible ITC in the guise of marketing services and fraudulent invoices were raised in connivance with each other, officials said. *(Moneycontrol)*

### **INDIA'S EXTERNAL DEBT DECLINES BY USD 2.5 BILLION IN Q1 FY23:**

India's external debt during the first quarter of 2022-23 declined by USD 2.5 billion to USD 617.1 billion over the end-March 2022, the Reserve Bank said on Thursday. The external debt to GDP ratio declined to 19.4 per cent at end-June 2022 from 19.9 per cent at end-March 2022. "Excluding the valuation effect, external debt would have increased by USD 11.9 billion instead of a decrease of USD 2.5 billion at end-June 2022 over end-March 2022," the central bank said.

*(Financial Express)*

### **MERGER BETWEEN LIC MUTUAL FUND AND IDBI MF IN ADVANCED STAGE:**

Merger between LIC Mutual Fund and IDBI Mutual Fund is at a "fairly advanced stage", a top official said on Thursday. "The process is on, it is at a fairly advanced stage," LIC MF's managing director and chief executive T S Ramakrishnan told reporters, when asked about reports of the merger.

*(Financial Express)*

### **PSU BANKS TO START DRIVE FROM OCT 2 TO FILL BACKLOG VACANCIES OF SCHEDULED CASTES:**

All public sector banks will begin a special drive from October 2 for filling up of backlog vacancies reserved for scheduled castes, National Commission for Scheduled Castes (NCSC) Chairman Vijay Sampla said on Thursday. The decision comes after a review meeting, jointly chaired by the NCSC chairman and Finance Minister Nirmala Sitharaman, was held on the performance of public sector banks (PSBs) on credit and other welfare schemes for scheduled castes (SCs).

*(Financial Express)*

### **RELIANCE RETAIL LAUNCHES PREMIUM FASHION AND LIFESTYLE STORE BRAND 'AZORTE':**

Reliance Retail on Thursday launched a large format premium fashion and lifestyle store brand 'AZORTE'. The new store format includes several tech-enabled interventions such as smart trial rooms, fashion discovery stations, "endless aisles" and self-checkout kiosks, it said in a statement.

*(Financial Express)*

### **BANKS INCREASE INTEREST RATES ON BULK DEPOSITS AS LIQUIDITY TIGHTENS:**

With surplus liquidity in the system shrinking and deposit growth trailing credit growth by a large margin, banks have hiked interest rates on bulk deposits, suggesting that they are looking for such deposits to meet the credit demand. Rates on three-month corporate deposits are in the range of 6.30-6.50 per cent, up 30-35 bps from a week ago, market participants said. With liquidity tightening in the system, banks have turned to certificate of deposits (CDs), resulting in outstanding CDs at Rs 2.44 trillion as of September 9, 2022,



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compared with Rs 0.7 trillion a year ago, registering a growth of over 250 per cent YoY. According to the latest RBI data, credit growth in the economy is at a 9-year high of 16.2 per cent, and deposits are growing at 9.5 per cent, resulting in a widening of the credit-deposit growth gap.

*(Business Standard)*

### **RBI UNLIKELY TO EXTEND CARD TOKENISATION DEADLINE DESPITE MERCHANTS' DEMAND:**

India's central bank is unlikely to extend a Friday deadline for businesses to set up an additional layer of security for consumers' credit card data even after some concerns remain over payments failing and revenue losses, say bankers and merchants. Tokenisation is a process by which card details are replaced by a unique code or token, generated by an algorithm, allowing online purchases without exposing card details, in a bid to improve data security. The RBI first introduced the norms in 2019 and after several extensions has ordered all companies in India to purge saved credit and debit card data from their systems by Oct. 1, 2022.

*(Business Standard)*

### **PUBLIC SECTOR BANKS PLAN TO ESTABLISH VERTICALS FOR BIG DATA, ANALYTICS:**

With an aim to move toward more data-driven decision-making, public sector banks (PSBs) will create specialised verticals for big data and analytics. The move is in response to the government's order for financial institutions to improve data-driven, integrated, and inclusive banking. PSBs will also introduce digital-only products and services in the next one year with minimal data entry requirements, automated checks, and underwriting for individual consumers and micro, small, and medium-sized businesses. These metrics will be part of the banks' reform agenda, Enhanced Access and Service Excellence (EASE 5.0), according to a senior bank executive.

*(Business Standard)*

### **INDIA A 'STAR' AMONG EM ECONOMIES WITH 7.3% GROWTH IN FY23, SAYS S&P:**

S&P Global Ratings said rising rates and increased European energy insecurity are hitting growth in almost every country, but India with an estimated 7.3 per cent growth this fiscal, would be the 'star' among emerging market economies.

*(Business Standard)*

### **PSBs ASKED TO EXPEDITE RECRUITMENT, FILL VACANCIES IN TIME-BOUND MANNER:**

The finance ministry has asked public sector banks (PSBs) to expedite the process of filling pending vacancies, sources said. The ministry had reviewed the vacancies in PSBs earlier this month and advised them to take action to fill them. The total employees strength of PSBs peaked at 8.86 lakh during 2012-13. It declined to 7.80 lakh during 2020-21.

*(Economic Times)*



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

### **BANK IDENTIFICATION NUMBER (BIN)**

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- ❖ The bank identification number is a numbering system developed by the American National Standards Institute (ANSI) and the International Organization for Standardization (ISO) to identify institutions that issue payment cards. The ANSI is a nonprofit organization (NPO) that creates business standards in the U.S. while the ISO is an international nongovernmental group that creates standards for various industries.
- ❖ The term bank identification number (BIN) refers to the first four to six numbers on a payment card. This set of numbers identifies the financial institution that issues the card. As such, it matches transactions to the issuer of the card being used. BINs can be found on various payment cards, including credit cards, charge cards, and debit cards.
- ❖ The number allows merchants to accept multiple forms of payment and allows transactions to be processed faster. The BIN system helps financial institutions identify fraudulent or stolen payment cards and can help prevent identity theft.
- ❖ BINs have a variety of useful applications. The primary purpose is to allow merchants to evaluate and assess payment card transactions. They also allow merchants to identify originating banks along with their address and phone number, and whether issuing banks are in the same country as the device used to make the transaction. It also verifies the address provided by the customer.



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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 : 81.8633  
INR / 1 GBP : 88.2115  
INR / 1 EUR : 79.0952  
INR /100 JPY: 56.5900

### **EQUITY MARKET**

Sensex: 56409.96 (- 188.32)  
NIFTY : 16818.10 (- 40.50)  
Bank NIFTY: 37647.75 (- 112.05)

**(CMA Chittaranjan Chattopadhyay)**

**Chairman,**

**Banking, Financial Services & Insurance Board**

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