



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

January 07, 2023

VODA IDEA CALLS BANKS FOR ₹7,000 CR EMERGENCY LOANS: Vodafone Idea (Vi) has dialled a host of lenders, State Bank of India, Punjab National Bank, HDFC Bank and IDFC First, among others to line up loans aggregating upward of Rs 7,000 crore. The bulk of the loans will be used to clear a portion of its dues to Indus Towers, three people aware of the matter said.

(Economic Times)

AMAZON TO LAY OFF AROUND 1,000 STAFF IN INDIA: E-commerce company Amazon plans to lay off around 1,000 employees in India as part of its biggest retrenchment exercise across the globe, according to sources. The company has announced the elimination of over 18,000 roles across the globe due to uncertain economic conditions. "The decision to eliminate 18,000 job roles across the globe will impact about 1,000 employees in India," the source said. In November, Amazon decided to eliminate a number of positions across devices and books businesses, and also announced a voluntary reduction offer for some employees in its people, experience, and technology (PXT) organisation.

(Business Line)

SEBI MULLS STANDARDISED APPROACH TO VALUATION OF INVESTMENT

PORTFOLIO OF AIFs: Capital markets regulator Sebi on Friday proposed that alternative investment funds (AIFs) need to adopt a standardised methodology for valuation of investment portfolios managed by them. It has been recommended that AIFs should be mandated to carry out valuation of their investment portfolio as per International Private Equity and Venture Capital Valuation (IPEV) Guidelines. Presently, AIF Regulations focus on disclosures to investors and do not prescribe any guidelines on the methodology to be adopted. As such, managers of AIFs have flexibility to adopt any valuation methodology by disclosing the same to investors in Private Placement Memorandums of schemes of AIFs managed by them.

(Moneycontrol)

CBDT LOOKING TO EXPAND AMNESTY SCHEME, MAY ALLOW SELF-DECLARATION TO SETTLE TAX DEMANDS:

The Central Board of Direct Taxes (CBDT) is looking at offering a chance for self-declaration to settle tax demands, CNBC TV-18 reported on January 6, citing sources aware of the new amnesty proposals that are being deliberated ahead of the rollout of the Budget 2023. The taxation body could also expand the ambit of amnesty scheme to cases which are under appeal at various forums, the news channel said. The sources said the CBDT was contemplating whether it should allow the withdrawal of appeals on the payment of full tax and interest along with the penalty amount.



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The CBIC's amnesty scheme may cover disputes over classification, valuation and exemptions, the sources said.

(Moneycontrol)

RBI TO ISSUE GREEN BONDS WORTH RS 8,000 CRORE EACH ON JANUARY

25, FEBRUARY 9: RBI on January 6 said that it will issue Sovereign Green Bonds worth Rs 8,000 crore each in two tranches on January 25 and February 9. "The proceeds will be deployed in public sector projects which help in reducing the carbon intensity of the economy," The RBI will sell two bonds maturing in five years and 10 years worth, Rs 4,000 crore each, at every auction. These bonds will be reckoned as eligible investments for Statutory Liquidity Ratio (SLR) purposes. The government, in the second half borrowing calendar, had announced raising Rs 16,000 crore through sovereign green bonds, which will be part of the overall Rs 5.92 lakh crore borrowing in the second half. "The eligible expenditures are limited to government expenditures that occurred a maximum of 12 months prior to issuance. It will be endeavored that all the proceeds get allocated to projects within 24 months following issuance," the framework said.

(Moneycontrol)

INDIA'S GDP MAY GROW 7.0% THIS FISCAL, FIRST ADVANCE ESTIMATES

SHOW: India's economy is expected to grow 7.0% in the current financial year, according to the first advance estimates by the National Statistical Office (NSO) released on Friday. With this the country is set to lose the fastest-growing major economy tag. New Delhi had pegged India's growth at 8.7% in the last fiscal year that ended March 31, 2022. The projections are much lower than government's earlier forecast of 8-8.5 per cent growth but above the Reserve Bank's projection of 6.8 per cent. The RBI had projected the real GDP growth for 2022-23 at 6.8 per cent, with the third quarter at 4.4 per cent and the fourth at 4.2 per cent. It had pared the growth projection for 2022-23 for the third time in December 2022. Agriculture is expected to grow 3.5% in FY23 after growing 3% in FY22. Manufacturing growth is pegged to drop from 9.9% in FY22 to 1.6% in FY23 while construction growth may moderate to 9% in FY23 from 11.5% in FY22.

(Economic Times)

INDIA TO HOST VIRTUAL SUMMIT OF 120 COUNTRIES OF 'GLOBAL

SOUTH': India will host a virtual summit of about 120 countries of the 'global south' next week to discuss their priorities and perspectives on a common platform. The virtual summit is significant as India currently holds the presidency of the G20 group and Prime Minister Narendra Modi had earlier indicated that priorities would be shaped in consultation with developing countries

(Business Line)



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RECOVERIES UNDER SARFAESI ACT WILL PREVAIL OVER THOSE UNDER MSMED ACT, HOLDS SUPREME COURT:

The Supreme Court on Thursday maintained that recoveries under the SARFAESI act with regard to the secured assets will prevail over the recoveries under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to recover the amount under the award or decree passed by the facilitation council, reported PTI. The Supreme Court (SC) mentioned that the SARFAESI Act, 2002 has been enacted to regulate securitisation and reconstruction of financial assets, enforcement of security interest and to provide a central debt of security interest created on property rights. The verdict came after an appeal was made in the SC regarding a question that whether recovery proceedings under the MSMED Act would prevail over the similar proceedings under the SARFAESI Act provisions. The court set aside/overruled the August 2017 judgment made by the Madhya Pradesh High Court which ruled that the MSMED Act will prevail over the SARFAESI Act in such instances.

(Financial Express)

NABARD RAISES CLOSE TO RS 5,000 CRORE THROUGH THREE-YEAR BONDS:

In the first issue of fund raising through bonds in 2023, National Bank for Agriculture and Rural Development (NABARD) has raised close to Rs 5,000 crore via three-year bonds. The coupon for the three-year bond was 7.63 per cent. The yield on government bonds with similar maturity was above 7.16 per cent. Bond dealers said NABARD was able to get fine rates as supply of paper in the market is low. The issue by NABARD had a base size of Rs 2,000 crore plus a green-shoe option of Rs 3,000 crore.

(Business Standard)

GOVT, RBI DISCUSSING RUPEE TRADE WITH S ASIAN NATIONS:

RBI Governor Shaktikanta Das on Friday said the government and the central bank are in discussion with South Asian countries to have cross-border trade in rupee. He also said the central bank digital currency (CBDC) is in trial phase and the RBI is moving very carefully and cautiously on digital rupee launch.

(Business Standard)

ASSET UNDER MANAGEMENT LIKELY TO BE AROUND RS 9 TRILLION IN FY23: PFRDA:

Pension regulator PFRDA on Friday said the asset under management is likely to be around Rs 9 lakh crore this financial year due to market volatility. There has been an increase in fresh funds to Rs 1.5 lakh crore as of December 2022 compared to Rs 1.3 lakh crore in the previous fiscal. As of December 2022, the number of subscribers for the National Pension Scheme (NPS) and Atal Pension Yojana (APY) grew by 24.62 per cent to 606.07 lakh from 486.35 lakh in January 2022.

(Business Standard)



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NCLT ADMITS INSOLVENCY PLEA FILED AGAINST FUTURE SUPPLY CHAIN

SOLUTIONS: The National Company Law Tribunal (NCLT) has on Friday admitted the insolvency plea filed against Future Supply Chain Solutions Ltd (FSCSL). Future group firm FSCSL in a regulatory filing said the Mumbai bench of NCLT has allowed the plea filed by DHL E-commerce (India) Pvt Ltd, claiming default.

(Business Standard)

FOREX RESERVES UP BY \$44 MN TO \$562.85 BN ON RISE IN RBI GOLD

RESERVES: The Reserve Bank of India's foreign exchange reserves rose by \$44 million to \$562.85 billion in the week ended December 30, latest central bank data showed. The marginal rise in the RBI's reserves in the week gone by was due to a rise in the central bank's gold reserves which rose \$354 million to \$41.32 billion, the data showed.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

ADJUSTED NET BANK CREDIT (ANBC)

ANBC is computed for measuring Priority Sector Lending by Banks in India as per RBI guidelines. ANBC denotes the outstanding Bank Credit in India and computed as follows;

1. Net Bank Credit (NBC) is calculated which is equal to Bank Credit in India minus Bills Rediscounted with RBI and other approved Financial Institutions.
2. The following are added to the Net Bank Credit, that are: i) Outstanding Deposits under RIDF and other eligible funds with NABARD, NHB, SIDBI and MUDRA Ltd in lieu of non-achievement of priority sector lending targets/sub-targets + outstanding PSLCs, ii) Other investments eligible to be treated as priority sector (e.g. investments in securitization notes), iii) Bonds/debentures in Non-SLR categories under HTM category.
3. The following items are deducted to Net Bank Credit, that are; i) Eligible amount for exemptions on issuance of long-term bonds for infrastructure and affordable housing, ii) Advances extended in India against the incremental FCNR (B)/NRE deposits, qualifying for exemption from CRR/SLR requirements, iii) Investments made by public sector banks in the Recapitalization Bonds floated by Government of India and iv) Face Value of securities acquired and kept under HTM category under the TLTRO 2.0 and also Extended Regulatory Benefits under SLF-MF Scheme.

For UCBs: investments made after August 30, 2007 in permitted non SLR bonds held under 'Held to Maturity' (HTM) category to be added to Net Bank Credit to arrive ANBC. For the purpose of priority sector computation only. Banks should not deduct / net any amount like provisions, accrued interest, etc. from NBC.



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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 : 82.6348
INR / 1 GBP : 98.4731
INR / 1 EUR : 86.9235
INR /100 JPY : 61.6300

EQUITY MARKET

Sensex: 59900.37 (-452.90)
NIFTY : 17859.50 (-132.70)
Bnk NIFTY: 42188.80 (-419.90)

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)**

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CMA Chittaranjan Chattopadhyay

Chairman,

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