



**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 07, 2023

RELIANCE UNVEILS INDIA'S FIRST HYDROGEN-POWERED TECH FOR HEAVY-DUTY TRUCKS:

Reliance Industries and its partner Ashok Leyland on February 6 unveiled India's first Hydrogen Internal Combustion Engine (H₂-ICE) technology solution for heavy duty trucks at the India Energy Week in Bengaluru, which was flagged off by Prime Minister. RIL and Ashok Leyland, along with and other technical partners were engaged in developing this technology since the last year with first engines running in early 2022.

(Moneycontrol)

INDIAN RAILWAY WILL NEED TO RAISE AROUND RS 30,000 CRORE FROM ASSET MONETISATION IN FY24:

The Indian Railways will need to raise a minimum of Rs 30,000 crore from asset monetisation and privatisation in 2023-24, after the government has limited the railway's market borrowing for the next financial year to around Rs 50,000 crore. GoI has limited the Railways ministry's Internal and Extra Budgetary Resources (IEBR) to Rs 52,783 crore in 2023-24 from Rs 95,943 crore in 2022-23, according to the Budget 2023-24.

(Moneycontrol)

1.28 LAKH COMPANIES STRUCK OFF FROM RECORDS FOR NON-COMPLIANCE:

Over one lakh companies in India have been struck off from the records for failing to submit their financial statements for two continuous financial years, according to the government. "A number of 1,27,952 companies have been struck off in last 3 years," the Minister of State for Corporate Affairs Rao Inderjit Singhtold Lok Sabha on Monday. The government undertook a special drive for identification and striking off companies u/s 248(1) of the Act read with the Companies (Removal of Names of Companies from the Register of Companies) Rules that had not filed their financial statements and/or annual returns for a continuous period of two immediately preceding financial years.

(Economic Times)

FINANCIAL WATCHDOGS TO SOON PUT TIME LIMITS FOR KEY DECISIONS:

India's financial sector watchdogs will soon prescribe time limits for key regulatory decisions such as vetting an entity for a banking licence and also put out regulations for public discussions before they are adopted under a process revamp announced in the budget, government officials said. The idea is to make regulators more accountable and responsive without impinging on their independence, they said.

(Economic Times)



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IL&FS TO DISTRIBUTE RS 3,200 CRORE TO IFIN CREDITORS: IL&FS Group has initiated its largest Interim Distribution pay-out till date - in IL&FS Financial Services Limited (IFIN), an IL&FS Group company. As part of the interim distribution, IL&FS Group will be paying a total of Rs 3,200 crore to IFIN eligible creditors, that is being distributed in accordance with the NCLAT approved Revised Distribution Framework. Of the total of Rs 3,200 crore, Rs 2,250 crore is being paid to a combination of 28 state-run, private and foreign banks. Another Rs 950 crore will be distributed to over 500 public debenture holders, public funds including EPFO, Army Group Insurance and others.

(Economic Times)

SEBI GETS STRICT ON BENEFICIAL OWNERS HIDING BEHIND FPIs: Market regulator SEBI is now going behind the corporate veil of the foreign portfolio investors in the aftermath of the allegations that have emerged against Adani Group. In India, it has been noticed that in a large number of cases, the foreign portfolio investors (FPIs) are just the registered vehicles, but the ultimate beneficial owners (UBOs) of their positions are hidden.

(Business Line)

GOVT APPROVES FOURTH EXECUTIVE DIRECTOR POST AT INDIAN BANK:

The government has allowed Indian Bank to increase the number of posts of executive directors from three to four. It may be recalled that the Department of Financial Services (DFS) in the Finance Ministry had, in August 2019, said nationalised banks with total business of ₹10 lakh or more as per the last declared results should have four executive directors.

(Business Line)

PM, LAYS FOUNDATION STONE TO SOUTH INDIA'S 1ST INDUSTRIAL CORRIDOR PROJECT, THE TUMAKURU INDUSTRIAL TOWNSHIP, AS PART OF NATIONAL INDUSTRIAL CORRIDOR PROGRAMME:

Prime Minister, Shri Narendra Modi laid the foundation stone of South India's 1st Industrial Corridor Project to be implemented at Tumakuru which is spread over 8500 Acre of land under the Chennai Bengaluru Industrial Corridor.

(PiB)

84 DBUs ARE OPERATIONAL ACROSS THE COUNTRY: Prime Minister Shri Narendra Modi dedicated 75 Digital Banking Units (DBUs) to the service of the nation on October 16, 2022. This was stated by the Union Minister of State for Finance, Dr Bhagwat Kisanrao Karad, in a written reply to a question in Lok Sabha today. The Minister stated that as on date, 84 DBUs are operational across the country. Further, the Minister stated, as per the data sourced from National Payments Corporation of India (NPCI), UPI transactions registered in FY 21-22 were 45 billion, showing 8 times growth in last 3 years and 50 times growth in last



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4 years. Also, the AePS transactions during FY 21-22 have grown 4 times in last 3 years and 10 times since last 4 years.

(PiB)

ADANI'S BOLD MOVE: PREPAYS \$1.1 BILLION LOANS BACKED BY SHARES AHEAD OF TIME, RELEASES PLEDGES ACROSS GROUP COS:

Adani Group on Monday made a bold move to prepay loans backed by pledged shares across group companies Adani Green, Adani Transmission, and Adani Ports, even as the group's shares keep hammered in the aftermath of Hindenburg research report. Adani Green said that the group promoters have posted as much as \$1.1 billion of amount towards prepayment of share backed facility ahead of its maturity of September 2024, according to Reuters. Adani Enterprises and its subsidiary companies have reportedly taken out unsecured loans totalling Rs 11,574 crore, which are now at risk of being recalled by banks and financial institutions.

(Financial Express)

FinMin ASKS DEPTS, CPSES TO REFUND 95% OF MSME SECURITIES TILL MARCH 2022:

The Finance Ministry on Monday asked all departments and public sector entities to refund 95 per cent of the performance or bid security and liquidated damages forfeited/deducted from small and medium businesses in government tenders for over two years till March 31, 2022. To give relief to MSMEs, Finance Minister Nirmala Sitharaman in 2023-24 Budget announced 'Vivad se Vishwas-I' scheme which provides that in cases of failure by MSMEs to execute contracts during the Covid period, 95 per cent of the forfeited amount relating to bid or performance security will be returned to them by government and government undertakings. The Finance Ministry's Expenditure Department on Monday issued an office memorandum stating that all contractors or suppliers registered as micro, small and medium enterprises (MSME) with the Ministry of MSME as on March 31, 2022, would be eligible to claim a refund of the forfeited amount for contracts which had an original delivery or completion period between February 19, 2020, and March 31, 2022.

(Business Standard)

SOVEREIGN GREEN BONDS OF RS 16,000 CR TO BE ISSUED IN CURRENT

FISCAL: Sovereign Green Bonds (SGBs), amounting to Rs 16,000 crore, are proposed to be issued in the current financial year for mobilising resources for green infrastructure projects, the Parliament was told on Monday. Rs 8,000 crore has already been raised in the first tranche of the SGBs, Minister of State for Finance Pankaj Chaudhary told the Lok Sabha in a written reply.

(Business Standard)



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TOP 10 BORROWERS OWE RS 12,71,604 CR TO SCHEDULED COMMERCIAL

BANKS: CRILC: The total exposure to top 10 borrowers from Scheduled Commercial Banks as reported in the Central Repository of Information on Large Credits (CRILC) database is Rs 12,71,604 crore. A large part of this exposure is from Public Sector Banks amounting to Rs 8,10,941 crore and from Private Sector Banks it is Rs 3,70,973 crore. RBI guidelines on exposure framework, limits the exposures that a bank can take to a single counterparty and a group of connected counterparties to 20 per cent (extendable to 25 per cent by the Board of the bank under exceptional circumstances) and 25 per cent, respectively, of the eligible capital base of the bank. BI has stipulated banks to maintain additional provisions of 3 percentage points and additional risk-weights of 75 percentage points over the applicable provision and risk-weights respectively, on the incremental exposures towards specified borrowers having overall aggregate sanction credit limit of Rs 10,000 crore.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

FINITE RISK INSURANCE

- ❖ Finite risk insurance is a risk transfer mechanism adopted by an entity wherein the insurer assumes a part of the specified risks related to investment, credit, timing etc of the insured.
- ❖ In a finite risk insurance mechanism, the liability of the insured is funded by the insurer and is spread over a protracted period of time. The risk assessment by the insurer is conservative in nature. The present value of the conservative loss estimate is taken as a basis for premium. Here the insured gets the share of the investment profits generated from the premium amount of the insured if the loss suffered by the insured is favorable or the premiums paid is sufficient to cover the loss as well as the solvency requirements of the insurer. A finite risk insurance can be taken by an entity with robust financials, low loss profile, unique risks etc.



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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 : 82.4540
INR / 1 GBP : 99.4901
INR / 1 EUR : 89.0069
INR /100 JPY : 62.5800

EQUITY MARKET

Sensex: 60506.90 (-334.98)
NIFTY: 17764.60 (-89.40)
Bnk NIFTY: 41374.70 (-125.00)

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.**

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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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The Institute of Cost Accountants of India

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