



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

***December 07, 2022***

**GOVT TO ALLOW FOREIGN FUNDS TO OWN OVER 51% IN IDBI BANK:** The Indian government will allow a consortium of foreign funds and investment firms to own more than 51% in IDBI Bank Ltd, according to a government clarification on Tuesday. The current guidelines of the Reserve Bank of India restrict foreign ownership in new private banks. The central bank's residency criteria for promoters applies only for newly set up banks and would not apply to an existing entity like IDBI Bank, the Department of Investment and Public Asset Management said in a response to interested bidders' queries. "The residency criteria would not apply to a consortium consisting of funds investment vehicle incorporated outside India," it said. The Indian government and the RBI would also consider relaxing the five-year lock-in period for shares if a non-banking financial company is merged into IDBI Bank, it said. The government and Life Insurance Corporation of India together hold 94.71% in IDBI Bank and are looking to sell 60.72%.

***(Moneycontrol)***

**FITCH RETAINS INDIA GROWTH FORECAST AT 7% FOR THIS FISCAL, CUTS PROJECTIONS FOR NEXT 2 YRS:** Fitch Ratings on Tuesday retained India's economic growth forecast at 7 per cent for the current fiscal, saying India could be one of the fastest-growing emerging markets this year. It, however, cut the projections for the next two financial years, stating that even though the country is shielded to some extent from global economic shocks but is not impervious to global developments. In its December edition of the Global Economic Outlook, Fitch projected India's GDP to grow at 7 per cent in the current fiscal and slow to 6.2 per cent in 2023-24 and 6.9 per cent in 2024-25.

***(Moneycontrol)***

**JET AIRWAYS REVIVAL HITS NEW SNAG AS BANKS PUSH BACK ON FUNDING:** Lenders to bankrupt Jet Airways India Ltd. are resisting a court-approved resolution plan, further delaying the former No. 1 private airline's return to the skies, according to people familiar with the matter and email communications seen by Bloomberg News. The primary dispute is about whether the new owners of Jet Airways need to pay more money into the pension funds of ex-employees, the people said, asking not to be identified because they're not authorized to speak publicly about the matter. Banks, led by State Bank of India, say Jet Airways' new buyers, Dubai-based businessman Murari Lal Jalan and Florian Fritsch, chairman of London-based Kalrock Capital Management Ltd. should pay an additional 2.5 billion rupees (\$30.1 million) into the retirement kitty, the people said, an ask supported by the email exchanges reviewed by Bloomberg.



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*(Moneycontrol)*

### **WORLD BANK REVISES UPWARDS INDIA'S GDP GROWTH FORECAST TO**

**6.9% FOR FY23:** The World Bank on Tuesday revised upwards its GDP growth forecast for India to 6.9 % for 2022-23. India's economy grew at 6.3 per cent in September quarter 2022-23 as compared to 13.5 per cent in the preceding June quarter, mainly on account of contraction in output of manufacturing and mining sectors. This is the first upgrade of India's growth forecast by any international agency amid the global turmoil. In October, the World Bank had cut India's GDP growth forecast to 6.5 per cent from 7.5 per cent earlier. Now, it has upgraded the projection to 6.9 per cent for 2022-23 (April 2022 -March 2023).

*(Business Line)*

### **NCLAT STAYS CCI'S IMPOSITION OF ₹223-CR PENALTY ON MAKEMYTRIP-**

**GOIBIBO:** NCLAT on Tuesday stayed the ₹223.48-crore penalty levied by the Competition Commission of India on Nasdaq-listed MakeMyTrip-Goibibo (MMT-Go) for indulging in anti-competitive practices.

*(Business Line)*

**CANARA BANK HIKES LOAN INTEREST RATES:** Canara Bank raised its marginal cost of funds-based lending rate (MCLR) on loans. In a regulatory filing, the lender stated that the new marginal cost of funds-based lending rate (MCLR) for various tenors is effective from December 7, 2022.

As per the BSE regulatory filing, Canara Bank hiked the 1-year MCLR by 5 bps to 8.15%, compared to the previous rate of 8.10%. The overnight and one-month MCLR is now at 7.30% from earlier 7.25%. Canara Bank's three-month and six-month MCLR stands at 7.60% and 8.05%, respectively.

*(Economic Times)*

### **CENTRE 'TAKES BACK' RS 1,000 CR GRANTED TO ANDHRA PRADESH:**

The Centre has taken back a sum of Rs 1,000 crore it granted under different heads in recent days to the cash-starved Andhra Pradesh government, a state Finance department official indicated on Tuesday, reported PTI. On November 25, the Centre released Rs 682 crore to AP as GST compensation, out of Rs 17,000 crore to all states, but the amount has not reached the state coffers. "In effect, the Centre has taken back about Rs 1,000 crore, adjusting it against some old liabilities dated back to the (state) bifurcation," PTI quoted a top finance department official as saying.

*(Economic Times)*



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**ICICI LOMBARD ANNOUNCES 'BANCASSURANCE' TIE-UP WITH AU SMALL FINANCE BANK:** ICICI Lombard General Insurance on Monday announced a bancassurance partnership with scheduled commercial bank AU Small Finance Bank to provide its customers access to the insurer's portfolio and enhance penetration across India.  
*(Financial Express)*

**PROMOTER ABRDN INVESTMENT TO SELL ENTIRE 10.2% STAKE IN HDFC MUTUAL FUND:** HDFC Asset Management Company (AMC) on Tuesday said promoter abrdn Investment Management Limited will sell entire 10.2% stake in the mutual fund. "We would like to inform that the company is in receipt of letter from abrdn Investment Management Limited, one of the promoters holding 10.21% of the paid-up share capital of the company, intimating their intention to sell the entire stake in the company."  
*(Financial Express)*

**WORLD BANK ECONOMIST PROJECTS INDIA'S RETAIL INFLATION AT 5.1% IN NEXT FISCAL:** World Bank senior economist Dhruv Sharma on Tuesday projected India's retail inflation, which is measured by the Consumer Price Index (CPI), to be 5.1% for the next financial year. "Our expectation is that by next year, inflation will decrease and fall under the RBI band of 2-6%."  
*(Live Mint)*

**DoT PROPOSES TO DROP BHARATNET INFRA FROM ITS ASSET MONETISATION PLAN:** The Department of Telecommunications (DoT) has proposed not to monetise rural broadband network infrastructure built under Bharatnet project and plans to replace it with alternate assets to achieve its target fixed under the National Monetisation Pipeline (NMP), sources said. Sources also told PTI that BSNL tower monetisation bid launch will be targeted within FY22-23. According to sources, the earlier attempt to monetise the asset under Bharatnet failed to get satisfactory response from private players. "Bid response under PPP (public-private partnership) mode was not satisfactory," the source said.  
*(Business Standard)*

**WALMART, FLIPKART JOIN HANDS WITH NSIC TO HELP MSMEs GROW, UNLOCK POTENTIAL:** Walmart and Flipkart on Tuesday joined hands with the National Small Industries Corporation (NSIC) to accelerate capacity building for micro, small and medium enterprises (MSMEs) across India, help them unlock export potential and become part of retail supply chains locally and globally. The agreement was signed at a summit here to mark the milestone of 20,000 MSMEs completing their training under the Walmart Vriddhi Supplier Development Programme, of which Swasti is a programme partner. The Vriddhi



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programme also includes training, seminars and mentoring sessions conducted regularly for MSMEs. Tens of thousands of MSMEs have registered for the programme from metros and Tier II and III cities across India.

***(Business Standard)***

**GOVT ON TRACK TO MEET FISCAL DEFICIT TARGET OF 6.4% FOR CURRENT FY: REPORT:** Govt is on track to meet its fiscal deficit target of 6.4 per cent of the GDP for 2022-23 on the back of strong growth in revenue collections, the World Bank said in its India Development Update on Tuesday. High nominal GDP growth in the first quarter supported strong growth in revenue collection, especially Goods and Services Tax (GST), despite tax cuts on fuel. Notwithstanding an increase in spending due to expanded fertilizer subsidies and food subsidies for vulnerable households in response to the commodity price shock, the government is on track to meet its FY22/23 fiscal deficit target of 6.4 per cent of GDP and the general government deficit is projected to decline to 9.6 per cent from 10.3 per cent in FY21/22 and 13.3 per cent in FY20/21.

***(Business Standard)***



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

### **GIG ECONOMY**

- ❖ A gig economy is a labor market that relies heavily on temporary and part-time positions filled by independent contractors and freelancers rather than full-time permanent employees.
- ❖ Gig workers gain flexibility and independence but little or no job security. Many employers save money by avoiding paying benefits such as health coverage and paid vacation time. Others pay for some benefits to gig workers but outsource the benefits programs and other management tasks to external agencies.
- ❖ Examples of gig workers include freelancers, independent contractors, project-based workers and temporary or part-time hires. Gig apps and digital technology are often used to connect customers and gig workers. The gig economy is a recent trend, with a number of factors contributing to its rise. The two most important factors are; The workforce has become more mobile and Work is increasingly done remotely via digital platforms.
- ❖ The gig economy provides consumers with an alternative to commercial products and industries. They turn to the gig economy for convenience, better service or both. This is the case with ride-hailing apps, like Uber, and food delivery services, like Grubhub. Gig apps have also met consumer demand where a service is in short supply or expensive. This is a role Airbnb has played in places where hotel rooms are in short supply, making more temporary accommodations available, sometimes at lower prices.



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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 : 82.2800  
INR / 1 GBP : 100.2000  
INR / 1 EUR : 86.2558  
INR /100 JPY : 59.9400

### **EQUITY MARKET**

Sensex: 62626.36 (- 208.24)  
NIFTY : 18642.80 (-58.20)  
Bnk NIFTY: 43138.55 (-194.40)

### **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

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