



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

08 March, 2023

ADANI GROUP REPAYS SHARE-BACKED FINANCING WORTH RS 7,374

CRORE: The controversy-hit Adani Group on March 7 announced that it has prepaid the Rs 7,374 crore (more than \$900 million) share-backed financing made by various international and domestic financial institutions, about two years ahead of its latest maturity date. The conglomerate pledged to prepay all remaining loans by the end of March. The move is a part of the plan to cut overall promoter leverage backed by shares of Adani Group's listed companies, and repay all share-backed financing by March 31 this year, irrespective of later maturity dates. The repayment of the massive amount will allow the release of four of the Group's listed shares - 155 million shares (11.8% of promoters' holding) of Adani Ports & Special Economic Zone, 31 million shares (4%) of Adani Enterprises Limited, 36 million shares (4.5%) of Adani Transmission Limited, and 11 million shares (1.2%) of Adani Green Energy Limited. Together with the repayments made in February, Adani Group has until now prepaid about \$2,106 million of share-backed financing.

(Moneycontrol)

CREDIT CARD OUTSTANDING RISES 29.6% TO REACH RECORD HIGH LEVEL IN JANUARY:

The credit card outstanding in January rose 29.6 per cent to reach an all-time high of Rs 1.87 lakh crore on the back of increased digitisation and rising consumer confidence in the post-Covid period. As per the latest data of the Reserve Bank, the credit card outstanding has recorded a growth of over 20 per cent in the 10 months of the current fiscal. June had recorded the highest growth of 30.7 per cent.

(Moneycontrol)

SLOWDOWN IN INDIA'S GDP GROWTH LATE LAST YEAR TEMPORARY:

MOODY'S ANALYTICS: Moody's Analytics on Tuesday said India's domestic economy, rather than trade, is its primary engine of growth and the slowdown in economic activity late last year will only be temporary. The government data released last week showed India's gross domestic product (GDP) growth slowed to a three-quarter low of 4.4 per cent in October-December, 2022, mainly due to contraction in manufacturing and low private consumption expenditure. While the manufacturing sector contracted by 1.1 per cent, private consumption expenditure slowed to 2.1 per cent in the October-December quarter of current fiscal.

(Economic Times)

E-WAY BILL GENERATION DIPPED TO 3-MONTH LOW IN FEBRUARY: E-way bill generation in February dropped to a three-month low of over 8.18 crore. It was over 8.24 crore and 8.41 crore in January and December. Technically, data for February are for 28 days while



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preceding two (January and December) months' total numbers are for 31 days. However, during fiscal year 2021-22, number of e-way bill generated in December was 7.16 crore which dropped to 6.88 crore in January but rose to 6.91 crore in February.

(Business Line)

SEBI WILL HAVE MORE INFLUENCE OVER STOCK EXCHANGE BOARD

THROUGH PIDs: SEBI will exercise more power in board-related appointments of stock exchanges and clearing corporations (CCs). As per the latest amendment to the rules governing exchanges and CCs, SEBI can now appoint three public interest directors (PIDs) on the board of stock and commodity exchanges and CCs. Also, shareholder approval is not needed for PIDs. Earlier, SEBI would ask the exchanges or CCs to suggest two or three names in the hierarchy for the appointment of PIDs and approve these. But now, SEBI will send the names of PIDs to the exchanges and CCs for appointment.

(Business Line)

NCLT APPROVES SURAKSHA GROUP'S BID FOR JAYPEE INFRATECH:

The NCLT on Tuesday approved the Mumbai-based Suraksha group's bid to acquire debt-ridden Jaypee Infratech Ltd through an insolvency resolution process and complete around 20,000 flats across various projects in the national capital region. A two-member Principal bench of NCLT headed by President Ramalingam Sudhkar approved the resolution plan, more than three months after concluding the hearing and reserving the order. The tribunal had reserved its order on November 22 last year over the plea filed by the resolution professional of Jaypee Infratech Ltd seeking approval for Suraksha group's bid and complete around 20,000 flats across various stalled projects.

(Financial Express)

DAILY UPI TRANSACTIONS JUMP 50% TO ₹36 CR, SAYS RBI:

Reserve Bank of India governor Shaktikanta Das on Monday said payments through UPI (unified payment interface) have grown exponentially in the past 12 months with daily transactions crossing 36 crore, from 24 crore in February 2022. In value terms, these transactions are worth ₹6.27 lakh crore, registering a growth of 17 per cent from ₹5.36 lakh crore in February 2022, said RBI governor while launching the Digital Payments Awareness Week at the RBI headquarters.

(Mint)

TORRENT MOVES SC AGAINST NCLAT ORDER ON AUCTION OF RELIANCE

CAPITAL ASSETS: The Torrent Group, a bidder of bankrupt firm Reliance Capital (RCap), has moved the Supreme Court against the National Company Law Appellate Tribunal's (NCLAT's) order to hold a second round of auction for RCap assets. The lenders' of RCap have decided to hold the second round of e-auction, following the NCLAT order, on March 20.



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Torrent was the highest bidder with a Rs 8,640-crore offer for RCap in the first auction held in December 2022. It said that inviting bids again would be against the spirit of an auction. Its rival, the Hinduja Group, has offered Rs 9,000 crore to the lenders.

(Business Standard)

90% FIRMS LACK CULTURE, STRUCTURE TO UNLOCK DIGITAL GROWTH:

INFOSYS REPORT: A mere 7 % of companies have the right combination of culture and operating structure to spur growth from digital technologies, according to new research from the Infosys Knowledge Institute, based on a survey of 2,700 business executives across 8 countries found that companies that make decisions based on high quality, transparent data and build a culture of responsible risk-taking are more likely to deliver profitable growth in tough macro-economic conditions.

(Business Standard)

ILL-CONCEIVED, BIASED, SAYS SBI RPT ON RAJAN'S HINDU RATE OF GROWTH REMARKS:

An SBI research report on Tuesday dismissed arguments that India is dangerously close to Hindu rate of growth saying such statements are "ill-conceived, biased and premature" in the wake of the recent GDP numbers and the available data on savings and investments. "Interpretations of GDP growth based on noisy quarterly numbers is a game of smoke and mirror," said the SBI report 'Ecowrap'. The report comes within days of former Reserve Bank Governor Raghuram Rajan saying that India is "dangerously close" to the Hindu rate of growth in view of subdued private sector investment, high interest rates and slowing global growth.

(Business Standard)

GOVT ISSUES GUIDELINES TO HOLD INFLUENCERS RESPONSIBLE; SAFEGUARD CONSUMERS:

The Department of Consumer Affairs released a new set of guidelines for social media influencers on March 6. The new guidelines are expected to affect a Rs 1,275 crore online endorsement market in the country according to a report in the Financial Express (FE). The guidelines are titled 'Endorsements Know-hows!' and aim to educate celebrities, influencers, and virtual influencers working on social-media platforms. The guidelines have been introduced to ensure that such individuals comply with the Consumer Protection Act and any associated rules or guidelines. They aim to ensure that influencers do not mislead their audiences when endorsing products or services. The guidelines mention that endorsements must be made in simple and clear language. Additionally, to communicate that a video or message is an endorsement, terms such as 'advertisement', 'sponsored', 'collaboration', or 'paid promotion' should be used. The guidelines go on to say that individuals should not endorse products or services that they have not used personally.

(Business Standard)



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CENTRE LIKELY TO DISCONTINUE SECOND PHASE OF FAME-II SCHEME

AFTER FY24: The second phase of Rs 10,000 crore Faster Adoption and Manufacturing of Electric Vehicles in India (Fame-II) is likely to be discontinued after 2023-24, a report said, citing officials aware of the matter. Instead of the scheme, it said the benefits might be given through the production-linked incentive (PLI) scheme. Fame-II was launched to support 1 million EV two-wheelers (E2W) and 7,000 electric buses (e-buses) in India. Under Fame, companies can offer a discount of up to 40 per cent on the cost of locally manufactured vehicles and claim it as a subsidy from the government.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

CIRCUIT BREAKERS

- ❖ Catch Circuit breakers are pre-defined values in percentage terms, which trigger an automatic check when there is a runaway move in any security or index on either direction. The values are calculated from the previous closing level of the security or the index.
- ❖ Usually, circuit breakers are employed for both stocks and indices. Many steps can possibly be taken after the breach of the circuit breakers. Some popular ones are; 1) Halting of trade in a security or index for a certain period, 2) Halting of trade in a security or index for the entire trading day. In case of the first option, trading in the security is halted for a few minutes to few hours to allow trading activity to cool down among the market participants. This time period also allows market participants to absorb any sudden news development in a particular security or a set of securities and, thereafter, take a rational and measured approach towards the security during the rest of the trading session. If the volatility or big moves are still not controlled when trading resumes after a temporary halt, then the second option is invoked and trading is halted for the entire day.
- ❖ The percentage levels at which these circuit breakers are invoked are revised regularly, depending on the levels of the security or the index over a period. For example, a stock may have a circuit breaker at 20 per cent for certain period and, subsequently, it can be revised downward to 10 per cent as the stock exchange may deem fit.



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RBI KEY RATES

Repo Rate: 6.50%
SDF: 6.25%
MSF & Bank Rate: 6.75%
CRR: 4.50%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 81.7448
INR / 1 GBP : 98.3161
INR / 1 EUR : 86.9688
INR /100 JPY : 60.1800

EQUITY MARKET

Sensex: 60224.46 (+415.49)
NIFTY: 17711.50 (+117.20)
Bnk NIFTY: 41350.40 (+99.10)

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,

Banking, Financial Services & Insurance Board

The Institute of Cost Accountants of India

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