



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

09 March, 2023

FUTURE ENTERPRISES ENTER FOR INSOLVENCY: After Future Retail, another Kishore Biyani company Future Enterprise has been admitted to insolvency resolution, requiring the firm to be auctioned to recover unpaid dues. In a regulatory filing, Future Retail said the Mumbai bench of the National Company Law Tribunal on March 7 "ordered the commencement of corporate insolvency resolution process (CIRP)".

(Economic Times)

HDB FINANCIAL SERVICES FLAGS DATA BREACH AT SERVICE PROVIDER:

HDB Financial Services, the non-bank lending unit of India's top private lender HDFC Bank, said on Tuesday there was a data breach at one of its service providers which processes customer information. HDB is working with a regulator and an office of the government to investigate the incident, it said. HDFC Bank said it was not affected by the incident. "We wish to state that there is no data leak at HDFC Bank and our systems have not been breached or accessed in any unauthorised manner. We remain confident of our systems," the bank said in an emailed statement.

(Economic Times)

SEBI TIGHTENS NORMS FOR BUYBACKS THROUGH STOCK EXCHANGE

ROUTE: The Securities and Exchange Board of India (SEBI) on March 8 released a circular chalking out restrictions on placements of bids, price and volume for a company seeking to buy back its shares through the exchange route. At present, a company can exercise the tender offer route and the buyback route to buy its shares listed on the bourses. As far as buyback from the stock exchange route is concerned, the regulator, in an operational guidance circular, has mandated that no company shall purchase more than 25 percent of the average daily trading volume (in value) of its shares or other specified securities in the 10 trading days preceding the day on which such purchases are made. The company shall not place bids in the pre-open market, that is, the first 30 minutes and the last 30 minutes of a regular trading session. The company's purchase order price should be within the range of $\pm 1\%$ from the last traded price, it has said.

(Moneycontrol)

INVESTORS WARNED OF UNAUTHORISED BROKING PRACTICES FLAGGED

BY NSE: The National Stock Exchange (NSE) has issued a warning to investors advising them against sharing their trading account credentials or falling for investment schemes that guarantee returns, as such practices are illegal. The NSE has highlighted the activities of an individual named 'Pankaj Sonu' who works for an entity called 'Trading Master' and has been



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collecting funds from the public through various schemes, promising high returns on investments and efficient handling of trading accounts. The NSE has cautioned that neither the individual nor the entity is registered with the NSE as a member or authorized person. Investors are advised to exercise caution and avoid dealing with individuals or entities that are not registered with the NSE or other authorized market regulators. Sharing account credentials or investing in unregistered schemes can lead to financial losses and legal consequences.

(Moneycontrol)

SBI RAISES RS 3,717 CRORES THROUGH ADDITIONAL TIER 1 BOND

ISSUANCE: The country's largest lender, State Bank of India (SBI), on March 8, raised Rs 3717 crores at a coupon rate of 8.25 percent through Additional Tier 1 (AT-1) bond issuance. The tenor of these bonds is perpetual with a call option after 10 years and every anniversary thereafter, the lender said in a press release. The issue attracted investors with bids of Rs. 4537 crores, the lender said, and was oversubscribed by about 2.27 times against the base issue of Rs 2000 crores.

(Moneycontrol)

MUDRA LOANS SURPASS LAST YEAR'S DISBURSAL AT ₹3.56 LAKH CRORE:

One month ahead of the closure of the current financial year, Mudra loans surpassed total disbursements of last year and are on track to set an all-time record in the current financial year. As per the latest data, loans worth ₹3.56-lakh crore have been sanctioned, of which ₹3.48- lakh crore have been disbursed as of March 3, 2023.

(Business Line)

CRYPTO TRANSACTIONS TO COME UNDER ANTI-MONEY LAUNDERING

LAWS: In a new regulatory move, the government has brought a range of virtual digital asset (VDA) transactions under the ambit of Prevention of Money Laundering Act (PMLA) 2002. The Finance Ministry in a gazette notification said the exchange between virtual digital assets and fiat currencies, exchange between one or more forms of virtual digital assets, and transfer of virtual digital assets, will fall under the purview of the PMLA Act.

(Business Line)

SEBI ASKS INVESTORS TO LINK PAN WITH AADHAAR BY MARCH 31:

Capital markets regulator Sebi on Wednesday asked all investors to link their PAN with Aadhaar number by March-end for continual and smooth transactions in the securities market. The non-compliance with this would be considered non-KYC compliant, and there could be restrictions on securities and other transactions until the Permanent Account Number (PAN) and Aadhaar are linked, Sebi said in a statement. The Central Board of Direct Taxes (CBDT) issued a circular in March 2022, whereby the PAN allotted to a person would become inoperative if it is



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not linked with Aadhaar by March 31, 2023, and would be liable to all the consequences under the Income-tax Act, 1961, for not furnishing, intimating or quoting the PAN.

(Financial Express)

GDP GROWTH MAY PRINT AT ABOUT 4% IN Q4FY23: INDIA RATINGS

ANALYST: Pencilling in just 4 % GDP growth for the fourth quarter, a rating agency report has said the final growth numbers for the full year will be lower than the second advance estimate of 7 %. The economy grew at 13.2 per cent in the first quarter and 6.3 per cent in the second three-month period due to base effect and much lower than the consensus expectation of 4.4 per cent in the third quarter. To close the full fiscal with a 7 % growth, the GDP should deliver at least a 4.1 per cent uptick. India Ratings analyst Paras Jasrai in a report said the agency expects GDP to print in at around 4 % in Q4, which would mean GDP growth for FY23 could be lower than 7 % but did not quantify the same.

(Business Standard)

SHRIRAM GENERAL INSURANCE OPENS TWO WOMEN-ONLY BRANCHES IN THE NORTH:

Shriram General Insurance Company (SGIC) has set up two women-only branches in Ludhiana and Jaipur, in the first such initiative in the industry. The entire workforce, from the branch manager to the support staff, consists of women. SGIC plans to replicate the model nationwide, going forward. “Diversity and inclusion are crucial for organisations wanting to create an environment that fosters innovation, productivity, and employee satisfaction. Studies have found that women who work in diverse organisations report higher job satisfaction. By hiring qualified women at all levels, we create a more inclusive culture that values diversity. The CFO and the Legal Head at SGIC are women, which is indicative of the culture the company has built,” said Anil Aggarwal, managing director and chief executive officer, Shriram General Insurance Company.

(Business Standard)

LOANS TO INDUSTRY FLAT AS MSME CREDIT LOSES STEAM: The growth in the loans to the industry has stagnated with the banking sector clocking an 8.7% growth in January. The moderation is on account of the slower pace of growth in MSME credit, which was the main driver of the growth in loans since April. Banks’ credit to the medium industries grew 30% in November, 15% in December and 18% in January, data from the Reserve Bank of India (RBI) shows, while loans to micro and small industries has grown 20%, 14% and 15% in the respective months. A large number of MSME loans are linked to the external benchmark like the repo. Hence with the repo rate going up, there has been an immediate increase in the borrowing cost, Bank of Baroda economist Aditi Gupta said. In the current tightening cycle, the RBI has increased repo rate by 225 basis points to 6.50%.

(Financial Express)



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INDIA'S OIL DEALS WITH RUSSIA DENT DECADES-OLD DOLLAR

DOMINANCE: U.S.-led international sanctions on Russia have begun to erode the dollar's decades-old dominance of international oil trade as most deals with India - Russia's top outlet for seaborne crude - have been settled in other currencies. The dollar's pre-eminence has periodically been called into question and yet it has continued because of the overwhelming advantages of using the most widely-accepted currency for business. The country is the world's number three importer of oil and Russia became its leading supplier after Europe shunned Moscow's supplies following its invasion of Ukraine begun in February last year.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

CONSUMER SURPLUS

- ❖ Consumer surplus is defined as the difference between the consumers' willingness to pay for a commodity and the actual price paid by them, or the equilibrium price.
- ❖ Total social surplus is composed of consumer surplus and producer surplus. It is a measure of consumer satisfaction in terms of utility.
- ❖ Graphically, it can be determined as the area below the demand curve (which represents the consumer's willingness to pay for a good at different prices) and above the price line. It reflects the benefit gained from the transaction based on the value the consumer places on the good. It is positive when what the consumer is willing to pay for the commodity is greater than the actual price.
- ❖ Consumer surplus is infinite when the demand curve is inelastic and zero in case of a perfectly elastic demand curve.



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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 : 82.0890
INR / 1 GBP : 97.0642
INR / 1 EUR : 86.4769
INR /100 JPY : 59.6100

EQUITY MARKET

Sensex: 60348.09 (+123.63)
NIFTY: 17754.40 (+42.90)
Bnk NIFTY: 41577.10 (+226.70)

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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