



**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 10, 2022

MUTUAL FUND INDUSTRY TOPS RS 40 LAKH CRORE IN ASSETS FOR THE FIRST TIME IN NOVEMBER: The assets under management (AUM) of the mutual fund industry crossed the Rs 40 lakh crore mark for the first time in November even as equity investors took some money off the table amid the market's continuous rise. Stock investors were a bit jittery about pricey valuations as inflows into the open-ended equity funds slumped to Rs 2,258 crore during the last month against Rs 9,390 crore in October, a fall of over 75 percent.

(Moneycontrol)

GOVT SEEKS PARLIAMENT NOD FOR ADDITIONAL GRANT OF ₹3.25-LAKH CRORE THIS FISCAL: The Centre has sought approval from the Parliament for fresh cash expenditure of around ₹3.25 lakh crore. This is the highest net cash outgo, combining two proposals in the first batch of supplementary demand for grants (SDG). “The first batch of SDG for 2022-23 includes 75 grants and six appropriations.

(Business Line)

YES BANK GETS RBI NOD TO COMPLETE CAPITAL RAISE FROM CARLYLE GROUP, VERVENTA HOLDINGS: Following its conditional approval last month, the Reserve Bank of India has now issued two letters to YES Bank as the final go-ahead for its proposed capital raise plan from the Carlyle Group and Verventa Holdings, the bank informed the exchanges. “We wish to hereby inform that the bank is now in receipt of two further letters (separate to each investor) from the RBI in relation to the proposed investment,” it said. The RBI had granted a conditional approval on November 30 to CA Basque Investments, part of the Carlyle Group, and Verventa Holdings Limited, and affiliate of Advent International, to acquire 9.99 per cent stake in the bank for ₹8,900 crore. YES Bank had, in July, announced that it plans to raise ₹5,100 through shares and ₹3,800 crore through share warrants. It plans to cumulatively issue 370 crore shares at ₹13.78 per share, and 257 crore convertible warrants at ₹14.82 per warrant. The two investors will initially acquire 5.9 per cent stake each post the share issue, which will eventually rise to 10 per cent post conversion of share warrants into shares.

(Business Line)

IDBI BANK DIVESTMENT: DEADLINE TO SUBMIT PRELIMINARY BIDS MAY BE EXTENDED: The sale of IDBI Bank is set to get delayed as the date for submission of



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Expression of Interest (EoI) is likely to be extended to the next month. Earlier, the scheduled date was December 16. A senior government official said transaction advisors have received a few requests for an extension of the deadline. "Since foreign investment bankers will not be working due to year-end holidays, the deadline will be extended till early January," the official said on Friday. Though the bank is categorised under the private sector with effect from January 21, 2019, the government still owns 45.48 per cent of equity. LIC has 49.24 per cent. The plan is that the government will sell 30.48 per cent stake and LIC 30.24 per cent stake, aggregating to 60.72 per cent of the equity share capital of IDBI Bank, along with the transfer of management.

(Business Line)

ODISHA, MADHYA PRADESH, CHHATTISGARH GET LION'S SHARE OF ROADS UNDER PMGSY: Out of 2,20,570 km of roads constructed under the Pradhan Mantri Gram Sadak Yojana (PMGSY) scheme in the last six years (including the current year), 1,54,120 km, or 70 per cent, has come up in 10 States, with Odisha, Madhya Pradesh and Chhattisgarh getting the lion's share. Data presented by the Ministry of Rural Development to the Rajya Sabha on Wednesday shows that.

(Business Line)

INDIA RANKS FIFTH IN TOP GLOBAL 500 COMPANIES LIST: India has added nine new entities to take its tally to 20 in the list of top global 500 companies and moved up four places to the fifth rank in the Hurun Global 500 rankings released on Friday. Led by energy giant Reliance Industries with market capitalisation of \$202 billion, the list includes Tata Consultancy (\$139 billion) and HDFC Bank (\$97 billion). Billionaire Gautam Adani controlled Adani Group has debuted in the global top 500 companies list with four companies; Adani Enterprises (\$63 billion), Adani Transmission (\$44 billion), Adani Total Gas (\$43 billion) and Adani Green Energy (\$40 billion). Interestingly, 50 per cent or 250 companies in the Hurun Global 500 companies have presence in India. Among state-owned listed companies, Saudi Aramco was the world's most valuable with value of \$2.03 trillion. State Bank of India (\$62 billion) and the Life Insurance Corporation of India (\$45 billion, were the two biggest state-owned Indian companies.

(Business Line)

SEBI GIVES NOD TO AIFs TO RAISE MONEY FROM FPIs: Alternative Investment Funds (AIFs) in India will now be able to raise money from Foreign Portfolio Investors (FPIs). On Friday, market regulator SEBI issued a framework for the same. SEBI has said that at the time of onboarding investors, the manager of an AIF will have to ensure that FPIs are residents of a country, the securities market regulator of which is a signatory to the International Organisation of Securities Commission's (IOSCO) Multilateral Memorandum of Understanding, or a signatory to a bilateral Memorandum of Understanding with SEBI. SEBI has said that



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investors contributing 25 per cent or more in the corpus should not be a person mentioned in the Sanctions List notified by the United Nations Security Council, and should not be a resident in a country identified in the public statement of the Financial Action Task Force (FATF). The investor should also not be from a country that has not made sufficient progress in addressing the deficiencies, or has not committed to an action plan developed with FATF to address such deficiencies.

(Business Line)

OVER 15 LAKH UDYAM MSMEs IN HANDLOOM, HANDICRAFT, AND AGRO EMPLOY MORE THAN 43 LAKH WOMEN: Minister of state for MSME informed parliament that 15.07 lakh Udyam-registered MSMEs in handloom, handicraft and agro-based production sector have 43.15 lakh women employees across India. According to the data, out of all Indian states and union territories (UTs), Maharashtra topped the list with 2,47,318 registered MSMEs in the sector followed by Tamil Nadu with 2,16,482 units and Gujarat with 1,92,707.

(Financial Express)

ADB APPROVES USD 250 MILLION LOAN TO STRENGTHEN LOGISTICS

SECTOR: The ADB on Friday said it has approved a USD 250 million policy-based loan to support India's wide-ranging reforms that aim to strengthen and modernise the country's logistics infrastructure, improve efficiency, and lower costs. The loan will finance the first sub-program of the strengthening multimodal and integrated logistics ecosystem program, which supports the government's efforts to create a comprehensive policy, planning, and institutional framework at the federal, state, and city level, it said in a release.

(Business Standard)

GOVT HOPES TO MEET RS 65,000 CR FY23 DISINVESTMENT GOAL VIA OFFER FOR SALE:

The central government is aiming to meet its disinvestment target of Rs 65,000 crore in FY23 by completing its first tranche of proceeds from the sale of Hindustan Zinc Ltd (HZL). "We are working on the Hindustan Zinc offer for sale (OFS) and expect some stake dilution to happen in the current fiscal," a senior government official said. He added that other stake sales in the pipeline, including IDBI Bank and Concor, would take time and may not be completed this year, and that the Hindustan Zinc OFS is likely to come from a minority stake sale. The Department of Investment and Public Asset Management (DIPAM) has so far raised Rs 62,433 crore from stake sales and dividends. This includes disinvestment receipts of Rs 28,382 crore.

(Business Standard)



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INDIA'S FOREX RESERVES RISE FOR FOURTH WEEK, HIT OVER 3-MONTH

HIGH: India's foreign exchange reserves rose for a fourth week to an over three-month high of \$561.16 billion in the week through Dec. 2, the Reserve Bank of India's (RBI) statistical supplement showed on Friday. The RBI in the past has said changes in its reserves is a function of revaluation gains or losses, as well as market interventions. For the week ended Nov. 25, the country's reserves were at \$550.14 billion. Overall, they have declined from \$632.7 billion at the beginning of this year, as the RBI has sold a portion of the reserves to ease volatility in the currency markets.

(Business Standard)

BANKS NEED TO SCALE UP INVESTMENTS IN TECHNOLOGY, SAYS RBI'S

MK JAIN: RBI dy. Gov. MK Jain has said that banks' legacy core banking system, developed in the pre-mobile era, is perhaps not well suited to make swift changes in product design, computation capabilities and API integration, among others and they need to scale up their investment in technology to keep up with the changing times.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

IMPACT INVESTING

- ❖ Impact investing refers to investments made into companies, organizations, and funds with the intention to generate a measurable, beneficial social or environmental impact alongside a financial return. At its core, impact investing is about an alignment of an investor's beliefs and values with the allocation of capital to address social and/or environmental issues.
- ❖ Impact investors actively seek to place capital in businesses, nonprofits, and funds in industries such as renewable energy, housing, healthcare, education, microfinance, and sustainable agriculture. Institutional investors, notably North American and European development finance institutions, pension funds and endowments have played a leading role in the development of impact investing.
- ❖ Some of the impact investment funds in India are; Ankur Capital fund, IFMR FImpact Investment Fund, India Financial Inclusion Fund 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 : 82.2092
INR / 1 GBP : 100.8241
INR / 1 EUR : 86.9313
INR /100 JPY : 60.4100

EQUITY MARKET

Sensex: 62181.67 (-389.01)
NIFTY : 18496.60 (-112.70)
Bnk NIFTY: 43633.45 (+36.60)

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
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The Institute of Cost Accountants of India

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