



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

November 18, 2022

EXIM BANK'S LINE OF CREDIT OF USD 300 MN TO THE SBM (MAURITIUS) INFRASTRUCTURE DEVELOPMENT COMPANY LTD. FOR CONSTRUCTION OF PHASE-IV OF MAURITIUS METRO EXPRESS PROJECT:

Exim Bank has entered into an agreement today with the SBM (Mauritius) Infrastructure Development Company Ltd (SBMIDCL), for making Government of India supported Line of Credit (LoC) of USD 300 million for the purpose of financing its participation through Redeemable Preference Shares in public sector entities to implement the construction of Phase-IV of the Metro Express Project in Mauritius. Out of the total credit by Exim Bank under the agreement, goods, works and services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India, and the remaining 25 per cent of goods and services may be procured by the seller for the purpose of the eligible contract from outside India. Under the LoC, the terminal utilization period is 48 months from the scheduled completion date of the project.

(RBI Notification)

BANKRUPTCY BOARD CHIEF ASKS BANKS TO INITIATE PROCEEDINGS SOON AFTER NPA CLASSIFICATION:

Banks should initiate the process of taking a defaulter to the bankruptcy court as soon as the loan account is classified as a non-performing asset (NPA), Insolvency and Bankruptcy Board of India (IBBI) chairperson Ravi Mital says. Lenders are required to implement a resolution plan in respect of the entities in default within 180 days from the end of the review period of 30 days. "However, it is noticed that more than a year is being taken by FCs (financial creditors) in filing CIRP applications, post defaults. This delay leads to erosion in the value of assets," he said.

(Moneycontrol)

NSE LIKELY TO INTRODUCE ELECTRONIC GOLD RECEIPT SHORTLY: SEBI EXECUTIVE DIRECTOR:

The National Stock Exchange is likely to introduce trading of electronic gold receipts on its platform and market regulator Sebi is ironing out some taxation issues related to the product with the government, an official said on Thursday. Referring to the Electronic Gold Receipt (EGR), V S Sundaresan, Executive Director at the Securities and Exchange Board of India (Sebi), said, this product has been introduced by Sebi and BSE has launched it about a month back and "we hope that this product will definitely gain traction over a period of time". "Under this product, what is proposed is that the physical gold is to be deposited in a vault, that vault manager will issue an electronic receipt and this will be credited to the demat account of the investor, that receipt can be traded on the stock exchange," he explained.

(Moneycontrol)



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CREDITORS REALISE RS 2.43 LAKH CRORE THROUGH INSOLVENCY RESOLUTION PROCESS TILL SEP 2022:

Banks, financial institutions and other creditors of stressed companies have realised Rs 2.43 lakh crore through NCLT-supervised insolvency resolution processes against total claims of Rs 7.91 lakh crore till September 30, 2022. So far 532 CIRPs (Corporate Insolvency Resolution Process) yielded resolution plans, said the quarterly report of the Insolvency and Bankruptcy Board of India (IBBI). "Till September 30, 2022, the creditors have realised Rs 2.43 lakh crore under the resolution plans." The fair value of the assets available with these CDs, when they entered the CIRP was estimated at Rs 2.14 lakh crore and liquidation value of Rs 1.37 lakh crore against the total claims of the creditors' worth Rs 7.91 lakh crore," it said.

(Economic Times)

SEBI ADVICES IHH HEALTHCARE TO PROCEED WITH OPEN OFFER TO ACQUIRE STAKE IN FORTIS AFTER DELHI HC'S ORDER:

Sebi on Thursday advised Malaysia's IHH Healthcare to go ahead with its open offer to acquire 26.1 per cent market share in Fortis Healthcare after obtaining order from the Delhi High Court, the company stated. In November 2018, IHH Healthcare had acquired 31.17 per cent stake in Fortis by infusing fresh capital of Rs 4,000 crore.

(Economic Times)

HC EXTENDS TILL DEC 19 EARLIER ORDER OF NO COERCIVE ACTION AGAINST ANIL AMBANI ON BLACK MONEY ACT NOTICE:

The Bombay High Court on Thursday extended till December 19 its earlier order directing the Income Tax department to not take any coercive action against Reliance ADAG group chairman Anil Ambani on a show cause notice seeking to prosecute him under the Black Money Act.

(Financial Express)

WALMART ANNOUNCES A \$2 MILLION GRANT TO NGO PRADAN TO EMPOWER 1.2 LAKH WOMEN ACROSS 60 FPOs:

Walmart Foundation, the charitable arm of the US retail giant, Walmart has announced a grant worth \$2 million to Professional Assistance for Development Action (PRADAN), a non-government, non-profit organisation (NGO) to support the growth of women-led farmer producer organizations (FPOs) in the tribal regions of eastern states of the country. PRADAN that works towards rural development will get the grant for the implementation of the project PROWFIT (prowess of organized resources and women-farmers for transforming FPOs into independent institutions) that aims to support 60 women-led FPOs over a period of 30 months.

(Financial Express)

DSP MUTUAL FUND SCHEMES TO ACQUIRE 9.99% STAKE IN EQUITAS SFB, RBI GIVES NOD:

Shares of Equitas Small Finance Bank (SFB) rebounded from day's lows at the



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closing hour to surge more than 5% to ₹57 apiece on the BSE after the company said that it has received the Reserve Bank of India's nod for the acquisition of 9.99% stake by DSP Investment Managers Private Ltd in the company. RBI on November 16, 2022, has granted its approval to M/s DSP Investment Managers Private Ltd (DSPIM) to acquire up to 9.99% of the paid-up equity capital of the Bank through the schemes of DSP Mutual Fund (DSPMF)," the company informed in an exchange filing. The proposed acquisition of shares by DSPIM would be consequent to the Scheme of Amalgamation of Equitas Holdings Limited with the Bank taking effect.

(Financial Express)

NEW GUIDELINE FOR FINANCIAL INFLUENCERS UNDER WORKS, SAYS SEBI:

The Securities and Exchange Board of India (SEBI) is formulating guidelines for financial influencers or finfluencers, curbing the unsolicited and rampant stock recommendations and financial advice on social media platforms without availing the market regulator's registration. At the sideline of an event in Mumbai, SEBI whole time member Santosh Kumar Mohanty said, "SEBI is working on guidelines for financial influencers." The watchdog had earlier warned investors to not rely on stock tips, recommendations and financial advice received on social media platforms.

(Business Standard)

GOOGLE COLLABORATES WITH K'TAKA GOVT TO SUPPORT EMERGING LOCAL

START-UPS: Tech giant and search engine Google on Thursday signed a memorandum of understanding (MoU) with the Karnataka government to support its vision to promote innovation and spur the growth of startups across the State. Google would work with women-led founders and startups across tier-2 and tier-3 cities to offer essential training, access to partners, expertise on Google's suite of tools and technologies, along with knowledge and mentorship sessions in areas such as Cloud, User Experience, Android, Web, Product Strategy, Leadership and Marketing, said a statement from Google. Google would extend also scholarships for Google career certificates to youth and job-seekers in digital skills

(Business Standard)

EDUCATION LOAN DISBURSAL TARGET FOR FY23 SET AT 13.5% LOWER THAN

FY22: During the current financial year, the education loan disbursement target for public sector banks (PSBs) has been set at 13.5 per cent lower than the loans disbursed by all scheduled banks in FY22, reported the *Indian Express (IE)*. In FY22, the country's financial system disbursed education loans for Rs 23,640 crore. For 12 PSBs, the target for FY23 has been set at Rs 20,450 crore. In India, according to *IE*, nearly 90 per cent of all education loans are given by PSBs.

(Business Standard)

BANK CREDIT INCREASES 17% YOY TO RS 129 TRILLION IN EARLY

NOVEMBER 17: Bank credit rose 17 per cent year-on-year (YoY) to Rs 129.26 trillion as on November 4, reflecting robust offtake in the busy season. However, it moderated from 17.9 per



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cent YoY growth till October 21. Sequentially, credit rose by Rs 0.43 trillion over Rs 128.83 trillion as on October 21, 2022, according to data released by the Reserve Bank of India.
(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

AUSTERITY

- ❖ Austerity is defined as the condition of a government or nation adopting serious policies to bring down the impacts of an economic crisis. Austerity measures are implemented to avoid debt crisis.
- ❖ These assist a country in tracking the expenses of the government, controlling them and regulating new policies in the annual budgeting. According to a statement by The World Bank, if the Debt-GDP Ratio reaches a value beyond 77%, a country is believed to undergo an economic crisis. In such an emergency, the economic growth drops down by 2% every year.
- ❖ Such financial dangers, often are linked to Higher Unemployment rates and low progress. To cope with the effects, administrations take actions as increasing taxes and cutting down unnecessary expenses other than needs. It is also important to remember, that an increase in tax during a stable economic condition is not an austerity measure.



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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 : 81.6335
INR / 1 GBP : 97.1945
INR / 1 EUR : 84.7726
INR /100 JPY: 58.5300

EQUITY MARKET

Sensex: 61750.60 (-230.12)
NIFTY : 18343.90 (-65.80)
Bnk NIFTY: 42458.10 (-77.20)

(CMA Chittaranjan Chattopadhyay)

Chairman,

Banking, Financial Services & Insurance Board

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