



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

**January 19, 2023**

### **GOVERNMENT PROPOSES KEY CHANGES TO IBC LAW, SEEKS PUBLIC**

**COMMENTS:** The Government on January 18 proposed a slew of changes to the existing insolvency law aiming to enhance the efficiency of the bankruptcy process and expanding the scope of the framework. The centre has sought public comments for proposed changes.

The proposed changes include redesigning the fast-track corporate insolvency resolution process to permit financial creditors to drive the the insolvency resolution process for a corporate debtor outside of the judicial process, the government said. This will be done while retaining some involvement of the adjudicating authority to improve the legal certainty of the final outcome, the Government said. "Insolvency resolution through this procedure will be available for corporate debtors with such asset size as notified by the Central Government," said the government. Besides, the government also proposed to amend section 10 to delete the right of the corporate debtor to propose an insolvency professional.

*(Moneycontrol)*

**CENTRAL BANK OF INDIA Q3 NET PROFIT RISES 64%:** State-owned Central Bank of India reported a 64% increase in standalone net profit to ₹458.2 crore in the December quarter of FY23. The bank reported a net profit of ₹458.22 crore for Q3FY23, higher than ₹278.92 crore for the same quarter last year, and interest income of ₹6,716.55 crore, up from ₹6,049.5 crore. Meanwhile, the bank's provisions and contingencies increased 35.2% on year to ₹995.47 crore in Q3FY23. The percentage of gross NPA stood at 8.85% of gross advances on 31 December, against 9.67% in the previous quarter. As of December 2022, the ratio of net NPA stood at 2.09%, as against 2.95% in the previous quarter

*(Live Mint)*

### **MICROSOFT TO AXE ABOUT 5% OF GLOBAL WORKFORCE BY Q3 FY23**

**OVER POOR ECONOMY:** Tech giant Microsoft on Wednesday said that it will axe 10,000 employees, almost 5% of its workforce, by the end of third quarter of fiscal 2023 over poor economy. The layoffs and costs related to hardware-portfolio and other changes will result in a charge of \$1.2 billion in the second quarter of fiscal 2023, representing a negative impact of 12 cents on per share profit, Microsoft said.

*(Live Mint)*

### **INDUSIND BANK Q3 PAT UP 69% TO ₹1,959 CR; GROSS NPA, PROVISIONS**

**DECLINE:** IndusInd Bank has announced its third quarter results for the financial year FY23. The bank beats estimates in terms of profitability during Q3FY23 by garnering a PAT of ₹1,959.20 crore rising by 68.71% YoY from a profit of ₹1,161.27 crore in the same quarter last



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year. The lender also recorded a significant drop in gross NPA and provisions during the quarter. The bank's gross NPA was at 2.06% and Net NPA stayed below 1% with further moderation in Q3FY23 to 0.62% against 0.71% in Q3FY22 and 0.61% in Q2FY23.

*(Live Mint)*

**LATEST HEALTH AND GENERAL INSURANCE CLAIM SETTLEMENT RATIO OF COMPANIES IN INDIA:** IRDAI has released the claims payment details of general and health insurance companies for the financial year 2021-22. According to this, among the private general insurance companies, Navi General Insurance (erstwhile DHFL General Insurance) tops the list with 99.99 % of claims settled in the first three months of initiating the claim, followed by Reliance General Insurance and HDFC Ergo General Insurance with 98.65 % and 98.49 %, respectively. Among Public sector, United India Insurance tops with a 97.25 % claim-settlement ratio. Among stand-alone health insurance companies, Care Health Insurance settled 100 % of claims within the first three months.

*(Economic Times)*

**ING WEIGHS BUYING IDBI BANK FOR INDIA RETURN:** Four years after announcing sale of its last tranche of shares in Kotak Mahindra Bank, Dutch banking group ING is evaluating a return to India by buying a controlling stake in IDBI Bank, two people aware of the development told ET. ING has been examining the books of the state-owned lender in recent weeks and some members of its top brass were in New Delhi recently, to discuss the matter with senior officials, they said. One of the officials mentioned above said ING has submitted an expression of interest (EoI) for IDBI Bank, while the other said it would do so at a later stage.

*(Economic Times)*

**UPI: P2M TRANSACTIONS CROSS 400-CRORE MARK IN DECEMBER:** The peer-to-merchant (P2M) UPI transactions saw 140 per cent growth in December 2022 to 422.7 crore from 175.4 crores in December 2021, showed latest UPI data from the National Payments Corporation of India (NPCI). The value of transactions also increased by 84 per cent from Rs 1.57 lakh crore in December 2021 to Rs 2.90 lakh crore in December 2022. P2M transactions had a 54 per cent share in total UPI volume of 782.9 crore transactions in December in comparison to 360.2 crore peer-to-peer (P2P) transactions with a 46 per cent share. P2M transactions by value were limited to 22.6 per cent share only in comparison to 77.3 per cent share of P2P transactions in the overall transaction value of Rs 12.82 lakh crore in December.

*(Financial Express)*



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### **NCLT ASKS LENDERS TO DELAY ROUND OF SECOND AUCTION FOR RELIANCE CAPITAL:**

The National Company Law Tribunal (NCLT) on Wednesday asked the lenders to delay the second auction for Reliance Capital, which was scheduled for Thursday, till January 23 as it could not complete hearing arguments from both sides. Torrent Investment, the winning bidder of the first round of auction of Anil Ambani-promoted Reliance Capital, had moved the NCLT Mumbai bench on January 12, seeking a stay on the lenders' proposal for 'challenge mechanism' that was scheduled for January 19.

*(Business Standard)*

### **TATA STEEL SETS UP CENTRE FOR INNOVATION IN MOBILITY AT IIT-M RESEARCH PARK:**

Steel manufacturer Tata Steel has set up a Centre for Innovation in Mobility at the Indian Institute of Technology, Madras Research Park here, to develop application technologies for current and future mobility platforms, the company said on Wednesday. The Centre would work closely with academia and the mobility industry.

*(Business Today)*

### **ADANI ENTERPRISES FILES FOR RS 20,000-CRORE FOLLOW-ON PUBLIC OFFER:**

Richest Indian Gautam Adani-led group's flagship firm on Wednesday filed an offer letter with stock exchanges for a proposed Rs 20,000 crore follow-on public offer (FPO). The FPO of Adani Enterprises Ltd (AEL) is planned to open on January 27 and close on January 31, according to the offer letter. Of the Rs 20,000 crore proceeds of the FPO, Rs 10,869 crore will be used for green hydrogen projects, work at the existing airports and construction of a greenfield expressway. Another Rs 4,165 crore will go towards repayment of debt taken by its airports, road and solar project subsidiaries.

*(Business Standard)*

### **AMAZON BACK AS WORLD'S MOST VALUED BRAND, APPLE DOWN TO NO 2:**

Amazon has reclaimed the top spot as the world's most valuable brand despite its brand value falling 15 per cent this year from \$350.3 billion to \$299.3 billion, said a new report. According to brand valuation consultancy Brand Finance's report, "Global 500 2023", while Amazon is back at No 1, its brand value has fallen by over \$50 billion this year, with its rating slipping from AAA+ to AAA. This is as consumers evaluate it more harshly in the post-pandemic world.

*(Business Standard)*

### **INDIA TO BECOME A \$26 TRILLION ECONOMY BY 2047, SAYS EY REPORT:**

India is likely to become a \$26-trillion economy in 100th year of its Independence in 2047 with per capita GDP growing six times from current level to over \$15,000 during the period, EY said in a report released at the sidelines of the World Economic Forum at Davos. The report, titled "India@100: Realising the potential of a \$26 trillion economy", says India is most likely to



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overtake Germany and Japan to become the third largest economy after China and the US by 2030.

*(Business Standard)*

**RUPEE SURGES AS FOREIGN BANKS MAKE DOLLAR SALES, LIKELY FOR FPI FLOW:** The rupee strengthened sharply against the US dollar in late trade on Wednesday, gaining 52 paise as some foreign banks sold the greenback, likely on account of overseas investment into domestic markets, traders said. The domestic currency closed at 81.25 per US dollar as against 81.77 at previous close, Bloomberg data showed. In 2023, the rupee has appreciated 1.8 per cent against the US dollar. The domestic currency was also boosted by a weaker US dollar index as investors anticipate a slowdown in the pace of the Federal Reserve's rate hikes, given data showing easing inflation in the world's largest economy.

*(Business Standard)*



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

### **PRODUCTION LINKED INCENTIVE (PLI) SCHEME**

- ❖ Production Linked Incentive or PLI scheme is a scheme that aims to give companies incentives on incremental sales from products manufactured in domestic units and aims to encourage local companies to set up or expand existing manufacturing units and also to generate more employment and cut down the country's reliance on imports from other countries. To enhance India's Manufacturing capabilities and Exports, Union Budget 2021-22 announced the Production Linked Incentive (PLI) scheme for 13 key sectors. At present, there are a total of 14 sectors under the PLI Scheme (including automobiles and auto components, white goods, pharma, textiles, food products, high efficiency solar PV modules, advance chemistry cell and specialty steel.) that involves a total outlay of Rs 3 trillion.
- ❖ It was launched in April 2020, for the Large-Scale Electronics Manufacturing sector, but later towards the end of 2020 was introduced for 10 other sectors. This scheme was introduced in line with India's Atmanirbhar Bharat campaign.
- ❖ The Scheme shall extend an incentive of 4% to 6% on incremental sales (over the base year) of goods manufactured in India and covered under target segments, to eligible companies, for a period of five years.



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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 : 81.6480  
INR / 1 GBP : 100.3361  
INR / 1 EUR : 88.0574  
INR /100 JPY : 62.3800

### **EQUITY MARKET**

Sensex: 61045.74 (+390.02)  
NIFTY: 18165.30 (+112.00)  
Bnk NIFTY: 42458.00 (+222.95)

### **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)**

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**CMA Chittaranjan Chattopadhyay**

**Chairman,**

**Banking, Financial Services & Insurance Board**

**The Institute of Cost Accountants of India**

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