



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

February 21, 2023

ADANI GROUP FIRM REPAYS RS 1,500 CR: Adani group firm Adani Ports & SEZ paid Rs 1,500 crore loan and promised to repay more as the embattled conglomerate mapped a comeback strategy after a sellout triggered by a damning report by US-based Hindenburg Research. Adani Ports and SEZ paid SBI Mutual Funds' due amount of Rs 1,500 crore on Monday and will also pay another Rs 1,000 crore of commercial papers due in March, a company spokesperson said. "This part prepayment is from the existing cash balance and funds generated from the business operations," the spokesperson said.

(Moneycontrol)

BANK OF BARODA WILLING TO KEEP LENDING TO ADANI GROUP: Bank of Baroda will extend loans to the conglomerate if it meets the lender's underwriting standards, said Sanjiv Chadha, MD & CEO, adding that he's not concerned about the market volatility around Adani stocks. The comments offer a degree of support for embattled billionaire Gautam Adani after some banks balked at refinancing a \$500 million bridge loan due next month.

(Moneycontrol)

EPFO UNVEILS PROCEDURE TO APPLY FOR HIGHER PENSION UNDER EMPLOYEES PENSION SCHEME: Retirement fund body EPFO on Monday came out with a procedure to enable subscribers and their employers to jointly apply for higher pension under Employees' Pension Scheme (EPS). Earlier in November 2022, the Supreme Court had upheld Employees' Pension (Amendment) Scheme 2014. The EPS amendment of August 22, 2014 had raised the pensionable salary cap to Rs 15,000 a month from Rs 6,500 a month, and allowed members along with their employers to contribute 8.33 per cent of their actual salaries (if it exceeded the cap) towards the EPS. In an office order, the Employees Provident Fund Organization (EPFO) provided for dealing with the 'Joint Option Form' by field offices of the body. EPFO stated that "a facility will be provided for which URL (unique resource location) will be informed shortly. Once received, the regional PF commissioner shall put adequate notice on the notice board and banners for wider public information".

(Moneycontrol)

FORMER COMMERCE SECRETARY SUBRAHMANYAM APPOINTED NITI AAYOG CEO: The government on Monday approved the appointment of BVR Subrahmanyam, former commerce Secretary as the CEO of Niti Aayog. He succeeds Parameswaran Iyer, who has been named as the Executive Director of World Bank.

(Business Line)



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RETAIL INFLATION FOR FARM WORKERS RISES TO 6.85% IN JANUARY:

Retail inflation for farm and rural workers rose to 6.85 per cent and 6.88 per cent, respectively, in January, mainly due to higher prices of certain food items. The inflation readings for farm and rural workers stood at 6.38 per cent and 6.60 per cent, respectively, in December 2022. In January last year, the inflation numbers for farm and rural workers was at 5.49 per cent and 5.74 per cent, respectively.

(Economic Times)

FORMAL JOB CREATION UNDER EPFO FALLS BY 8% IN DECEMBER 2022:

Formal jobs creation under the Employees' Provident Fund Organisation fell by 8% in December 2022 to 1.49 million compared to 1.62 million net new subscribers added to the retirement fund body in the preceding month, shows the provisional payroll data by the labour ministry, released on Monday. Even the net new employees added to the Employees' State Insurance Corporation fell by 4.2% to 1.80 million compared to 1.88 million in November.

(Economic Times)

INDIA'S GDP TO GROW 7 PER CENT IN FY23, 6 PER CENT IN FY24: ACUTE

RATINGS: Acute Ratings and Research on Monday maintained India's FY23 gross domestic product (GDP) growth estimate at 7 per cent. The credit rating agency, however, projected the country's economic growth trajectory in FY24 to slow down to 6 per cent. India would still be one of the highest growth economies in the world, it said. As per Acute Ratings, the Indian economy has managed to withstand the headwinds rather well over past several months despite tough global environment.

(Economic Times)

PROMOTING FINANCIAL INCLUSION THROUGH FINANCIAL INFORMATION

REGISTRY: Reserve Bank of India (RBI) governor Shaktikanta Das recently said that the draft Bill for the setting up of the National Financial Information Registry (NFIR) announced in the 2023-24 Union Budget would be ready soon. NFIR is aimed at expediting loan sanctions and credit flows by providing lenders a "360 degree" perspective on potential borrowers, Das told reporters after the customary post-Budget address to the central board of the RBI. While experts agree that significant strides have been made to grant micro, small and medium enterprises (MSMEs) access to credit, but more remains to be done. However, on the introduction of the NFIR for MSMEs, fintech founders agree that it has the potential to improve MSME access to credit if it effectively addresses the challenge of ready information availability and connects with the Account Aggregator framework, enabling end-to-end digital MSME financing. "The creation of a registry to facilitate credit flow to MSMEs will strengthen cash flow-based lending from collateral-backed sources, increasing credit flow and facilitating economic inclusion," said Arun Poojari, Co-founder and CEO of Cashinvoice, a digital marketplace that unlocks supply chain finance for small businesses.

(Financial Express)



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REFORMS IN MULTILATERAL BANKS, URBAN INFRA FUNDING ON G20

AGENDA: Strengthening multilateral development banks to address global challenges, financing for urban infrastructure and leveraging digital public infrastructure for financial inclusion would be key focus areas for the first G20 Finance Ministers and Central Bank Governors (FMCBG) meeting under the G20 Indian Presidency on February 24-25 at Bengaluru. The sessions will also cover issues related to the global economy, global health, and international taxation. The G20 FMCBG meeting will be preceded by a meeting of G20 Finance and Central Bank Deputies (FCBD) on February 22, 2023.

(Financial Express)

TATA MOTORS BAGS INDIA'S LARGEST ELECTRIC VEHICLE FLEET ORDER

FROM UBER: India's largest electric passenger vehicle manufacturer Tata Motors has signed an agreement with ride-hailing company Uber to supply 25,000 electric vehicles (EVs), the company said in a statement. The agreement is the largest EV commitment between an automotive (auto) manufacturer and a ridesharing platform in India. Under the agreement, Uber will deploy Tata Motors' XPRES-T EVs by partnering fleet operators in Delhi National Capital Region, Mumbai, Kolkata, Chennai, Hyderabad, Bengaluru, and Ahmedabad.

(Business Standard)

ADANI DOWN TO 25TH RICHEST ON FORBES, BLOOMBERG LISTS: Forbes and Bloomberg are valuing Gautam Adani at \$48 billion and \$49.1 billion respectively and have placed the billionaire at the 25th spot on their list of wealthiest people in the world, LiveMint reported. Gautam Adani's net worth slipped to less than \$50 billion for the first time in several years, on Monday.

(Business Standard)

FRESH FORMAL JOB CREATION BELOW 1 MILLION FOR THIRD MONTH:

EPFO DATA: Fresh formal job creation declined sequentially in December and remained below the 1 million mark for the third consecutive month, signaling pressure in the employment market, the latest payroll data released by the Employee Provident Fund Organisation (EPFO) on Monday showed. The number of new monthly subscribers under the Employees' Provident Fund (EPF) declined by 14.5 per cent to 802,250 in December from 937,780 in November. In October, only 780,170 new subscribers had joined the EPF, which was the lowest monthly enrollment since May 2021. In FY23, the number of monthly new subscribers had remained above 1 million for six consecutive months from April to September, touching a high of 1,159,350 in July.

(Business Standard)



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INDIAN DOMESTIC AIR TRAVEL IS NOW AT 85% OF 2019 LEVEL, SAYS IATA:

Indian domestic air travel has significantly improved as it touched 85.7 per cent of pre-covid 2019 levels in the year 2022, according to the International Air Transport Association (IATA). IATA announced earlier this month that the recovery in air travel continued in December, 2022 and was signed up for the whole year compared with 2021. In India, with concerns of new COVID-19 outbreaks fading, airlines saw a significant improvement in domestic air travel as well as revenue. India's domestic RPKs (revenue passenger kilometres) rose 48.8 per cent last year compared with 2021, IATA said.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

VIABILITY GAP FUNDING (VGF)

- ❖ The Viability Gap Funding Scheme of the Government of India for Financial Support to Public Private Partnerships in Infrastructure, provides financial support (Capital grant) of up to 40% of the Total Project Cost in the form of grant (one time or deferred) to infrastructure projects undertaken through public private partnerships with a view to making them commercially viable. Administered by the Ministry of Finance, budgetary provisions are made in the Annual Plans on a year-to-year basis for the Scheme.
- ❖ The scheme aims at supporting infrastructure projects that are economically justified but fall marginally short of financial viability. Support under this scheme is available only for infrastructure projects where private sector sponsors are selected through a process of competitive bidding. The total Viability Gap Funding under this scheme will not exceed twenty percent of the Total Project Cost; provided that the Government or statutory entity that owns the project may, if it so decides, provide additional grants out of its budget, upto a limit of a further twenty percent of the Total Project Cost.
- ❖ In order to be eligible for funding under VGF Scheme, a PPP project should meet the following criteria: The project should be implemented (i.e. developed, financed, constructed, maintained and operated) for the Project Term by a Private Sector Company to be selected by the Government or a statutory entity through a process of open competitive bidding; provided that in case of railway projects that are not amenable to operation by a Private Sector Company, the Empowered Committee may relax this eligibility criterion.



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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 : 82.6902
INR / 1 GBP : 99.5739
INR / 1 EUR : 88.4102
INR /100 JPY : 61.6700

EQUITY MARKET

Sensex: 60691.54 (-311.03)
NIFTY: 17844.60 (-99.60)
Bnk NIFTY: 40701.70 (-430.10)

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.**

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)**

To purchase please visit BFSIB portal of ICAI

CMA Chittaranjan Chattopadhyay

Chairman,

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