



**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 24, 2022

TREATMENT OF STANDING DEPOSIT FACILITY FOR COMPUTATION OF LCR

BY BANKS: RBI vide notification dated 23 November 2022, has clarified that, under the Standing Deposit Facility (SDF), the overnight balances held by banks with RBI under SDF shall be eligible as 'Level 1 High Quality Liquid Assets (HQLA)' for computation of LCR. This circular is applicable to all Commercial Banks (excluding Local Area Banks, Regional Rural Banks and Payments Banks).

(RBI Notification)

INCLUSION OF GSTN AS A FINANCIAL INFORMATION PROVIDER UNDER ACCOUNT AGGREGATOR FRAMEWORK:

RBI has decided to include Goods and Services Tax Network (GSTN) as a Financial Information Provider (FIP) under the Account Aggregator (AA) framework. Department of Revenue shall be the regulator of GSTN for this specific purpose and GST Returns, viz. Form GSTR-1 and Form GSTR-3B, shall be the Financial Information.

(RBI Notification)

GOVT. HAS APPROVED THE CONTINUATION OF THE INTEREST SUBVENTION SCHEME (ISS) FOR SHORT TERM AGRICULTURE CREDIT WITH MODIFICATION FOR THE FINANCIAL YEARS 2022-23 AND 2023-

24: Government of India has approved the continuation of the Interest Subvention Scheme (ISS) with modification for the financial years 2022-23 and 2023-24 to provide short term crop loans and short term loans for allied activities including animal husbandry, dairy, fisheries, bee keeping etc. upto an overall limit of ₹3 lakh to farmers through KCC at concessional interest rate subject to a maximum sub-limit of ₹2 lakh per farmer in respect of those farmers involved only in activities related to animal husbandry, dairy, fisheries, bee keeping etc. The Banks should lent the farmers at an interest rate of 7% p.a and will get subvention @ 1.50% p.a. An additional interest subvention of 3% per annum will be provided to such of those farmers repaying in time.

(RBI Notification)

GAUTAM ADANI WEIGHS \$5 BN FUNDRAISE AS BANKS URGE

DELEVERAGING: Gautam Adani is courting sovereign wealth funds in a push to raise roughly \$5 billion in equity across his sprawling business empire after lenders asked the group to reduce leverage, people familiar with the matter said.

(Economic Times)



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UNION LABOUR MINISTRY SUMMONS AMAZON OVER LAYOFFS: The Union Labour Ministry has summoned Amazon India to appear before the deputy chief labour commissioner in Bengaluru on Wednesday in connection with the alleged forced terminations by the company. The development comes after a complaint filed by the employee union Nascent Information Technology Employees Senate (NITES) in which it has alleged Amazon of violating labour laws.

(Economic Times)

PASSENGERS WITH SINGLE NAME ON PASSPORT WILL NOT BE ALLOWED TO TRAVEL TO OR FROM UAE: United Arab Emirates authorities announced a new change to their travel guidelines. Passengers with a single name on their passport who are planning to travel on a tourist, visit or any other type of visa will not be allowed to travel to or from UAE. The change will be put into effect from Monday, 28th November onwards. According to the statement from trade partner IndiGo, the authorities of UAE also said that however, passengers with single name on passport and in possession of a residence permit or permanent visa shall be allowed to travel provided the same name is updated in "first name" and "surname" column.

(Economic Times)

MSMEs IN MADHYA PRADESH TO GET TARGETTED SUPPORT FROM SIDBI: SIDBI on Wednesday signed a memorandum of understanding (MoU) with the Madhya Pradesh (MP) government to set up Project Management Units (PMU) in the state. The PMUs set up in the state would work in close coordination with the state government and local banks to identify projects beneficial for MSMEs and would assist with financing, policy, scheme-level formulations and recommendations.

(Financial Express)

MEESHO JOINS GOVT'S OPEN NETWORK FOR DIGITAL COMMERCE: E-commerce platform Meesho on Wednesday said it has integrated with the government's Open Network for Digital Commerce (ONDC) to help connect buyers with hyperlocal sellers. The government is running a pilot of ONDC where all e-commerce ecosystem players will facilitate online purchase of goods and services at competitive prices, thereby reducing cost burden on sellers and consumers. The pilot with Meesho will be launched in Bengaluru and gradually rolled out in other locations in coming months.

(Financial Express)

CREDIT SUISSE FLAGS HEFTY LOSS AS RICH CLIENTS LEAVE: Credit Suisse expects a pre-tax loss of up to 1.5 billion Swiss francs (\$1.58 billion) in its fourth quarter as it keeps bleeding cash, the Swiss bank said on Wednesday, shortly before shareholders



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approved a \$4 billion capital hike. The bank said a "challenging" economic and market environment had hurt client activity, while cash outflows across the business had increased at the start of its fourth quarter. The profit warning is the latest setback for the embattled lender which had previously forecast a net loss for the last three months of the year but did not give a figure. The bank said that there had been an outflow equivalent to 6% of assets managed by the group at the end of the third quarter. It said this trend in the wealth management division, catering to rich clients, has since improved, but had yet to reverse.

(Business Today)

WIPRO ALLOWS OVER 30,000 EMPLOYEES TO UNIONISE IN EUROPE: Indian IT giant Wipro has allowed over thirty thousand of its employees working in Europe to unionise, making it the first Indian company to take this step. The IT services giant entered into an agreement with employee representatives to set up European Works Council (EWC). The company announced in a statement that the EWC agreement was negotiated with employee representatives from 13 countries including the Netherlands, Germany, France, Sweden, and Finland.

(Business Today)

ADANI, AMBANI SET TO CLASH OVER DISTRESSED ASSETS OF LANCO AMARKANTAK POWER: A clash is brewing between the Mukesh Ambani-led Reliance Industries and Adani Power, owned by fellow billionaire Gautam Adani, to buy the assets of Lanco Amarkantak Power. The direct clash between the two major industrialist groups is set to happen during an auction of the assets of the distressed thermal power firm undergoing corporate insolvency. The auction is scheduled to take place on November 25. RIL has already emerged as the highest bidder in the first round of the resolution process. But Adani Power took the first position in the second round with a bid of Rs 2,950 crore. RIL had submitted a bid of Rs 2,000 crore, the report said.

(Business Standard)

BANKING SYSTEM BETTER PLACED TO SUSTAIN LOAN GROWTH: SBI CHIEF KHARA: Indian banking system is much better placed than the last cycle, and will be able to sustain the current round of high loan growth, State Bank of India chairman Dinesh Kumar Khara said on Wednesday. Speaking at an economics conclave organised by the country's largest lender, Khara said learnings from the last cycle of high loan growth which ultimately led to a huge spurt in sour loans have been internalised by the banking system. Banks do not stop just at insistence on equity, but also look at the colour of the equity to ensure that hybrid debt does not masquerade as core equity, Khara said, stressing that banks are better placed from a loan underwriting and pricing of risk perspective. He said the decision making is more scientific and banks are also well capitalised now.

(Business Standard)



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ADANI FPO COULD BE INDIA'S LARGEST-EVER; BOARD TO APPROVE PROPOSAL ON FRIDAY:

Adani Enterprises, the flagship firm of India's most valuable conglomerate, is planning to launch a follow-on public offering (FPO) to raise Rs 20,000 crore in fresh capital. The board of Gautam Adani's firm will meet on Friday to approve the proposal. If Adani Enterprises indeed decides to launch a Rs 20,000-crore FPO, it will be the country's biggest-ever. Currently, Yes Bank holds the record for the largest-ever FPO. In July 2020, the lender had mopped up Rs 15,000-crore via FPO to meet its capital requirements.

(Business Standard)

FDI EQUITY INFLOWS DIP 14% DURING APRIL-SEPTEMBER TO \$26.9 BN:

FDI equity inflows into India declined by 14 per cent to \$26.9 billion during the April-September this fiscal, according to the data of the Department for Promotion of Industry and Internal Trade (DPIIT).

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

ALGORITHM TRADING

- ❖ Algorithm trading is a system of trading which facilitates transaction decision making in the financial markets using advanced mathematical tools.
- ❖ In this type of a system, the need for a human trader's intervention is minimized and thus the decision making is very quick. This enables the system to take advantage of any profit making opportunities arising in the market much before a human trader can even spot them.
- ❖ As the large institutional investors deal in a large amount of shares, they are the ones who make a large use of algorithmic trading. It is also popular by the terms of algo trading, black box trading, etc. and is highly technology-driven. It has become increasingly popular over the last few years.



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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 : 81.8165
INR / 1 GBP : 97.2635
INR / 1 EUR : 84.4924
INR /100 JPY : 57.8800

EQUITY MARKET

Sensex: 61510.58 (+91.62)
NIFTY : 18267.30 (+23.10)
Bnk NIFTY: 42729.10 (+272.05)

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,

Banking, Financial Services & Insurance Board

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