



**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 29, 2022**

**BANK CREDIT GROWS TO 17.2 PER CENT IN SEPTEMBER, REVEALS RBI DATA:** Reserve Bank of India on Monday released quarterly statistics on deposits and credit highlighting bank credit growth to 17.2 per cent on an annual basis in September from 14.2 per cent a quarter ago. A year ago, the bank credit growth stood at 7.0 per cent. "Aggregate deposits growth (y-o-y), which remained in the close range of 9.5-10.2 per cent since June 2021, stood at 9.8 per cent in September 2022; since December 2020, bank branches in metropolitan centres have been recording higher annual growth than those in rural, semi-urban and urban areas," stated the press release. The private sector banks have been outpacing public sector banks, foreign banks and regional rural banks in deposit mobilisation. All-India credit-deposit (C-D) ratio increased further to 74.8 per cent in September 2022 from 73.5 % a quarter ago and 70.0 % a year ago. C-D ratio for metropolitan bank branches, stood much higher at 87.6 per cent in September 2022.  
*(Economic Times)*

**GDP MAY PRINT AT 5.8% IN Q2: SBI RESEARCH:** Citing a weak manufacturing sector coupled with the steep margin compression, SBI Research has pencilled in the country's GDP growth for the second quarter at 5.8 per cent, down 30 basis points from average estimates. The government will release the official numbers on November 30.  
*(Moneycontrol)*

**MORGAN STANLEY SEES SENSEX AT 80,000 BY DECEMBER 2023:** Foreign brokerage firm Morgan Stanley sees Sensex hitting 80,000 by December 2023, if India is included in global bond indices which can result in \$20 billion of inflows over the subsequent 12 months. India's inclusion in global bond indices has already been pushed back. Morgan Stanley had first anticipated it in early 2022, but a Reuters report in September stated that the wait might be longer. According to the news agency, bond settlement rules and tax complexities need to be resolved before the inclusion takes place. Other factors, as per Morgan Stanley, which can propel Sensex to 80,000 include commodity prices like oil and fertiliser correcting sharply, and earnings growth compounding at the rate of 25 percent annually over FY2022-25.  
*(Moneycontrol)*

**AMAZON INDIA SHUTTERS B2B DISTRIBUTION ARM, THIRD BUSINESS CLOSURE IN A WEEK:** Amazon has shuttered its third business in India in a week, with the company now closing down its B2B distribution business Amazon Distribution. This comes after the company announced it was closing down edtech arm of Amazon Academy and the food delivery service Amazon Food. "As part of our annual operating planning review process, we have made the decision to discontinue Amazon Distribution, our wholesale e-commerce website for small neighborhood stores around Bengaluru, Mysore & Hubli," the spokesperson said.  
*(Moneycontrol)*



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**S&P CUTS INDIA'S GROWTH FORECAST TO 7 PER CENT FOR FY23:** S&P Global Ratings on Monday cut India's economic growth forecast for current fiscal year to 7 per cent, but said the domestic demand-led economy will be less impacted by the global slowdown.  
*(Business Line)*

**STRONG BANK LOAN GROWTH IN FY23 DESPITE HIGHER INTEREST RATES:**  
**FITCH RATINGS:** Fitch Ratings said India's bank credit will see strong growth in current financial year despite effects of higher interest rates. "We see bank credit expanding by around 13 per cent in FY23, up from 11.5 per cent in FY22."  
*(Financial Express)*

**REGULATORY FORBEARANCE OFFERED TO IDBI BANK BUYER:** The government's residual 15% stake in IDBI Bank post the strategic disinvestment of the lender will likely be considered as 'public shareholding' and a reasonable period may be given to the potential buyer to comply with minimum public shareholding (MPS) norm, the finance ministry said on Sunday. IDBI Bank will continue to operate as an 'Indian private sector bank' after its strategic sale, it added. The department of investment and public asset management (Dipam) also said that the winning bidder will have no restriction on undertaking a corporate restructuring of the subsidiaries of the bank. It also said that certain asset sizes and timing thresholds related to asset stripping would be provided to give flexibility in operations to the successful bidder.  
*(Financial Express)*

**HSBC ACQUIRES L&T MF; SCHEMES TO BE TRANSFERRED OR MERGED WITH HSBC SCHEMES:** HSBC Asset Management (India) has said that it has completed the acquisition of L&T Investment Management for a consideration of US\$ 425 million, subject to closing adjustments. L&T Investment Management is a wholly-owned subsidiary of L&T Finance Holdings and the investment manager of L&T Mutual Fund.  
*(Economic Times)*

**JET AIRWAYS RESOLUTION PLAN TOTTERS ON DISAGREEMENT WITH CREDITORS:** Jet Airways' creditors and its new owners are deadlocked over a resolution plan to lift the Indian airline out of bankruptcy, putting its future in limbo, four sources said. Creditors may approach India's aviation ministry to seek approval to liquidate Jet's assets if there is no resolution on Tuesday in a critical court hearing, a senior banker said. "There are concerns the resolution plan may fall apart so we are looking to see if we can at least get something out of this deal via the liquidation route," the banker, who has direct knowledge of the matter, told Reuters on Monday.  
*(Business Standard)*

**C4D PARTNERS GETS SEBI'S NOD TO LAUNCH FUND TO INVEST IN INDIAN STARTUPS:** Netherland-based C4D Partners gets SEBI's approval to launch its USD 50 million (about Rs 408 crore) fund for investments in Indian startups. "The company has recently received



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the nod from SEBI for its debut India fund worth USD 50 million and expects to achieve the first close of the fund by the mid of next year," C4D Partners said in a statement. With the launch of the C4D Bharat Shubharambh Fund, C4D Partners will continue to focus on sustainable business models with solid ESG (environment, social, and governance) scoring, it added.

***(Business Standard)***

### **UNION FINANCE MINISTER CONCLUDES PRE-BUDGET MEETINGS FOR FORTHCOMING UNION BUDGET 2023-24:**

Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman chaired the pre-budget consultation meetings for Budget 2023-24 held in virtual mode from 21<sup>st</sup> to 28<sup>th</sup> November, 2022. More than 110 invitees representing 7 stakeholder groups participated in 8 meetings scheduled during this period. The representatives of the stakeholder groups made a number of suggestions that included mechanism for green certification to help MSMEs, urban employment guarantee programme to boost employment generation in urban areas, rationalization of income tax, creation of innovation clusters, schemes for improving domestic supply chains, reduction of taxes on electric vehicle, introduction of EV policy, measures to promote India as a hub for Green Hydrogen, National Regulatory Authority for Water and Sanitation, coverage of unorganised workers under ESIC, continuation of Public Capex, fiscal consolidation and lower customs duties, among others.

***(PiB, Govt. of India)***

### **SEBI REVISES FRAMEWORK FOR APPROVING CHANGES IN CONTROL OF STOCK BROKERS:**

SEBI has put in place a revised framework for seeking its prior approval for changes in control of stock brokers, depository participants and other market intermediaries. The framework will be applicable for stock broker/clearing member, depository participant, investment adviser, research analyst or research entity, registrar to an issue and share transfer agent and KYC Registration Agencies (KRAs). Under the provisions, which will be effective from December 1, an intermediary should apply online for Sebi's prior approval and along with the application, the entity concerned has to submit various details, including the current and proposed shareholding pattern of the applicant. "The prior approval granted by Sebi shall be valid for a period of six months from the date of such approval within which the applicant shall file application for fresh registration pursuant to change in control," it said.

***(Business Standard)***

### **JAPAN TRADE BODY PRAISES PM GATI SHAKTI PLAN AS A 'GAME CHANGER' FOR BIZ:**

PM Gati Shakti, Prime Minister Narendra Modi's ambitious multi-trillion infrastructure project focusing on easing logistics will be a game changer for businesses and will attract foreign investments, Kazuya Nakajo, Executive Vice President, Japan External Trade Organisation (JETRO) said.

***(Business Standard)***



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

### **OPEN BOOK MANAGEMENT**

- ❖ Open book management (OBM) is defined as empowering every employee of an organisation with required knowledge about the processes, adequate training and powers to make decisions which would help them in running a business. It is all about team work and moving forward collectively.
- ❖ Open book management is defined as one of the most dynamic approaches in running a business. It involves keeping complete transparency with employees, sharing data, training employees to embrace leadership roles as well as sharing financial statements. Research has shown that when companies share distinct details about the organisation with the employees, this process helps them grow faster. Most of the companies where this concept is followed generally figure among the top 10% of the companies.
- ❖ When a company shares sensitive information with employees, it leads to better employee-employer relationship, helps build trust and boosts the morale of employees. Open book management approach is about showing employees' the financial statement data and making them believe that every effort of theirs is getting reflected in the overall numbers of the company. This facilitates in building the trust as well as enables companies in retaining employees.



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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 : 81.7545  
INR / 1 GBP : 98.6880  
INR / 1 EUR : 84.7881  
INR /100 JPY : 59.1300

### **EQUITY MARKET**

Sensex: 62504.80 (+211.16)  
NIFTY : 18562.80 (+50.00)  
Bnk NIFTY: 43020.40 (+36.50)

### **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,**

**Banking, Financial Services & Insurance Board**

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