



**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 31, 2023**

**CSR SPEND MAY COVER SKILLING INDIVIDUALS:** The government is considering widening the scope of corporate social responsibility (CSR) spending to enable the corporates and institutions to fund skills training of individuals. The Ministry of Skills Development and Entrepreneurship has proposed the 'Gift a Skill' concept to be linked with either the Reserve Bank of India's digital currency e-Rupi or 'skill voucher' wherein individuals, corporate and institutions can sponsor skill development of another individual through skill vouchers, a senior government official said. The enterprises will be incentivised to take up skills training of individuals as the government aims to scale up training of candidates to cater to the growing demand. The government is also exploring the possibility of creating a 'Skill Wallet' to enable easier transactions for such CSR activity, the person said.

"The idea is to handhold CSR practices for corporates, streamline processes, and incentivise their participation through various means including, co-branding of their training programmes and utilising e-Rupi or skill voucher for CSR-based training," the official said.

*(Economic Times)*

### **MARUTI SUZUKI CROSSES 2.5 CR CUMULATIVE SALES MARK IN INDIA:**

Japanese auto major Suzuki Motor Corporation on Monday said its subsidiary Maruti Suzuki India has crossed 2.5 crore domestic sales milestone earlier this month. Maruti Suzuki India achieved the sales mark on January 9, 2023. Suzuki signed a joint venture agreement with Maruti Udyog, the predecessor of Maruti Suzuki in 1982 and rolled out its first car Maruti 800 in December 1983. Currently, 17 models are produced and sold in India, and Maruti Suzuki is strengthening its portfolio in the recently growing SUV models while also making efforts in popularising hybrid and CNG models, Suzuki Motor Corporation said in a statement. The cumulative sales of hybrid and CNG models is around 21 lakh units, it added.

*(Moneycontrol)*

### **ADANI ENTERPRISES FPO SEES 3% SUBSCRIPTION ON SECOND DAY OF BIDDING:**

The Follow-On Public Offering (FPO) by Adani Enterprises has managed to garner bids for 1.39 million shares against its offer size of 45.5 million shares, representing 3 percent subscription so far on January 30, the second day of the sale. Retail investors remained at the forefront, buying 4 percent of their allotted quota, followed by high networth individuals, who subscribed to 4 percent of the portion set aside for them.

*(Moneycontrol)*

### **M JAGANNATH AND TABLESH PANDEY RECOMMENDED FOR POST OF MDs AT LIC:**

The Financial Services Institutions Bureau on Monday recommended M Jagannath and Tablesh Pandey for the vacancies of Managing Director (MD) positions in state-owned Life



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Insurance Corporation (LIC). Currently, LIC has four MDs, two of whom are retiring from their positions very soon.

***(Business Standard)***

### **GOVT VEHICLES OLDER THAN 15 YEARS TO GO OFF THE ROAD FROM 1 APRIL:**

A total of nine lakh Central and state government-owned vehicles that are older than 15 years will go off the roads from 1 April. New vehicles will replace the ones that will go off the roads, Union minister Nitin Gadkari said on Monday while addressing an event. Nitin Gadkari said that the government is taking many steps to facilitate the use of ethanol, methanol, bio-CNG, bio-LNG and electric vehicles. The Union minister said, "We have now approved the scrapping of more than nine lakh government vehicles, which are more than 15 years old, and polluting buses and cars will go off the road and new vehicles with alternative fuels will replace them."

***(Mint)***

### **MORGAN STANLEY NAMES ARUN KOHLI NEW COUNTRY HEAD FOR INDIA:**

Morgan Stanley has named Arun Kohli as its new country head for India. Kohli will be replacing Sanjay Shah, who will be retiring from service. The latter was with Morgan Stanley since 1996 and rose through the ranks to become its India head in 2021. Kohli, also a veteran in the field of investment banking, is presently serving as Morgan Stanley's managing director and chief operating officer for Europe, Middle East, and Africa (EMEA) regions.

***(Moneycontrol)***

### **FIRST MEETING OF G20 EMPLOYMENT WORKING GROUP TO BE HELD FROM 2 TO 4 FEB IN JODHPUR:**

The first Employment Working Group Meeting under the Sherpa track of the G20 will be held from February 2 to 4 in Jodhpur, where guest nations including Spain, the Netherlands and Singapore will take part, the Ministry of Labour & Employment said in a statement. Employment Working Group under the Indian presidency of G20 has a mandate of addressing priority labour, employment and social issues for strong, sustainable, balanced, and job-rich growth for all.

***(Mint)***

**PNB Q3 NET PROFIT SLIPS 44 PER CENT TO RS 629 CRORE:** Punjab National Bank on Monday reported a 44 per cent decline in standalone net profit at Rs 629 crore in the third quarter ended December. The state-owned bank had earned a net profit of Rs 1,127 crore in the year-ago period. However, total income during October-December 2022 increased to Rs 25,722 crore as against Rs 22,026 crore in the year-ago period, PNB said in a regulatory filing. On the asset quality front, the bank recorded an improvement with gross NPAs declining to 9.76 % as compared to 12.88 % at the end of third quarter of previous fiscal. The net NPAs eased to 3.30 % as against 4.90 % in the same period a year ago.

***(Financial Express)***



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## **BANKS RUSH TO ALLAY INVESTOR CONCERNS OVER RS 80,000 CR LENT TO**

**ADANI:** Indian banks, which have lent about Rs 80,000 crore to the Adani group, rushed to allay investors' concern over their exposure to the conglomerate after a report by US-based investment research firm, Hindenburg Research alleged that the group was engaged in "a brazen stock manipulation and accounting fraud scheme". According to bank officials, international rating agencies have also asked for information from banks on their exposure to the Adani group. Bankers said most of their exposures are based on the cash flows of Adani group companies, and there is no immediate reason to worry.

*(Business Standard)*

## **ABU DHABI-BASED FIRM IHC TO INVEST \$400 MN IN ADANI ENTERPRISES**

**FPO:** Abu Dhabi-based conglomerate International Holding Company (IHC) announced on Monday that it would be investing AED (United Arab Emirates dirham) 1.4 billion (USD 400 million) into the Adani Enterprises' Further Public Offering (FPO).

*(Business Standard)*

## **STATE GOVT NPS SUBSCRIBERS FALL TO FOUR-YEAR LOW, SHOWS NSO**

**DATA:** New subscribers added by state governments under the New Pension Scheme (NPS) declined 11 per cent to a four-year low during April-November 2022. This coincides with the announcement by many states to revert to the Old Pension Scheme (OPS). According to the latest data released by the National Statistical Office (NSO), only 285,226 new state government employees joined the NPS in April-November, compared to 321,255 subscribers in the corresponding period last year. The number of new state government subscribers joining the scheme this year is the lowest since FY19.

*(Business Standard)*

## **25TH ANNUAL NATIONAL HRD CONFERENCE TO BEGIN IN HYDERABAD FROM**

**FEB 2:** The National Human Resource Development (NHRD) would be holding its 25th annual conference here from February 2-4, with over 1,000 delegates and 110 expert speakers taking part in it. Attendees would get to learn about the latest HR trends, strategies and technologies, and engage in discussions with their peers

*(Business Standard)*

## **MOODY'S WITHDRAWS IDBI BANK'S CREDIT RATINGS FOR BUSINESS**

**REASONS:** Global credit rating agency Moody's Investors Service on Monday said it has withdrawn IDBI Bank Ltd's ratings for business reasons. According to Moody's, it has withdrawn the Ba1/NP long-term (LT) and short-term (ST) local and foreign currency counterparty risk ratings (CRR), Ba2/NP LT and ST local and foreign currency bank deposit ratings, Ba2 foreign currency senior unsecured rating, Ba1(cr)/NP(cr) LT and ST counterparty risk assessments (CRA), and b1 baseline credit assessment (BCA) and adjusted BCA. The stable outlook on the long-term bank



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deposit and senior unsecured ratings was also withdrawn. Moody's has also withdrawn IDBI Bank Ltd, DIFC Branch's Ba1/NP LT and ST local and foreign CRRs and Ba1(cr)/NP(cr) LT and ST CRAs. The stable rating outlook was also withdrawn.

***(Business Standard)***



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

### **WHAT IS SHORT SELLING (It's Pros & Cons)**

On 25th January, short-seller Hindenburg Research disclosed short positions in Adani Group, citing potential stock manipulation and accounting fraud.

**What is Short-Selling?** Here we will discuss more about the short selling and its pros and cons.

- ❖ Short selling is an investment or trading strategy that speculates on decline of a stock or other security's price. Traders may use short selling as speculation, and investors or portfolio managers may use it as a hedge against the downside risk of a long position in the same security or a related one. Speculation carries the possibility of substantial risk and is an advanced trading method. Hedging is a more common transaction involving placing an offsetting position to reduce risk exposure.
- ❖ Short selling occurs when an investor borrows a security and sells it on the open market, planning to buy it back later for less money. Short sellers bet on, and profit from, a drop in a security's price. This can be contrasted with long investors who want the price to go up.

#### **The Adani Group Case:**

- ❖ Hindenburg mentioned that based on its research, it has taken a short position in Adani Group Companies through U.S.-traded bonds and non-Indian-traded derivative instruments. It has accused the Adani Group of accounting frauds, stock manipulations, and money laundering.
- ❖ Hindenburg says that, evidence of accounting fraud, stock manipulation, and money laundering at Adani Group that took place over the course of decades. As per the research report, Adani has pulled off this gargantuan feat with the help of enablers in government and a cottage industry of international companies that facilitate these activities. The group has seven key publicly listed equities (nine in total) with a collective market value of about Rs 17.8 trillion. Through their holdings in the group, Gautam Adani and his family have amassed a paper fortune of over U.S. \$120 billion, with over \$100 billion of that coming in the past 3 years, largely through the meteoric appreciation of its stock prices. The 7 key Adani listed companies have seen their stock prices mysteriously surge over the past 3 years, with most increasing multifold, ranking them individually among the largest companies in India. As per the report, the 7 listed companies of the Adani Group are 85%+



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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 : 81.6552  
INR / 1 GBP : 101.1915  
INR / 1 EUR : 88.7331  
INR /100 JPY : 63.0400

### **EQUITY MARKET**

Sensex: 59500.41 (+169.51)  
NIFTY: 17649.00 (+44.70)  
Bnk NIFTY: 40387.40 (+42.10)

### **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

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**Chairman,**

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**The Institute of Cost Accountants of India**

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