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Banking, Finance & Economy PDF 2022 – December

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RBI IN NEWS

RBI: Authorises TMBL to Undertake Government Business; Modifies Digital Lending Norms Effective from 1st December

On 30th November 2022 Reserve Bank of India (RBI) authorised Tamilnad Mercantile Bank Limited (TMBL) to undertake government business on behalf of RBI.

- An agreement appointing TMBL as an 'agency bank' of RBI to undertake government agency business was signed by the bank and RBI in Mumbai, Maharashtra.

RBI's Modifies Digital Lending Norms Effective from 1st December

The Reserve Bank of India (RBI) modified **guidelines on digital lending** that was issued in September 2022 to protect customers from exorbitant interest rates by certain entities and also check unethical loan recovery practices, effective from **1st December 2022**.

- Under the new norms, all loan disbursements and repayments are required to be executed only between the bank accounts of borrower and the regulated entities such as banks and Non-banking Financial Companies (NBFCs) without any pass-through/ pool account of the Lending Service Providers (LSPs).

[Click here to know more](#)

RBI adopted Four-Tiered Regulatory Framework for UCBs; Signs Letters of Cooperation with FSA, Japan

The Reserve Bank of India (RBI) revises Framework of Categorization of Urban Co-operative Banks (UCBs) for Regulatory Purposes. This revision will be applicable to all Primary (Urban) Co-operative Banks w.e.f December 1, 2022.

What are the Revisions?

RBI has adopted the following four-tiered regulatory framework from the existing two-tiered framework, for categorization of UCBs in order to strengthen the financial soundness of the UCBs.

- i. Tier 1** – All unit UCBs and salary earners' UCBs (irrespective of deposit size), and all other UCBs having deposits up to Rs 100 crore
- ii. Tier 2** – UCBs with deposits more than Rs 100 crore and up to Rs 1000 crore
- iii. Tier 3** – UCBs with deposits more than Rs 1000 crore and up to Rs 10,000 crore
- iv. Tier 4** – UCBs with deposits more than Rs 10,000 crore

Minimum Net Worth for UCBs

i. RBI prescribed a minimum net worth of Rs 2 crore for Tier-1 UCBs operating in single districts, and Rs 5 crore for all other UCBs.

ii. UCBs, which currently do not meet the minimum net worth requirement, can achieve the minimum net worth of Rs 2 crore or Rs 5 crore in a phased manner.

- Such UCBs will have to achieve at least 50% of the applicable minimum net worth on or before **March 31, 2026**, and the entire stipulated minimum net worth on or before **March 31, 2028**.

iii. If a UCB wants to switch to a higher Tier on account of increase in deposits in any year, it will be provided a glide path of upto a maximum of three years, to comply with higher regulatory requirements.

Minimum CRAR Requirement

i. Tier-1 UCBs will continue to maintain a minimum CRAR (Capital to Risk Weighted Assets) of 9% on an ongoing basis.

ii. Tier- 2,3,4 UCBs will maintain a minimum CRAR of 12% on an ongoing basis.

iii. UCBs in Tier-2,3,4, which do not currently meet the revised CRAR of 12% can achieve the same in a phased manner.

- Such UCBs will have to achieve the CRAR of at least 10% by March 31, 2024, 11% by March 31, 2025, and 12% by March 31, 2026.

Other Key Revisions:

i. An automatic route will be introduced for branch expansion of the UCBs which meet the revised Financially Sound and Well Managed (FSWM) criteria, and permit them to open new branches up to 10% of the number of branches as at the end of the previous financial year.

ii. To examine the issues concerning recommendation for capital augmentation under the provisions of Section 12 of the Banking Regulation Act, 1949 (as amended) (as applicable to co-operative societies), a **Working Group** comprising the representatives from RBI, SEBI (Securities and Exchange Board of India) and Ministry of Co-operation, Government of India has been constituted.

RBI permits overseas Indian banks to deal in Financial Products not permitted in domestic markets

RBI also eases rules for foreign branches or subsidiaries of banks or All India Financial Institutions (AIFIs) to deal in financial products that are not permitted in India w.e.f. December 1, 2022.

- This permit is applicable to all banks regulated by the RBI (excluding co-operative banks, Regional Rural Banks and Local Area Banks), and AIFIs operating in foreign jurisdictions and in International Financial Services Centers (IFSCs) in India including Gujarat International Finance Tec-City (GIFT City).

However, this permit of dealing in such products carries some conditions which need to be adhered by the entities. These include the following:

i. It should be done with the prior approval from their Board and, if required, the appropriate authority in the concerned jurisdictions.

ii. These entities must have adequate knowledge, understanding, and risk management capability for handling such products and

iii. Their exposure and mark-to-market (MTM) on these products should be appropriately reported in the returns furnished to the RBI.

iv. They should provide information about dealing in such financial products in the manner and format and within the time frame as prescribed by the RBI.

v. They should not deal in products linked to Indian Rupee unless specifically permitted by RBI and do not accept structured deposits from any Indian resident.

RBI, Financial Services Agency of Japan exchange Letters of Cooperation

A letters of cooperation was exchanged between the RBI and Financial Services Agency (FSA), Japan in the field of Central Counter Parties (CCPs) to improve mutual cooperation.

- Under this both entities agreed to hold a dialogue or exchange views about matters of common interest.
- Both sides will enhance cooperation in line with their respective laws and regulations.

About Reserve Bank of India (RBI):

Governor– Shaktikanta Das

Deputy Governors– Mahesh Kumar Jain, Michael Debabrata Patra, M. Rajeshwar Rao, T. Rabi Sankar

Headquarters– Mumbai, Maharashtra

Establishment– 1st April 1935

RBI Grants Conditional Approval to Carlyle Group, Verventa Holdings to Buy 10% Stake in YES Bank

The Reserve Bank of India (RBI) has granted a conditional approval to the **Carlyle Group** and **Verventa Holdings** to acquire **9.99 percent** of paid up share capital each in **YES Bank** through subscription to equity shares and share warrants of the Bank.

- The proposed investment is by CA Basque investments, which is a part of the Carlyle Group and Verventa Holdings, an affiliate of funds managed by Advent.

Key highlights:

i. Background – In July 2022, YES Bank raised Rs.8,900 crore from private equity investors, Carlyle Group and Advent International, where-in Rs.5,100 crore was proposed to be raised through shares and Rs.3,800 crore through share warrants.

- The bank now plans to issue **3,700 million shares** on a preferential basis at **Rs.13.78 per share** and **2,570 million warrants** at **Rs 14.82 a share**.

ii. The fundraising would be conducted through a combination of USD 640 million (Rs 5,100 crore) in equity shares and USD 475 million (Rs 3,800 crore) through equity share warrants.

iii. Both the entities will initially acquire 5.9 percent stake each on shares and eventually rises to 10 percent after the conversion of share warrants into shares.

iv. As of September 30 2022, foreign portfolio investors hold a 12.15% stake in the bank. State Bank of India (SBI) is the largest public shareholder in the YES bank, holding a 30% stake.

- ICICI Bank, Axis Bank, IDFC First Bank and Bandhan Bank together hold an 8.22% stake in the lender. Life Insurance Corporation of India (LIC) holds 4.98% shares.

About YES Bank:

Managing Director (MD) & Chief Executive Officer (CEO) – Prashant Kumar

Establishment – 2004

Headquarters – Mumbai, Maharashtra

Tagline – Experience Our Expertise

RBI launches 'Digital Rupee – Retail segment (e₹-R)' in Four Cities; Issues Rs 1.71cr

On December 1, 2022, the Reserve bank of India (RBI) launched its pilot on retail digital currency/ rupee called 'Digital Rupee – Retail segment (e₹-R)', a Central Bank Digital Currency (CBDC) which is an electronic form of sovereign currency.

- In this regard, RBI issued **Rs 1.71 crore** to four participating banks based on their indents.

Pilot Coverage & Participating Banks:

i. In the retail pilot of the digital rupee, 8 banks have been identified for phase-wise participation in four cities of **Mumbai** (Maharashtra), **New Delhi** (Delhi), **Bengaluru** (Karnataka), and **Bhubaneswar** (Odisha).

- It will cover select locations in closed user groups (CUG) which will include both the customers and merchants.

ii. In the first phase, four banks including **State Bank of India (SBI)**, **ICICI Bank**, **YES Bank**, and **IDFC First Bank** will take part.

- Four more banks viz. Bank of Baroda, Union Bank of India, HDFC Bank, and Kotak Mahindra Bank will join this pilot subsequently.

iii. The pilot will later extended to Ahmedabad (Gujarat), Gangtok (Sikkim), Guwahati (Assam), Hyderabad (Telangana), Indore (Madhya Pradesh), Kochi (Kerala), Lucknow (Uttar Pradesh), Patna (Bihar), and Shimla (Himachal Pradesh).

What is e₹-R?

Retail digital rupee can provide access to safe money for payment and settlement as it is a direct liability of the RBI. It can be converted to other forms of money, like deposits with banks. The retail digital rupee will not earn any interest.

e₹-R Model:

i. RBI proposed a token-based two-tiered architecture model for e₹-R. In this, the person receiving a token will verify that his ownership of the token is genuine.

ii. RBI will issue and redeem e₹-R while the distribution and payment services will be delegated to the banks.

iii. The model is similar to the current physical currency management system wherein banks manage activities like distribution of notes to the public, account-keeping, adherence to requirements related to know-your-

customer (KYC) and anti-money laundering and countering the terrorism of financing (AML/CFT) checks, transaction verification, etc.

iv. The e₹-R will be issued in the same denominations that paper currency and coins are currently issued.

- Users will be able to transact with e₹-R through a digital wallet offered by the participating banks and stored on mobile phones or devices.

v. e₹-R can be used for both person-to-person (P2P) and person-to-merchant (P2M) transactions.

Background:

The Central Government announced the launch of the digital rupee FY2022-23 onwards in the Union Budget 2022. CBDC is aimed to complement rather than replace current forms of money.

Recent Related News:

i. On 2nd September 2022, RBI launched the pilot for end-to-end digitalization of Kisan Credit Card (KCC) lending. The project was developed by the Reserve Bank Innovation Hub (RBIH) in association with RBI.

ii. RBI decided to allow foreign inward remittances received under the Rupee Drawing Arrangement (RDA), to be transferred to the KYC (Know Your Customer) compliant bank account of the biller (beneficiary) through Bharat Bill Payment System (BBPS), subject to the conditions. Thus, it has allowed BBPS to process Cross-Border Inbound Remittances.

About Reserve Bank of India (RBI):

Established– 1st April 1935

Headquarters– Mumbai, Maharashtra

Governor– Shaktikanta Das

Deputy Governors– Mahesh Kumar Jain, Michael Debabrata Patra, M. Rajeshwar Rao, T. Rabi Sankar

Highlights of RBI's Bi-monthly Monetary Policy of 2022-23; Repo Rate raised to 6.25% in December 2022

The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) met on December 5-7, 2022, and released the [Monetary Policy Statement, 2022-23 Resolution of the MPC](#) which declined India's real Gross Domestic Product (GDP) growth to 6.8% for FY23 from 7% (projected in September 2022) with FY23's Q3 at 4.4%; and Q4 at 4.2%.

- The stance is to focus on **withdrawal of accommodation**.
- Real GDP growth for Q1FY24 is projected at **7.1%** and at 5.9% for Q2.

Inflation:

i. Inflation is projected at 6.7% in FY23, with Q3 at 6.6% and Q4 at 5.9%, and risks evenly balanced.

ii. CPI inflation for Q1FY24 is projected at 5% and for Q2 at 5.4%, on the assumption of a normal monsoon.

iii. Headline inflation is expected to remain above or close to the upper threshold in Q3FY23 and Q4FY23.

- It is likely to moderate in H1FY24 but will still remain well above the target.

RBI's Policy Rates:

The MPC raised the repo rate by 35 basis points to 6.25% from 5.90%. Consequently, the Standing Deposit Facility (SDF) Rate adjusted to 6% and Marginal Standing Facility (MSF) rate and Bank Rate to 6.50%.

[Click here for previous policy rates which revised in September 2022.](#)

Domestic Economy:

i. India's real GDP grew by 6.3% year-on-year (y-o-y) in Q2FY23 after an increase of 13.5% in Q1.

ii. In October 2022, CPI (Consumer Price Index) inflation moderated to 6.8% y-o-y from 7.4% in September 2022.

- Core CPI (i.e., CPI excluding food and fuel) inflation persisted at elevated levels at 6%.

iii. The overall liquidity remains in surplus, with average daily absorption under the Liquidity Adjustment Facility (LAF) at Rs 1.4 lakh crore during October-November 2022 as compared with Rs 2.2 lakh crore in August-September 2022.

iv. As on November 18, 2022, on a y-o-y basis, money supply (M3) expanded by 8.9% while bank credit rose by 17.2%.

Category	Rate
Policy Repo Rate	6.25%
Reverse Repo Rate	3.35%
Standing Deposit Facility (SDF) Rate	6%
Marginal Standing Facility (MSF) Rate	6.50%
Bank Rate	6.50%
Cash Reserve Ratio (CRR)	4.50%
Statutory Liquidity Ratio (SLR)	18%

v. As on December 2, 2022, India's foreign exchange reserves were placed at US\$ 561.2 billion.

vi. Net Foreign Direct Investment (FDI) flows rose to US \$ 22.7 billion during April-October 2022 from US\$ 21.3 billion in April-October 2021.

vii. During April-November 2022, non-food bank credit rose by Rs 10.6 lakh crore as compared with an increase of Rs 1.9 lakh crore in 2021.

viii. During April-November 2022, the total flow of resources to the commercial sector expanded by Rs 14.7 lakh crore as compared with Rs 6.8 lakh crore in April-November 2021.

ix. Merchandise imports expanded by 10% in October 2022.

x. The agricultural sector remains resilient.

- As on December 2, 2022, the Rabi sowing area is 6.8% higher than the normal sown area

xi. The manufacturing PMI (Purchasing Managers' Index) rose from 55.3 in October 2022 to 55.7 in November 2022. The PMI for the services sector also expanded from 55.1 in October 2022 to 56.4 in November 2022.

- Notably, the manufacturing and services PMIs for India in November 2022 are among the **highest in the world**.

Other Measures:

RBI extended the dispensation of enhanced HTM limit of 23% to March 31, 2024

MPC extended the dispensation of enhanced Held to Maturity (HTM) limit of 23% of deposits in respect of statutory liquidity ratio (SLR) securities up to March 31, 2024 in order to provide further flexibility to banks in managing their investment portfolios,

Key Points:

i. This will enable banks to include SLR securities (Government Securities and State Development Loans) acquired between September 1, 2020 and March 31, 2024 in the enhanced HTM limit.

ii. The HTM limits would be restored from 23% to 19.5% in a phased manner starting from the quarter ending June 30, 2024.

iii. HTM securities are debt securities that companies purchase with the intent to keep them until maturity.

Background:

RBI had increased the limits under the HTM category from 19.5% to 23% of net demand and time liabilities (NDTL) in respect of SLR eligible securities acquired on or after September 1, 2020, up to March 31, 2023.

RBI introduced single-block-and-multiple-debits functionality in UPI

RBI has enhanced the scope of Unified Payments Interface (UPI) by equipping it with single-block-and-multiple-debits functionality. It will be introduced by National Payments Corporation of India (NPCI).

- This facility will enable a customer to create a payment mandate against a merchant by blocking funds in his/her bank account for specific purposes which can be debited, whenever needed.

- UPI is a popular retail payments system for Person to Person (P2P) and Person to Merchant (P2M) transactions.

RBI has decided to expand the scope of BBPS

RBI also extended the scope of Bharat Bill Payment System (BBPS) by including all categories of payments and collections, both **recurring and non-recurring**, and for all category of billers (businesses and individuals).

- This means now BBPs will also cater to bill payments or collections such as payment of fees for professional services, education fees, tax payments, rent collections, etc.

RBI allows resident entities to hedge gold price risks at IFSC

RBI has given its nod to Indian residents to hedge their exposure to gold on recognized exchanges in the International Financial Services Centre (IFSC).

Key Points:

- i. Resident entities in India are currently not permitted to hedge their exposure to gold price risk in overseas markets.
- ii. Now, this measure will benefit importers/exporters of gold such as jewellers and industries which use gold as an intermediate or raw material.
- iii. The detailed instructions on the same will be issued separately by the central bank

Banks should not ask for verification at branch level if e-KYC done

RBI also mandates banks to not ask for verifications/updates at the branch level in case a customer has done e-KYC or those who have completed the KYC (know-your-customer) process on the central-KYC (C-KYC) portal.

Key Points:

- i. Bank customers who've completed their KYC verifications online can do the annual updates or changes, if any, in their personal details online.
- ii. Customers who have uploaded their KYC details on the C-KYC portal should not be asked for verification by any bank.
 - In such cases, the customer can just mail or message from the registered email ID or mobile to the bank to access the KYC details from the C-KYC portal.

RBI restores market trading hours to pre-pandemic timing

RBI has restored the pre-pandemic trading hours for some segments of money markets and rupee interest rate derivatives w.e.f. December 12, 2022 which are as follows:

- The timing for Call/notice/term money market, Commercial paper and Certificates of Deposit, Repo in Corporate Bonds, and Rupee Interest Rate Derivatives will be 9:00 AM to 5:00 PM
- The timing for Government Securities (Central Government Securities, State Development Loans and Treasury Bills), Foreign Currency (FCY)/Indian Rupee (INR) Trades including Forex Derivatives will be 9:00 AM to 3:30 PM
- The timing for Market repo in government securities is Market repo in government securities.
- The timing for Tri-party repo in government securities is 9:00 AM to 3:00 PM.

Background:

RBI had during the pandemic reduced the market trading hours with effect from April 7, 2020, in view of the operational dislocations and elevated levels of health risks posed by the COVID-19 pandemic.

The next meeting of the MPC is scheduled during February 6-8, 2023.

Members of MPC:

Dr. Shashanka Bhide; Dr. Ashima Goyal; Prof. Jayanth R. Varma; Dr. Rajiv Ranjan; Dr. Michael Debabrata Patra; and headed by Shaktikanta Das (RBI Governor).

About Reserve Bank of India (RBI):

- i. The Reserve Bank of India was established on April 1, 1935, in accordance with the provisions of the Reserve Bank of India Act, 1934.
- ii. The Central Office of the Reserve Bank was initially established in Calcutta but was permanently moved to Mumbai in 1937.
- iii. Though originally privately owned, since nationalization in 1949, the Reserve Bank is fully owned by the Government of India.

RBI imposes curbs on RazorPay, Cashfree Payments for on-boarding New Merchants

The Reserve Bank of India (RBI) has imposed curbs on RazorPay and Cashfree Payments for on-boarding new merchants till they get the final **Payment Aggregator (PA)** licence.

Reason behind this decision:

Both entities need to complete the migration of existing merchants to the new platform and submit a progress report with RBI. They also require making some systematic upgrades which involve migrations to an escrow account from a nodal account, integrating RBI's reporting system so that periodic reports can be submitted on transactions undertaken and merchants brought into the formal system, among others.

- Following this, RBI will do its evaluation and grant the final licence.

Key Points:

- i. RazorPay was one of the first three firms to receive the RBI's in-principal approval licence along with Pine Labs and US-based Stripe.
 - Cashfree Payments received its in-principal approval in September 2022.
- ii. As part of the payment aggregator framework formed by the RBI in March 2022, only entities approved by RBI can facilitate payments for merchants and other e-commerce sites.

RBI revised Bank Locker Rules w.e.f. January 1, 2023

The Reserve Bank of India (RBI) has amended the bank locker rules w.e.f. January 1, 2023. In this regard, all the existing locker depositors are required to furnish proof of eligibility for a renewed locker arrangement. They are required to sign a renewal agreement before the specified date.

- The agreement must follow the model drafted by the Indian Bank Association (IBA) in line with the Supreme Court's (SC) orders and guidelines.

Key Points:

- i. Banks should ensure that any unfair terms or conditions are not incorporated in their locker agreements.

ii.RBI advises banks to install CCTV (closed-circuit television) camera at entry and exit points of the strong room and the common areas of operation. It mandates to preserve its recording for a period of not less than 180 days.

iii.If any customer has complained to the bank that his/her locker is opened without his/her knowledge and authority, or any theft or security breach is noticed/observed, the bank should preserve the CCTV recording till the police investigation is completed and the dispute is settled.

iv.Depositors can now get up to 100 times the bank charges if the valuables stored in the vaults are lost due to fire or building collapse. However, the bank is not liable for any damage caused by natural calamities or 'Acts of God'.

Indian Bank's GNPA declines to 5% in Sept 2022: RBI's Report on Trends and Progress of Banking in India 2021-22

According to the [Report on Trend and Progress of Banking in India 2021-22](#) published by the Reserve Bank of India(RBI) on 27th December 2022, the Gross Non-Performing Assets (GNPA) ratio of Scheduled Commercial Banks (SCBs) declined to 5% in September 2022 from 9% in 2017-18.

- This is an annual report, a statutory publication in compliance with Section 36 (2) of the Banking Regulation Act, 1949.
- This decrease was led by lower slippages and a reduction in outstanding GNPA's through recoveries, upgradations and write-offs.
- The report presents the performance of the banking sector, including cooperative banks and non-banking financial institutions, during 2021-22 and 2022-23 so far.

Highlights:

i.The consolidated balance sheet of Scheduled Commercial Banks (SCBs) showed double digit growth in 2021-22, after a gap of seven years, led by credit growth, which accelerated to a ten-year high in the first half of this financial year ending March 2023 (H1:2022-23).

ii.The capital to risk weighted assets ratio (CRAR) of SCBs strengthened from 16.3% at end-March 2021 to **16.8%** at end-March 2022.

- All banks met the regulatory minimum capital requirement of 11.5%, and common equity tier-1 (CET-1) ratio requirement of 8%.

iii.The financial performance of Urban Co-Operative Banks (UCBs) improved in 2021-22, due to augmented capital buffers, a decline in GNPA ratio and improved profitability indicators.

iv.The NBFC (Non-Banking Financial Company) sector also maintained liquidity buffers, adequate provisioning, and a strong capital position during 2021-22.

Key Points:

i.In the case of PSBs (Public Sector Banks), the reduction in NPAs was mainly contributed by written-off loans. For PVBs (private banks), the upgradation of loans was the key reason for their asset quality improvement.

ii.As of March 2022, gross NPAs were at 5.8%, lower than 7.3% in March 2021.

iii.As of March 2022, the net NPA ratio improved to 1.7% from 2.4%.

iv.The share of large borrowers accounts, those with a total exposure of Rs 5 crore and above, comprised 47.8% of the total advances in 2021-22 compared with 48.4% in 2020-21.

- Correspondingly, their share in total NPAs also declined to 63.4% from 66.4%.

v.The share of **Special Mention Accounts-0 (SMA-0)**, loans that are overdue for 0-30 days, increased for both PSU and PVBs as of March 2022.

Banks may need to lift deposit rates as credit demand surges

As per the report, the banks may need to raise deposit rates more to meet a surge in credit demand. This is due to an increase in the credit growth during 2021-22, the incremental credit-deposit (C-D) ratio reached a four-year high,

- Loans of Indian banks also rose 17.5% in the two weeks to December 2, 2022 from December 2021, while deposits rose 9.9%.

Only 8.2% of 463 million Jan Dhan accounts are zero balance

Pradhan Mantri Jan Dhan Yojana (PM-JDY) accounts in India saw an increase in the deposit base during the past eight years. By August 2022, out of a total of 462.5 million PMJDY accounts, 81.2% were operative, up from 76% in 2017. Only 8.2% of PMJDY accounts were zero balance accounts.

- A PMJDY account is regarded as inoperative if there are no customer-induced transactions in it for two years.
- At end-August 2022, about 56% of account holders were women and 67% PMJDY accounts were in rural and semi urban areas.

Number of Banking Frauds increased in FY22; substantially down by value

In FY21-22, the banking frauds increased in number terms but the amount involved more than halved.

- In FY22, banks reported 9,102 frauds of Rs 60,389 crore against 7,358 frauds with an amount involved of Rs 1.37 lakh crore in FY21.

Key Points:

i. The number of frauds which are related to advances or lending activities has been on a declining trend, with FY22 reporting 1,112 frauds of Rs 6,042 crore, which is lower than 1,477 frauds of Rs 14,973 crore in FY21 and 1,947 frauds of Rs 32,386 crore in FY20.

ii. The number of fraud cases reported by private banks are more than PSBs for the second consecutive year in FY22.

iii. In H1FY23, banks reported 5,406 frauds involving Rs 19,485 crore, as compared to 4,069 frauds involving Rs 36,316 crore for H1FY21.

iv. There were 3.04 lakh complaints registered by customers at RBI Ombudsman offices, as against 3.41 lakh in FY21 and 3.06 lakh in FY20.

- Nearly three-fourths of the complaints came from urban and metropolitan areas.

v. 98.2% of the complaints by pensioners were filed against PSBs, while private banks led with a 46% share in levy of charges without prior notice.

Private banks lead in credit growth in Q2FY23 as demand grows

PVBs surpassed PSBs in September 2022 by increasing their share in total credit to 38.4% from 37.5% a year ago due to increase in demand.

Key Points:

i. According to CARE Ratings assessment, the loan portfolio of private sector banks grew 20.6% year-on-year (Y-o-Y) at end of September 2022. For PSBs, it grew 18.7% in the same period.

ii. Bank credit growth (y-o-y) accelerated further to 18% in September 2022, compared with 14% a quarter ago and 5.8% a year ago.

Realization through IBC 201% of liquidation value as of Sept

In cases where corporate insolvency resolution processes (CIRPs) were initiated under the Insolvency and Bankruptcy Code by financial creditors (FCs), realisations until September 2022 were close to 201 per cent of the liquidation value.

- SARFAESI (Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest) and Debt Recovery Tribunals have yielded recovery rates comparable to the IBC mechanism.
- The recovery rate under the IBC stood at 23.8%, while the rates under SARFAESI Act and DRTs stood at 25.7% and 22.5%, respectively.

RBI releases web publication 'Statistical Tables relating to Banks in India: 2021-22' covering activities of Banking Sector

On December 27, 2022, the Reserve Bank of India (RBI) released its web publication entitled 'Statistical Tables relating to Banks in India: 2021-22' covering the activities of the Indian banking sector.

- It presented entity-wise information on major items of liabilities and assets along with their maturity profile; income and expenses; select financial ratios, number of employees and details of

priority sector advances for Scheduled Commercial Banks (excluding regional rural banks), capital to risk weighted asset ratios (CRARs), non-performing assets (NPAs), among others.

APPOINTMENTS & RESIGNATIONS

RBI Approves Re-appointment of Baskar Babu Ramachandran as MD & CEO of Suryoday SFB

On 26th December 2022 the Reserve Bank of India (RBI) approved the re-appointment of **Baskar Babu Ramachandran** as Managing Director (MD) and Chief Executive Officer (CEO) of **Suryoday Small Finance Bank (SFB) Limited** for a further period of **three years with effect from 23rd January 2023**.

- RBI has approved the appointment under terms of the provisions of Section 35B of the Banking Regulation Act, 1949.

About Baskar Babu Ramachandran:

- Baskar Babu Ramachandran was the MD and CEO of the Bank since 23rd January 2017
- He co-founded Suryoday Micro Finance Private Limited along with Ganesh Rao and V. L. Ramakrishnan in 2008. It was later transformed into a small finance bank and commenced operations as SFB in January 2017.
- Prior to co-founding Suryoday Micro Finance Private Limited, he was associated with various companies including GE Capital Transportation Financial Services Limited as the Vice-President- Quality and Operations and HDFC Bank Limited as Assistant Vice President.

About Suryoday Small Finance Bank Limited:

Managing Director (MD) & Chief Executive Officer (CEO) – Baskar Babu Ramachandran

Headquarters – Mumbai, Maharashtra

Establishment – 23 January 2017

SBI Funds Management Appoints Shamsher Singh as its New MD & CEO

On 22nd December 2022, SBI Funds Management Limited (**SBIFML**), a joint venture between State Bank of India (**SBI**) and **Amundi**, Europe's largest asset manager, appointed **Shamsher Singh** as its Managing Director (MD) and Chief Executive Officer (CEO).

- He will take over the charge as MD & CEO of SBIFML from Vinay M Tonse following his repatriation to the SBI.
- Previously he was serving as the deputy MD at SBI.

About Shamsher Singh:

- Shamsher Singh has more than **32 years** of experience with SBI in various verticals, including investment banking, treasury, corporate banking and branch banking.
- He joined SBI as probationary officer in **June 1990** and has also served in international locations such as the United States (US), Bahrain and the United Arab Emirates (UAE).
- Earlier, he was heading the Ahmedabad Circle of SBI as Chief General Manager from November 2020 and also spearheaded SBI's retail business operations across the state of Gujarat and Union Territory (UT) of Dadra and Nagar Haveli & Daman and Diu.

MCA Secretary Manoj Govil nominated as SEBI Board Member

Manoj Govil, a 1991 batch IAS officer of the Madhya Pradesh cadre and Secretary of the Ministry of Corporate Affairs (MCA), has been nominated to the Board of the Securities and Exchange Board of India (SEBI).

- Manoj Govil replaces erstwhile MCA Secretary **Rajesh Vermaa**, a 1987 batch IAS officer of Odisha Cadre, on the SEBI Board.
- The SEBI Board comprises 9 members, including the Chairperson Madhabi Puri Buch.

- There are 2 Government nominees (DEA Secretary Ajay Seth and now MCA Secretary Manoj Govil); 1 RBI nominee (Deputy Governor M Rajeshwar Rao); and 4 Wholetime Members (S K Mohanty, Ananta Barua, Ashwani Bhatia, and Ananth Narayan G).

Note: Rajesh Vermaa was appointed as the Secretary to the President of India Droupadi Murmu in August 2022.

Shaji K V Assumes Charge as Chairman of NABARD

Shaji K V has taken the charge as **Chairman** of the National Bank for Agriculture and Rural Development (**NABARD**) with effect from **7th December 2022**.

- He succeeded Suchindra Misra, Additional Secretary, Department of Financial Services, Ministry of Finance (MoF), who was holding additional charge.
- Prior to this, Shaji K V has been serving as the Deputy Managing Director of NABARD since 21st May 2020.

About Shaji K V:

i.He is a certified associate of the Indian Institute of Banking & Finance and a NSE Certified Market Professional (NCMP) and has worked in Canara Bank in various capacities for almost 26 years.

- He conceptualised the ambitious scheme of computerising Primary Agriculture Cooperative Societies (PACS).

Other positions:

i.He serves as the Chairman of expert Committees like , Committee on Recruitment, Promotion and Outsourcing in RRBs, appointment of other Chairman and Officers of Sponsor Banks on deputation to RRBs; Working Group for bifurcation of assets and liabilities of Andhra Pradesh Grameena Vikas bank (APGVB) between Andhra Pradesh and Telangana; Committee for study on relevance, applicability and retention of three -tier Short Term Cooperative Credit Structure.

Experience:

i.He has also worked with National Payments Corporation of India (NPCI), Canara HSBC Life Insurance Company Limited and Canara Bank Securities Limited.

ii.He served as the Chairman of Kerala Gramin Bank, the then largest Regional Rural Bank (RRB) and NABKISAN Finance Limited, a subsidiary of NABARD.

iii.He also served as a member of National Level Expert Committees/working groups like Working Group on Agriculture Value Chain Finance, Expert Committee to suggest future roadmap for RRBs, Technical Group on Social Stock Exchange, Committee for drafting guidelines for IPO by RRBs and Committee on Cost sharing of ATMs.

About National Bank for Agriculture and Rural Development (NABARD):

Headquarters – Mumbai, Maharashtra

Establishment – 1982

P N Vasudevan to Continue as MD & CEO of Equitas Small Finance Bank

On 23rd December 2022, the Board of Equitas Small Finance Bank (SFB) has decided to extended the term of PN Vasudevan as Managing Director (MD) and Chief Executive Officer (CEO) for a period of 3 years of with effect from 23rd July 2022, subject to approval from the Reserve Bank of India (RBI).

- PN Vasudevan is the founder of Equitas SFB and his current term as MD & CEO expires on 22nd July 2023.

About P N Vasudevan:

i.Vasudevan holds a bachelor's degree in science (physics) from University of Madras and is a qualified company secretary from the Institute of Company Secretaries of India.

- He has extensive experience in the **financial services sector** and has served as the executive vice president and head of consumer banking group in Development Credit Bank Limited, for more than one and half years.

ii. He has worked in **Cholamandalam Investment and Finance Company Limited**, part of the Murugappa Group for about two decades. He joined as a management trainee and resigned as the vice president and head of vehicle finance.

iii. He was also the chairman of the managing committee of the South India Hire Purchase Association for 2006 and joined Equitas SFB in **2016**, prior to which he was the Managing Director of EHL.

OTHER NEWS

India Extends Financial Assistance Worth USD 100 million to Maldives

India has provided financial assistance of **USD 100 million** in the form of Budgetary support to the **Maldives government** to ease its difficult economic challenges.

- A symbolic cheque was handed over by the High Commissioner of India, Munu Mahawar to the Maldives' Minister of Foreign Affairs Abdulla Shahid during the ceremony held at the Ministry of Foreign Affairs in Maldives.

Participants:

- The ceremony was attended by Maldives Minister of Finance Ibrahim Ameer and India's External Affairs Minister S. Jaishankar participated via videoconferencing.
- Members of Parliament, High Commissioners, senior officials from the Ministry of Finance, High Commission of India in Maldives and the State Bank of India (SBI) also attended the ceremony.

Key highlights:

i. The financial support of USD 100 million to the Maldives government will be provided through subscription in Maldives' Government Domestic Treasury bonds by SBI, Malé, Maldives.

- The partnership between the Maldives and India will provide crucial assistance in the progress and development of the Maldives.

ii. This financial assistance is being extended without any conditions and Maldives is free to use it in its economic recovery as it deems fit.

iii. India will continue to stand by the government and people of Maldives and also India's Neighbourhood first and Maldives' India first policies work in tandem to safeguard the well-being of the people of both countries.

SEBI hikes debt funds' limit to 12% in Single Issuer Securities

The Securities and Exchange Board of India (SEBI) has increased the investment limit of mutual funds (MFs) in debt instruments issued by a single issuer to 12% of the Net Asset Value (NAV) from 10% w.e.f. November 29, 2022 on all new schemes.

- Existing schemes will be exempt until the maturity of the underlying debt and money market securities.

This circular by SEBI is issued in exercise of its powers conferred under Section 11 (1) of the SEBI Act, 1992, read with the provisions of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors and to promote the development of the securities market.

Key Points:

i. The single-issuer instruments include money market securities and non-money market securities re-rated investment grade by a credit rating agency.

ii. MFs require prior approval of the boards of Trustees and Directors of the Asset Management Company

(AMC) for the enhanced limit.

iii. MF schemes cannot invest more than 10% of its NAV in debt and money market securities rated AAA, and 8% of a scheme's NAV in securities rated AA.

- Similarly, it can invest only 6% of NAV in debt rated A and below.

iv. The investment limits can be extended by 2% of the scheme's NAV with prior approval of the Board of Trustees and AMC board, subject to compliance with the overall 12% limit specified in clause 1 of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996

v. Exposure to government money market instruments will be treated as exposure to government securities

About Securities and Exchange Board of India (SEBI):

Chairperson– Madhabi Puri Buch

Headquarters– Mumbai, Maharashtra

Establishment– 1992

SBM Bank & OPEN Partners to Launch Asia's first end-to-end Embedded Finance Platform

On 30th November 2022, **SBM Bank India** partnered with **Open Financial Technologies Private Limited** announced a **strategic partnership** to launch **Asia's first** end-to-end Embedded Finance platform, '**Zwitch**'.

Zwitch will offer a no-code, low-code and full-stack Application Programming Interface (API) solution that enables fintechs to build their own financial products using Zwitch's technology stack, which comprises drag-drop dashboard, low-code plugins along with 300+ APIs.

- Zwitch is built and operated by OPEN Financial Technologies Private Limited.

Note – Non-fintechs like, Software as a service (SaaS) platforms, health techs and others can also use this platform to embed financial features into their product or service.

Key highlights:

i. With Zwitch, businesses can embed financial features like savings accounts, credit & debit cards, lending and others in a few weeks and at 10x lesser cost using no-code drag and drop widgets or full stack APIs for developers, and also without compliances.

ii. Zwitch significantly reduces the go-to-market timelines for these businesses, increases revenue streams, creates newer avenues to engage with existing and new users.

iii. Until now, Zwitch platform was available only to select clients in limited beta and over 50 plus businesses have built their fintech features using the platform. With this partnership, Zwitch's technology and services will be available to the larger business community.

Note – Earlier, Zwitch powered **Fedo.ai**, a health tech company to launch India's first **health savings account**.

About OPEN Financial Technologies Private Limited:

OPEN Financial Technologies Private Limited is a **digital banking fintech enterprise** that runs **Open Money**, a Small & Medium Enterprises (SME) neobanking platform; **Zwitch**, an embedded finance platform and **BankingStack**, an enterprise digital banking platform for banks.

Co-founder & Chief Executive Officer (CEO) – Anish Achuthan

Headquarters – Bangalore, Karnataka

Establishment – 2017

YES Bank Partners with Turtlefin to Launch First Comprehensive Technology Platform, 'EasyNsure'

YES BANK partnered with **TurtleFin**, India's leading insurtech platform, to launch '**EasyNsure**', a **first-of-its-kind** comprehensive technology platform, that will bring multiple insurance partners onto a common platform.

Key Highlights:

i. This technology platform will allow business tracking across bank hierarchy, simplifying revenue reconciliation.

ii. Benefits – EasyNsure provides benefits including seamless single-point online insurance service, the ability to compare and select a suitable insurance cover based on the customer's need and also provides facility to compare costs for rationalising purchase decisions.

iii. Presently, the EasyNsure platform consists of around 40 Life and General Insurance plans and has created over 30,000 insurance quotes with more than 6,500 proposals and 5,200 policies being punched.

- Until now, the platform has recorded a total premium of **Rs. 6,050 lakh**.

About YES Bank:

Managing Director (MD) & Chief Executive Officer (CEO) – Prashant Kumar

Establishment – 2004

Headquarters – Mumbai, Maharashtra

Tagline – Experience Our Expertise

India to receive over record \$100 bn in Remittances in 2022: World Bank Brief

The World Bank in its 37th Migration and Development Brief 2022 titled '**Remittances Brave Global Headwinds , Special Focus: Climate Migration**' stated that India is all set to receive more than USD 100 billion (bn) in yearly remittances in 2022.

- This means migrant workers from India will send a record USD 100 bn in 2022 to their home country (India), despite global headwinds like rising prices.
- This is for the **first time** a single country will receive more than USD 100 bn in yearly remittances.

Highlights from the Brief:

i. India remains the world's top recipient of remittances.

ii. The growth of global remittance flows is expected to be **4.9%** in 2022.

iii. Remittance flows to India will rise **12%** which is ahead of China, Mexico and the Philippines.

iv. Remittances to **South Asia** grew an estimated 3.5% to USD 163 billion in 2022.

- However, there is a large disparity across countries. For India, it is projected to rise at 12% but for Nepal it is 4% increase.
- For the region's remaining countries, there is an aggregate decline of 10%.

v. Remittance flows to Europe and Central Asia are estimated to have increased by 10.3% to \$72 billion in 2022.

vi. Growth in remittance flows is estimated at 9.3% for Latin America and the Caribbean, 2.5% in the Middle East and North Africa, and 0.7% in East Asia and the Pacific.

vii. Remittances to low- and middle-income countries (LMICs) are increased by an estimated 5% to USD 626 billion which is lower than the 10.2% increase in 2021.

viii. The World Bank's Groundswell report estimated that internal climate migration may reach up to **216 million people by 2050** due to slow-onset climate impacts.

Reason behind the enhanced Remittances to India

i. Remittances to India were enhanced by wage hikes and a strong labour market in the United States (US) and other Organisation for Economic Co-operation and Development (OECD) countries

ii. In the Gulf Cooperation Council destination countries, governments ensured low inflation through direct support measures which resulted in migrants' ability to remit.

Remittance Costs:

i. According to the World Bank's Remittance Prices Worldwide Database, the global average cost of sending \$200 to LMICs was 6% in the Q2 of 2022.

ii. Among developing country regions, the cost was lowest in South Asia, at about 4.1%, while Sub Saharan Africa continued to have the highest average cost, about 7.8%.

iii. The cost is cheapest to send via mobile operators (3.5%), but digital channels account for less than 1% of total transaction volume due to the burden of compliance with Anti-Money Laundering/Combating the Financing of Terrorism regulations.

The Migration and Development Brief analyzes trends in migration-related SDG (Sustainable Development Goal) indicators: increasing the volume of remittances as a percentage of GDP, reducing remittance costs, and reducing recruitment costs.

[Click Here for full report](#)

About World Bank (WB):

President – David Malpass

Headquarters – Washington D.C, United States (US)

Members – 189 member countries

Establishment– 1944

SEBI Reduces Timeline for Listing Debt Securities Issued On Private Placement Basis

In an attempt to enhance the availability of securities for trading by investors, the **Securities and Exchange Board of India (SEBI)** reduced the timeline for the listing of debt securities issued through private placement to T+3 days from the current timeline of T+4 days. (T refers to issue closure date).

- The new guidelines will take effect on January 1, 2023.

[Click here for official notification.](#)

Key Points:

i. To give further clarity and standardisation in the process of issuing and listing such securities on a private placement basis, SEBI has specified the steps involved in pre-listing and post-listing, as well as relevant deadlines, both through the **Electronic Book Provider (EBP)** platform and otherwise.

- The time required for the listing of such securities following the closure of the issuance has been lowered from 4 working days to 3 working days.

ii. The EBP mechanism requires that an issuer who intends to list non-convertible securities or municipal debt securities obtain in-principle approval from the stock exchange prior to the date on which the placement memorandum and term sheet are presented to the EBP.

- For such approval, it has set a timeline of T-2 or T-5 days under the EBP platform, but the same would be done before T day under the non-EBP platform.

iii. The issuer would have to announce the start and close times of EBP platform on or before T-1, and then the bidding would take place on T day.

iv. Following that, the issuer must obtain the **International Securities Identification Number (ISIN)** from a depository prior to pay-in and apply to another depository for admission of such proposed debt issuance by T+1.

v. The depositories will send the issuer a credit confirmation letter on or before T+1 or T+2, and the issuer must apply for debt securities listing by T+3.

India & South Korea Signs Agreement for EDCF Loan worth 1500 Crore

On 30th November 2022 India and South Korea signed an agreement for an Economic Development Cooperation Fund (**EDCF**) loan of **Korean Won 245.081 billion (approx. Rs. 1,495.68 crores)** for the establishment of an Intelligent Transport System on the Nagpur-Mumbai Super Communication Expressway Project with a goal to improve traffic management efficiency.

- This is the first project that is funded by an EDCF loan by the Government of the Republic of Korea.

Objectives:

i.To enhance the efficiency in traffic management through establishment of the Intelligent Traffic Management System (ITMS) including traffic centre, for improving the efficiency in toll management through the establishment of the Toll Collection System (TCS).

ii.To establish a sustainable model of ITS and its O&M through transfer of technology from the Republic of Korea.

Key highlights:

i.The bilateral relationship between India and South Korea was upgraded to 'Special Strategic Partnership' in 2015, which further consolidates and strengthens the Special Strategic Partnership between India and Republic of Korea.

ii.In October 2016 Republic of Korea was designated as India's Official Development Assistance (ODA) partner for development cooperation.

About Economic Development Co-operation Fund (EDCF):

The EDCF is South Korea's development aid which was established in 1987. It supports partner countries in providing loans for their economic development and the loans are administered by the Export-Import (EX-IM) Bank of Korea under the supervision of the Ministry of Strategy and Finance.

About South Korea:

President – Yoon Suk-yeol

Capital – Seoul

Currency – South Korean Won

Fino Payments Bank & Protean Partners to Expand PAN card Issuance services in India

Fino Payments Bank partnered with **Protean eGov Technologies** (formerly NSDL e-Governance Infrastructure Limited) to expand Permanent Account number (PAN) card issuance services in India, especially in rural areas.

- **Protean eGov Technologies** accepts and processes PAN applications on behalf of the Income tax department.

Key highlights:

i.Under the partnership, Fino payments bank will act as PAN Service Agency (PSA) of Protean and facilitate paperless PAN issuance services.

ii.Applicants can apply for a PAN card through Aadhaar based authentication, without the need to submit or upload any documents at Fino Bank points and can also choose PAN card either in digital or physical form.

iii.The digital version or e-PAN will be sent within a few hours of applying to the applicant's email id and are accepted as actual PAN card whereas the physical PAN card will be delivered at applicants Aadhaar mentioned address within 4-5 working days.

Fact – As per Ministry of Finance (MoF), more than 43.34 crore PANs have been linked with Aadhaar till January 2022.

About Fino Payments Bank Limited:

MD & CEO – Rishi Gupta

Headquarters – Navi Mumbai, Maharashtra

Establishment – 2017

Germany Announces 1 billion EURO for Energy Transition Projects in India

On 30th November 2022 **Germany** launched a proposal to grant **1 billion EURO (8440 crore)** for energy transition projects across India under a bilateral partnership for green and sustainable development.

- The announcement was made ahead of German Foreign Minister Annalena Baerbock's visit to India in December 2022.

- Germany will assist India in making its energy supply technically, economically, and environmentally sustainable in the area of renewable energy.
- India and Germany entered into an agreement on the funding for more than 20 development projects in FY23.

Key highlights:

i. The fund will support India's initiatives in the areas of renewable energy, sustainable urban development in smart cities, and sustainable resource use.

ii. The funding comprises **10% in grants** and the remaining **90%** will be in the form of **lines of credit**.

- The lines of credit will be provided by **KfW Development Bank** with 'very cheap interest' ranging from 2.7% to 3.2% for development projects in states including Tamil Nadu and Meghalaya.

Note – Germany will support India with 10 billion EURO by 2030 under the umbrella of the new Indo-German partnership for green and sustainable development. This financial support will also include the funding of 1 billion EURO for the projects in India.

About Germany:

President – Frank-Walter Steinmeier

Capital – Berlin

Currency – EURO

India's Economic Growth slows to 6.3% in Q2FY23: NSO Data

On November 30, 2022, the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation, (MoSPI) released the Estimates of Gross Domestic Product (GDP) for the Second Quarter (July-September) 2022-23 or Q2FY23.

- As per it, India's gross domestic product (GDP) for the Q2FY23 slowed to 6.3% as compared to the expansion of 8.4% in Q2FY22. It was 13.5% in the April-June quarter of FY23 (Q1FY23).
- However, Indian economy is on track to achieve a **8-7%** GDP growth in FY23.

Highlights:

i. Real GDP or GDP at Constant (2011-12) Prices in Q2FY23 is estimated at **Rs 38.17 lakh crore**, as against Rs 35.89 lakh crore in Q2FY22.

ii. Nominal GDP or GDP at Current Prices in Q2FY23 is estimated at **Rs 65.31 lakh crore**, as against Rs 56.20 lakh crore in Q2FY22.

- This shows a growth of 16.2% in Q2FY23 as compared to 19% in Q2FY22.

iii. Real GDP in April-September FY23 (H1FY23) is estimated at **Rs 75.02 lakh crore** as against Rs 68.36 lakh crores during H1FY22.

- This shows a growth of 9.7% in H1FY23 as against 13.7% in H1FY22.

iv. Nominal GDP in H1FY23 is estimated at **Rs 130.26 lakh crore** as against Rs 107.47 lakh crores in H1FY22.

- This shows a growth of 21.2% in H1FY23 as against 25% in H1FY22.

Gross Value Added (GVA)

i. The GVA at basic price at constant terms during the Q2FY23 increased by 5.6% as compared to 8.3% in Q2FY22.

- It stood at Rs 3,505,599 crore in Q2FY23 as compared to Rs 3,319,248 crore in Q2FY22.

ii. The GVA at basic price at current prices rose 16.2% in Q2 2022-23 as compared to the growth of 17.9% in Q2FY22.

- It stood at Rs 5,859,890 crore in Q2FY23 as compared to Rs 5,043,357 crore in Q2FY22.

iii. The GVA of trade, hotels, transport, communication & services related to broadcasting witnessed a rise of 14.7% while that of financial, real estate & professional services climbed 7.2%.

iv. The construction segment grew 6.6% while public administration, defence and other services rose 6.5%.

v. Electricity, gas, water supply & other utility services climbed 5.6% and agriculture, forestry & fishing segment witnessed a 4.6% rise in GVA.

vi. The GVA in the manufacturing sector contracted 4.3% in Q2FY23.

- GVA in mining also declined by 2.8%.

The next release of quarterly GDP estimates for the quarter October-December, 2022 (Q3 FY23) will be on **February 28, 2023**.

[Click Here for Official Notification](#)

About Ministry of Statistics and Programme Implementation (MoSPI):

MoSPI is the nodal agency for the planned and organized development of the statistical system in India.

Ministers of State (Independent Charge)– Rao Inderjit Singh (Gurugram Constituency – Haryana)

BoB's Launches Foreign Currency Loan against INR Deposits

Bank of Baroda (BoB) has launched **Foreign Currency Loan against INR Deposits** of Indian Companies for their Overseas Subsidiaries/Joint Ventures (VS) in Gujarat International Finance Tec-City (**GIFT City**) branch in Gandhinagar, Gujarat.

- It provides an alternative facility for the Indian companies to raise funds for their international businesses.
- BoB is the **first bank** to offer this facility at GIFT City.

Key highlights:

i. Under the new loan scheme, BoB's International Financial Services Centre (IFSC) Banking Unit (IBU) in GIFT City will provide financial support to Overseas Subsidiaries/JVs of Indian corporates by leveraging their INR deposits.

ii. This helps Indian companies to meet the cash flow requirements for their international operations.

Note – BoB is already offering Loan against NRE/FCNR Deposits and Loan against Deposits at the IBU.

About IBU:

i. BoB's IBU is the **first and only bank** to provide transaction-based Internet Banking facility in 3 major foreign currencies including United States (US) Dollar, Euro and British Pound Sterling to cater to the needs of its retail and corporate customers.

ii. The IBU provides customers with a range of global solutions, including Foreign Currency Accounts for Individuals and Companies; Fixed Deposit (FD) in Foreign Currency; External Commercial Borrowing (ECB) Loans; Trade Finance Facilities; Loans in Foreign Currency/ Syndication Loans; Transaction-based Internet Banking facility.

About Bank of Baroda (BoB):

Managing Director (MD) & chief Executive Officer (CEO) – Sanjiv Chadha

Headquarters – Vadodara, Gujarat

Establishment – 1908

ICICI Bank Launches STACK for Companies in Real Estate Sector

On 1st December 2022, **ICICI Bank Limited** launched a **STACK** for companies in the real estate sector to offer solutions to their banking requirements on one platform.

- ICICI Bank is the **first bank** in the industry to offer real estate specific STACK to provide unparalleled convenience to the companies in the real estate sector.

About STACK:

i. The STACK is a combination of digital and physical solutions that enables participants of the real estate sector including builders, Real Estate Investment Trusts (REITs) and Alternate Investment Funds (AIFs) to undertake banking transactions efficiently.

- This is an extension of the '**ICICI STACK for Corporates**' which was launched in 2021 to provide a customised set of banking solutions for corporates and their entire ecosystem.

ii. This offers banking solutions including digital opening of bank accounts, instant generation of account number for Real Estate Regulatory Authority (**RERA**) registration, construction finance, inventory funding, and lease rental discounting to cater to their financial needs, depending on the life cycle stage of a project.

- In addition, it also supports in managing their payment obligations to vendors, employees, utility providers and statutory payments efficiently

Features:

i. These accounts are equipped with a convenient one-view access to all accounts with a single login on the Bank's Corporate Internet Banking (CIB) platform.

ii. It offers various options of loans to the builders throughout their project lifecycle including construction finance, inventory funding and Lease Rental Discounting (LRD) facility.

- In addition, the Bank also provides facilities such as overdraft (OD), letter of credit and bank guarantee to enhance financial and operational efficiencies.

About ICICI Bank Limited:

Managing Director (MD) & Chief Executive Officer (CEO) – Sandeep Bakhshi

Headquarters – Mumbai, Maharashtra

Establishment – 1994

IIFL Mutual Fund Launches India's First Passive Tax-Saver Fund – IN50

IIFL Mutual Fund has launched India's first passive tax saver fund, **IIFL Equity-Linked Savings Scheme (ELSS) Nifty 50 Tax Saver Index Fund (IN50)**, which will be on sale through New Fund Offering (NFO).

- **Parijat Garg** is the dedicated Fund Manager for the IIFL ELSS Nifty 50 Tax Saver Index Fund.
- The scheme was launched after the capital market regulator, Securities and Exchange Board of India (SEBI), allowed fund houses to launch passive funds in May 2022.

Offering:

i. The NFO will begin on 1st December 2022 and ends on 21st December 2022.

ii. The scheme will again re-open for subscription and redemption on an ongoing basis from 2nd January 2022.

Key highlights:

i. IIFL ELSS IN50 is an open-ended passive equity-linked savings scheme that replicates or tracks the Nifty 50 index and has a statutory lock-in period of three years.

ii. The new scheme will provide the **dual advantage** of tax saving under Section 80C of the Income Tax Act, 1961 and the potential to benefit from a diversified exposure to the equity markets.

iii. This is a passive fund which is of low cost, compared to actively managed schemes that have a higher expense ratio.

BookMyForex launches "Interbank Rate Forex Card", India's first true Zero Markup Travel Card

Online foreign exchange marketplace BookMyForex.com launched **Interbank Rate Multi-Currency Forex Card** which is India's first true zero markup travel card. It is co-branded multi-currency card developed in association with **Yes Bank**, and **M2P Fintech**. It is powered by **Visa**.

- **BookMyForex.com, a MakeMyTrip Group Company** is India's very first tech initiative in the foreign exchange domain and the market leader in the online retail forex space.

Key Points:

i. During regular banking hours, International travellers will be able to buy Forex Cards at Interbank Rates with zero added markup i.e. the live & actual rates as seen on search engines at which banks deal with each other for major currencies.

ii. The card is accepted globally at over 35 million stores, 1 million e-commerce websites, and over 2 million ATMs

iii. Earlier, BookMyForex charged a markup of about 0.25 paise per dollar, which has now been waived with the introduction of interbank rate multi-currency forex card

iv. The card can be loaded with 14 different currencies, and the exchange rates on forex cards remain fixed,

v. BookMyForex will also provide a FREE international SIM with unlimited incoming calls and WhatsApp chats for 30 days post activation along with the Interbank rate Forex Card

About BookMyForex.com:

Founder and CEO– Sudarshan Motwani

Headquarters– Gurugram, Haryana

City Union Bank authorised to enable GST Payments

The Goods and Services Tax (GST) Network, under the auspices of the GST Council, has listed City Union Bank (CUB), an old private-sector institution, as one of the banks that can pay GST.

- CUB's digital solutions include digital signatures, QR codes, Video KYC, and digital payment solutions such as UPI 123pay, payment on the go using wearables, increased payment limit for online transactions, and soft launch of voice biometric verification for mobile banking.

Tata Play becomes 1st firm to file confidential DRHP with SEBI for IPO

Tata Play (formerly Tata Sky), has become the **1st** company to file a confidential Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI) for its Initial Public Offering (IPO).

It will be the Tata group's 1st IPO in 2 decades. The group last entered the primary market through TCS in 2004.

- On 29th November 2022, Tata group filed DRHP with SEBI, BSE (formerly Bombay Stock Exchange) and National Stock Exchange of India Ltd (NSE).
- On November 29, the direct-to-home (DTH) platform confidentially submitted the DRHP with the SEBI.
- The Tata Group direct-to-home (DTH) platform is looking to raise Rs 2,000-2,500 crore to give part or full exit to partners such as the Walt Disney Company.

IDFC AMC to be renamed as Bandhan Mutual Fund as Regulators approve Change in Ownership

On 30th November 2022, the Securities and Exchange Board of India (SEBI) approved the Bandhan-led consortium's proposed acquisition of IDFC Asset Management Company.

- Bandhan Financial Holdings GIC and ChrysCapital formed a consortium to purchase IDFC AMC and IDFC AMC Trustee Company from parent IDFC for **Rs 4,500 crore**. After the transaction, BFHL will own around 60% of IDFC AMC, while GIC and ChrysCapital will each possess 20%.
- The Competition Commission of India (CCI) approved the deal in August 2022 and the Reserve Bank of India (RBI) approved it in November 2022
- After the acquisition, IDFC AMC will be renamed **Bandhan AMC** and IDFC Mutual Fund is proposed to be renamed **Bandhan Mutual Fund**.

India's Unemployment rate rises to three-month high at 8% in November 2022: CMIE

As per the data by the Centre for Monitoring Indian Economy (CMIE) Private Limited, India's unemployment rate increased to a three-month high at 8% during November 2022.

- The unemployment rate in urban India was higher at **8.96%** as compared to 7.21% in October 2022.
- On the other hand, rural unemployment rate slipped to **7.55%** from 8.04% in October 2022.
- India's unemployment rate in October 2022 was at 7.77% while in September 2022, it was at a low of 6.43%.

Key Points:

i. Among the states, Haryana continued to have the highest unemployment rate in November at 30.6%. It is followed by Rajasthan at 24.5%, Jammu and Kashmir at 23.9%, Bihar at 17.3% and Tripura at 14.5%.

ii. The states that witnessed the least unemployment rate in November 2022 are Chhattisgarh at 0.1%, Uttarakhand 1.2%, Odisha at 1.6%, Karnataka 1.8%, and Meghalaya at 2.1%.

About Centre for Monitoring Indian Economy (CMIE):

CMIE is a leading business information company. It was established in 1976, as an independent think tank.

Managing Director– Mahesh Vyas

Headquarters– Mumbai, Maharashtra

NPCI extends deadline to Levy 30% Cap on Digital Payment Transactions till Dec 31, 2024

The National Payments Corporation of India (NPCI) has extended the deadline for limiting volume cap to 30% for Third Party Payment Application Providers (TPAP) in Unified Payments Interface (UPI) by **two years** till December 31, 2024.

- At present, there is no volume cap.
- The cap will avoid concentration risk, and protect the UPI ecosystem.

Key Points:

i. This extension will provide relief to the UPI players like Google Pay and PhonePe, which account for a market share of about 80%.

ii. UPI facilitates peer-to-peer money transfer online through mobile apps.

iii. TPAP is to be calculated on the basis of the volume of transactions processed during the preceding three months.

iv. As per latest NPCI data, PhonePe processed over 47.26% of the transactions done through UPI in October 2022, whereas Google Pay had 34% share and Paytm around 15%. Google Pay and PhonePe have a combined market share of over 81% in volume terms of total transactions processed on UPI.

v. A cap is the highest level to which something can go.

ADB & ABIS Signs USD 16 Million Agreement to Support Fish Farming in India

The Asian Development Bank (ADB) and ABIS Exports India Private Limited (ABIS) entered into an agreement on **sustainability-linked and blue-debt facility**, a non-convertible debenture worth **USD 16 million (in equivalent Indian rupee)**.

- This is to enhance food security in India by supporting the construction of a micro fish feed plant and by training up to 6,000 farmers in climate-resilient fish farming practices as well as financial literacy.

Key points:

i. This is ADB's first private sector sustainability-linked financing, with adjustments in pricing when pre-defined sustainability targets are met.

- Targets include emissions reductions, water conservation, and farmer training. The sustainability-linked financing received an independent second-party opinion, consistent with industry principles.

ii. Through the partnership, both ADB and ABIS commits towards climate change mitigation and adaptation, water conservation, ocean health, and the promotion of farmers' capacity building.

About the facility:

i. The Specialised **micro fish feed** is a new product in the Indian market and is smaller in size than standard fish feed and it is also suitable for more species of fish.

- It floats on the water surface for longer, enabling the feed to be completely consumed by the fish rather than sink and get wasted, which in turn increases feed efficiency and reduces water pollution.

ii. It includes training in climate-smart fish farming practices and financial literacy through a grant of **USD 500000** technical assistance (TA) which will enhance the climate resilience of fish farmers.

- The TA will also address gaps in access of women farmers to aquacultural information and training.

Note – Recently, ADB provided at around **USD 14 billion** for 2022–2025 to ease a worsening food crisis in Asia and the Pacific and for improving long-term food security.

About ABIS Exports India Private Limited (ABIS):

ABIS is the flagship operating company of the **Indian Broiler group**, which also has operations in poultry, poultry-feed, dairy, edible oil and hospitality.

- It is committed towards reducing carbon emissions, improving water conservation, and providing increased farmer extension services.

About Asian Development Bank (ADB):

President – Masatsugu Asakawa

Establishment – 1966

Headquarters – Mandaluyong City, Metro Manila, Philippines

Members – 68 members (49 from Asian and the Pacific and 19 outside)

Canara Bank Wins Banker's Bank of the Year Award 2022 for India at Global Banking Summit

Canara Bank received the Banker's Bank of the Year Award 2022 for the India segment (Under Asia Pacific Region) at the Global Banking Summit, held in London, United Kingdom (UK) from 29th November 2022 to 1st December 2022.

- The bank has been adjudged as the '**Best Bank in India for 2022**'.
- The award was received by the Managing Director (MD) and Chief Executive Officer (CEO) of Canara Bank, L V Prabhakar.

About the award:

i. The Bankers' Bank of the year awards are considered to be on par with Oscar awards for the banking sector.

ii. The winners of the award are judged on their ability to deliver returns, strategy, innovation, technology and product and services in their respective geographies in the last 12 months.

Note – The Banker's magazine, a British based global financial daily newspaper from the Financial Times (FT) group, is a premier global banking and finance resource for more than 180 countries across the world.

- It was established in 1888 and is the leading business/financial newspaper in the world.

Other Winners:

Global – BBVA has been awarded the Global Bank of the Year 2022.

Asia-Pacific – Standard Chartered Bangladesh (SC Bangladesh) bagged the 2022 Bank of the Year award

[Click here for the complete list of 2022 winners](#)

About Canara Bank:

Managing Director (MD) & Chief Executive Officer(CEO) – L V Prabhakar

Headquarters – Bengaluru, Karnataka

Establishment – 1906

EPFO Data Shows 35% Jump in Formal Job Creation in H1 FY23

According to an analysis of the data released by the **Employees' Provident Fund Organization (EPFO)**, **87.1 lakh new formal jobs** were generated in India during the first half of the current financial year (H1 FY23), a **35 % rise** from H1 FY22.

- There were 24.6 lakh and 64.72 lakh formal jobs generated in India in the first halves of FY21 and FY22, respectively.

EPFO payroll data covers the organised sector's workforce for enterprises with more than 20 employees and provident fund accounts.

Significance

i. In Q2 FY23, formal job creation increased slightly to 47.4 lakh, up from 39.3 lakh in Q1 FY 23.

- In September 2022, 16.82 lakh jobs were added, which was the largest in FY23.

ii. Around 25,330 new companies began adhering with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 in H1, assuring social security coverage for their employees.

Key Points:

i. According to the disaggregated statistics released by EPFO, the sector providing **expert services** saw a significant increase in job creation.

- The category, which also includes small contractors, private security firms, and manpower agencies, contains almost 36 lakh jobs.
- It is subsequently followed by trading-commercial establishments and engineering.

ii. Additionally, data demonstrates that states with higher contributions from the service sector, like Maharashtra, Karnataka, and Tamil Nadu, created the most formal jobs.

iii. While Maharashtra saw an increase in formal employment of 18.29 lakh during H1, Karnataka and Tamil Nadu saw increases of 9.87 lakh and 9.18 lakh, respectively.

iv. Himachal Pradesh (0.67 lakh new jobs), Jharkhand (0.8 lakh), and Chhattisgarh (0.84 lakh) lag behind among the bigger states.

Worldline India Report: Digital Payments Worth Rs. 38.32 Trillion Carried Out in Q3 2022

According to the "[India Digital Payments Report Q3 2022](#)" released by financial services company Worldline India, more than 23 billion digital payment transactions worth Rs. 38.32 trillion were made in July-September (Q3) 2022.

- These payments were made through prepaid payment options such mobile wallets, debit and credit cards, and the Unified Payments Interface (UPI).
- The segment was dominated by UPI-based transactions in terms of both volume and value.

Key Takeaways from the Report:

i. **UPI** recorded more than 19.65 billion transactions worth Rs. 32.5 trillion in Q3 2022.

- It registered an 88% increase in volume and a 71% gain in value in Q3 2022 compared to Q3 2021, nearly doubling its transaction volume and value since 2021.

ii. The **top 3 UPI apps** in terms of volume and value as of Q3 2022 were PhonePe, Google Pay, and Paytm Payments Bank App.

iii. The average transaction amount for credit card transactions was Rs 4,833, while the average transaction size for mobile wallet transactions was Rs 382.

iv. **Top 10 states** with the highest transactions at physical touch points in Q3 2022: Maharashtra, Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, Delhi, Uttar Pradesh, Gujarat, Telangana and West Bengal.

v. **Top 12 cities** in Q3 2022 in terms of physical touch point transactions: Bengaluru, Hyderabad, Chennai, Mumbai, Pune, Delhi, Kolkata, Thiruvananthapuram, Coimbatore, Thrissur, Thane, and Ahmedabad.

vi. In Q3 2022, **credit card** volume and value was 725 million and Rs. 3.5 trillion, with 386.83 million transactions at the point of sales (POS) and 338.80 million e-commerce transactions.

- In Q3 2022, the volume and value of **debit card** transactions were 907 million and Rs. 1.88 trillion, respectively.

vii. **POS transactions** accounted for 595.4 million of total debit card volume, while e-commerce transactions accounted for 311.60 million.

- In terms of value, debit transactions on e-commerce sites totaled Rs. 681.7 billion, while POS terminals processed Rs. 1.19 trillion.

Razorpay Enables Merchants to Accept Credit Card Payments on UPI

On 5th December 2022, Fintech platform Razorpay announced a first-of-its-kind move, in partnership with Axis Bank, to enable merchants to accept credit card transactions via Unified Payments Interface (UPI) with minimal changes to the existing setup.

- This facility has been enabled for the customers of HDFC Bank, Punjab National Bank (PNB), Union Bank and Indian Bank.
- At present, UPI enables customers to make transactions through their bank accounts.

Key highlights:

- i. This offering is in line with the National Payments Corporation of India (NPCI) and the Reserve Bank of India (RBI)'s innovation in digital space. In October 2022, the NPCI allowed the linking of RuPay credit cards with the BHIM UPI app.
- ii. Around 250 million Indians use UPI for their day-to-day transactions, and nearly 50 million users have one or more credit cards.

About Razorpay:

Managing Director (MD) & Co-founder – Shashank Kumar

Headquarters – Bengaluru, Karnataka

Establishment – 2014

ICICI Lombard, AU Small Finance Bank tied-up for Bancassurance

On December 5, 2022, the AU Small Finance Bank, and ICICI Lombard General Insurance tied-up for Bancassurance. Under this, the insurer will utilize the bank's diverse customer's access, and enhance penetration across India.

- On the other hand, the bank will enhance its general insurance offering with agile, digital & paperless solutions offered by ICICI Lombard.

Key Points:

- i. The entire suite of insurance products will be offered across 980+ banking touchpoints covering over 20 states & 2 union territories (UTs).
- ii. The offered products are customer centric, and will provide long term financial security to customers and their families.
- iii. Bancassurance is a tie-up between the bank and the insurance company to sell the latter's insurance products to the bank's customers.

About ICICI Lombard:

Managing Director & CEO– Bhargav Dasgupta

Headquarters– Mumbai, Maharashtra

About AU Small Finance Bank:

Managing Director & CEO– Sanjay Agarwal

Headquarters– Jaipur, Rajasthan

Tagline– Badlaav Humse Hai

Spice Money & Axis Bank Partners for Financial Inclusion in Rural India

Spice Money Limited, a Rural fintech player, has partnered with **Axis Bank**, to facilitate the opening of instant, zero balance savings or current accounts for rural citizens through its Adhikari network.

- Through this partnership, Spice Money aims to bridge the rural-urban divide and bring financial inclusivity by providing access to banking products at doorstep.

Key Points:

i. Spice Money empowers merchants, known as Spice Money Adhikaris through its technology to cater to the digital and financial needs of rural citizens in India.

It delivers various financial services including cash deposit and withdrawal, insurance premium, bill payments and loans to the rural masses.

ii. Recently, the company has come on board the government-promoted e-commerce platform, Open Network Digital Commerce (**ONDC**), to facilitate smaller merchants in rural locations.

- By onboarding ONDC, Adhikaris of Spice Money will act as facilitators to other smaller merchants in their localities, who do not have access to e-commerce platforms to sell their products.

About Spice Money Limited:

Spice Money, a regulated entity under the Reserve Bank of India (RBI), is a 100% subsidiary of **DiGiSPICE Technologies**.

Founder-Dilip Modi

Co-founder & Chief Executive Officer (CEO) – Sanjeev Kumar

Headquarters – Noida, Uttar Pradesh

Federal Bank unveils 'Football Fiesta' Campaign

Federal Bank Limited, a leading private sector bank, has launched the '**Football Fiesta**' campaign with many prizes lined up to celebrate the FIFA World Cup 2022.

- As part of the campaign, the bank has also released an augmented reality (AR) filter for Instagram. Moreover, it has announced its public social media contest.
- The contest is to take a selfie saying 'goal' with the AR filter from an Instagram profile to win prizes.

Global Trade Growth to slowdown in 2023: WTO Barometer

According to the recent World Trade Organisation Goods Trade Barometer, global trade growth is expected to slow down in the last quarter of 2022 and in 2023 as countries experience significant challenges to their economies amid Ukraine-Russia war, high energy prices, and monetary tightening.

- The current goods trade Barometer index value is 96.2.

Key Points:

- i.The barometer index is projected to decline due to the negative readings in sub-indices representing exports (91.7), air freight (93.3) and electronic components (91.0).
- ii.the main exception is the automotive products index (103.8), which rose above trend due to stronger vehicle sales in the United States (US) and increased exports from Japan as supply conditions improved and as the yen continued to depreciate.
- iii.The Goods Trade Barometer is a composite leading indicator for world trade, providing real-time information on the trajectory of merchandise trade relative to recent trends. Values greater than 100 signal above-trend expansion while values less than 100 indicate below-trend growth.

ADB Partners with GoI to Provide USD 3 Million PRF Facility

The Asian Development Bank (ADB) and the Government of India (GoI) inked a USD 3 million Project Readiness Financing (PRF) agreement to assist preparatory operations for designing the "**Agartala Municipal Infrastructure Development Project**," which aims to strengthen municipal infrastructure in priority areas of Agartala, Tripura.

- The agreement was signed by Rajat Kumar Mishra, Additional Secretary, Department of Economic Affairs (DEA), Ministry of Finance (MoF), and Takeo Konishi, Country Director of ADB's India Resident Mission.
- This partnership aims to support the Tripura Government in the development of municipal infrastructure, strengthen future investment-ready projects and improvising resource mobilization of the Agartala municipal Corporation.

Key Points:

- i.The proposed project is consistent with the findings of the North East Economic Corridor (NEEC) study by the ADB.
 - The study acknowledges Agartala's crucial position as a key growth and border centre in fostering affluence and economic growth in the northeastern region.
- ii.The ADB's recent collaboration with Tripura to build urban infrastructure has shown significant infrastructure shortfalls in the city of Agartala.
- iii.During the implementation of the PRF, measures for climate change adaptation and mitigation would be

incorporated into the project design to guarantee compliance with India's climate commitments.

About the Asian Development Bank (ADB):

President – Masatsugu Asakawa

Headquarters – Manila, Philippines

Establishment – 1966

Members – 68 members (49 from the region)

AFLI Launches Ageas Federal Life Insurance Criti Care Plan for 30 Critical Illness

On 6th December 2022 Ageas Federal Life Insurance (**AFLI**) launched '**Ageas Federal Life Insurance Criti Care Plan**', a comprehensive health insurance plan covering 30 critical illnesses and major diseases.

- This new policy provides a **lump sum payment** on the first diagnosis of the listed 30 critical illnesses, regardless of the actual amount spent on treatment.

Key highlights:

i.The policy will benefit the insured people with bearing the costs of expensive treatment, recuperation and possible loss of income.

- The plan may also provide tax benefits under Section 80D of the Income Tax Act, 1961.

ii. Eligibility – People with a minimum age of 18 years and a maximum of 65 years can take up the policy. The policy covers up to the age of 70 years.

iii.The term of the policy can be minimum of 5 years to a maximum of 10 years with 3 premium payment options including single pay, limited pay and regular pay.

About Ageas Federal Life Insurance (AFLI):

Managing Director (MD) & Chief Executive Officer (CEO) – Vighnesh Shahane

Headquarters – Mumbai, Maharashtra

Establishment – 2007

World Bank upgrades India's GDP Growth Forecast for FY23 to 6.9%; Fitch retains it at 7%

The World Bank (WB) in its latest '**India Development Update- Navigating the Storm**' raised its **Gross Domestic Product (GDP)** growth forecast for India during FY23 to 6.9% from 6.5% in its October 2022 update. WB declined India's FY23 forecast to 6.5% from 7.5% amid Russia-Ukraine War, rising global interest rates and high inflation.

- This is the **first upgrade of India's growth forecast** by any international agency amid the global turmoil.
- However, India's real GDP growth at constant market prices will be slower at **6.6%** in the FY2023-24 as compared to 7% projected earlier.
- India's real GDP growth at constant factor prices will be **4%** in FY2023-24.

Notably, India needs to grow at the rate of 8% and above to achieve its aim to become a developed country by 2047.

Highlights:

i.India's economy has been **remarkably resilient** to the global challenges due to strong policy reforms and prudent regulatory measures. These have placed it in good position compared to other Emerging Market Economies (EMEs) viz. China, Mexico, Brazil which decelerated in Q2FY23.

ii.It will remain one of the fastest growing major economies in the world, due to robust domestic demand.

iii.Exports performed better than expected despite a slowing growth in major trade partners viz. the United States (US), United Kingdom (UK) and China; Russia-Ukraine war; and persistent global supply disruptions caused by global shortage of shipping containers and supply bottlenecks.

iv.Private consumption and investment continued to grow strongly in October 2022.

v.Electricity generation and freight traffic remained firmly above pre-pandemic levels.

Key Figures:

- i. India's economy grew at 6.3% in Q2FY23 as compared to 13.5% in Q1FY23.
- ii. The services sector expanded 9.3% year-on-year as compared to 10.5% in Q2FY23 amid growth in business services, contact-intensive segments of retail trade, transport, hotels and restaurants, and public administration.
- iii. Agriculture sector growth accelerated to 4.6% in despite erratic monsoon season and export restrictions on wheat and rice products.
- iv. On the other hand, manufacturing sector continued to be adversely impacted by slowing external demand, global supply chain disruptions and higher input costs which resulted in 4.3% contraction in output.
- v. It expected an inflation rate of 7.1 per cent in FY23, Inflation decelerated in October 2022 to 6.7%, but it is still above RBI's tolerance band of 2-6%.
- vi. Wholesale price index (WPI) has been in double digits since April 2021 and averaged 14.2% in the H1FY23.
 - WPI tracks prices at which businesses sell to each other.
- vii. The central government is on track to meet its **fiscal deficit target of 6.4 %** of the GDP for FY23 due to strong growth in revenue collections which increased by 9.5% and spending by 12.2%.
- viii. The Government deficit is projected to decline to 9.6% in FY23 from 10.3% in FY22 and 13.3% in FY221.
- ix. Public debt is also projected to decline to 84.3% of GDP in FY23, from a peak of 87.6% in FY21.
- x. At over \$500 billion, India has one of the largest holdings of international reserves in the world. Though they have declined by about 13% in 2022, they still provide close to eight months of import cover.

Fitch retains India's growth forecast at 7%

The Fitch Rating retained India's growth forecast to 7% in FY23 amid stronger-than-expected outturn in its December edition of the Global Economic Outlook 2022.

- However, it will slow to **6.2%** in 2023-24 and **6.9%** in 2024-25.
- The Fitch estimated global growth expected to slip to just 1.4% in 2023 from its earlier projection of 1.7 percent in September 2022.

India's Growth Forecast by Other Agencies:

- i. In October 2022, the International Monetary Fund (IMF) in its World Economic Outlook had slashed India's economic growth forecast to 6.8% for FY23 and 6.1% for FY24.
- ii. In November 2022, Moody's Investors Service lowered India's GDP growth forecast to 7% from 7.7% for 2022. It expects growth to decelerate to 4.8% in 2023 and then to rise to around 6.4% in 2024.
- iii. Goldman Sachs projected Indian economy to expand by 5.9% in calendar year 2023.

About World Bank (WB):

President- David Robert Malpass

Headquarters- Washington D.C, United States (US)

Establishment- 1944

SIDBI & Saudi Arabia's Monsha'at signs MoU to develop MSMEs

A Memorandum of Understanding (MoU) has been signed between the Small Industries Development Bank of India (SIDBI) and Small and Medium Enterprises General Authority of the Kingdom of Saudi Arabia (also known as Monsha'at) to develop Micro, Small and Medium enterprises (MSMEs) and their ecosystem, in both the countries.

Signatories:

It was signed by V Satya Venkata Rao, Deputy Managing Director, SIDBI; and Mazin Bin Ahmed Al-Ghunaim, CEO, SME Bank, during the launch of SME Bank, in Riyadh, Saudi Arabia.

What is in the MoU?

- i. It is part of the bilateral initiative to improve diplomatic relations between India and Saudi Arabia.
- ii. Under this MoU, both sides will explore and collaborate on matters of common interest.
 - Collaboration will also be done between the MSME institutions of the both countries.
- iii. SIDBI will also offer its expertise to the newly launched SME Bank of Saudi Arabia.

About Small Industries Development Bank of India (SIDBI):

It is the principal financial institution for the development of MSMEs in India

Chairman & Managing Director– Sivasubramanian Ramann

Headquarter– Lucknow, Uttar Pradesh

Establishment– 1990

IDFC First Bank & NASSCOM COE Partners to Promote Startup Ecosystem

On 7th December 2022, the IDFC First Bank and National Association of Software and Service Companies (NASSCOM) **Centre of Excellence (CoE)** partnered to grow the innovation ecosystem and guide startups through a range of banking solutions.

- IDFC First Bank and NASSCOM COE signed a Memorandum of Understanding (MoU) for appointing the IDFC First bank as a preferred banking partner for startups, at an event held in Bengaluru, Karnataka.

Key highlights:

i. Through the partnership, the Bank will offer its products and solutions for startups, including zero balance startup current account, working capital solutions for pre-profit startups, and also business credit cards.

- It will also offer tailored financial products to support innovation and entrepreneurship.

ii. NASSCOM CoE shall support the partnership with its technology along with domain expertise.

iii. NASSCOM COE and IDFC FIRST Bank will collaborate across a range of initiatives such as Investor Connect, Knowledge Sharing sessions and Tech Conclaves to engage with the Startup community extensively.

About IDFC FIRST Bank:

IDFC FIRST Bank was formed by the merger of erstwhile IDFC Bank and Capital First, a Non Banking financial Company (NBFC) on 18th December 2018.

MD & CEO – V. Vaidyanathan

Headquarters – Mumbai, Maharashtra

ADB: Approves USD 780 million Loan to Expand Chennai's Metro Rail Network; Approves USD 300 Million Loan to Improve India's Road and Regional Trade

The Asian Development Bank (ADB) approved a loan of **USD 780 million multi-tranche financing facility (MFF)** to build new lines for **Chennai metro rail** and improve its network connectivity with bus and feeder services.

Highlights:

ADB will provide an additional USD 1 million technical assistance (TA) grant to help the Chennai Metro Rail with the planning and management of the metro system's multimodal integration.

- The TA will support by identifying the needs in first and last-mile connectivity and explore opportunities for transit-oriented development to increase revenues through land value capture.

About the project:

i. Under the project, **10.1 km** of an elevated section between Sholinganallur to State Industries Promotion Corporation will be constructed, including 9 metro stations and system components; 10 km of the underground section between Lighthouse and Meenakshi College with 9 stations.

- It also includes 31 km of system components comprising electrical, mechanical, power, and telecommunication infrastructure between Chennai Mofussil Bus Terminus to Okkiyam Thoraipakkam.

Other investments:

i. In 2021 Government of India (GoI) and ADB had signed a deal for a **USD 500 million** loan to expand Bengaluru metro rail network by constructing two new lines of 56 km length.

ii. ADB has also committed **USD 57.75 billion** to 826 projects in India, out of which 18.85 billion is for 188 transportation projects.

iii. In 2021, ADB committed **USD 4.6 billion** in Sovereign loans to India and also USD 36.51 million in TA and USD 3 million in grants under the Sovereign portfolio.

ADB Approves USD 300 Million Loan to Improve Road and Regional Trade in India

The Asian Development Bank (ADB) approved a **USD 300 million** loan to upgrade more than 300 kilometres of state highways and major district roads in Assam, including six road sections in the state's western, central, and southern regions.

Key highlights:

i. The project will expand state highways and major district roads from single lane to two lanes and introduce new disaster and climate resilient structures.

- It will also establish pedestrian and public transport facilities, elevate highways in flood-prone areas and also include landslide prevention structures in hilly and mountainous areas.

ii. This will reduce travel time and costs which thereby improves mobility and accessibility of people in the less developed areas of Assam. They also provide a vital link to markets, jobs, social services, education, and health facilities.

About the project:

i. The project will strengthen the capacity of the Assam Public Works (Roads) Department in managing road assets, integrating climate and disaster resilience in road projects, and ensuring safeguards of environment, resettlement and concerns of indigenous peoples.

ii. Under the project, roads to be upgraded are connected to South Asia **Subregional Economic Cooperation (SASEC)** corridors and borders with Bhutan and Bangladesh, and are expected to boost cross-border trade and transport.

iii. The project will complement the multimodal logistics park that is being built in Jogighopa and Silchar to serve road, rail, inland waterway, and air transport facilities.

iv. Viaduct structures will be constructed for protecting wildlife and its habitats in project areas and to avoid human – elephant conflict in the elephant habitats.

About Asian Development Bank (ADB):

President – Masatsugu Asakawa

Establishment – 1966

Headquarters – Mandaluyong City, Metro Manila, Philippines

Members – 68 members (49 from Asian and the Pacific and 19 outside)

NIIF Partners with GAL to Invest Rs. 631 crore in Three Airports

GMR Airports Limited (**GAL**), a subsidiary of GMR Infrastructure Limited partnered with National Investment and Infrastructure Fund (**NIIF**) to invest in the equity capital of three airport projects including the Greenfield international airports at **Mopa** in Goa and **Bhogapuram** in Andhra Pradesh. **Note:** GAL has not shared the details about the total investment by NIIF and the third airport.

Primary Investment by NIIF:

i. NIIF will make a primary investment of Rs. 631 crore (Rs. 6.31 billion) in the form of Compulsory Convertible Debentures (CCD) at the GMR Goa International Airport (GGIAL), a special purpose vehicle (SPV) for operating the new Goa airport.

ii. This is NIIF's first investment in an domestic airport asset and also its first direct investment in the state of Goa.

About GMR Goa International Airport (GGIAL):

i. Goa's Mopa International Airport is a Greenfield airport. The airport has already received aerodrome licence and upon commissioning, It will be the first dual-airport system in India alongside the Dabolim airport.

- Mopa International Airport is expected to be inaugurated on 11th December 2022.

ii. In the first phase, the airport shall have a design capacity of handling up to 4.4 million passengers per annum, with an ultimate capacity of up to 40 million passengers per annum.

About GMR Airports Limited (GAL):

i.GAL is a partnership between India's GMR group and Groupe ADP (majority equity held by the French government).

ii.GAL has developed and operated airports in over nine countries and presently operates five airports including Delhi, Hyderabad and Bidar airports in India, Kualanamu Airport in Medan, Indonesia and Mactan Cebu Airport in Philippines.

- In 2016, was awarded the concession to develop and operate a second airport in Goa on a Design-Build Finance-Operate-and-Transfer (DBFOT) basis.

About GMR Group:

Founder & Chairman – Grandhi Mallikarjuna Rao

MD & CEO- Grandhi Kiran Kumar

Headquarters –New Delhi, Delhi

ADB and IIFL Home Finance Ltd organised 'Kutumb' Event in Delhi

Asian Development Bank (ADB) and India Infoline Limited- Home Finance Ltd. (IIFL HFL) organised 'Kutumb' event in Delhi discussing scope around green affordable housing in India. The 'Kutumb' was launched on 2nd December 2022 with an event titled 'Green Affordable Housing Ecosystem' in Delhi.

- Kutumb actively collaborates and consults with developers, architects, and rating agencies to promote green, sustainable, future-ready, and affordable housing.
- The event focuses on mainstreaming green and affordable housing in India.
- In February 2022, IIFL HFL signed a USD 68 million financing agreement with ADB to expand financial access to affordable green housing for India's economically disadvantaged and lower-income populations.

IndusInd Bank enters into Rs 500-crore co-lending pact with SV Creditline

IndusInd Bank signed a co-lending agreement with Non-Banking Financial Company (NBFC), **SV Creditline Limited (SVCL)** for Rs 500 crore loan exclusively to women borrowers.

- Under this pact, rural women will get access to affordable loans to be utilized towards the economic activities such as agriculture, animal husbandry, trading and local manufacturing, among others.

About SVCL:

i.It should be noted that SVCL only lends to women customers in the low-income segment with an annual household income of Rs. 125,000 in rural areas and Rs. 200,000 in urban areas. It is providing services to 130 districts in 10 states through its 227 branches.

ii.It is registered as NBFC-MFI (Micro Finance Institution) under Section 451A of Reserve Bank of India Act, 1934, and promoted by Vans Pte. Ltd. and SV Corporation Pvt. Ltd.

iii.SVCL's Business correspondents (BC) partners are IndusInd Bank, Edelweiss Housing Finance Limited, Jana Small Finance Bank Limited, MAS Financial Services Limited, DCB Bank and IDBI Bank.

RBL Bank & Paisabazaar.com Partners to Launch New Co-Credit Card – 'Duet'

On 8th December 2022 **Paisabazaar.com** and **RBL Bank** launched a new **co-created credit card 'Duet'**, which offers two credit offerings including cashback on purchases made through the card and a line-of-credit from RBL bank enabling instant transfer of money to bank account.

About Duet credit card:

i.The Duet credit card is a unique Credit Line product by RBL Bank. It will be a part of Paisabazaar's neo-lending product suite and will replace Paise On Demand (PoD) credit card on Paisabazaar.

ii.Duet is a lifetime free credit card from RBL Bank with no joining fee or annual fee and also offers direct

cashback benefits.

Benefits:

i. Cardholders can earn a **flat 1% cashback** for all online and offline purchases done through the card. There is no upper limit on the cashback earned.

- Cashback is not offered on wallet loading, EMI transactions, fuel purchase and rent payment done through the card.

ii. Cardholders can avail loans easily by simply logging in to their account on Paisabazaar.com and select from the Credit Line option and complete the required loan transaction by authorising it with an OTP received on registered mobile number.

iii. A line-of-credit **above Rs.3,000** and up to the cardholder's **credit limit** will also be available for the card holders.

About RBL Bank:

Managing Director (MD) and Chief Executive Officer (CEO) – R Subramaniakumar

Headquarters – Mumbai, Maharashtra

Tagline – Apno Ka Bank

ASK Indian Entrepreneur Fund: ASK Capital gets Central Bank of Ireland nod to launch India-based fund

ASK Capital Management Pte. Ltd. (ASK Capital) has received an approval from the Central Bank of Ireland to launch an India-based fund namely 'ASK Indian Entrepreneur Fund' through the UCITS route. This fund will be ASK Capital's first UCITS vehicle.

- UCITS stands for **Undertakings for the Collective Investment in Transferable Securities** which is a regulatory framework of the European Commission for management and sale of mutual funds.
- With this fund, ASK Capital aims to raise **US\$ 500 million** over the next 3 years from global investors.

About UCITS Funds:

UCITS funds can be registered in Europe and sold to investors worldwide using unified regulatory and investor protection requirements. It serves as a stamp of quality and reliability for overseas investors

Key Points:

i. ASK Indian Entrepreneur Fund will be modeled on ASK's flagship portfolio management services (PMS), ASK Indian Entrepreneur Portfolio (IEP).

- IEP is one of the most consistent alpha-generating strategies since its launch in 2010. It invests in companies led by Indian entrepreneurs.

ii. It provides global investors with a familiar, tax efficient, and convenient access to the high-growth Indian equity markets.

iii. This approval will enable ASK Capital to reach out to institutional investors, endowments, pension funds, family offices, and investors via private banks across Europe, Middle East, Latin America, and parts of Asia.

About ASK Capital:

CEO & Managing Director – Sameer Dev

Headquarters – Singapore

HDFC ERGO & NIIT Partners to Create a Pool of Future Ready IT Professionals

HDFC ERGO General Insurance Company Limited has partnered with **NIIT**, a global talent development corporation, to launch **HDFC ERGO Technocrat – Advance Dot Net Developer Program** to build a large pool of developers.

- This will create future-ready Information Technology (IT) Professionals for HDFC ERGO, who can play a pivotal role in offering technology-powered insurance solutions.
- The program will be delivered through live, instructor-led sessions and also offers a stipend to the participants.

Key highlights:

i. The program is an initiative of **HDFC ERGO** and NIIT Institute of Finance, Banking and Insurance (**NIIT-IFBI**), that aims to equip the participants with the knowledge and confidence of being immediately productive at work and also provide training to handle critical projects and assignments.

ii. Eligibility – The Applicants should be **between 21 and 28 years** of age at the time of admission and should have completed X, XII, and Graduation in regular mode (only up to 2 years of academic gap is allowed after the 10th).

- Applicants must be familiar with basic coding skills in **C++, C# and Java**.

iii. Process – The applicants will have to clear a two-level assessment test, after which they will receive a provisional offer letter from HDFC ERGO.

About HDFC ERGO General Insurance Company Limited:

HDFC ERGO General Insurance Company Limited is a joint venture between **HDFC Limited**, India's premier Housing Finance Institution and **ERGO International AG**, the primary insurance entity of Munich Re Group.

Chairman – Keki M Mistry

Headquarters – Mumbai, Maharashtra

PayMate receives In-Principle authorization to operate as a Payment Aggregator from RBI

PayMate India Limited, a leading business-to-business (**B2B**) payments and services provider, has received '**in-principle**' approval from the Reserve Bank of India (**RBI**) to operate as a Payment Aggregator (PA), subject to the RBI Guidelines on Regulation of PAs and Payment Gateways (PG), dated 17th March 2022 as updated from time to time.

- PayMate digitizes, automates and streamlines B2B payments in supply chains.
- Payment aggregators are entities that help merchants and businesses to make and receive payments, pool and transfer them to the merchants within the time frame specified by the RBI Guidelines.

StocX.in Launches India's First Private Market Index to Monitor Values

StocX.in, an internet unlisted securities portal, has launched **StocX Private Market Index (SPMI)**, India's first private market index by utilising '**Change Percentage**' technique, to monitor the value actions of privately traded securities, those that are traded within the unlisted market. The index is computed utilising 1000 as the bottom worth as on 1st January 2022.

SEBI issues Framework for AIFs to Raise Money from FPIs

On December 9, 2022, the Securities and Exchange Board of India (SEBI) has issued a framework in terms of **Regulation 10(a)** of SEBI (Alternative Investment Funds) Regulations, 2012, enabling Alternative Investment Funds (AIFs) in India to raise money from Foreign Portfolio Investors (FPIs) by issuing units, with immediate effect, by ensuring the following:

i. The FPIs are residents of a country, the securities market regulator of which is a signatory to

the **International Organisation of Securities Commission's (IOSCO)** Multilateral Memorandum of Understanding (MoU), or a signatory to a bilateral MoU with SEBI.

ii. Investors contributing 25% or more in the funds should not belong to the following:

- Named in the Sanctions List notified by the United Nations Security Council (UNSC)
- Resident in a country identified in the public statement of the Financial Action Task Force (FATF).
- Resident country that has not made sufficient progress in addressing the deficiencies, or has not committed to an action plan developed with FATF to address such deficiencies.

What if an investor, who has been onboarded already, does not meet the specified conditions?

In this case, AIF will bare any further capital contribution from such investors, until the investor again meets the conditions.

The information for the same is provided by

SEBI in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

[Click Here for Official Notification](#)

About Securities and Exchange Board of India (SEBI):

Chairperson- Madhabi Puri Buch

Headquarters- Mumbai, Maharashtra

Establishment- 1992

PNB HFC launched Home Loan Scheme Roshni for Tier 1 & Tier 2 cities

The PNB Housing Finance Limited (PNB Housing), a Housing Finance Company (HFC) introduced a low-cost home loan programme namely 'Roshni' enabling individuals from Tier 1 & Tier 2 cities to apply for loan ranging from Rs 5 lakh to Rs 30 lakh.

- Through this scheme PNB HFC is committed towards the 'Housing for All' mission of the Central Government.

Key Points:

i. This launch is in line with PNB HFC's long-term goal of enabling and assisting an individual to purchase a home.

ii. Recently, the Company opened branch offices focused on Roshni in the following cities:

- Chennai, Coimbatore in Tamil Nadu, Ghaziabad, Lucknow, Varanasi in Uttar Pradesh, Hyderabad (Telangana), Indore/Ujjain (Madhya Pradesh), Rajkot (Gujarat), and Mumbai, Nagpur, Pune in Maharashtra.

iii. The program offers a variety of loans for self-building, home expansions and renovations, plot purchases combined with construction, loans against property, and the purchase of property investment.

iv. Loan applicants eligible for this are first-time credit borrowers, self-employed without a professional role and salaried from a low-income group with a family income as low as Rs. 10,000 to middle-income group category.

About PNB Housing Finance (HFC):

It is a registered housing finance company with the National Housing Bank (NHB)

MD and CEO- Girish Kousgi

ADB approves USD 250 mn policy-based loan to Strengthen Logistics Sector in India

On December 8, 2022, the Asian Development Bank (ADB) approved a USD 250 million policy-based loan to strengthen the Logistics Sector in India. This funding will support the Indian Government's reforms to strengthen and modernize its logistics infrastructure, improve efficiency, reduce Greenhouse Gas (GHG) emission, and lowering cost in the logistics sector.

Key Points:

- i. The loan will finance the first subprogram of the **Strengthening Multimodal and Integrated Logistics Ecosystem (SMILE)**, which supports the Indian government's efforts to create a comprehensive policy, planning, and institutional framework at the federal, state, and city levels for multimodal logistics projects (MMLPs).
- ii. It will also strengthen supply chains by simplifying external trade logistics and domestic cargo movements, modernizing warehouses, improving business processes with integrated digital platforms, and private investments.
- iii. The subprogram also supports the India's Ministry of Commerce and Industry's initiatives to issue standards for warehousing, which would encourage operational efficiency and private sector investment

About Asian Development Bank (ADB):

President- Masatsugu Asakawa

Headquarters- Manila, Philippines

Establishment- 1966

Tamilnad Mercantile Bank signs pact with Bajaj Allianz Life Insurance

Tamilnad Mercantile Bank (TMB) signed a pact with Bajaj Allianz Life Insurance to form a strategic alliance to sell the private life insurer's term, annuity, and other value-packed products across its 500 branches.

- An agreement to that effect was signed on December 9, 2022, by the bank's Managing Director (MD) & Chief Executive Officer (CEO) **Krishnan** and Bajaj Allianz Life Insurance MD & CEO **Tarun Chugh**.
- TMB's new and existing customers can now choose from Bajaj Allianz Life's retail products, which include term, savings, retirement, and investment products, as a result of this partnership.

Nomura: India's GDP Expected to Grow At 5.1% In FY24

According to **Nomura**, a global financial services firm, India's Gross Domestic Product (GDP) growth could drop to **5.1 %** in fiscal year 2023-24 (**FY24**), forcing the Reserve Bank of India (RBI) to decrease the key repo rate by 75 basis points (bps) in the second half (H2) of 2023.

- The RBI forecasts 6.5% growth in FY24, which is higher than Nomura's growth projection for FY24.

Key Points:

i. According to Nomura, the RBI's Monetary Policy Committee (MPC) will implement a "shallow easing cycle" by decreasing the policy rate by 25 bps in August, October, and December 2023, resulting in a repo rate of 5.75% at the end of 2023.

- Nomura's projection comes as the RBI hiked the repo rate to 6.25 %, up from 5.9% on December 7, 2022, for the fifth time in eight months.

ii. Additionally, the RBI lowered its estimate of GDP growth for 2022-2023 (FY23) by 20 bps to 6.8% from 7%, which is 20 bps higher than Nomura's prediction of 6.6 %.

CPI Inflation

i. **Nomura** forecasts that India's headline **Consumer Price Index (CPI)**-based inflation, also known as retail inflation, will decline from 6.8% in FY23 to 5% in FY24, and 4.9% in the fiscal year 2024-2025 (FY25).

ii. The **RBI** retained its **CPI inflation projection of 6.7% for FY23**, but increased average inflation by 10 bps for the second half of fiscal year 2022-23 (H2FY23).

iii. According to the RBI, CPI inflation will be on average 6.6 % in October-December 2022, 5.9 % in January-March 2023, 5.0 % in April-June 2023, and 5.4 % in July-September 2023.

Note: The change in the value of all goods in the basket is referred to as headline inflation, whereas core inflation excludes food and fuel from headline inflation.

HDFC Bank Partners with Startup India to Launch Sixth Parivartan SmartUp Grants

HDFC Bank in partnership with the Government of India (GoI)'s flagship initiative 'Startup India', launched the 6th '**Parivartan SmartUp Grants**', the annual grants program for social startups.

- This program aims to identify startups that are working towards social impact and to support them through monetary grants to their incubators.
- The grants have been offered under the aegis of Parivartan, the umbrella name for the HDFC Bank's social initiatives.

About the program:

i. The bank has been enabling startups through its state-of-the-art **SmartUp program**, by providing specialised banking and value-added services to entrepreneurs.

ii. The Bank is offering grants under the aegis of Parivartan, the umbrella name for the HDFC bank's social initiatives.

- Until now, the HDFC bank has disbursed over Rs. 30 crore to more than 45 incubators which supported around 165 startups working in the areas of environment, agri-business, ed-tech, waste management, healthcare, and skill development sectors.

iii. In 2022, the HDFC bank will also focus on building capacities of incubators and startups working in **tier-II and III cities**.

- It will fund social impact startups developing solutions in the field of environmental conservation, affordable healthcare, sustainable rural economy, technologies for better governance, economic growth of Small, Medium Enterprises (SMEs), gender diversity and inclusion space.

About HDFC Bank:

Managing Director (MD) & Chief Executive Officer (CEO) – Sashidhar Jagdishan

Headquarters – Mumbai, Maharashtra

Establishment – 1994

Canara HSBC Life Insurance Launches Non-Participating 'Guaranteed Fortune Plan'

On 12th December 2022, **Canara HSBC Life Insurance** launched a new '**Guaranteed Fortune Plan**', a non-linked, non-participating individual savings life insurance plan that offers life cover and a lump sum amount after the policy term.

- The product offers two plan options including **Guaranteed Savings Option** and **Guaranteed Cash Back Option**.

About Guaranteed Fortune Plan:

i. The **Guaranteed Savings Option** provides a lump sum on outliving the policy term and the **Guaranteed Cash Back Option** offers customers with guaranteed cash back at the end of every 5th policy year, with an opportunity to defer the amount till maturity or withdraw it earlier.

ii. In addition to cashback, the **Guaranteed Cash Back Option** also provides policyholders a lump sum payment at the end of the policy term.

iii. The product provides a unique feature called CARE (Claims Accelerated for Relief & Ease) Pay Benefit with in-built benefit which pays 100 percent of total premiums paid (excluding underwriting extra premiums and taxes) on intimation of death immediately.

iv. Additionally, it also provides guaranteed yearly additions to boost maturity benefit payout, flexible premium payment terms, and policy term options.

About Canara HSBC Life Insurance:

Managing Director (MD) and Chief Executive Officer (CEO) – Anuj Mathur

Headquarters – Gurugram, Haryana

Establishment – 2008

Universal Sampo Partners with Zooper to Roll-out Special Integrated Offering

Universal Sampo General Insurance Company Limited partnered with **Zooper**, India's largest insurance infrastructure Application Programming Interface (API) platform to launch a special integrated offering for customers.

Key highlights:

- i. Through this partnership, **Universal Sampo General Insurance** will provide tailor-made and affordable insurance cover to its customers.
- ii. The customers will have access to buy insurance along with an option to purchase a protection plan.
- iii. It covers 1 million assets by offering users with personalised insurance solutions and good customer experience starting from policy generation to claim management.

About Universal Sampo General Insurance Company Limited:

Universal Sampo General Insurance Company Limited is a joint venture (JV) of Indian Bank and Indian Overseas Bank, Karnataka Bank and Dabur Investment Corporation and Japanese general insurer Sampo Japan Insurance Inc.,

Managing Director (MD) & Chief Executive Officer (CEO) – Sharad Mathur

Headquarters – Mumbai, Maharashtra

Global trade to surge USD 32 trillion in 2022: UNCTAD Global Trade Update December 2022

The United Nations Conference on Trade and Development (UNCTAD) in its '[Global Trade Update \(December 2022\)](#)' report projected an increase in the value of global trade by about 12% to an estimated USD 32 trillion in 2022.

- However, global trade will **decline in 2023** due to geopolitical frictions, lower economic growth, higher prices for goods and record levels of global debt.

Key Points:

- i. The growth of global trade has turned negative in the 2nd half of 2022.
- ii. Geopolitical frictions, persisting inflation, and lower global demand are expected to negatively affect global trade during 2023.
- iii. Demand for foreign goods proved resilient throughout 2022, with trade volumes increasing by 3%.

Key Highlights:

- i. Trade in merchandise goods is expected to soar USD 25 trillion in 2022, an increase of about 10% as compared to 2021.
- ii. Trade in services will grow 15% year-over-year (y-o-y) to nearly USD 7 trillion.
- iii. The reason behind an increase in the trade of 2022 is resilient global demand, and improvements in the logistics of global trade, and fruitful trade agreements.
 - But it should be noted that this increase is due to the robust growth in the first half of the year as the growth has turned negative during the second half of 2022.
- iv. The report indicates that the value of global trade will decrease in Q4 2022 both for goods and for services.

Indian scenario:

- i. India recorded a trade growth in Q3 2022 with 26% y-o-y import growth, and 3% y-o-y export growth.
- ii. In the case of services, it has 49% y-o-y growth for imports and 35% for exports.

About United Nations Conference on Trade and Development (UNCTAD):

Secretary-General– Rebeca Grynspan (first woman and Central American to serve as UNCTAD's secretary-general)

Member States– 195

Headquarters– Geneva, Switzerland

CBDT exempts NR taxpayers from mandatory Form 10F e-filing till March 31, 2023

The Central Board of Direct Taxes (CBDT) has exempted the Non-Resident (NR) taxpayers from mandatory electronic filing of Form 10F until March 31, 2023. This will be applicable to those NR taxpayers who are not having a Permanent Account Number (PAN) and not required to have a PAN as per relevant provisions of the Income-tax Act, 1961 read with Income-tax Rules, 1962.

- These taxpayers can file Form 10F till March 31, 2023 in **manual form**.

What is Form 10F and why is it required?

NR taxpayers are required to provide a **Tax Residency Certificate (TRC)** to avail the benefits of the Double Taxation Avoidance Agreement (DTAA) between their country of residence and India in respect of any income earned in India.

However, in case any relevant information is not mentioned in TRC, Form 10F is required to be furnished along with TRC as per **Section 90(5)** of the Income Tax Act, 1961 read with Rule 21AB of the Income Tax Rules, 1962. Form 10F is like a self-declaration which is signed physically by the NR, and furnished along with TRC to resident payers.

In July 2022, CBDT mandated the NR to submit Form 10F electronically on the web portal of the ITD, using the Digital Signature Certificate (DSC) of NR, along with the attached copy of TRC but this online submission requires PAN by the NR. Those who don't have PAN are facing challenges in submission.

Now, to overcome this problem, this exemption has been made by the CBDT.

HDFC Bank Acquires 7.75% Stake in Mintoak for ~Rs 31 Crore

HDFC Bank has acquired 7.75 % of the total share capital of **Mintoak Innovations (Mintoak)**, a fintech startup, on a fully diluted basis for a total cash consideration of Rs 31.14 crore.

Note: Mintoak offers a payments-led platform offering value-added services to merchants to engage with their customers and for acquirers to enhance their engagement with merchants through digital engagement and value-added solutions.

About the transaction:

i. According to the regulatory filing, HDFC Bank has signed agreements to subscribe **21,471** fully paid-up Compulsory Convertible Preference Shares (**CCPS**) of the face value of Rs 20 each at a premium of Rs 9,711. The total cash consideration will be Rs 9,731 per CCPS issued by Mintoak.

- The bank will also purchase **10,538** fully paid-up equity shares of Mintoak for a consideration of Rs 9,731 per share from certain existing shareholders of Mintoak.

ii. This deal will be completed by **31st January 2023**, subject to conditions precedent. Since the overall stake of the bank will be less than 10 percent post transaction, the regulatory approval will not be required.

LEAF Partners with HDFC Bank to Provide Financial Aid to Marginalised Farmers

Lawrencedale Agro Processing (**LEAF**) headquartered in **Ooty, Tamil Nadu**, has entered into a **strategic partnership** with **HDFC Bank** to offer customised financial products and services to marginalised farmers.

- The product improves and provides financial access and inclusion to the entire rural ecosystem and brings an impact to more than **5 million** marginalised farmers.

Key highlights:

i. LEAF has structured a model for efficient use of organised and cost-effective financial support, through which the agricultural inputs such as seeds, crop nutrition and protection products, are provided to marginalised farmers through a controlled dispensing process.

ii. With the help of active on-ground **LEAF Farmer Support Centres**, farmers can now grow the best of their produce with organised financial services and sell the harvest through LEAF centres, easily with true value for their harvest.

ADB trims Economic Growth Forecast for Developing Asia to 4.2% in 2022; retains India FY23 GDP growth at 7%

According to the Asian Development Bank (ADB)'s '[Asian Development Outlook \(ADO\) Supplement, December 2022- Global Gloom Dims Asian Prospects](#)', the Growth forecasts for Asia have been revised down from 4.3%(forecasted in September 2022) to 4.2% for 2022 and from 4.9% to 4.6% for 2023.

- The growth forecast of India for the FY2022 is retained at 7 % and the growth projection for FY2023 is unchanged at 7.2%
- India's inflation rates are forecasted at 6.7% in 2022 and 5.8% in 2023.

Inflation:

i.ADB lowered its forecast for inflation in the developing Asia and the Pacific to 4.4% from 4.5% in 2022.

ii.For 2023, it will be at 4.2% from 4% due to inflationary pressures from energy and food.

Highlights:

i.The growth prospects in the Caucasus and Central Asia is increased to 4.8% from 3.9% in 2022.

ii.The East Asia's growth forecasts are revised down to 2.9% in 2022 and to 4% in 2023.

iii.The South Asian forecast for 2022 is maintained at 6.5% but revised down for 2023 to 6.3% from 6.5%.

iv.The 2022 forecast for Southeast Asia is upgraded from 5.1% to 5.5%.

v.The growth forecast for the Pacific in 2022 is also revised up, from 4.7% to 5.3%.

vi.South Asia is on track to meet the Update growth forecast of 6.5% in 2022, but the forecast for 2023 is downgraded from 6.5% to 6.3%.

Key Points:

i.The reason behind the slow recovery of developing Asia from the Covid-19 pandemic is tightening by central banks globally and in the region, Russian Ukraine war, recurring lockdowns in China, geopolitical risks and climate change.

ii.The largest economy in Asia, i.e. China is expected to slow in 2022 to 3% against a 3.3% expansion predicted in a September report.

- For 2023, it will grow at 4.3% from 4.5 per cent, due to the global slowdown.

iii.ADO analyzes economic and development issues in developing countries in Asia including forecasting the inflation and GDP growth rates.

GoI Repays IL&FS Loans to ADB & KfW to Fulfil Commitment

The Government of India (GoI) has repaid the sum of **Rs. 1109 crore** to Asian Development Bank (ADB) and **Rs. 29 crore** to German state-owned lender KfW to fulfil guarantees offered to Infrastructure Leasing & Financial Services (IL&FS).

- The Government provided loan guarantees becoming a lender and entered into the list of IL&FS creditors.

Key Points::

i.According to IL&FS' recent status report, a loan of **USD 50.4 million** was availed by IL&FS from ADB in **August 2002**. and was ensured by the Department of Economic Affairs, Government of India (GoI).

ii.In **November 2005**, a loan from KfW Frankfurt for 54 million euros was obtained and GOI provided security for the loan.

iii.According to the report, the debt resolved till 30th September 2022 is Rs 56,943 crore (this includes debt being serviced in green companies). This is higher than the Rs. 55,000 crore resolution achieved in March 2022.

About the loan:

i.The government-guaranteed loans were used to fund initiatives undertaken by the IL&FS companies.

- The Government dues and creditor dues are handled separately under the bankruptcy waterfall mechanism, which establishes the order of priority for various claims.

ii. On 30th June 2022, in order to meet its commitments as guarantors, GoI made payments totalling Rs 1,109 crore to ADB and Rs 29 crore to KfW.

NSE & BSE Gives in-Principle Approval to HDFC Ltd to Transfer NCDs to HDFC Bank

On 13th December 2022, the stock exchanges **BSE Limited** (formerly known as Bombay Stock Exchange) and **NSE Limited** granted an **in-principle approval** for the transfer of non-convertible debentures (**NCD**) issued by Housing Development Finance Corporation (**HDFC**) Limited to its subsidiary **HDFC Bank**.

- The approval was provided in terms of **Regulation 59** of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations 2015, subject to sanctioning of the Scheme by the National Company Law Tribunal (**NCLT**).
- This is part of the plan to facilitate the merger of HDFC Limited with HDFC Bank.
- The Scheme remains subject to various statutory and regulatory approvals, as may be required.

Background:

In April 2022, HDFC Bank agreed to take over HDFC limited, the biggest domestic mortgage lender, at a deal value of about **USD 40 billion**.

- **The proposed entity will have a combined asset base of around Rs 18 lakh crore.**
- This merger is expected to be completed by the second or third quarter of FY24, subject to other regulatory approvals.

Key Points:

i. Post-merger HDFC Bank will be twice the size of ICICI Bank, the third-largest lender presently.

- HDFC Bank will be **100 percent** owned by **public shareholders**, and the existing shareholders will own 41 percent shares of the bank.
- Also, each HDFC shareholder will get **42 shares** of HDFC Bank for every 25 shares held.

As per the Ministry of Commerce and Industry, the **Wholesale Price Index** (WPI) based inflation declined to a 21-month low of 5.85% in November 2022 due to easing prices of food, fuel and manufactured items.

- It declined to 8.39% in October 2022. The inflation was 14.87% in November 2021.
- The reason behind this is fall in prices of food articles, basic metals, textiles, chemicals & chemical products and paper & paper products as compared to November 2021.

Key Points:

i. The WPI rate on manufactured products was 3.59% from 4.42% in November 2022

ii. Food inflation in November 2022 was 2.17% against 6.48% in October 2022.

iii. Inflation in vegetables was (-) 20.08% during November 2022, compared to 17.61% in October 2022.

iv. In the energy sector, inflation was 17.35% from 23.17% while in manufactured products, it was 3.59% from 4.42% in November 2022.

v. Inflation based on the consumer price index (CPI) dropped below the 6%, the upper limit of the central bank's medium-term target, for the first time in November.

Additional info:

According to the data released by the government of India, retail inflation based on the consumer price index (CPI) eased to an 11-month low of 5.88% in November.

IREDA Signs Rs 4444.71 cr Loan Agreement with SGEL for 1000 MW Solar Project

On 15th December 2022, Indian Renewable Energy Development Agency (**IREDA**) Limited signed a loan agreement worth **Rs. 4,444.71 crore** with SJVN Green Energy Limited (**SGEL**), a subsidiary of **SJVN Limited** (formerly Satluj Jal Vidyut Nigam Ltd) for 1,000 MegaWatt (MW) Solar power project at Bikaner, Rajasthan.

- The loan agreement was signed by S.L. Sharma, Chief Executive Officer (CEO) of SGEL and Pradipta Kumar Roy, Deputy General Manager (DGM) of IREDA in the presence of Pradip Kumar Das, Chairman and Managing Director (CMD) of IREDA and Nand Lal Sharma, CMD of SJVN.

Key highlights:

- i. The project will connect to 400/220 KV substation Bikaner-II (near Bikaner).
- ii. The project was bagged by SGEL through a tender floated by IREDA under the CPSU Phase-II (Tranche III) Scheme for development of Grid connected Solar PV Power Project through competitive Bidding Process based on Viability Gap Funding (VGF) support.
- iii. Through this cooperation, IREDA will support the Government of India (GoI) to achieve its targets of 50% share of energy from non-fossil fuels by 2030 and also encourages green investment along with direct and indirect employment opportunities.

About SJVN Green Energy Limited (SGEL):

Chief Executive Officer (CEO) – S.L. Sharma

Headquarters – Shimla, Himachal Pradesh

Establishment – April 2022

SIDBI Collaborates with M1xchange as A Financier to Boost Liquidity for MSMEs

The Small Industries Development Bank of India (SIDBI) has teamed with **M1xchange** as the financier to provide liquidity to Micro, Small and Medium Enterprises (MSMEs) at low interest rates.

- SIDBI is the apex financial institution dedicated to the promotion, funding, and development of MSMEs.

M1xchange, India's leading **Trade Receivables Discounting System (TReDS)** platform, provides MSMEs with early financing within 24 hours via its online bidding platform and an end-to-end digital process.

- M1xchange is one of three TReDS platforms; the other two are RXIL and InvoiceMart.

Key Points:

i. With this exclusive offering from M1xchange TReDS, MSMEs will be able to use TReDS to discount receivables from corporate buyers.

- The discounting of bills of MSMEs is facilitated through TReDS, which is governed by the RBI. This enhances cash flow, liquidity, and the overall efficiency of MSMEs.

ii. This partnership is regarded as a highly effective and efficient option for solving the problem of delayed payment for MSMEs.

iii. The MSME sector accounts for the majority of enterprises in India and is regarded as the second largest employer after agriculture.

Facilitation of MSMEs via M1xchange TReDS

i. M1xchange has facilitated bill discounting of over Rs 37,000 crores to over 14,000 MSME suppliers spanning across 1,400 towns in India at a competitive interest rate.

ii. TReDS facilitates large-scale, digital financial inclusion of MSMEs with a positive social impact.

- This finance comes with no collateral and no recourse for MSMEs.

iii. In the current fiscal year 2022-23 (FY23), TReDS platform intends to extend its digital factoring footprint by 25% to 30%.

Note: Mr. Sundeep Mohindru is the MD & CEO of M1xchange.

About the Small Industries Development Bank of India (SIDBI):

Chairman & Managing Director (CMD) – Sivasubramanian Ramann

Establishment – 1990

Headquarters – Lucknow, Uttar Pradesh

RGICL Introduces First-Of-Its-Kind “Reliance Health Infinity Policy”

Reliance General Insurance Company Ltd. (RGICL) has launched a premium health insurance policy, the “Reliance Health Infinity Policy,” a first of its kind that promises to offer customers endless benefits to maximize their protection.

- RGICL claims to be India's first health insurance plan to provide policyholders discounts depending on their financial credit score.

The base plan covers critical expenses such as organ donation, pre- and post-hospitalization, day-care procedures, emergency ambulances, and special treatments.

Reliance Health Infinity Policy

i. Eligibility: The policy is offered in the family floater and individual floater categories (up to 8 members).

- It has sum insured options ranging from Rs 5 lakh to Rs 5 crore.

ii. The policy is offered to children above the age of 90 days and individuals between the ages of 18 and 65.

- In addition, the Mother and Child Care benefit covers newborn babies.

iii. It can be bought for 1-year, 2-year or 3-years policy tenure.

Key Features:

i. The policy includes Moreglobal Cover, Maternity Cover, Outpatient Department (OPD) Cover, unlimited restoration of the sum insured, and 15 other essential add-on features.

- It also offers the credit score-based discount (**first in India**), as well as a Body Mass Index (BMI) - based premium discount to reward clients for being fit both financially and physically.

ii. The MoreGlobal plan offers emergency and pre-planned medical treatment abroad along with air ambulance and OPD services.

- The add-on benefits include maternity coverage of up to Rs. 2 lakh.

iii. The policy provides a 12-month waiting period and unlimited restoration of the base sum insured amount for both related and unrelated illnesses during the policy year.

- OPD coverage includes prescribed drugs, dental and surgical treatments, diagnostic tests, and consultations with Doctors.

iv. Double coverage begins on the first day of coverage and gives an additional 100% of the sum-insured to be utilized during the same claim.

About Reliance General Insurance Company Ltd. (RGICL):

Executive Director & CEO – Rakesh Jain

Incorporated – 2000

Tata AIA Life Insurance Launches Emerging Opportunities Fund

On 15th December 2022 Tata AIA Life Insurance Company Limited launched the **Emerging Opportunities Fund**. The new fund offering (NFO) will open from 15th December to 30th December 2022, at **Rs. 10 per unit**, which is applicable only during the NFO period.

- The investment objective of the fund is to generate capital appreciation in the long-term by investing in a portfolio of stocks that offer opportunities in the mid-cap space.
- This new fund will invest in a portfolio of stocks in mid-cap companies and emerging market leaders with the potential to generate growth in future.

Key highlights:

i. This is an equity fund that benefits consumers from long-term equity growth along with the protection of a life insurance cover.

ii. Investments in the fund can be made through Tata AIA's unit-linked insurance plans (Ulips), such as Fortune Pro, Wealth Pro, Fortune Maxima and Wealth Maxima.

- The fund will also be attached to Tata AIA's Param Rakshak Solutions.

iii. Up to 30 percent of the portfolio could be allocated by the fund to equity and equity-related instruments, outside the mid-cap range.

About Tata AIA Life Insurance Company Limited :

Tata AIA Life Insurance Company Limited is a joint venture company, formed by **Tata Sons Private Limited** and **AIA Group Limited (AIA)**.

Managing Director (MD) & Chief Executive Officer (CEO) – Naveen Tahilyani

Chairman – Saurabh Agrawal

Headquarters – Mumbai, Maharashtra

SEBI issues Performance Benchmarking Guidelines for PMS industry; Issues Guidelines for Winding Down of CCs

The Securities and Exchange Board of India (SEBI) has introduced performance benchmarking and categorization for the Portfolio Management Services (PMS) industry w.e.f. April 1, 2023.

- These norms are similar to the current norms in mutual funds.
- It will help investors assess and compare the performance of service providers.

SEBI has provided this information in exercise of its power conferred under Section 11 (1) of SEBI Act, 1992, read with the provisions of Regulation 43 of SEBI (Portfolio Managers) Regulations, 2020, to protect the interest of investors and to promote the development of securities market.

Key Highlights of Norms:

i. The portfolio managers should adopt an additional layer of broadly defined investment strategies while managing clients' funds.

- These broad strategies will be **Equity, Debt, Hybrid, and Multi Asset**.

ii. Each Investment approach (IA) will be tagged to only one strategy from the specified strategies.

- IA is the documented investment philosophy that is adopted by portfolio managers while managing the client funds in order to achieve investment objectives.

iii. The **Association of Portfolio Managers in India** (APMI) will prescribe a maximum of three benchmarks for each strategy.

iv. The valuation of the portfolio debt and money market securities by portfolio managers would be carried out in accordance with the standardised valuation norms prescribed by APMI.

v. APMI will empanel valuation agencies for the purpose of providing security level prices to portfolio managers.

vi. Portfolio managers will submit the monthly reports to APMI within 7 working days from the end of each month. APMI would make available the monthly reports of the portfolio managers on its website in a user-friendly manner.

[Click Here for official circular](#)

SEBI issues Guidelines for Winding Down of CCs

SEBI also laid down guidelines for orderly winding down of critical operations and services offered by clearing corporations (CCs).

- To enable the framework, SEBI had amended the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations (SECC Regulations 2018) through a notification issued on November 15, 2022.

Key Points:

i. Under the framework, CCs will have to draw up a Standard Operating Procedure (SOP) stating the manner in which their critical services would be carried out so as to not cause any disruption to the financial system.

ii. CCs will be allowed to wind down operations if they have taken a strategic decision to do so or if there are losses due to defaults on the part of clearing members, or other factors. They will also be allowed to wind down in case of regulatory action.

iii. The reasons for winding down of CC can be voluntary or involuntary.

- Involuntary winding down would depend on factors such as regulatory action, losses due to default by clearing member and losses due to other factors like some large operational expenses, legal expense or investment losses.

- Notably, CC would be required to continuously meet the annual clearing turnover of atleast Rs 1,000 crore per annum.

This circular for the same is issued by SEBI in exercise of the powers conferred under Section 11(1) of the SEBI Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 .

About Securities and Exchange Board of India (SEBI):

Chairperson- Madhabi Puri Buch

Headquarters- Mumbai, Maharashtra

Establishment- 1992

Equitas Small Finance Bank inks MoU with Controller General of Defence Accounts

Equitas Small Finance Bank (Equitas SFB) has signed a Memorandum of Understanding (MoU) with the **Controller General of Defence Accounts** (CGDA), Ministry of Defense (MOD), Government of India (GoI).

- With this, Equitas will be able to act as a **SPARSH** (System for Pension Administration (Raksha)) service centre and provide data verification for pensioners.
- Equitas is the first small finance bank (SFB) to be inducted into the SPARSH scheme by the GoI.

The MOD also signed the MoU with five other banks viz. Indian Postal Payment Bank, Union Bank of India, Axis Bank Ltd., ICICI Bank Ltd. and Bandhan Bank.

Key Points:

- In accordance with the MoU, defence pensioners and their family can access a few pension account services from Equitas SFB branches across India.
- The essential services include: the annual issuance of life certificates (digital or manual), the change of bank details for a pension account, and the information about pensioners and their accounts.
- It also has the best interest rates for senior citizens, as well as a number of other value-added services such as insurance benefits (IHO) and reward points program.
- Service requests from defence personnel can be made without incurring fees.

About Equitas Small Finance Bank Ltd:

MD & CEO - Vasudevan Pathangi Narasimhan

Established - 2016

Headquarters - Chennai, Tamil Nadu

AU Small Finance Bank Enters into Bancassurance Partnership with HDFC Life

AU Small Finance Bank (**AU SFB**) entered into a corporate agency arrangement with HDFC Life Insurance Company Limited ("**HDFC Life**"), one of India's leading life insurers through the **bancassurance business model**.

Key highlights:

- Under the partnership, customers of AU SFB will be able to access the entire range of life insurance products offered by HDFC Life, thus fulfilling their need for financial protection.
 - In addition, it also enables its customers to access the digital platform and the touch points of HDFC Life for servicing.
- Through a bancassurance partnership, the bank staff and tellers become the point of sale (PoS) of insurance products of HDFC Life to the AU SFB's customers.

About AU Small Finance Bank (AU SFB):

AU Small Finance Bank Limited (AU SFB) is a scheduled commercial bank, a Fortune India 500 Company and the largest Small Finance Bank (SFB) in India.

Managing Director (MD) & Chief Executive Officer (CEO) - Sanjay Agarwal

Establishment - 2017

Headquarters - Jaipur, Rajasthan

HDFC Securities Launches Google Search-Driven Education Platform – Roots

HDFC Securities Limited, a stock brokerage firm, has launched "**Roots**", a dedicated **search-driven Education platform** that provides comprehensive investor education and market analysis.

Key highlights:

- i. The Unique Selling Point (USP) of the platform is that it produces content which is being searched on **Google** by current and prospective investors and traders.
- ii. The portal offers multiple forms of valuable information, including articles, bite-sized tips, podcasts by experts, video tutorials and explainers, and live social media feed on the Indian financial markets.
 - It also includes an User Generated Content (**UGC**) **section** where investors and traders can suggest topics they want to learn and can also explore exclusive live webinars by registering themselves through the portal.

Sections in the site:

- i. The **Blog section** in the site is updated with articles which addresses all aspects of investing in the Indian financial markets, from intraday trading to Exchange Traded Funds (ETFs), and much more market related information.
- ii. The **Bytes section** offers crisp content, including fun facts, stock information and share price performance in specific sectors.
- iii. The **Video segment** offers easy-to-consume video tutorials on a wide range of financial instruments, including Initial Public Offerings (IPOs), ETFs, stocks, Equity Linked Savings Schemes (ELSS), global investing and mutual funds.
 - The segment also contains **explainers** on how to use HDFC Securities' proprietary trading platforms, including the mobile app and Proterminal, the revolutionary portal for traders.
- iv. The **podcasts segment** consists of regular market news and analysis, including a morning market update, a midday update and a weekly market summary of the stock and currency markets.
- v. The **Live Feed segment** in the site brings together all the opinions and recommendations of the experts at HDFC Securities regarding market moves and potential investment opportunities.

About HDFC Securities Limited:

Managing Director (MD) & Chief Executive Officer (CEO) – Dhiraj Relli

Headquarters – Mumbai, Maharashtra

Parent Organisation- HDFC Bank Limited

IDFC First Bank Introduces Zero-fee Banking on savings accounts

On 18th December 2022, On the occasion of its foundation day, **IDFC First Bank** has introduced **zero-fee banking** for savings accounts, as it waives off charges for a range of **25 frequently** used customer-focused banking services that are connected to savings accounts.

Zero Fee services offered by IDFC First Bank:

- i. The services include cash deposits, withdrawals, demand drafts, Immediate Payment Service (IMSP), SMS alerts, third-party cash transactions, demand drafts, National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), cheque books, interest certificates, insufficient balance for ATM transactions and international ATM usage.
 - It also includes issue of Duplicate Statements, Passbook Charges, Interest Certificate (Charges per Certificate), Account Closure, ECS Return Charges, Stop Payment Charges, Standing Instruction Charges, Address confirmation charges, Photo Attestation Charges, Signature Attestation Charges, Old records/ copy of paid cheques charges and any deliverable returned by courier due to negative reasons.

Key Points:

- i. This service is provided to customers, who maintain Average Monthly Balance (AMB) between 10,000 and 25,000 in their savings accounts.
- ii. The customers with basic financial literacy will benefit from the zero-fee banking.

About IDFC FIRST Bank:

IDFC FIRST Bank was formed by the merger of erstwhile IDFC Bank and Capital First, a Non Banking financial Company (NBFC) on 18th December 2018.

MD & CEO – V. Vaidyanathan

Headquarters – Mumbai, Maharashtra

DBS Bank India Partners with Gofrugal Tech to Empower SMEs towards ONDC

DBS Bank India Limited (DBIL) partnered with **Gofrugal Technologies Pvt. Ltd.**, a seller-centric platform offering Omnichannel ERP solutions to empower enterprise customers, including micro, small and medium enterprises (MSME) and retail merchants, to adopt Open Network for Digital Commerce (ONDC) and also enables them to expand their digital commerce footprint.

Key highlights:

- i. The partnership furthers DBIL's commitment to reimagining Small and Medium Enterprises (SME) banking through innovation and providing digital solutions beyond traditional banking.
- ii. Through this partnership, DBIL will integrate its digital solutions with Gofrugal Technologies to help MSMEs and other small businesses to introduce and expand their products quickly via ONDC.

About Open Network for Digital Commerce (ONDC):

- i. Open Network for Digital Commerce (ONDC), an initiative by the Government of India (GoI), was launched in April 2022, as an alternative to global e-commerce giants.
- ii. It is a platform based on an open protocol that will enable local commerce across mobility, grocery, food order and delivery, hotel booking and travel.

Trucknetic & DBS Bank India Collaborates to Offer Trucking Solutions

Trucknetic, India's version of Uber for trucks, has collaborated with DBS Bank India Limited (**DBIL**) as a logistics partner on its Business Class platform to offer complete digital banking, logistics, value-added services, and discounts to SMEs throughout India.

- Trucknetic is the first digital platform in India to book all types of trucks, including electric.

Key highlights:

- i. The main objective is to modernise operations across the supply chain, increase the ease of doing business in India, and bring transparency and efficiency to the logistics industry.
- ii. The collaboration also provides effective and affordable logistics solutions by utilising cutting-edge technologies like Artificial Intelligence (AI), Machine Learning (ML), and data analytics.

About DBS Bank India Limited (DBIL):

DBIL was among the 1st foreign banks in India to start operating as a wholly owned, locally incorporated subsidiary.

Managing Director & CEO – Surojit Shome

Establishment – 1994

Headquarters – Mumbai, Maharashtra

Indian Bank Launches Special Fixed Deposit of 555 Days with Returns Up to 7.15%

Indian Bank, a public sector lender, has announced a new Special Retail Term Deposit Product, "**IND SHAKTI 555 DAYS**," effective December 19, 2022.

- The minimum amount for the "IND SHAKTI 555 DAYS" product is Rs. 5000, and it has a 555-day term with an interest rate of 7.00% for the general public and 7.15% for senior citizens.

The Indian Bank has also revised its interest rates on fixed deposits (FDs) of less than Rs. 2 crore for 555 days in the form of FDs or Money multiplier deposits (MMDs) with callable options, effective December 19, 2022. [Click here for official notification.](#)

Revision of Interest Rates on Retail Domestic Term Deposits with effect from 19-12-2022

Period	Less than Rs. 2 crore	
	Existing (% p.a)	Revised (% p.a)
7 days to 14 days	2.8	2.8
15 days to 29 days	2.8	2.8
30 days to 45 days	3	3
46 days to 90 days	3.25	3.25
91 days to 120 days	3.5	3.5
121 days to 180 days	3.85	3.85
181 days to less than 9 months	4.5	4.5
9 months to less than 1 year	4.75	4.75
1 year	6.1	6.1
Above 1 year to less than 2 years	6.3	6.3
2 years to less than 3 years	6.5	6.5
3 years to less than 5 years	6.4	6.25
5 year	6.4	6.25
Above 5 years	6.3	6.1

IND SHAKTI 555 DAYS - RATE OF INTEREST

Public	7.00%
Senior Citizen	7.15%

About Indian Bank:

MD & CEO - Shanti Lal Jain

Establishment - 1907

Headquarters - Chennai, Tamil Nadu

LIC Raises Stake in IRCTC to Over 7%, Buys 1.81 Crore Shares

India's largest insurer Life Insurance Corporation of India (LIC India) has hiked its shareholding in the e-ticket booking platform Indian Railway Catering and Tourism Corporation (IRCTC).

- According to the most recent report made to the stock markets National Stock Exchange (NSE) and BSE, LIC has added 1,81,80,323 equity shares of IRCTC, raising its total holdings in the state-owned firm to 5,82,22,948 shares, up from 4,00,42,625 earlier.
- LIC increased its ownership stake in IRCTC from 5.005% to 7.278% by purchasing approximately 1.8 crore equity shares.
- On 19th December 2022, LIC shares increased 7.7%, ending the session 6.69% higher at Rs 734.6 per share, while IRCTC shares increased 0.69% to Rs 676.8 apiece.

Note: On 15th December 2022, an Investing.com report stated that the government would sell up to 5% of IRCTC through an offer-for-sale mechanism, with the goal of raising approximately Rs 2,720 crore. The event's floor price was fixed at Rs. 680 apiece.

Union Finance Minister Nirmala Sitharaman Chairs 48th Meeting of The GST Council

The **48th Goods and Services Tax (GST) Council Meeting** was conducted virtually on December 17, 2022, in New Delhi, Delhi, and was presided over by Union Minister Nirmala Sitharaman, Ministry of Finance (MoF).

- The meeting was also attended by Union Minister of State (MoS) Pankaj Choudhary, MoF, as well as Finance Ministers of States & Union Territories (UTs) (with legislature) and senior officers of the MoF & States/ UTs.

Key Highlights of The 48th GST Council Meeting:

Rate Revisions

- The council has clarified the applicability of a 22 % cess on Sport Utility Vehicles (SUVs) provided four requirements are fulfilled.
- The GST on pulse husks has been decreased from 5% to NIL.
- The GST on Ethyl alcohol supplied to refineries for blending with motor spirit (petrol) was decreased from 18% to 5%.
- Since the Group of Ministers (GoM) report on GST on online gaming and casinos was recently submitted, the issue was not discussed. The GoM is chaired by Meghalaya Chief Minister Conrad Sangma. [Click here for official notification.](#)

Measures for Facilitation of Trade

- In accordance with Section 132 of the **Central Goods and Services Tax (CGST) Act of 2017**, the GST Council suggested **decriminalizing** a number of offences.
 - The GST law established strict penalties and guidelines that taxpayers must follow in order to ensure smooth intrastate or interstate trade of products, eliminate corruption, and maintain an effective tax collection system.
 - The GST Law provides for two different types of penalties, which may be both concurrent and simultaneous.
 - For violations of statutory provisions, the department authorities have the authority to levy monetary fines and seize goods.
- The CGST Act of 2017 has provisions pertaining to **penalties** in Sections 122 to 131 and to **prosecution** and compounding in Sections 132 to 138.
 - The length of the prison sentence is determined by the amount of tax evaded, the amount of **Input Tax Credit (ITC)** improperly claimed or utilised, or the amount of refund improperly claimed.
- The recommendations for facilitating trade include lowering the compounding amount for GST and raising the threshold for tax amounts subject to prosecution to **Rs. 2 crore**.
- Two major recommendations include **refunding unregistered persons** and **facilitating e-commerce for micro enterprises**.
 - There was no mechanism for claiming a refund of tax borne by unregistered buyers when a contract / agreement for the supply of services, such as the construction of a flat / house or a long-term insurance policy, was terminated and the time period for the issuing of a credit note by the concerned provider had elapsed.
 - The Council proposed amending the CGST Rules, 2017, to specify the procedure for filing an application for refund by unregistered buyers in such circumstances.

47th Goods and Services Tax (GST) Council Meeting

i. The **47th meeting** of the GST Council was conducted in June 2022, in Chandigarh, following which the Goods and Services Tax (GST) was rationalised for several commodities, including LED lamps and solar water heaters, among others.

- The rate changes recommended by the GST Council took effect on July 18, 2022.

ii. The GST Council gave in-principle approval for unregistered suppliers and composition taxpayers to use **E-Commerce Operators (ECOs)** to make intra-state goods during its 47th meeting, subject to certain conditions.

About Goods and Services Tax (GST) Council

i. On **September 12, 2016**, the Union Cabinet, chaired by Prime Minister (PM) Narendra Modi, approved the establishment of the GST Council.

ii. The GST Council will be a joint forum of the Center and the States, in accordance with **Article 279A** of the amended Constitution. It will be made up of the following members:

- Union Finance Minister – Chairperson
- The Union Minister of State, in-charge of Revenue of finance – Member
- The Minister In-charge of finance or taxation or any other Minister nominated by each State Government – Members

SEBI board approves phasing out shares buyback through stock exchanges

On December 20, 2022, the Securities and Exchange Board of India (SEBI) approved amendments to the existing buyback regulations. It phases out shares buyback by companies through the open market route/stock exchanges in a gradual manner.

- This decision is followed the recommendations made in the **Keki Mistry report**, which suggested that open market share buy backs are prone to misuse.

Key Points:

i. It also increased the minimum utilization of the amount earmarked for buyback through stock exchange route from existing 50% to 75%.

ii. Buybacks will be undertaken through a separate window on stock exchanges till the time buyback is permitted through stock exchange.

iii. It also reduced the timeline for the completion of buybacks through the tender offer route by 18 days.

TransUnion CIBIL & OPL launched FIT ranking for MSMEs under SIDBI Mentorship

On 20th December 2022, the credit bureau TransUnion CIBIL Limited in collaboration with Online PSB Loans Limited (OPL), under the mentorship of the Small Industries Development Bank of India (SIDBI) launched [FIT Rank](#) – a comprehensive ranking model for Micro Small and Medium Enterprises (MSMEs).

- It was launched with the intent to increase credit flow to small businesses and also helps lenders avoid loan losses on such bets.
- This is the first time TransUnion CIBIL, in collaboration with OPL, has developed a credit default predictor model based on financial, income and trade data which has been made possible due to the improved digitization in the credit industry.

About FIT ranking:

i. FIT Rank will rate around 6 crore MSMEs by drawing inputs from their current accounts, Income Tax Returns (ITR) and Goods and Service Tax (GST) returns, after taking consent to draw the relevant data, to arrive at a score between **1-10** to rate a borrower

- The model uses Machine Learning (ML) algorithms to predict the probability of an MSME becoming a non-performing asset (NPA) in the next 12 months.

ii. Each FIT rank corresponds to a Probability of Default (PD). The FIT Rank 1 will be the least risky MSME and FIT Rank 10 will be the most at-risk MSME.

iii. Using FIT rankings, SIDBI has launched a new **Express loan Product** for MSMEs to provide loans up to **Rs 50 lakh** for the purchase of machinery and roof top solar through straight through processes.

Keynote:

i. Until now, the leading credit information company (**CIC**) had the Cibil MSME Rank model in the market which drew inputs from the past loans and the new to credit customers were neglected.

ii. In FY 2021-22, 27 lakh MSMEs availed credit, out of which 11.6 lakh MSMEs were new-to-credit and remaining 15.4 lakh MSMEs with an existing credit footprint, more than 9 lakh MSMEs (58%) falls under the CIBIL MSME Rank (CMR) model's, medium-risk segment (CMR-4 to CMR-6).

About TransUnion CIBIL Limited:

Managing Director (MD) & chief executive Officer (CEO) – Rajesh Kumar

Headquarters – Mumbai, Maharashtra

RBL Bank & BUSINESSNEXT wins IBSi Global FinTech Innovation Award 2022

RBL Bank (formerly known as Ratnakar Bank), one of India's leading private sector banks, along with **BUSINESSNEXT** won **IBS Intelligence (IBSi) Global FinTech Innovation Awards 2022** for Most Impactful Project & Best Customer Relationship Management (CRM) System Implementation.

- The IBSi Global FinTech Innovation Awards identifies and honours technology companies and banks for their outstanding work in implementing and innovating financial technology using emerging technologies.

J&K Bank Signs MoU with Ladakh Administration; J&K Approves Rehabilitation Policy for CiSS

On 20th December 2022, Jammu and Kashmir (**J&K**) Bank signed a Memorandum of Understanding (**MoU**) with the **Administration of Ladakh Union Territory (UT)**, conferring preferential status to each other.

- Under this MoU, the Administration of Ladakh UT will nominate J&K Bank as the 'preferred banker' for all its banking-related services, while as, J&K Bank would give the 'most favoured client' status to Ladakh UT Administration and its active permanent employees who maintain a salary account with J&K Bank.

Key highlights:

i. Lieutenant Governor (LG) Ladakh (UT) R K Mathur also handed over the keys of the e-rickshaws provided by J&K Bank to the University of Ladakh, as the bank has committed to provide support to 50 tuberculosis (TB) patients from Kargil as part of their Corporate Social Responsibility (CSR) activities.

ii. LG also announced to launch 'public participatory programmes' across Ladakh wherein the UT administration in collaboration with councils and panchayats will work with the Bank to identify the beneficiaries on a large scale for availing loans from the bank under different employment generation schemes

J&K Approves Rehabilitation Policy for Children in Street Situation

On 20th December 2022 the Jammu & Kashmir (**J&K**) **Administrative Council**, under the chairmanship of Manoj Sinha, Lieutenant Governor (LG) of J&K, approved the Rehabilitation Policy for Children in Street Situation (**CiSS**) in order to safeguard them from different hazards.

Key highlights:

i. According to the **Juvenile Justice Act**, CiSS falls under the category of "children in need of care and protection", which also empowers the government to frame a policy for the rehabilitation of those children in distress.

- Earlier the Social Welfare Department through MD, ICPS (now Mission Vatsalya) took efforts to identify CiSS and until now, around 687 such children have been identified.

ii. The departments of Health, School Education, H&UDD, RDD, Home, Labour and Employment have been assigned to specific roles and responsibilities for ensuring proper implementation of the policy.

Implementation:

i. The policy implementation will be reviewed by a committee headed by the Chief Secretary in the UT.

ii. The Social welfare Department will be responsible for the regular monitoring of the implementation of the policy to protect and safeguard the future of all such children in J&K.

About Jammu & Kashmir (J&K):

Lieutenant Governor (LG) – Manoj Sinha

Wildlife Sanctuary – Ramnagar Wildlife Sanctuary, Rajparian Wildlife Sanctuary

Airport – Srinagar International Airport (Sheikh ul-Alam International Airport), Jammu airport Satwari Airport

IFSCA introduced framework to Boost Distribution of Capital Market Products from Gift City

The International Financial Services Centres Authority (IFSCA) introduced a regulatory framework for Distribution of Capital Market Products and Services under IFSCA (Capital Market Intermediaries) Regulations, 2021 from international financial services centres (IFSCs).

- Currently, there is only one IFSC in India i.e. **GIFT** (Gujarat International Finance Tec) City in Gujarat.
- The Capital market products include securities as covered under Securities Contracts (Regulation) Act, 1956.
- The Capital market services include portfolio management services and investment advisory services.

Benefit:

With this, distributors of capital market products can register with the IFSCA, and undertake global distribution from these IFSCs and offer their services to clients in various jurisdictions.

Key Points:

i.In Gift City, distributors are permitted to enter into arrangements with other distributors (called associated distributors) from India, IFSC and foreign jurisdictions.

ii.In order to protect the interest of clients, the framework provides for various eligibility requirements, a detailed code of conduct including an advertisement code, other obligations, various permissible activities, responsibilities of issuers and service providers in IFSC, etc.

iii.The capital market services can be provided out of the IFSCs include portfolio management services and investment advisory services.

iv.Distributors such as banking units, finance companies, broker-dealers and those with a **net worth more than \$1,50,000** are permitted to invest in select countries where omnibus structure is allowed, subject to adequate measures.

v.A comprehensive code of conduct has also been prescribed to ensure distributors maintain high standards of integrity, and fairness in their dealings with clients.

[Click Here for Official Notification](#)

IFSCA and CEEW sign MoU to cooperate on sustainable finance

IFSCA and Council on Energy, Environment and Water (CEEW) have signed a Memorandum of Understanding (MoU) for mutual assistance and cooperation in the area of sustainable finance.

- This MoU will focus on broad areas of sustainable finance, and is a step towards achieving climate goals and mobilizing global capital.

About International Financial Services Centres Authority (IFSCA):

Chairperson- Injeti Srinivas

Headquarters- Gandhinagar, Gujarat

IRDAI to Introduce 'Bima Vahaks' to Expand Insurance Force

The Insurance Regulatory and Development Authority of India (IRDAI) will soon introduce "**Bima Vahaks**" in each Gram Panchayat in order to strengthen the insurance force in India.

- Rakesh Joshi, an IRDAI member, made the announcement during the Business Standard BFSI Insight Summit 2022 in Mumbai, Maharashtra.

Key Points:

i.A "Bima Vahak" will be assigned to each Gram Panchayat, to sell and service the '**Bima Vistar**' line of basic parametric bundled insurance policies, which provide protection against health, property, life, and personal accident.

- This bundled product could be purchased in units of the sum insured, and app-based infrastructure will be made to ensure a seamless policyholder experience.

ii.Insurance companies are working with state governments to create state-level insurance policies that would boost penetration in areas that do not receive much attention from the major players.

iii.This measure will address the vast protection gap, in which 50% of vehicles are uninsured, property insurance coverage is miniscule, and Micro Small and Medium Enterprises (MSMEs) are uninsured.

- Additionally, it includes the "missing middle," or the 30% of the eligible population that lacks access to health insurance.

About the Insurance Regulatory and Development Authority of India (IRDAI):

Chairperson – Debasish Panda

Headquarters – Hyderabad, Telangana

Established – 2000

HDFC signs MoU with Kerala Startup Mission to provide Financial Services to Startups

Kerala Startup Mission (**KSUM**) has signed a Memorandum of Understanding (MoU) with **HDFC** Bank Limited to facilitate an array of banking services to startups in the state through KSUM's smart solution **SmartUp**. The MoU has a time frame of **1 year**.

- This MoU is a part of the bank's ongoing effort to support startup culture in Kerala.

Signatories:

The MoU was signed by **Saji Gopinath**, CEO, KSUM; and **Arun Mediratta**; Branch Banking Head (South), HDFC Bank.

Key Points:

i. Under this MoU, KSUM will refer startups to SmartUp which will provide smart financial tools, advisory services and technology to aid in achieving their goals.

ii. Bank will provide opportunities for startups to pitch their offerings to capital firms, and also extend its support incubation and acceleration of all startups enrolled in the SmartUp programme.

About KSUM:

The KSUM program is backed by the Kerala government. It promotes entrepreneurship at different levels viz. from promoting entrepreneurship in schools to incubating and accelerating startups in the state.

i. At the school level, KSUM promotes entrepreneurship with schemes such as Atal Tinkering Laboratories, Startup Box etc. targeting young entrepreneurs and school innovations.

ii. It also helps local startups onboard international clients, meet established investors, figure out market needs and know the competition in the international market.

- It has tied up with international institutes, accelerators and tech conferences to take Indian startups to international markets.

iii. Till July 2022, 130 startups from Kerala took their products or services to the international level through KSUM.

About HDFC Bank Limited:

MD & CEO– Sashidhar Jagdishan

Headquarters– Mumbai, Maharashtra

Tagline– We Understand Your World

Karnataka Bank goes live on ICEGATE

Karnataka Bank has enabled its clients to pay customs duty online by going live on the Indian Customs Electronic Gateway (**ICEGATE**), the national gateway of Indian Customs of the Central Board of Indirect Taxes and Customs.

- All of Karnataka Bank's corporate and individual customers will be able to pay customs duty at their convenience because of the bank's integration on the ICEGATE platform.
- This digital initiative is dedicated to the clients under the KBL-Nxt Digital Transformation project of the bank.

Worldline ePayments India gets RBI's In-Principle nod to act as Payment Aggregator

Worldline ePayments India, a leader in digital payments, has received in-principle authorisation from the Reserve Bank of India (RBI) to act as a Payment Aggregator (PA) under the provisions of Guidelines on Regulation of Payment Aggregators and Payment Gateways dated March 17, 2020.

- WEIPL received this communication from the Reserve Bank of India (RBI) on December 20, 2022.

- The RBI has taken the initiative to establish guidelines and frameworks to help the entire digital ecosystem.
- These initiatives enhance consumer trust and broaden the use of digital payments.

NSE receives SEBI's in-principle approval to set up Social Stock Exchange as a Separate Segment

Mumbai (Maharashtra) based National Stock Exchange of India (NSE) has received in-principle approval from the Securities Exchange Board of India (SEBI) to set up Social Stock Exchange (SSE) as a separate segment of the NSE.

- SSE was proposed in the Union Budget of 2019-20 to create a platform for listing social enterprises and voluntary organizations.
- This exchange will enable social enterprises to raise capital through equity or debt instruments.

Key Points:

- i. To enable fundraising through SSE for not-for-profit organizations (NPOs), the government introduced '**zero coupon zero principal**' under the Securities Contracts Regulations Act, 1956.
- ii. This instrument can be publicly or privately issued by NPOs upon registering with SSE to raise funds.
- iii. Currently, the minimum issue size is **Rs 1 crore** and minimum application size for subscription at **Rs 2 lakh**.
 - Subscription to this instrument will be like a philanthropic donation.
- iv. In October 2022, BSE had received in-principle approval for setting up an SSE
- v. Countries like Brazil, Portugal, South Africa, the United Kingdom (UK), Canada and Singapore already have established SSE.

Eligibility criteria:

- i. Social enterprises eligible to participate in the SSE will be NPOs and for-profit social enterprises having social intent and impact as their primary goal. The social enterprises will have to engage in a social activity out of **16 broad activities**. These include the following:
 - Eradicating hunger, poverty, malnutrition and inequality; promoting healthcare, supporting education, employability and livelihoods; gender equality, empowerment of women and LGBTQIA+ (Lesbian, Gay, Bisexual, Transgender, Queer Or Questioning, Intersex, Asexual, and More) communities; and supporting incubators of social enterprise.
- ii. Corporate foundations, political or religious organizations or activities, professional or trade associations, infrastructure and housing companies, except affordable housing will not be eligible to be identified as a social enterprise.

Tata Power Receives Rs. 450 Crore Credit Facility from Japan's MUFG Bank

Tata Power Company Limited (**Tata Power**) has acquired a Rs. 450 crore "sustainable trade finance facility" from **MUFG (Mitsubishi UFJ Financial Group) Bank of Japan** to fund two solar projects under TP Kirnali Limited (TPKL). The two solar power projects are:

- A 100 MW (megawatt) renewable energy project in Parthur, Maharashtra
- A 120 MW green energy project in Mesanka, Gujarat

TPKL, a clean energy platform founded in 2020 and a wholly owned subsidiary of Tata Power Renewable Energy Limited (TPREL), will carry out both projects.

- TPREL is a wholly owned subsidiary of Tata Power.

Key Points:

- i. It is MUFG's first sustainable trade finance facility in India, and TPKL will use the funds to create renewable energy capacity.
- ii. As Tata Power expands its clean energy portfolio and contributes to India's net-zero targets, the collaboration will open up potential avenues for green financing.
 - The credit facility will assist Tata Power in attaining net-zero emissions by 2045.

iii. This agreement further establishes MUFG as a prominent **ESG** (environmental, social, and governance) financier in the Asia-Pacific region.

- With this agreement, MUFG and Tata Power are able to support their shared commitment to renewable energy and give India a sustainable source of green energy.

iv. MUFG has committed to achieving net-zero emissions in its finance portfolio by 2050 and in its own operations by the end 2030.

v. MUFG extended a USD 163 million syndicated finance credit for Azure Power's 300 MW solar project in Rajasthan.

vi. Previously, MUFG and Sumitomo Mitsui Banking Corporation acted as major lenders for an almost USD 205.31 million project loan facility for Adani Green Energy's subsidiary to help refinance its debt.

About the Tata Power Company Limited (Tata Power):

Tata Power is the largest integrated power company in India.

CEO & Managing Director (MD) – Dr. Praveer Sinha

Headquarters – Mumbai, Maharashtra

PhonePe Completes Separation from Walmart Owned, Flipkart

On 23rd December 2022, Walmart owned e-commerce platform, **Flipkart** and **PhonePe** completed their separation and both entities will continue to operate under US-based retail giant Walmart.

- With this transaction, PhonePe becomes a fully India domiciled company.

Key highlights:

i. As part of this transaction, existing Flipkart Singapore and PhonePe Singapore shareholders, led by Walmart, have purchased shares directly in PhonePe India.

- Now, Walmart will remain the majority shareholder of both Flipkart and PhonePe.

ii. Both Flipkart and PhonePe are Indian brands with a user base upwards of 400 million each. In 2022, PhonePe changed its domicile from Singapore to India.

Note – PhonePe was acquired by Flipkart Group in **2016**.

About PhonePe Private Limited, India:

Co-Founder & Chief Executive Officer (CEO) – Sameer Nigam

Headquarters – Mumbai, Maharashtra

IFC Lends USD 400 million to HDFC to Boost Green Affordable Housing Finance

International Finance Corporation (**IFC**), a member of the **World Bank Group**, provided a loan of **USD 400 million** to Housing Development Finance Corporation (**HDFC**) Limited to boost green affordable housing finance in India, which shall support India's shift towards a more sustainable growth path, creating jobs and ensuring long-term business growth.

Key highlights:

i. This new investment would help in bridging the urban housing gap and improve access to climate-smart affordable homes in India.

- **Additionally**, the lending framework will set rigorous standards for green buildings that allows HDFC in boosting the quality green housing pipeline while channelling funds to this segment.

ii. It also enables HDFC to on-lend to borrowers after ensuring one's affordability to such green housing.

Note – Around 275 million people (22 percent of the population) in India do not have access to adequate housing and also rural housing shortage is twice that of urban areas.

About International Finance Corporation (IFC):

Managing Director (MD) – Makhtar Diop

Headquarters – Washington D.C, New York (NY)

Establishment – 1944

Parent Organisation – World Bank

IMF Projects 6.8 percent Growth in Current Fiscal for India

On 23rd December 2022 the International Monetary Fund (IMF) in its Article IV consultation report projected a growth rate of **6.8 percent** for India in the current fiscal year (FY23) and falling to 6.1 percent in the next fiscal year (FY24).

- The IMF also called for further structural reforms, including addressing the adverse impact of climate change and to secure strong and sustainable growth.

Key highlights:

i.The IMF board also suggested that the Monetary tightening must be communicated to balance inflation objectives and growth needs.

- Upon tightening, financial conditions could weaken the asset quality and result in financial sector stress, limit credit provision and negatively impact long-term growth.

ii.According to the IMF, reduced international cooperation can further disrupt trade and increase financial markets volatility, over the medium term.

- The exchange rate will continue to act as a shock absorber with foreign exchange intervention limited to addressing disorderly market conditions.

iii.The IMF's Article IV consultation report also includes a Staff Report that provides a country assessment, an executive board assessment based on the report, and a statement by the executive director for the country.

Solutions:

i.India's estimated 5 % tax gap in GDP shall be narrowed by reversing the fuel excise tax cuts, further broadening the corporate and personal income tax bases, simplifying the goods and services tax (GST) rate structure, rationalising the items subject to preferential GST treatment, and continued improvements in tax administration, in line with international good practices.

ii.Maintaining momentum in the asset monetization and privatisation agenda could generate additional receipts and the improved efficiency through better targeting of subsidies can reduce leakages in the expenditure side.

Bajaj Allianz General Insurance Launches 'Respect Senior Care Rider' for Senior Citizens

Bajaj Allianz General Insurance Limited launched the '**Respect Senior Care Rider**', a unique and first-of-its-kind health insurance riders, which will offer 360-degree assistance for senior citizens.

- The company has tied up with a wide network of service providers to assist the insured.
- The company collaborates with Strategic Partners to provide seamless services experience for customers by providing them a 24x7 direct connection in under 30 seconds with the medical support and emergency platform which activates rapid response within 10 minutes.

About Respect Senior Care Rider:

i.The main aim of the rider product is to minimise the worries of senior citizens and of their family members who are living in different cities.

ii.The Respect Senior Care Rider is available in 3 plans:

- **Plan 1** provides planned and emergency road ambulance service, home assistance/daily care, cyber and travel legal assistance.
- **Plan 2** offers home care services including physiotherapy & nursing care, concierge services, psychological assistance and medical tele-consultation services.
- **Plan 3** provides smart watches with fall detection technology, which tracks and records Oxygen Saturation (SPO2), Body Temperature, Medicine Reminder, Heart Rate and SOS.

iii.The product cost starts from **INR 700 and ranges up to INR 7,500** excluding Goods and Services Tax (GST).

iv.Any individual who is insured with Bajaj Allianz Health Insurance (base policy) can add this rider for themselves or their family members with 50 years of age or above.

About Bajaj Allianz General Insurance Company Limited:

Bajaj Allianz General Insurance Company Limited is a joint venture between **Bajaj Finserv Limited** and **Allianz SE**.

Managing Director (MD) & Chief Executive Officer (CEO) – Tapan Singhel

Headquarters – Pune, Maharashtra

Establishment – 2001

Infibeam Avenues Receives RBI Nod for Bharat Bill Payment Licence

Infibeam Avenues Limited (IAL), India's first listed payments infrastructure firm, has received **Perpetual Licence** for its bill payments business, **BillAvenue** from the Reserve Bank of India (RBI), in accordance with its circular on Perpetual validity for certificates of Authorization (CoA) issued to Payment System Operators (PSOs) under Payment and Settlement Systems Act, 2007.

- After the issuance of licence, BillAvenue will now function as a Bharat Bill Payment Operating Unit (BBPOU) under Bharat Bill Payment System (BBPS).
- As a BBPOU, BillAvenue will operate as both biller and customer operating unit onboarding billers and also agent institutions to service customers.

About BillAvenue:

i. BillAvenue is a unified, interoperable online bill payment platform, built on the NPCI's Bharat BillPay infrastructure to provide 'anytime, anywhere' bill payment facilities to customers across India through a network of small & medium agents to large agent Institutions

ii. This services amongst telecom, broadband companies, cable TV, DTH players, electricity distribution companies, LPG & Gas distribution companies, FASTAG, health insurance, life insurance, NBFCs, and municipalities.

About Infibeam Avenues Limited (IAL):

Managing Director (MD) – Vishal Mehta

Headquarters – Gandhinagar, Gujarat

Establishment – 2007

SEBI expands Committees on Cyber Security and Information System

On December 26, 2022, the Securities and Exchange Board of India (SEBI) expanded its High Powered Steering Committee on Cyber Security (**HPSC-CS**) and Information Systems Security Committee (**ISSC**) to strengthen cyber security frameworks and cyber resilience requirements:

High Powered Steering Committee on Cyber Security (HPSC-CS)

This committee has been expanded to 8 members from 6 members. It will continue to be chaired by **Navin Kumar Singh**, Director General (DG) at National Critical Information Infrastructure Protection Centre (NCIIPC).

Note: The last rejig of the HPSC-CS panel was done in September 2022.

New Members:

i. G Padmanabhan, Ex-Executive Director, Reserve Bank of India (RBI)

ii. Sushil Kumar Nehra, Additional Director, Cyber Security Division, MeitY

Other Members:

iii. Sanjay Bahl, Director General, CERT-In (Indian Computer Emergency Response Team)

iv. Prof H Krishnamurthy, Chief Research Scientist (Retired), IISc (Indian Institute of Science), Bengaluru (Karnataka)

v. Prof Sandeep Shukla, Professor, Department of Computer Science and Engineering, IIT (Indian Institute of Technology), Kanpur (Uttar Pradesh)

vi. Prof Debdeep Mukhopadhyay, Professor, Department of Computer Science and Engineering, IIT Kharagpur (West Bengal)

vii. Prof Sugata Gangopadhyay, Head of Department of Computer Science and Engineering, IIT Roorkee (Uttarakhand)