2020

Volume 2

APAS MONTHLY

THIS MONTH

Season's greetings!

In this issue, Mr. Shailesh Haribhakti, Chartered Accountant – Chairman, Shailesh Haribhakti and Associates, has presented his thoughts on 'Data Streaming – the future is faster than you think'. We thank Mr. Shailesh Haribhakti for his contribution to the APAS Monthly.

This month, the APAS column presents its views on 'Crop insurance: Revisiting the scheme'

The economic indicators showed mixed performance. Manufacturing PMI rose to a near 8-year high of 55.3 in January from 52.7 in December. India's annual infrastructure output in January mildly accelerated to 2.2%. India's Index of Industrial Production (IIP) contracted by 0.3% in December. PMI services rose to a 7-year high of 55.5 in January from 53.3 in December, while composite PMI rose to a 7-year high of 56.3 in January from 53.7 in December. CPI inflation rose to a 68-month high of 7.59% in January from 7.35% in December. WPI inflation rose to an 8-month high of 3.1% in January from 2.59% in December.

The Gross Domestic Product (GDP) growth rate for the third quarter (October-December) of fiscal year 2019-20 stood at 4.7%.

The Reserve Bank of India (RBI) released guidelines on incentivizing bank credit to specific sectors by exemption from CRR maintenance. RBI released guidelines for external benchmark-based lending for medium enterprises. RBI released prudential norms on income recognition, asset classification and provisioning pertaining to advances for projects under implementation. RBI released guidelines on long term repo operations (LTROs). RBI released guidelines on liquidity facilities under revised Liquidity Management Framework. Deposit Insurance and Credit Guarantee Corporation (DICGC) increased the insurance coverage for depositors in all insured banks to INR 5 lakh. RBI released guidelines on Merchant Acquiring Business for Regional Rural Banks.

Insurance Regulatory Development Authority of India (IRDAI) released amendments in respect of provisions of Guidelines on Standardization of Exclusions in Health Insurance Contracts and Modification Guidelines on Standardization in Health Insurance. IRDAI released revised guidelines on Stewardship Code for Insurers in India.

Cabinet approved Revamping of "Pradhan Mantri Fasal Bima Yojana (PMFBY)" and "Restructured Weather Based Crop Insurance Scheme (RWBCIS)" to address the existing challenges in implementation of Crop Insurance Schemes. Cabinet approved Updating European Union Alternative Investment Fund Managers Directive (AIFMD) MoU signed between SEBI and Financial Conduct Authority (FCA), United Kingdom.

The Securities and Exchange Board of India (SEBI) released guidelines for facilitating transaction in Mutual Fund schemes through the Stock Exchange Infrastructure. SEBI released guidelines on Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System. SEBI reviewed Margin Framework for Cash and Derivatives segments (except for Commodity Derivatives segment). SEBI released Guidelines for Portfolio Managers. SEBI released Disclosure Standards for Alternative Investment Funds (AIFs).

Our newsletter is focused on tracking the performance of the economy and the regulations and laws governing the Banking and Financial Services companies. We hope that this APAS Monthly is insightful. We welcome your inputs and thoughts and encourage you to share them with us.

Ashvin parekh

On the cover

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Shailesh Haribhakti
Chartered Accountant – Chairman
Shailesh Haribhakti and Associates

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- Deposit Insurance and Credit Guarantee Corporation (DICGC) increases the insurance coverage for depositors in all insured banks to ₹ 5 lakh
- Guidelines on Merchant Acquiring Business – Regional Rural Banks

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- Amendments in respect of provisions of Guidelines on Standardization of Exclusions in Health Insurance Contracts and Modification Guidelines on Standardization in Health Insurance
- Revised Guidelines on Stewardship Code for Insurers in India

INFRASTRUCTURE & OTHER GOVT. INITIATIVES

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- Cabinet approves Updating European Union Alternative Investment Fund Managers Directive (AIFMD) MoU signed between SEBI and Financial Conduct Authority (FCA), United Kingdom

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CAPITAL MARKETS

- *Facilitating transaction in Mutual Fund schemes through the Stock Exchange Infrastructure*
- *Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System*
- *Review of Margin Framework for Cash and Derivatives segments (except for Commodity Derivatives segment)*
- *Guidelines for Portfolio Managers*
- *Disclosure Standards for Alternative Investment Funds (AIFs)*

CAPITAL MARKETS SNAPSHOT

- *CNX Nifty, BSE Sensex, India VIX, $/₹, GIND 10Y*

Countries	GDP			CPI		Current Account Balance	Budget Balance	Interest Rates
	Latest	2016*	2017*	Latest	2016*	% of GDP, 2016*	% of GDP, 2016*	(10YGov), Latest
Brazil	-2.9Q3	-3.4	0.9	7.0 Nov	8.3	-1.1	-6.4	11.8
Russia	-0.4Q3	-0.5	1.2	5.8 Nov	7.0	2.4	-3.7	8.60
India	**7.3 Q3**	**7.2**	**7.5**	**3.6 Nov**	**4.9**	**-0.9**	**-3.8**	**6.51**
China	6.7 Q3	6.7	6.4	2.3 Nov	2.0	2.5	-3.8	3.10^
S Africa	0.7 Q3	0.4	1.3	6.6 Nov	6.3	-4.0	-3.4	9.00
USA	1.6 Q3	1.6	2.2	1.7 Nov	1.3	-2.6	-3.2	2.56
Canada	1.3 Q3	1.2	1.9	1.5 Oct	1.5	-3.5	-2.5	1.78
Mexico	2.0 Q3	2.1	1.9	3.3 Nov	2.8	-2.8	-3.0	7.31
Euro Area	1.7 Q3	1.6	1.3	0.6 Nov	0.2	3.2	-1.8	0.25
Germany	1.7 Q3	1.8	1.4	0.8 Nov	0.4	8.8	1.0	0.25
Britain	2.3 Q3	2.0	1.1	1.2 Nov	0.6	-5.7	-3.7	1.55
Australia	1.8 Q3	2.9	2.8	1.3 Q3	1.3	-3.5	-2.1	2.86
Indonesia	5.0 Q3	5.0	5.2	3.6 Nov	3.5	-2.1	-2.6	7.93
Malaysia	4.3 Q3	4.3	4.6	1.4 Oct	1.9	1.8	-3.4	4.31
Singapore	1.1 Q3	1.3	2.0	-0.1 Oct	-0.6	21.5	21.5	2.49
S Korea	2.6 Q3	2.7	2.5	1.5 Nov	0.9	7.2	-1.3	2.17

ECONOMIC DATA SNAPSHOT

- *Global GDP, CPI, Current account balance, budget balance, Interest rates*

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Data Streaming – the future is faster than you think

Shailesh Haribhakti
Chartered Accountant – Chairman
Shailesh Haribhakti and Associates

Data is clearly the new oil, but it will not flow, it will stream! Today data is driving decision making through formalised and structured SOPs, formats and representative graphs and pictures. Tomorrow, all levels of management and all Economic interests will be able to dam streaming data and have it contextually analysed to suit individual purposes.

Already there is a concerted move through the modified requirements for Statutory Auditor reporting to ensure that the same data is used for inventory computation and for accessing Bank credit! Tomorrow the same streaming data will emerge from a data lake of internal and external data to suit multiple purposes.

To illustrate, the internal MIS will be generated from interacting systems between any entity and all from the outside who wish to deal with the entity. A seamless handshake will shift data between counter parties and leave a traceable trail that we today know as financial accounting. Bank reconciliations and Receivable/ Payable confirmations will become redundant. The counter party accounting will happen in a Block Chain. The rules laid down by standard setters will be embedded into the Block chain. The embedded standards will drive the outcome. Today's struggle to take into account artificial constructs such as quarter or year ends will disappear. The need to estimate every so often will be a thing of the past as streaming data will be in continuous flow, we could have a daily updated set of financial statements. The permissions to view data will be carefully given and withdrawn but it will be available on tap.

The same streaming data will create the management accounts which require results to be analysed by product, region, process, person or business unit. The context to view the data will be created by accessing data of relevant competitors and of best practices in each area of input and output. As the same data stream is being accessed, the need for reconciliation between financial and management accounts will be automatically eliminated. The faith and confidence in the data will be of a high order and the time and effort will dramatically reduce.

Extending this logic a little further, the same streaming data will also produce the integrated report on the six capitals: financial, environmental, physical, relationship, human and brand. In fact, the logical evolution of financial accounting has to be Integrated reporting as it is the only set of numbers that gives the entire set of economic interests looking into an entity a peep into the future!

As AI, deep learning, Analytics and Block chain ideas get naturally deployed, the value, purity and utility of data will exponentially rise. Truly then will data turn to oil which energises all commerce and all human endeavours. Auditing will all become forensic and will happen online and in real time. All data uploaded onto public registries will also be automatically reliable.

The world will need to sort out an approving infrastructure which will protect confidentiality and a standards infrastructure which will deliver uniformity. The decision makers, the fiduciaries and the governmental supervisors will be on the same page eliminating the policing function as it will be in built into the Block chain. Timely, valuable and highly useful information will become available impartially to all users. It is to this brave new world that we all have to ascend to!

Crop insurance: Revisiting the scheme

The PMFBY provides comprehensive crop insurance from pre-sowing to post-harvest period against non-preventable natural risks at extremely low premium rate of 2 per cent for kharif crops, 1.5 per cent for rabi crops and 5 per cent for horticulture and commercial crops. Currently, crop insurance is the third-largest portfolio in the non-life insurance industry. The premium outgo at a gross level for 2016-17, 2017-18 and 2018-19, respectively, was approximately ₹22,015 crore, ₹26,065 crore and ₹29,065 crore. Gross loss ratios were at 78 per cent, 89 per cent and 100 per cent respectively. In 2018-19, the total number of farmers covered was 56.4 million, with a gross cropped area coverage of about 30 per cent. Further, the premium for 2019-20 is estimated at ₹31,500 crore, with the gross claims ratio being over 100 per cent for kharif crop.

In its recent announcement, Government has announced several measures to improve the penetration of PMFBY to its target of 50% of gross cropped area. The participation of farmers has been made voluntary, unlike earlier where loanee farmers had to compulsorily avail the crop insurance. The Government plans to engage the insurers for a tenure of 3 years. The Central subsidy would be capped to 30 percent, from 50 percent earlier for unirrigated areas/crops and 25% for irrigated areas/crops. Also, Central Government's share in premium to be increased to 90 percent for north-eastern states from current 50 percent. Government shall provide the States/Union territories to choose add-on covers like prevented sowing, localized calamity, mid-season adversity, and post-harvest losses. Further, States/UT can offer specific single peril risk/insurance covers, like hailstorm etc., under PMFBY even with or without opting for base cover (Both PMFBY/RWBCIS). In case of a considerable delay in by States in release of requisite Premium Subsidy to concerned Insurance Companies beyond a prescribed time limit, the state shall be barred from implementing PMFBY for next 3 years.

The measures mentioned above incline towards the Government's efforts to invite commitment for a longer duration from insurers and penalize delayed compensation flow to insurers' to encourage their participation. Further, the contribution from central government has also reduced, which means additional burden on state governments. In current scenarios, several insurers have been discouraged to participate in the bidding processes for the clusters for PMFBY owing to reasons such as delayed payments of premiums from Government, high loss ratios, frauds, etc. Insurers have been discouraged to bid for business in certain states, where amount of frauds are very high. Even if the insurers have such states on their books, they try to hedge such portfolio by aggressively bidding on other profitable states (where amounts of such frauds and misuse are relatively less). Further, they try to hedge their risks by reinsurance. However, reinsurance cover for crop insurance is provided only by few selected reinsurers. These reinsurers have almost doubled their premium rates, owing to greater amount of frauds and risk management costs in the sector. These reasons make it unviable for private-sector insurers to contain the costs, coupled with delayed or no payments at all from the Government. With the elongated commitment period to three years, it is bit more skeptical how insurers would take it.

Above efforts address such issues to some extent. Apart from these measures, the Government intends to adopt technology solutions like Smart Sampling Technique (SST) and optimization of number of CCEs for conducting CCEs (PMFBY). In case of non-provision of yield data beyond cut-off date by the States to implementing Insurance Companies, claims to be settled based on yield arrived through use of Technology solution (PMFBY alone). The Government intends to encourage use of technology to increase accuracy of end-results like claims management, yield, etc. Insurers have started to incorporate several technology-aided solutions in their processes to obtain accurate results.

With such measures having been introduced already, Government could concentrate on improving the implementation and execution of PMFBY and RWBCIS. The distribution of insurance can be significantly improved by empaneling networking strengths of insurers and insurance intermediaries. Payments could be significantly streamlined by use of technology on mobile and other systems. An important area for Government policy could be claim settlement. In absence of data, the insurers face difficulty in defining the rulebook for claims management. In this regard, uniform policy or guidance from the Government would help in bringing uniformity in the data points, eventually leading to faster claims settlement. Another important area for Government would be to spread awareness and educating the farmers on importance of crop insurance. The focal point of such campaigns right now should be reducing miscommunication and addressing concerns on areas such as product information, protection offered, claims settlement, processes, etc.

By the introduction of reforms above, the Government is attempting to working towards realizing increase in crop insurance penetration. The reforms are intended for all the components of the crop insurance value chain. The reforms majorly focus on containing the costs of implementation of the scheme at centre and state level. However, the impact of such measures on insurance companies needs to be seen. Apart from such reforms, the key stakeholders should also work towards efforts to increase awareness, reduce frauds and misuse, improvise the value chain of insurance delivery, increase transparency in claims settlement and in general easing the process of insurance delivery.

-APAS

ECONOMY

IIP (Index of Industrial Production) – December

Index of Industrial Production (IIP) or factory output for the month of December 2019 contracted by 0.3%, compared to 1.82% in December 2019 and 2.5% in December 2018.

The General Index for the month of December 2019 stands at 133.5, which is 0.3% lower as compared to that in December 2018.

The contraction was mainly due to a decline in the manufacturing sector output.

The cumulative growth for the period April-December 2019-20 over the corresponding period of last year was 0.5%, down from 4.7% a year earlier.

As per Use-based classification, the growth rates in December 2019 over December 2018 are 2.2% in primary goods, (-) 18.2% in capital goods, 12.5% in intermediate goods and (-) 2.6% in infrastructure/construction goods.

Consumer durables and non-durables have recorded growth rates of (-) 6.7% and (-) 3.7% respectively.

The manufacturing sector, which constitutes 77.63% of the index, contracted by 1.2% in December, compared to 2.9% last year.

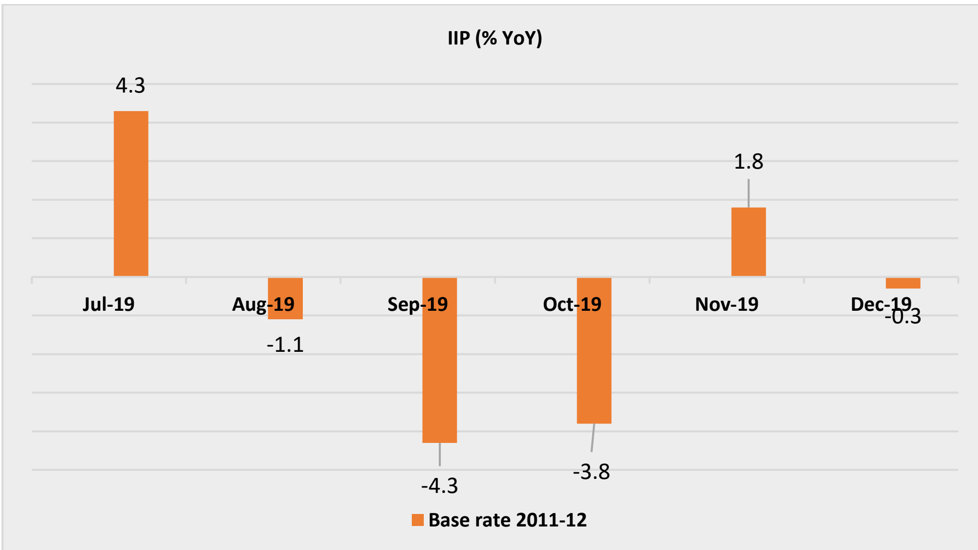
Electricity generation contracted by 0.1% in December, compared to 4.5% last year.

Mining sector output grew by 5.4% in December, compared to (-) 1% last year.

In terms of industries, 16 out of 23 industry groups in the manufacturing sector have shown negative growth in December 2019 from December 2018.

The industry group ‘Manufacture of computer, electronic and optical products’ has declined most, by 24.9%, followed by 20.3% in ‘Manufacture of machinery and equipment n.e.c.’ and 15.5% in ‘Printing and reproduction of recorded media’.

On the other hand, the industry group ‘Manufacture of basic metals’ has shown the highest growth of 14.2%, followed by 13.2% in ‘Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials’ and 5.9% in ‘Manufacture of leather and related products’.



Source: APAS BRT, www.mospi.gov.in

CPI (Consumer Price Index) – January

India's consumer price index (CPI) or retail inflation rose to a 68-month high of 7.59% in January 2020, compared to 7.35% in December 2019 and 1.97% in January 2019.

The corresponding provisional inflation rates for rural and urban areas are 7.73% and 7.39% respectively.

The Consumer food price index (CFPI) came down slightly to 13.63% in January 2020 from 14.19% in December 2019 and (-) 2.24% in January 2019.

The core CPI inflation rose to 4.1% in January from 3.75% in December.

This is the second month that inflation remained above the upper limit of 6% set by the Reserve Bank of India (RBI).

The uptick in inflation figures came on the back of sharp increase in food prices.

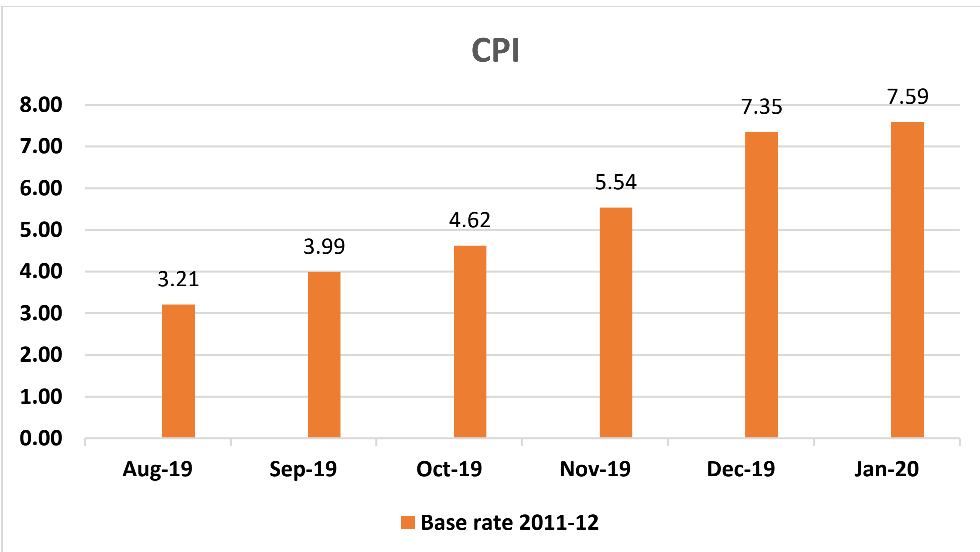
In food basket, vegetable prices showed the highest growth in prices with an inflation rate of 50.19%, followed by pulses and products at 16.71%.

Costs for protein products like meat, fish and eggs remained more than 10% during January.

The inflation for housing eased marginally to 4.2%, while that for miscellaneous items moved up to 4.75% in January.

Within the miscellaneous items, the inflation increased for transport and communication to 6.08%, health to 4.2%, education to 3.93%, household goods and services to 1.81%, recreation and amusement to 4.46% and personal care and effects to 7.15% in January 2020.

The inflation for clothing and footwear increased to 1.91%, while that for fuel and light moved up to 3.66% in January.



Source: APAS BRT, www.mospi.gov.in

WPI (Wholesale Price Index) – January

India's wholesale price index (WPI) inflation rose to an 8-month high of 3.1% in January 2020, as compared to 2.59% in December 2019 and 2.76% in January 2019.

The rate of inflation based on WPI Food Index decreased to 10.12% in January 2020 from 11.05% in December 2019.

The index for primary articles declined by 1.1% from the previous month.

Under primary articles, 'Food articles' group declined by 1% due to lower prices of fruits & vegetables and tea (7% each), arhar (2%), beef and buffalo meat, pork and gram (1% each). However, the prices moved up for betel leaves (9%), fish-marine (7%), bajra (4%), masur and peas/chawali (3% each), urad, maize, barley, egg, wheat, poultry chicken and condiments & spices (2% each), fish-inland, moong, mutton and milk (1% each).

The 'Non-Food Articles' group declined by 1.4% due to lower prices of floriculture (19%), castor seed and skins (raw) (1% each). However, the prices moved up for soyabean (5%), linseed (3%), safflower (kardi seed), raw rubber, rape & mustard seed, raw jute, guar seed, raw silk, mesta and gingelly seed (sesamum) (2% each), coir fibre, groundnut seed, niger seed and hides (raw) (1% each).

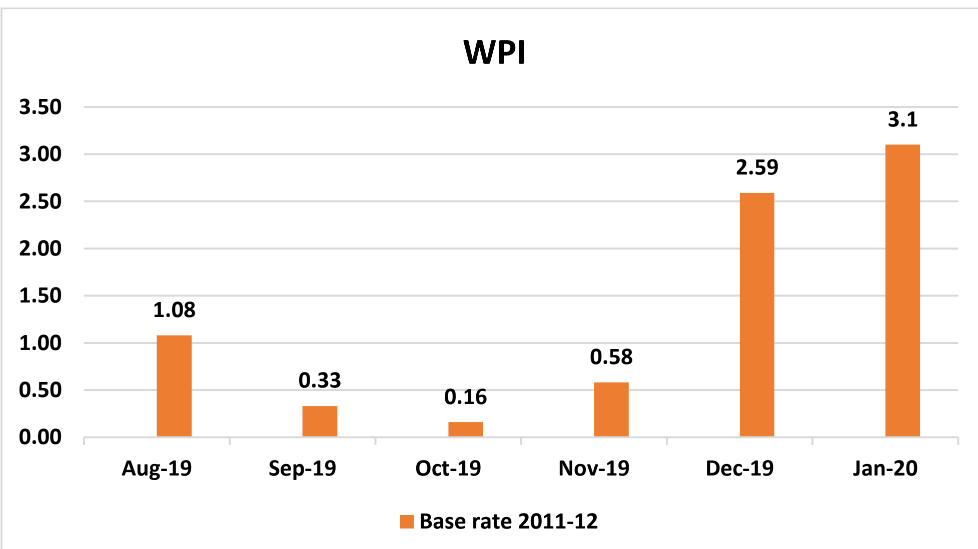
'Minerals' group declined by 7.2% due to lower prices of manganese ore (20%), copper concentrate (12%) and iron ore (5%). However, the prices moved up for lead concentrate and limestone (1% each).

'Crude petroleum and natural gas' group rose by 2.7% due to higher price of crude petroleum (4%).

The index for fuel and power rose by 1.4% from the previous month.

Under fuel and power, 'Mineral oils' group rose by 2.5% due to higher prices of furnace oil (23%), naphtha, ATF and LPG (3% each), HSD (2%) and kerosene (1%). However, the price declined for bitumen (4%).

The index for manufactured products rose by 0.4% from the previous month.



Source: APAS BRT, www.eaindustry.nic.in

Manufacturing PMI – January

The Nikkei India Manufacturing Purchasing Managers' Index (PMI) continued to rise in January.

The Manufacturing PMI rose to a near 8-year high of 55.3 in January 2020 from 52.7 in December 2019. It stayed above the 50 level, that separates expansion from contraction, for the 30th consecutive month.

January saw growth of new business, output, exports, input buying and employment gather speed.

At the same time, business sentiment strengthened and there were softer rises in both input costs and output charges.

The consumer goods sub-sector remained the brightest spot, although growth was sustained in intermediate goods and capital goods moved back into expansion.

Companies noted the strongest upturn in new business intakes for over 5 years, which they attributed to better underlying demand and greater client requirements. Marketing efforts also bore fruit.

The rise in total sales was supported by strengthening demand from external markets, as noted by the fastest increase in new export orders since November 2018. Manufacturers particularly noted higher sales to clients in Asia, Europe and North America, with favourable exchange rates assisting the upturn.

In response to the pick-up in demand, Indian goods producers scaled up production in January. Moreover, the rise was strongest in over 7.5 years, with the rate of expansion much higher than its long run average.

Such was the strength of the rise in sales, that some firms had to use their stocks to fulfil order obligations. As a result, inventories of finished products declined sharply in January.

On the other hand, holdings of raw materials and semi-finished items increased at the start of the year. The accumulation was the first in 6 months and the most pronounced since May 2017. Stock building efforts were linked to robust order inflows and the impending launch of new products.

Supporting the rise in input stocks was a further increase in quantities of purchases, the second in successive months. The expansion in buying levels was the strongest in a year.

Hiring activity improved in January, with firms increasing employment at the quickest rate in close to 7.5 years. New business growth and projects in the pipeline were cited as the main reasons for job creation.

With capacities being expanded by further hiring, companies were able to stay on top of their workloads. Unfinished business was broadly unchanged in January, ending a 6-month sequence of accumulation.

On the price front, there were slower increases in both input costs and factory gate charges. While some firms reported higher prices for metals, textiles and food, others noted lower fees for copper, packaging materials and rubber. For the third month in a row, the rate of charge inflation surpassed that seen for costs.

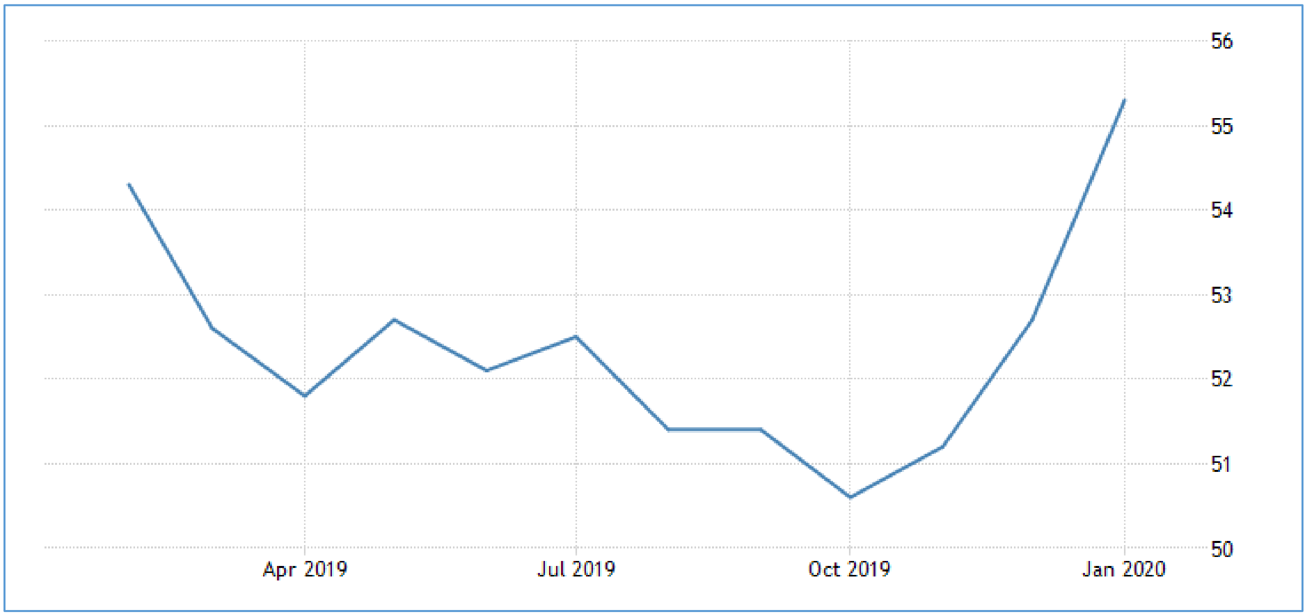
Indian manufacturers were more upbeat about the year ahead outlook for production. Optimism stemmed from forecasts of better demand, new client wins, marketing efforts, capacity expansion and new product releases.

Manufacturing sector growth in India continued to strengthen in January, with operating conditions improving at a pace not seen in close to 8 years.

The PMI results show that a notable rebound in demand boosted growth of sales, input buying, production and employment as firms focussed on rebuilding their inventories and expanding their capacities in anticipation of further increases in new business.

Companies also benefitted from subdued cost pressures, which enabled them to restrict increases in their fees to some extent.

To complete the good news, there was also an uptick in business confidence as firms expect buoyant demand, new client wins, advertising and product diversification to boost output in the year ahead.



Source: www.tradingeconomics.com

Services PMI – January

The Indian services sector activity started the year on a strong footing.

The Nikkei India Services Purchasing Managers' Index (PMI) Business Activity Index rose to a 7-year high of 55.5 in January 2020 from 53.3 in December 2019. The index stayed above the neutral mark of 50, which separates expansion from contraction, for the third straight month.

The upswing resulted from favourable market conditions and better underlying demand.

However, the growth in demand was accompanied by inflationary pressures on input costs, which reached a high last seen in February 2013. The steepest increase in this figure came from the consumer services sector.

With business revenues rising, service providers continued to increase capacity to meet further strong growth in sales. This is good news for job seekers, particularly when we consider the results from the manufacturing industry, which showed the steepest upturn in employment since August 2012.

Most of the demand came from the domestic market with a fall in exports ending a 10-month expansion, mainly due to lower demand from China, Europe and US.

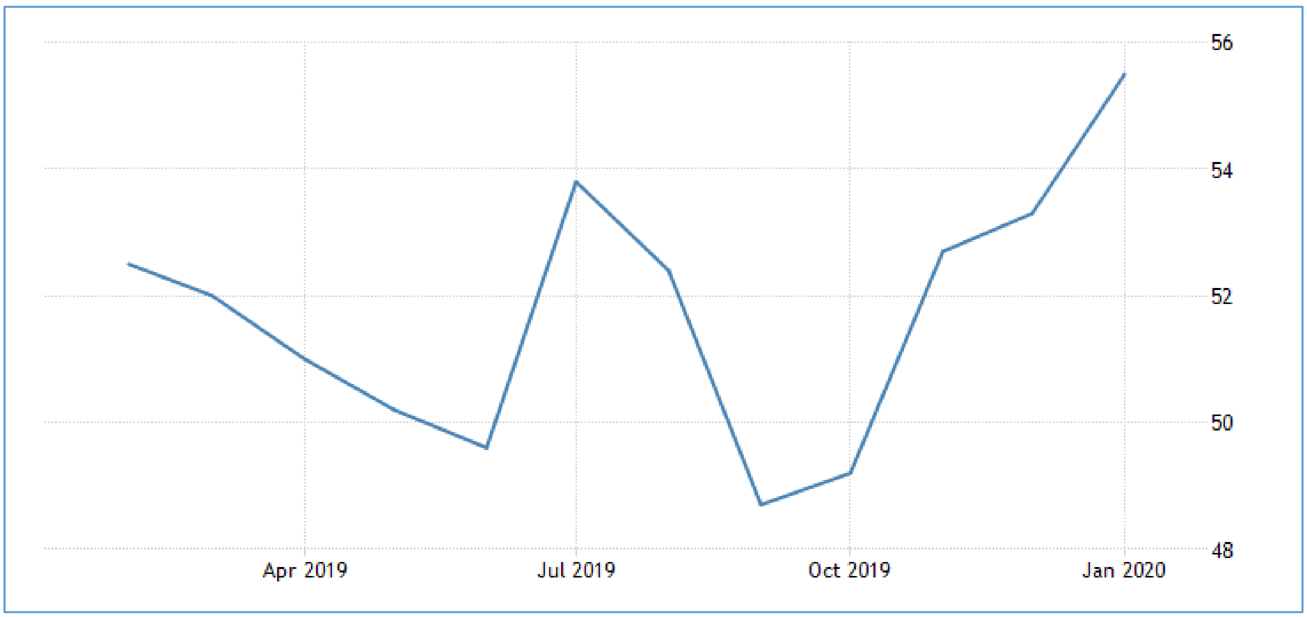
A sub-index tracking new business also climbed to its highest since January 2013, encouraging firms to maintain a strong hiring rate.

The results are in line with government expectations of an uptick in the coming fiscal.

However, cost inflation continued to be a dampener amid reports of higher prices for beauty products, food, freight, fuel and maintenance. Consequently, a number of services companies lifted their selling prices in January with the rate of charge inflation picked up to the fastest since February 2018.

The increase in input prices was the sharpest in just under 7 years, with companies mostly absorbing the added cost burdens themselves instead of fully passing these on to their customers. This may translate into quicker increases in selling prices in months to come, which may curb sales. Firms could also choose to restrict hiring in order to protect profit margins.

The seasonally adjusted Nikkei India Composite PMI Output Index rose to a 7-year high of 56.3 in January from 53.7 in December, reflecting growth in private sector activity amid broad-based acceleration in manufacturing and services.



Source: www.tradingeconomics.com

Core Sector Data – January

Growth of eight infrastructure sectors mildly accelerated to 2.2% in January 2020, helped by expansion in the production of coal, refinery products and electricity.

The eight core sectors – coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity – had expanded by 2.1% in December 2019 and 1.5% in January 2019.

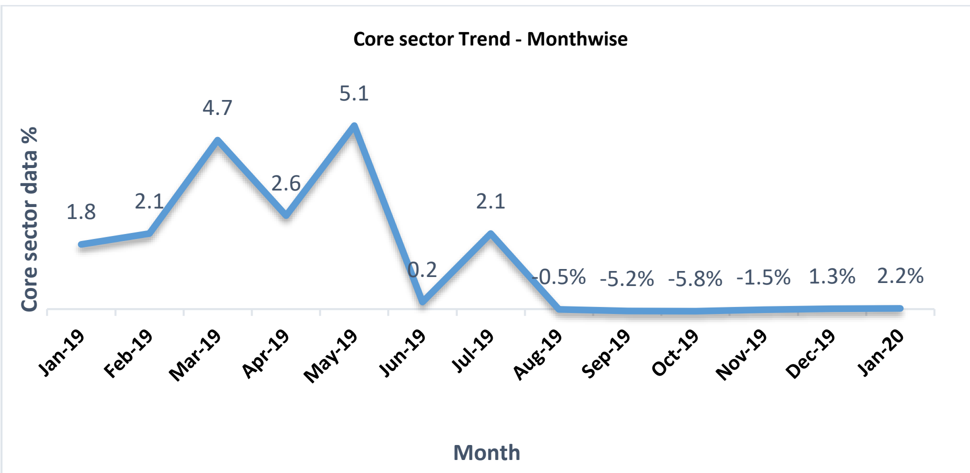
The combined index of eight core industries stood at 137.5 in January 2020.

The production of coal, refinery products and electricity grew by 8%, 1.9% and 2.8%, respectively.

Steel production increased by 2.2%, while cement production rose 5%.

Sectors which recorded negative growth during January are crude oil, natural gas and fertiliser, contracting by 5.3%, 9.1% and 0.1%, respectively.

Cumulatively, the growth in the eight core sectors during April-January 2019-20 was 0.6%, as against 4.4% in the same period last financial year.



Source: APAS BRT, www.eaindustry.nic.in

GDP – Quarter 3 – FY 2019-20

The country's Gross Domestic Product (GDP) growth rate for the third quarter (October-December) of fiscal year 2019-20 stood at 4.7%.

The GDP growth rate in Q3 2019-20 was 6.6% and in Q2 2019-20 was 5.1%.

The GDP growth rate for Q1 2019-20 has been revised to 5.6% from 5% and for Q2 to 5.1% from 4.5%

The gross value added (GVA) growth rate for the said quarter grew at 4.5%, as compared to 4.3% in the previous quarter and 6.3% in Q3 of last year.

The GDP at constant prices (2011-12) in Q3 of 2019-20 is estimated at INR 36.65 lakh crore, as against INR 35 lakh crore in Q3 of 2018-19, showing a growth of 4.7%.

For FY 20, GDP is estimated to grow by 5%, as against 6.1% in FY 19.

Nominal GDP grew by 7.7% in Q3. For the full year, it is estimated to grow by 7.5%.

During the first 9 months of this FY, the Indian economy grew 5.1%, against 6.3% last year.

Expenditure side data paints a picture of an economy where private investment has contracted for the last 2 quarters, while private consumption has remained below trend.

Private consumption, reflected in private final consumption expenditure, rose by 5.86% in Q3.

Investments, as measured by gross fixed capital formation, fell 5.16% in Q3.

Government final consumption expenditure rose by 11.8% in Q3.

The sharp contraction in gross fixed capital formation in Q3 FY 20 underscores the tepid investment sentiment, as well as the decline in capital spending by the state governments, a fallout of their fiscal constraints.

Across different sectors, the agricultural sector and mining showed higher growth, but manufacturing remained a drag on the economy.

The agriculture sector grew at 3.5% in Q3, compared to 3.1% in Q2.

Mining sector growth stood at 3.2% in Q3, compared to 0.2% in Q2.

Manufacturing contracted at 0.2% in Q3, compared to a contraction of 0.4% in Q2.

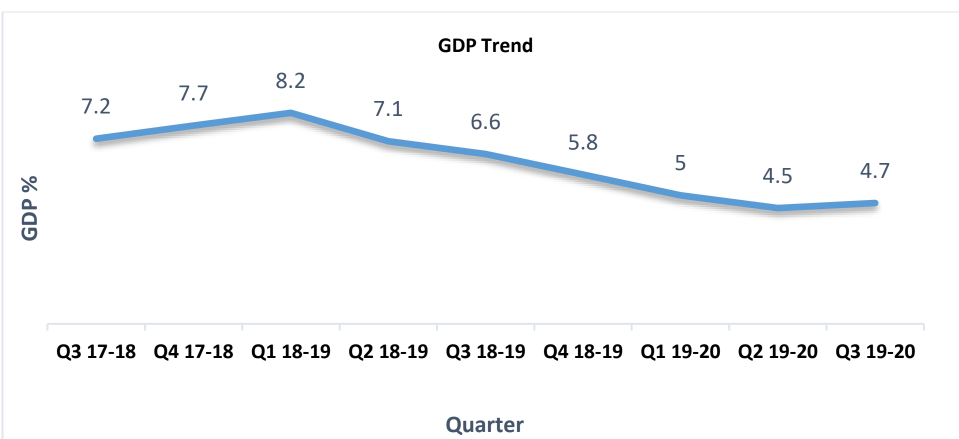
Electricity and other public utilities contracted by 0.7% in Q3, as against 3.9% in Q2.

Construction growth was at 0.3% in Q3, compared to 2.9% in Q2.

Trade, hotel, transport, communication growth stood at 5.9% in Q3, compared to 5.8% in Q2.

The financial services sector grew at 7.3%, compared to 7.1% in Q2.

The public administration segment, supported by government spending, grew at 9.7% in Q3, vs 10.1% in Q2.



Source: APAS BRT, www.mospi.gov.in

BANKING

Incentivizing Bank Credit to Specific Sectors – Exemption from CRR Maintenance

As per a statement in Statement on Developmental and Regulatory policies, released along with Monetary policy dated February 6, 2020, the Reserve Bank is actively engaged in revitalizing the flow of bank credit to productive sectors having multiplier effects to support growth impulses. Accordingly, banks are allowed to deduct the equivalent amount of incremental credit disbursed by them as retail loans to automobiles, residential housing, and loans to micro, small and medium enterprises (MSMEs), over and above the outstanding level of credit to these segments as at the end of the fortnight ended January 31, 2020 from their net demand and time liabilities (NDTL) for maintenance of the cash reserve ratio (CRR).

RBI has advised Banks that they can claim the first such deduction from the NDTL of February 14, 2020 for the amount equivalent to the incremental credit extended to the sectors indicated above over the outstanding level of credit as at the end of the fortnight ended January 31, 2020.

An amount equivalent to the incremental credit outstanding from the fortnight beginning January 31, 2020 and up to the fortnight ending July 31, 2020 will be eligible for deduction from NDTL for the purpose of computing the CRR for a period of five years from the date of origination of the loan or the tenure of the loan, whichever is earlier.

External Benchmark Based Lending – Medium Enterprises

As per an earlier circular by RBI, all new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans to Micro and Small Enterprises (MSEs) extended by banks with effect from October 01, 2019 were linked to external benchmarks.

Subsequent to the introduction of an external benchmark system, the monetary policy transmission has improved in respect of the sectors where new floating rate loans have been linked to the external benchmarks.

With a view to further strengthening monetary policy transmission, RBI has decided that all new floating rate loans to the Medium Enterprises extended by banks from April 01, 2020 shall be linked to the external benchmarks as indicated in the aforesaid circular. All the other instructions as contained in the aforesaid circular remain unchanged.

Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances – Projects under Implementation

In revision to earlier circular on above matter, RBI has decided to harmonize the guidelines for deferment of date of commencement of commercial operations (DCCO) for projects in non-infrastructure and commercial real estate (CRE) sectors. Accordingly, the revised guidelines for deferment of DCCO for CRE projects are as under:

i. Revisions of the date of DCCO and consequential shift in repayment schedule for equal or shorter duration (including the start date and end date of revised repayment schedule) will not be treated as restructuring provided that:
    a. The revised DCCO falls within the period of one year from the original DCCO stipulated at the time of financial closure for CRE projects; and
    b. All other terms and conditions of the loan shall remain unchanged.
ii. In case of CRE projects delayed for reasons beyond the control of promoter(s), banks may restructure them by way of revision of DCCO up to another one year (beyond the one-year period quoted above) and retain the 'standard' asset classification if the account continues to be serviced as per the revised terms and conditions under the restructuring.
iii. Banks while restructuring such CRE project loans under instructions at (ii) above will have to ensure that the revised repayment schedule is extended only by a period equal to or shorter than the extension in DCCO.
iv. Banks may fund cost overruns that arise on account of extension of DCCO (within the limits given above)
v. At the time of extending DCCO, Boards of banks should satisfy themselves about the viability of the project and the restructuring plan.
vi. All other aspects related to restructuring, income recognition, asset classification, provisioning as applicable for projects under implementation shall continue to apply.
vii. Banks shall ensure that all provisions of the Real Estate (Regulation and Development) Act, 2016 are complied with.

Long Term Repo Operations (LTROs)

As per a statement in Statement of developmental and regulatory policies issued along with Monetary Policy dated February 6th 2020, RBI has decided to conduct Long Term Repo Operations (LTROs) for one-year and three-year tenors for up to a total amount of ₹ 1,00,000 crores at the policy repo rate.

Therefore, RBI has decided to conduct following term repo operations:

Sl. No.	Date	Notified Amount (₹ crores)	Tenor	Window Timing	Date of Reversal
1	February 17, 2020 (Monday)	25,000	3-year	11:00 am to 11:30 am	February 16, 2023 (Thursday)
2	February 24, 2020 (Monday)	25,000	1-year	11:00 am to 11:30 am	February 23, 2021 (Tuesday)

The details of remaining LTROs will be announced in due course. The detailed operational guidelines for LTROs have been provided in the Annex.

Liquidity facilities under revised Liquidity Management Framework

As per the statement in Statement of Developmental and regulatory policies issued along with the Monetary policies, the Liquidity Management Framework has been revised as under:

Sl. No.	Instrument	Quantum	Periodicity/Timing
A. Instruments under LAF framework to manage short-term/transient liquidity			
1.	14-day variable-rate repo/reverse repo auction (Main operation)	Auction amount will be decided by the Reserve Bank and a single auction (either repo or reverse repo) will be conducted based on the assessment of liquidity conditions by the Reserve Bank.	On reporting Friday (2.30 PM – 3.00 PM) (If reporting Friday is a holiday, the auction will be conducted on preceding working day in Mumbai)
2.	Variable Rate Term Repo/Reverse Repo auction (Tenor: overnight and up to 13 days) (Fine-tuning operations)	The auction amount will be decided by the Reserve Bank, based on an assessment of the liquidity conditions.	Discretionary
3.	Fixed Rate Reverse Repo	No restriction on amount	

4.	Marginal Standing Facility (MSF)	Individual banks can draw funds up to Excess SLR + 2 per cent below SLR.	Daily (Including Saturdays, Sundays and holidays) between 5.30 PM and 11.59 PM
5.	FX Swaps	The amount will be decided by the Reserve Bank, based on the assessment of the liquidity conditions	Discretionary
6.	Standing Deposit Facility (SDF)	The operational details of Standing Deposit Facility (SDF) will be issued separately.	
B. Instruments to manage durable liquidity			
7.	Long Term Variable Rate Repo (LTR) Tenor: beyond 14 days	The auction amount will be decided by the Reserve Bank, based on an assessment of the liquidity conditions.	Discretionary
8.	Long Term Variable Rate Reverse Repo (LTRR) Tenor: beyond 14 days		
9.	FX Swap Auctions	The auction amount will be decided by the Reserve Bank, based on an assessment of the liquidity conditions.	Discretionary
10.	Open Market Operations (OMOs)		

Deposit Insurance and Credit Guarantee Corporation (DICGC) increases the insurance coverage for depositors in all insured banks to ₹ 5 lakh

With a view to providing a greater measure of protection to depositors in banks the Deposit Insurance and Credit Guarantee Corporation, a wholly owned subsidiary of the Reserve Bank of India, has raised the limit of insurance cover for depositors in insured banks from the present level of ₹1 lakh to ₹5 lakh per depositor with effect from February 4, 2020 with the approval of Government of India.

Guidelines on Merchant Acquiring Business – Regional Rural Banks

As per a statement in Statement of Developmental and regulatory policies, issued along with the Monetary Policy, RBI has decided to allow RRBs to act as merchant acquiring banks using Aadhaar Pay – BHIM app and POS terminals.

In this connection, the instructions are as under:

1. All RRBs intending to act as merchant acquiring banks (Aadhaar pay – BHIM app), shall be permitted to deploy their own devices subject to fulfilling the conditions as under:

a) The RRB should have the permission for mobile banking from the Reserve Bank

b) Additionally, the RRB shall be required to fulfil the following conditions:

i. The bank's IT systems & CBS should have been subjected to an IS Audit not earlier than six months from the date of application to confirm that the system is adequately secure.
ii. The bank must ensure necessary infrastructure for application development, safety and security of the transactions and handling of customer grievance.
iii. A customer grievance redressal mechanism duly approved by the bank's board should be in place;
iv. The bank should have a board approved policy on merchant acquisition for card transactions;
v. There should not be any restrictions imposed on the bank for accepting deposits/ withdrawals by Reserve Bank of India.
vi. No penalty should have been imposed in last two financial years.

2. All RRBs intending to act as merchant acquiring bank (POS terminals), shall be permitted to deploy their own devices provided they meet the conditions mentioned above, as also the conditions given hereunder:

c) In the preceding financial year, the RRB should have

i. Net worth of ₹100.00 crore or more as on March 31 of the preceding financial year
ii. Minimum CRAR at 9%
iii. Net NPA below 5%.

3. Apart from meeting the above eligibility criteria, the RRBs may be required to comply with instructions and guidelines on Merchant Acquisition for card transactions and POS issued by Department of Payment and Settlement Systems, RBI from time to time.

4. RRBs shall inform the respective Regional Offices of Reserve Bank, within a period of 15 days from the date of operationalizing the merchant acquisition business.

INSURANCE

Amendments in respect of provisions of Guidelines on Standardization of Exclusions in Health Insurance Contracts and Modification Guidelines on Standardization in Health Insurance

Insurance Regulatory and Development Authority of India (IRDAI) has brought about following amendments in the Guidelines on Standardization of Exclusions in Health Insurance Contracts

S.no	Reference	Existing	New
1	**Definition of Pre-Existing Disease** **(not applicable for Overseas Travel Insurance)**	**Pre-existing Disease means any condition, ailment, injury or disease:** a) That is/are diagnosed by a physician within 48 months prior to the effective date of the policy issued by the insurer or b) For which medical advice or treatment was recommended by, or received from, a physician within 48 months prior to the effective date of the policy or its reinstatement. c) A condition for which any symptoms and or signs if presented and have resulted within three months of the issuance of the policy in a diagnostic illness or medical condition. (Life Insurers may define norms for applicability of PED at Reinstatement)	**Pre-existing Disease means any condition, ailment, injury or disease:** a) That is/are diagnosed by a physician within 48 months prior to the effective date of the policy issued by the insurer or its reinstatement or b) For which medical advice or treatment was recommended by, or received from, a physician within 48 months prior to the effective date of the policy issued by the insurer or its reinstatement (Life Insurers may define norms for applicability of PED at Reinstatement) c) **(Deleted)**

ii. Also includes **Exclusion Q (Birth control, Sterility and Infertility)**

Revised Guidelines on Stewardship Code for Insurers in India

IRDAI has decided to revise the guidelines for Stewardship policy adopted by the Insurance companies based on experience in implementation, compliance by the insurers and the recent developments in this regard.

Accordingly, a revised guidance on stewardship code has been prepared and placed herewith as Revised Guidelines on Stewardship Code for Insurers in India. Kindly refer to it as here.

INFRASTRUCTURE & OTHER GOVT. INITIATIVES

Cabinet approves Revamping of "Pradhan Mantri Fasal Bima Yojana (PMFBY)" and "Restructured Weather Based Crop Insurance Scheme (RWBCIS)" to address the existing challenges in implementation of Crop Insurance Schemes.

The Union Cabinet, chaired by the Prime Minister, Shri Narendra Modi has approved revamping of "Pradhan Mantri Fasal Bima Yojana (PMFBY)" and "Restructured Weather Based Crop Insurance Scheme (RWBCIS)" to address the existing challenges in implementation of Crop Insurance Schemes.

Government has proposed to modify certain parameters/provisions of ongoing schemes of PMFBY and RWBCIS as under:

I. Allocation of business to Insurance Companies to be done for three years (Both PMFBY/RWBCIS).
II. Option shall be given to States/UTs to choose Scale of Finance or district level Value of Notional Average Yield (NAY) i.e. NAY* Minimum Support Price (MSP) as Sum Insured for any district crop combination (Both PMFBY/RWBCIS). Farm gate price will be considered for the other crops for which MSP is not declared.
III. Central Subsidy under PMFBY/RWBCIS to be limited for premium rates upto 30% for unirrigated areas/crops and 25% for irrigated areas/crops. Districts having 50% or more irrigated area will be considered as irrigated area/district (Both PMFBY/RWBCIS).
IV. Flexibility to States/UTs to implement the Scheme with option to select any or many of additional risk covers/features like prevented sowing, localized calamity, mid-season adversity, and post-harvest losses. Further, States/UT can offer specific single peril risk/insurance covers, like hailstorm etc., under PMFBY even with or without opting for base cover (Both PMFBY/RWBCIS).
V. States not to be allowed to implement the Scheme in subsequent Seasons in case of considerable delay by States in release of requisite Premium Subsidy to concerned Insurance Companies beyond a prescribed time limit. Cut-off dates for invoking this provision for Kharif and Rabi seasons will be 31st March and 30th September of successive years respectively (Both PMFBY/RWBCIS).
VI. For estimation of crop losses/admissible claims, two-Step Process to be adopted based on defined Deviation matrix" using specific triggers like weather indicators, satellite indicators, etc. for each area along with normal ranges and deviation ranges. Only areas with deviations will be subject to Crop Cutting Experiments (CCEs) for assessment of yield loss (PMFBY).

VII. Technology solutions like Smart Sampling Technique (SST) and optimization of number of CCEs to be adopted in conducting CCEs (PMFBY).

VIII. In case of non-provision of yield data beyond cut-off date by the States to implementing Insurance Companies, claims to be settled based on yield arrived through use of Technology solution (PMFBY alone).

IX. Enrolment under the Scheme to be made voluntary for all farmers (Both PMFBY/RWBCIS).

X. Central Share in Premium Subsidy to be increased to 90% for North Eastern States from the existing sharing pattern of 50:50 (Both PMFBY/RWBCIS).

XI. Provisioning of at least 3% of the total allocation for the Scheme to be made by Government of India and Implementing State Governments for administrative expenses. This shall be subject to an upper cap fixed by DAC&FW (Department of Agriculture Co-operation and Farmer welfare) for each State (Both PMFBY/RWBCIS).

XII. Besides above, DAC&FW in consultation with other stakeholders/agencies will prepare/develop State specific, alternative risk mitigation programme for crops/areas having high rate of premium. Further, as the scheme is being made voluntary for all farmers, therefore, to provide financial support and effective risk mitigation tools through crop insurance especially to 151 districts which are highly water stressed including 29 which are doubly stressed because of low income of farmers and drought, a separate, scheme in this regard would also be prepared.

XIII. The concerned provisions/parameters of scheme and operational guidelines of the PMFBY and RWBCIS shall be modified to incorporate the above said modifications and shall be made operational from Kharif 2020 season.

Benefits

With these changes it is expected that farmers would be able to manage risk in agriculture production in a better way and will succeed in Stabilizing the farm income. Further, it will increase coverage in north eastern region enabling farmers of NER to manage their agricultural risk in a better way. These changes will also enable quick and accurate yield estimation leading to faster claims settlement.

These changes are proposed to be implemented from Kharif' 2020 Season throughout the Country.

Cabinet approves Updating European Union Alternative Investment Fund Managers Directive (AIFMD) MoU signed between SEBI and Financial Conduct Authority (FCA), United Kingdom

The Union Cabinet, chaired by the Prime Minister, Shri Narendra Modi has approved the proposal of Securities & Exchange Board of India (SEBI) to sign an updated Alternative Investment Fund Managers Directive (AIFMD) MoU signed between SEBI and Financial Conduct Authority (FCA), UK, pursuant to UK's exit from the European Union on 31st January 2020.

Major impact

The UK exited the EU on 31st January 2020. FCA, UK had submitted to SEBI that no transitional measures would be available if the amended MoU is not signed before the date when the UK exits the European Union (Brexit), and requested SEBI to sign an updated MoU as early as possible. As such, the proposal is not expected or intended to have any effect on employment in India.

Background

In accordance with the requirement of establishing adequate supervisory cooperation arrangements between EU and non-EU authorities under the European Union Alternative Investment Fund Managers Directive (AIFMD), a bilateral MoU was signed by SEBI with securities regulators of 27 member States of EU / European Economic Area, including Financial Conduct Authority (FCA), United Kingdom on 28th July 2014. In the context of UK's proposed withdrawal from EU, FCA brought to the notice of SEBI that the existing MoU between SEBI and FCA relating to AIFMD, which is currently anchored on EU law, will no longer apply directly in the UK, and have therefore, suggested signing an updated MoU after amending the AIFMD MoU by suitably modifying it and substituting references to EU legislation with the relevant UK law.

CAPITAL MARKETS

Facilitating transaction in Mutual Fund schemes through the Stock Exchange Infrastructure

SEBI had permitted mutual fund distributors to use recognized stock exchanges' infrastructure to purchase and redeem mutual fund units directly from Mutual Fund / Asset Management Companies.

Subsequently, SEBI allowed SEBI Registered Investment Advisors (RIAs) to use infrastructure of the recognised stock exchanges to purchase and redeem mutual fund units directly from Mutual Fund/ Asset Management Companies on behalf of their clients, including direct plans.

In order to further increase the reach of this platform, it has been decided to allow investors to directly access infrastructure of the recognized stock exchanges to purchase and redeem mutual fund units directly from Mutual Fund/ Asset Management Companies.

Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System

SEBI had discussions with Stock Exchanges, Clearing Corporation and Depositories and industry representatives of Trading Members (the "TM") / Clearing Members (the "CM") / Depository Participants (the "DP"), to devise a framework that mitigates the risk of misappropriation or misuse of client's securities available with the TM / CM / DP. The misappropriation or misuse would include use of one client's securities to meet the exposure, margin or settlement obligations of another client or of the TM / CM. SEBI also discussed the matter in the Secondary Market Advisory Committee meeting.

The details of the discussions are covered here.

Review of Margin Framework for Cash and Derivatives segments (except for Commodity Derivatives segment)

SEBI, for Stock Exchanges and Clearing Corporations (except Stock Exchanges and Clearing Corporations in International Financial Services Centre) has from time to time, put in place various risk containment measures to address the risks involved in the cash and derivatives market. With a view to keeping up pace with the changing market dynamics and to bring more efficiency in the risk management framework, a comprehensive review of the margin framework was done in consultation with the Risk Management Review Committee (RMRC) of SEBI. Based on the review, SEBI has decided to effect the changes to the existing risk management framework. The changes to be brought about are as per here.

Guidelines for Portfolio Managers

Securities and Exchange Board of India (SEBI), based on the recommendations of a Working Group and inputs from public consultation, reviewed the framework for regulation of Portfolio Managers and the SEBI (Portfolio Managers) Regulations, 2020 ("PMS Regulations"). Changes under following sub-heads have been decided by SEBI to be implemented:

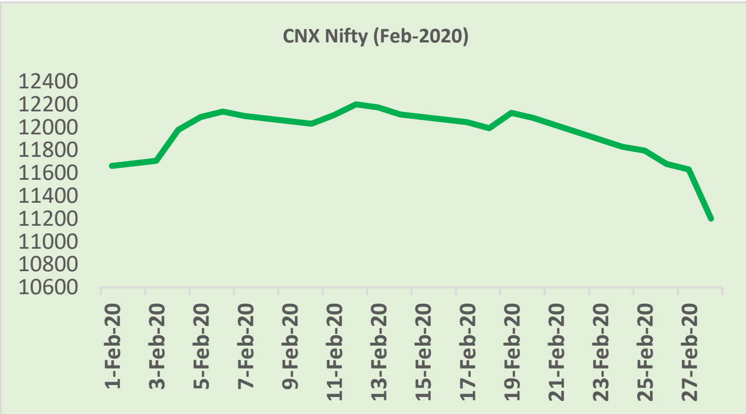
I. Fees and Charges
II. Direct on-boarding of clients by Portfolio Managers
III. Nomenclature 'Investment Approach'
IV. Periodic reporting by Portfolio Managers
V. Reporting of Performance by Portfolio Managers
VI. Disclosure Documents
VII. Supervision of Distributors
VIII. Applicability

Disclosure Standards for Alternative Investment Funds (AIFs)

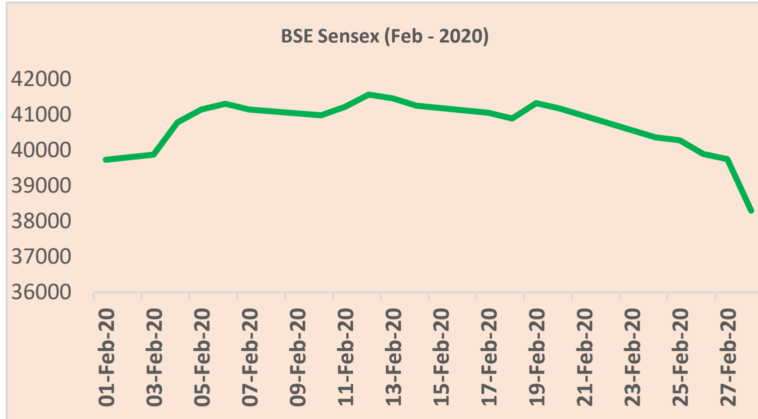
As a part of SEBI's initiatives to streamline disclosure standards in the growing AIF space, SEBI through a Consultation Paper dated December 4, 2019 sought public comments on 'Introduction of Performance Benchmarking' and 'Standardization of Private Placement Memorandum (PPM) for AIFs'. Considering inputs from public consultation and deliberations in Alternative Investment Policy Advisory Committee (AIPAC), SEBI has decided to introduce template(s) for PPM, subject to certain exemptions, and mandatory performance benchmarking for AIFs with provisions for additional customized performance reporting. The detailed disclosure standards shall have to be reported in the below given sub-heads:

A. Template(s) for PPM
B. Performance Benchmarking of AIFs

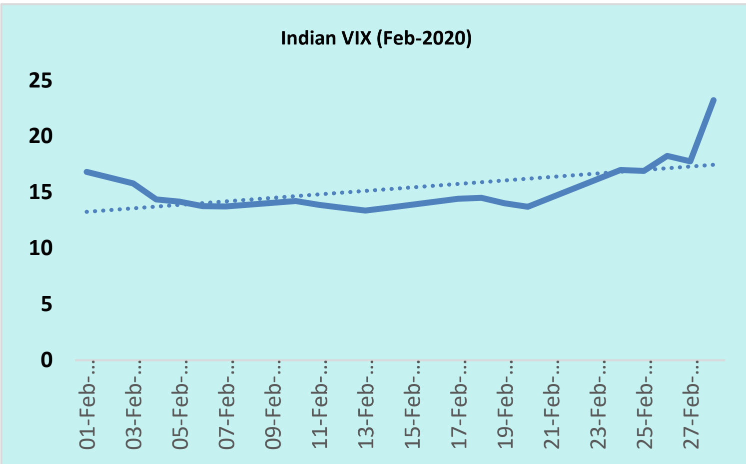
CAPITAL MARKETS SNAPSHOT

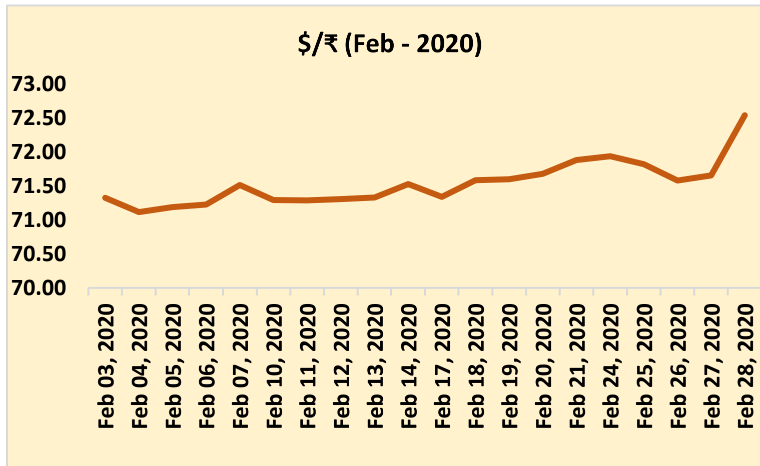


Source: National Stock Exchange

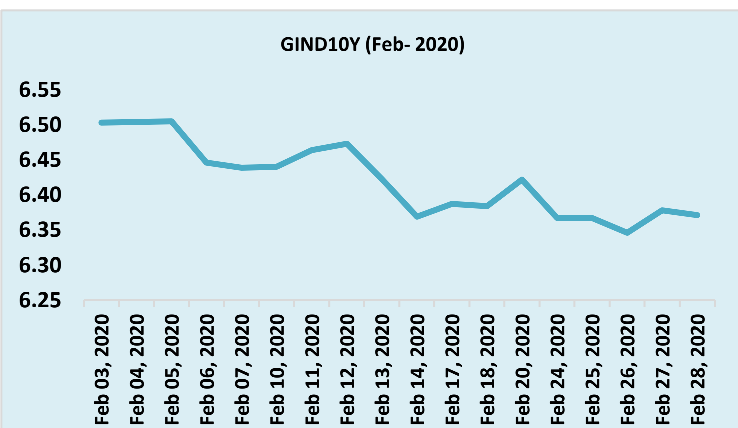


Source: Bombay Stock Exchange





Source: National Stock Exchange



Sources: APAS Business Research Team

The negative trend persisted in Indian equities, with the S&P BSE Sensex and Nifty 50 losing ~2% each. Sentiment was dented earlier as coronavirus cases were detected in India. More selling was seen on reports of the United States (US) conducting an airstrike against the Taliban in Nahr-e Saraj in Helmand district, Afghanistan. The market declined further following a crisis at a large domestic private sector bank. The S&P BSE Bankex was the biggest sectoral decliner, down 4.3%. Further losses were prevented on hopes global central banks would introduce monetary policy measures to contain the economic impact of coronavirus.

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ECONOMIC DATA SNAPSHOT

Countries	GDP			CPI		Current Account Balance	Budget Balance	Interest Rates
	Latest	2019*	2020*	Latest	2019*	% of GDP, 2019*	% of GDP, 2019*	(10YGov), Latest
Brazil	1.7 Q4	1.2	2.4	4.2 Jan	3.7	-2.3	-5.7	4.01
Russia	1.7 Q3	1.3	1.7	2.3 Feb	4.5	4.2	1.8	6.29
India	**4.7 Q4**	**4.9**	**6.0**	**7.6 Jan**	**3.7**	**-1.2**	**-3.9**	**6.24**
China	6.0 Q4	6.1	5.4	5.4 Jan	2.9	1.5	-4.3	2.47^
S Africa	-0.5 Q4	0.4	1.2	4.4 Jan	4.1	-3.8	-5.9	9.20
USA	2.3 Q4	2.3	1.7	2.5 Jan	1.8	-2.5	-4.6	0.54
Canada	1.5 Q4	1.7	1.8	2.4 Jan	2.0	-2.1	-1.0	0.70
Mexico	-0.5 Q4	-0.1	0.9	3.7 Feb	3.6	0.0	-1.6	6.71
Euro Area	1.0 Q4	1.2	1.2	1.2 Feb	1.2	3.2	-0.8	0.0
Germany	0.5 Q4	0.6	0.9	1.7 Feb	1.4	7.3	1.5	0.0
Britain	1.1 Q4	1.3	1.2	1.8 Jan	1.7	-4.3	-1.8	0.27
Australia	2.2 Q4	1.7	1.6	1.8 Q4	1.6	0.4	0.1	0.60
Indonesia	5.0 Q4	5.0	5.0	3.0 Feb	2.8	-2.7	-1.6	6.90
Malaysia	3.6 Q4	4.5	4.4	1.6 Jan	0.7	3.4	-3.5	2.84
Singapore	1.0 Q4	0.7	0.4	0.8 Jan	0.6	17.0	-0.1	1.17
S Korea	2.3 Q4	2.0	1.9	1.1 Feb	0.4	3.7	-0.3	1.30

Sources: The Economist

**** The Economist poll or Economist Intelligence Unit estimate/forecast;***

^ 5-year yield

Quarter represents a three-month period of a financial year beginning 1st April

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ABOUT APAS

APAS is a management advisory firm specializing in banking, financial services and the insurance space. APAS assists business leaders of some of the leading domestic and global organizations, acting as an extended arm to the management in coping with the ever changing internal and external dynamics. Leveraging deep business insights APAS develops business and operational strategy for its clients. APAS provides transaction advisory services (Buy, sell and merge), and also specializes in governance and board training. APAS facilitates investors and sellers with directional guidelines of pursuing transactions, by utilizing subject knowledge, vast experience and deep market outreach. APAS has capability to identify and analyze key transaction drivers, recognize possible partnerships, and initiate discussions with them for possible growth opportunity. We help major insurance companies, payment institutions, and other financial organizations to identify their growth potential, innovative opportunity and possible benefits of consolidation, and hence comprehend the possible merger or acquisition. Buying or selling a major asset or a business, undertaking a merger, or performing an IPO can be risky and complex especially in this globalization era. Hence, the need of a trusted advisor who can help clients preserve, create and enhance value in transactions.

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