



Confederation of Indian Industry

# India Growth: On Track

15th Banking Colloquium | September 2022, Kolkata



## About Brickwork Ratings

Brickwork Ratings (BWR) is India's home-grown credit rating agency established in 2008 with a commitment to provide reliable, accurate and timely credit opinions to the domestic market. Founded by experienced bankers, credit rating professionals, former regulators and professors, catering to small, medium and large corporates, banks and financial institutions, Infrastructure sector, Government entities (State and Central), Urban Local bodies and Asset Reconstruction Companies. Canara Bank, a leading Public Sector Bank, is a shareholder in BWR. Brickwork Ratings is recognised by Securities Exchange Board of India (SEBI) and accredited by the Reserve Bank of India (RBI) serving investors, issuers, market participants, lenders and regulators enabling informed decisions.

## Brickwork Ratings Snapshot

 <p>Industry player for 14 years</p>	 <p>Offices in 8 major cities and presence in 35 cities pan India</p>	 <p>Workforce of 340+ people</p>
 <p>CPs/FDs rating worth around INR 85,000 Crs</p>	 <p>More than 13,000 NCD and BLR ratings aggregating around INR 19 Lakh Crs</p>	 <p>Sector-wise Rating Coverage - Across 26 major sectors</p>
 <p>Highest market share in the Security Receipts ratings segment</p>	 <p>Assigned ULB ratings to more than 100 Urban Local Bodies</p>	 <p>75000+ ratings since Inception</p>

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## **Mr Kaushik Mukerjee**

Chairman

CII Eastern Region Economic Affairs, Corporate Finance & Taxation Sub Committee

## **Foreword**

**India** recently celebrated **Azadi Ka Amrit Mahotsav**, commemorating its 75 years of independence, marching towards a glorious future. The positive vibes generated by the celebrations have been of immense value in creating an atmosphere of confidence in the minds of its citizens for welcoming the future with great expectations.

While it is of utmost satisfaction that the country has emerged relatively unhurt from the adverse effects of the recent pandemic, the Indian Economy has remained resilient to the threats posed by external factors like, global disruptions in energy and commodity markets, prolonged Russia-Ukraine conflict, recessionary pressures, etc. The strong economic and healthy fundamental indicators are symbolic of India's growth story remaining on track.

Overcoming the obstacles, India is certainly re-emerging to become a vibrant economic power in the world. It is heartening to learn that India is presently placed at 5<sup>th</sup> place in terms of Gross Domestic Product. The contribution of banks to the overall growth of the economy is undeniably vital and the active participation of the banking sector in the real economy has been the catalyst for the growth momentum. The steps taken by the Government, in the form of merger of 10 PSBs to form 4 bigger entities and providing larger capital base to them, have resulted in creation of a robust banking system in the country, capable of exhibiting enhanced strength to withstand any unforeseen systemic jolts. The regulators have been engaging themselves in safeguarding the financial stability and ensuring macroeconomic growth. Embracing evolving financial technology along with digital banking and implementing policies for Environmental, Social and Governance (ESG) and Risk Estimation are some of the essentials that will drive the industry in the coming years.

CII and Brickwork Ratings have been associated together over the past decade. I congratulate the CII Eastern Region and the Brickwork Ratings team for presenting an insightful report titled "**India Growth: On Track**" at this year's Banking Colloquium.

I trust the readers would find this report interesting and useful.

## Introduction

The Indian economy has gone through its fair share of turmoil and turbulence in the last 4 fiscals, which included the NBFC crisis followed by the unprecedented Covid-19 pandemic. The pandemic, which came in 3 waves, spanned nearly two years, repeatedly affecting the recovery prospects of the economy.

But now, the clouds of the pandemic appear to have cleared and economies around the world are focused towards bringing their respective economies back into a path of beneficial growth. However, such efforts have been tempered by the developing geo-political situation arising out of the ongoing Russia-Ukraine war. The spillover effect of it has made many businesses take a conservative stance in many geographies leading to an expectation of looming economic downturn.

In all this, the Indian economy stands out as one of the exceptions showing clear signs of a revival as it posted a growth of 8.7% in FY22. The expectation of this growth being the beginning of a period of sustained growth is based on the foundation that was laid during the last few fiscals to strengthen the stakeholders, reinforcing the banking and financial services industry, improving transparency and very importantly, launching the world's largest Covid vaccination program.

The coordinated efforts of a determined Government of India and a sensitive and agile regulatory system has suitably protected and guided the economy through the challenging phase. With the previous headwinds settling down, the Indian financial regulators are now aligning to the futuristic requirements of effective use of financial technology and growing sensitivity to the ESG factors in the financial markets.

This has now brought India in the throes of a prolonged and paradigm-shifting growth phase. It remains to be seen how the economy progresses from here on. From being the fifth largest economy of the world today, India looks to be set on the growth path to becoming one of the top three economies in the not-so-distant future.

Lastly, I would like to thank the Research team at Brickwork Ratings and particularly, Ritaban Basu, Anita Shetty, Aishwarya Govind and Alka Yadav for their contributions towards this report.

### **Vivek Kulkarni IAS (Retd)**

Founder and Managing Director,  
Brickwork Ratings

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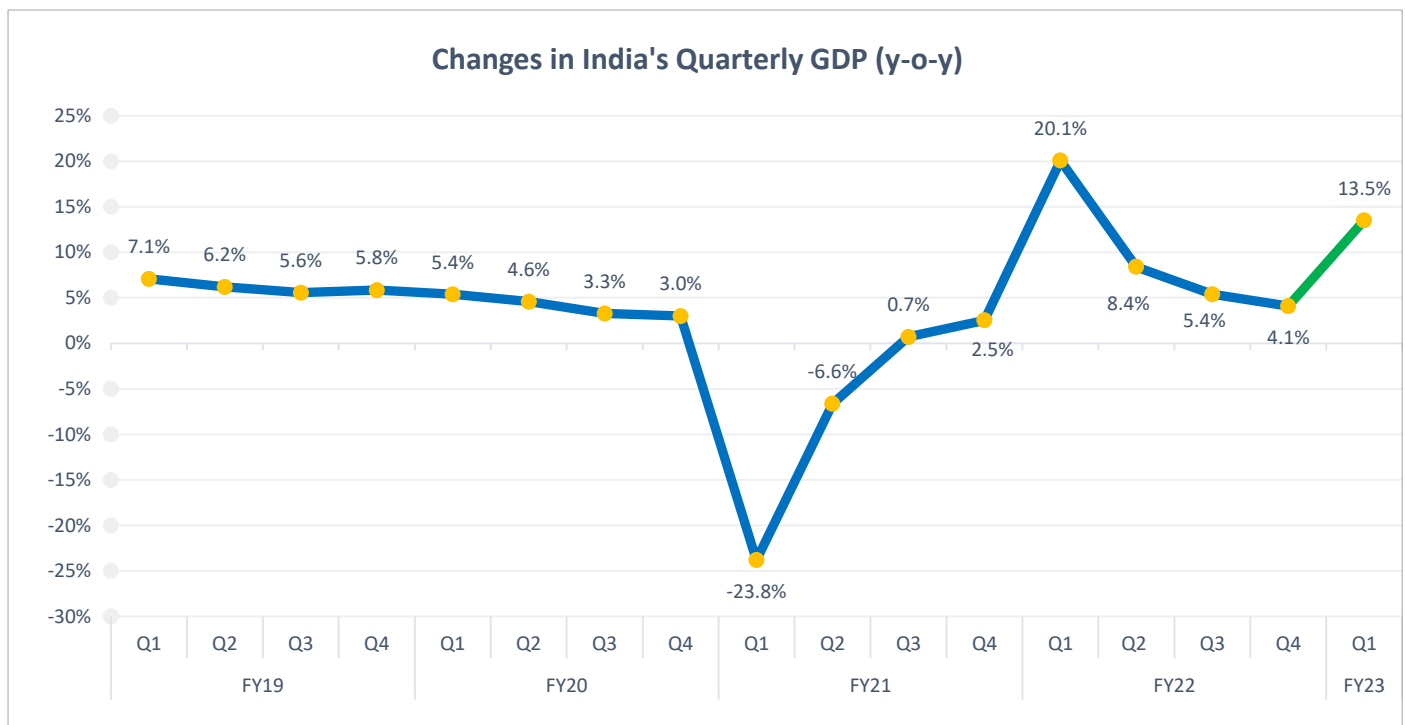
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# The Revival Story: Pre-pandemic till Now

## Indian Economy: Recovery on its way?

The Indian economy has been going through a lot of sharp movements in the last four fiscals. There has been a fall in GDP growth from 8.3% in FY17 to 4% in FY20 due to weaknesses in the financial sector compounded by decline in the growth of private consumption. In FY21, the Covid-19 pandemic resulted in a further deterioration in the economic health, and the Indian economy witnessed the sharpest contraction of 6.6% in the annual GDP.

## How the economy traversed through the pandemic and beyond



Note: Data is provisional, - means negative growth

Source: MOSPI, BWR Research

It is worthwhile to mention that the economic contraction could be restricted to some extent due to the timely and proactive measures by the Government and the Reserve Bank of India (RBI) to tackle the Covid-19 disruptions through fiscal and monetary policy measures such as interest rate cuts, liquidity injections, and increased spending on health and social protection. These actions provided the required support to vulnerable firms and households battered by the economic and financial disruptions caused by the repeated lockdowns amid pandemic waves. With these timely measures, the economy recovered well, and the GDP rebounded with 8.7% growth in FY22, with a strong base effect.

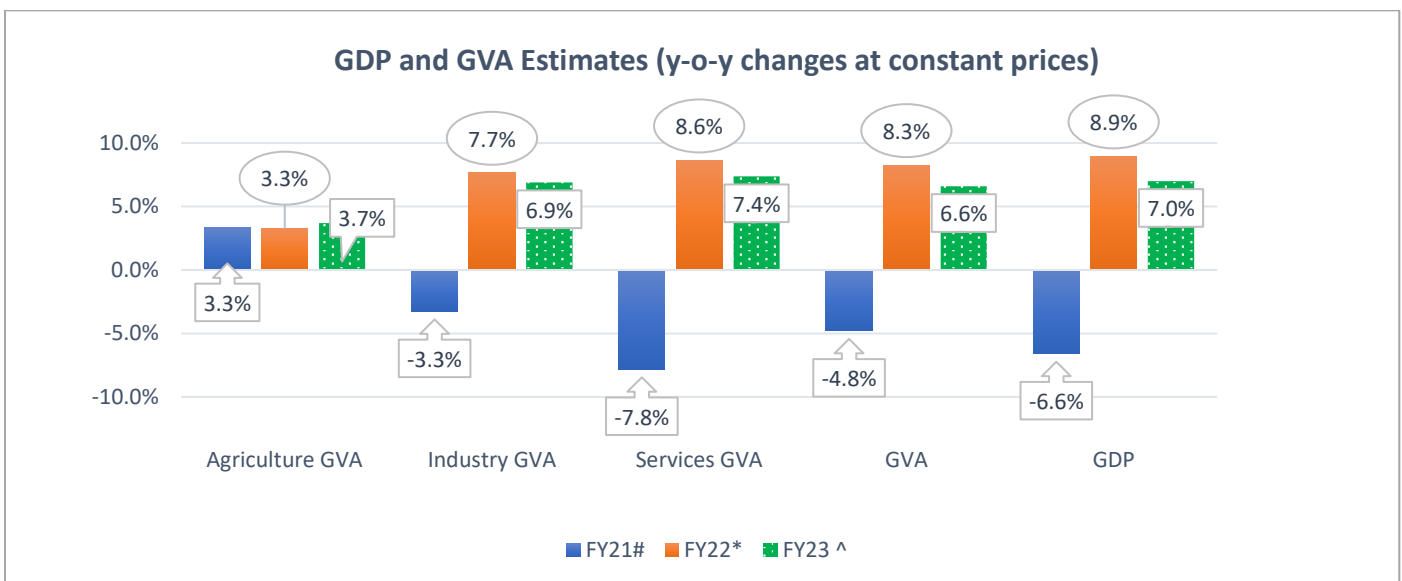
## Post-Pandemic Recovery Continues

After the three phases of the Covid-19 pandemic, economies across the world started recovering. However, the growth dynamics got affected following Russia’s invasion of Ukraine in February 2022. Rising price pressures on account of supply constraints added to the dilemma. The domestic growth prospects were also negatively affected due to adverse global developments such as the tightening of financial conditions, incessant supply constraints, the prolonged Russia-Ukraine war and rising risks of a global recession. Persistent supply-side disruptions and uncertainties in energy-related supplies led to a spike in inflationary challenges. Additionally, the Indian rupee depreciated following a net reduction in capital flows.

The record-level inflation at 7.28% in Q1FY23 also intensified significant downside risks to the growth momentum. Following the rising inflationary concerns, the RBI started withdrawing the accommodative stance and hiked the key policy repo rate by 140 bps since 4 May 2022. The waning monetary policy support posed a new challenge to growth prospects, yet the RBI retained its growth projection at 7.2% for FY23, citing the improving domestic fundamentals and continued resilience of the Indian economy. Moreover, most of the major global agencies have termed India as one of the fastest growing economies in the world. Relative optimism regarding the domestic economy is fuelled by the robust macro-economic fundamentals and timely regulatory action for maintaining price stability and avoiding a stagflation-like situation. This is evident from domestic high-frequency growth indicators, which have been reflecting a gradual and sustained recovery so far in FY23, despite the dismal global situation.

## Broad-based recovery across sectors

On the supply side, the Gross Value Added (GVA) is expected to show sustained growth, especially driven by the expectation of good agricultural output and a resurgent service sector with sharp recovery in contact-intensive sectors. The manufacturing sector is also expected to contribute positively since the pressures due to higher input costs and ongoing supply-side disruptions are likely to taper during the year.



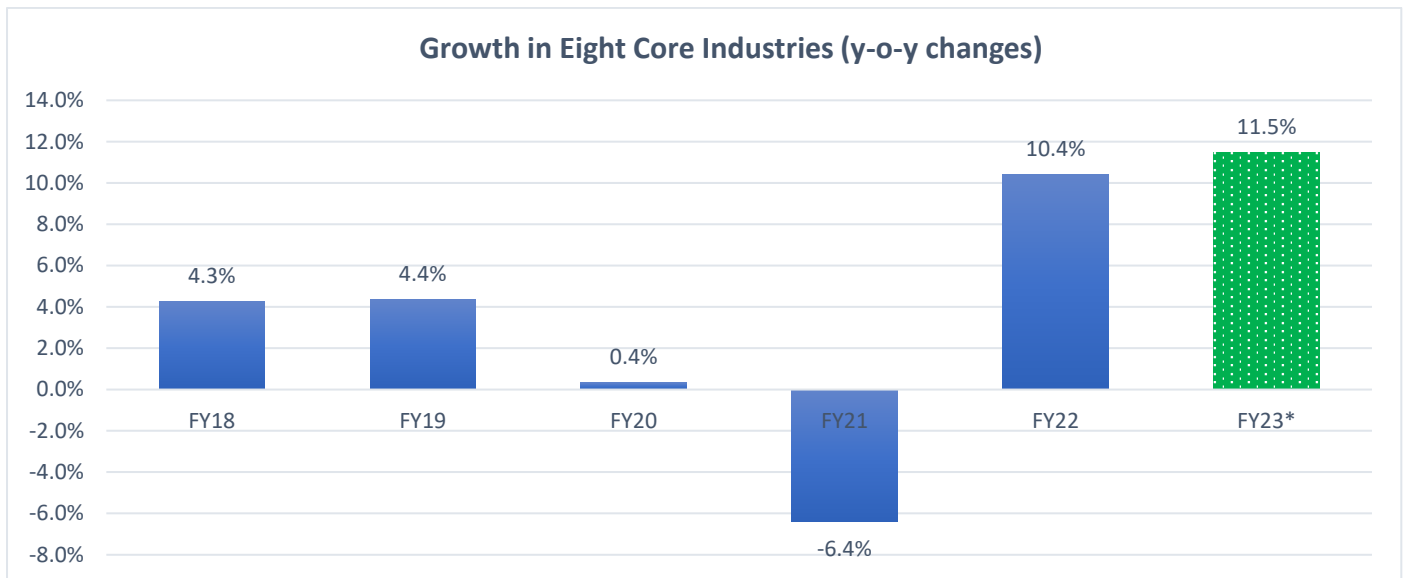
Note: Data is provisional. \* Provisional Estimates, # Revised Estimates, ^BWR Estimates

Source: MOSPI, BWR Research

## High frequency indicators show strong and broad-based momentum

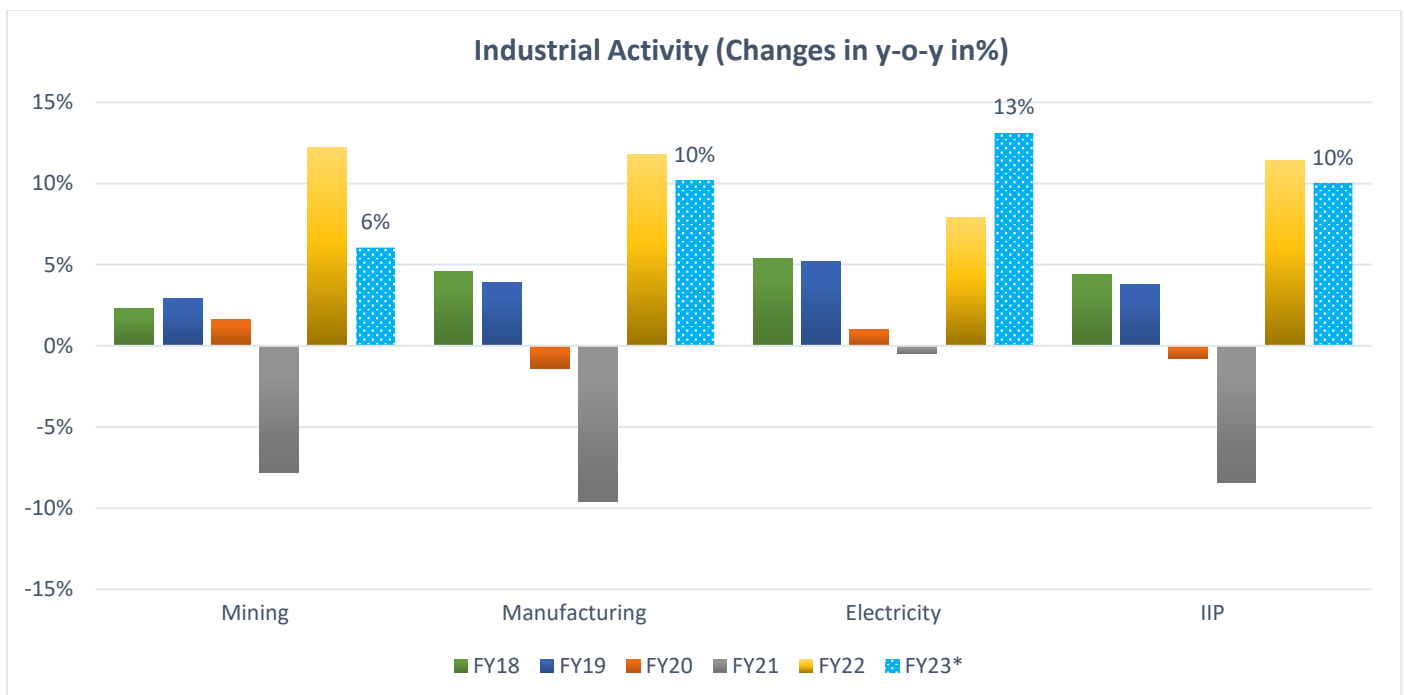
### Eight Core industries showing strong rebound

Inflation concerns, which increased further in the first half of 2022 and dampened the sentiments, appear to have dissipated in the recent months. The industrial output was boosted by growth in demand, easing input cost and growing business confidence.



\*: Average growth for April to July 2022

Source: eaindustry.in, BWR Research



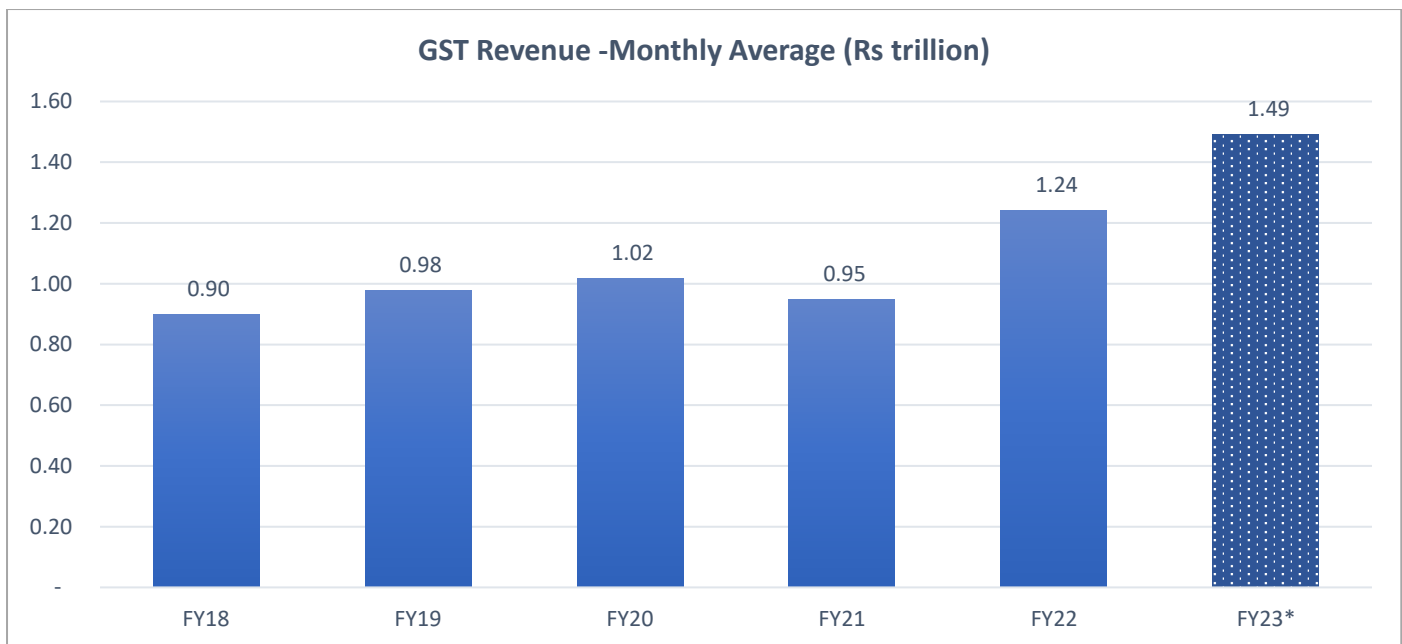
\*: Average growth for April to July 2022

Source: MOSPI, BWR Research

## GST monthly collections reflect steady economic revival

The gross GST collections, which represent the consumption of taxed goods and services, improved significantly, reflecting heightened economic activity and signs of a sustained growth phase. Various measures taken by the GST Council in the past to ensure better compliance in addition to better reporting are also having a positive impact on GST revenues on a consistent basis. Stabilising the technology platform will go a long way in improving tax compliance, and the timely monitoring of input tax credit claims will further improve tax compliance, triggering increased revenue productivity.

The GSTN has also been able to stabilise the technology platform. Mandating the issue of e-invoices for all businesses above Rs. 100 crore has ensured better invoice matching and the detection of fake invoices that were used to claim input tax credit. This has helped improve tax compliance and also enabled its better enforcement. With the passage of time, the GSTN should be able to enforce the e-invoice requirement for all businesses above Rs 10 crore, and that will cover more than 95% taxpayers. With these developments, we can expect higher revenue buoyancy, and that should provide comfort to undertake further reforms.

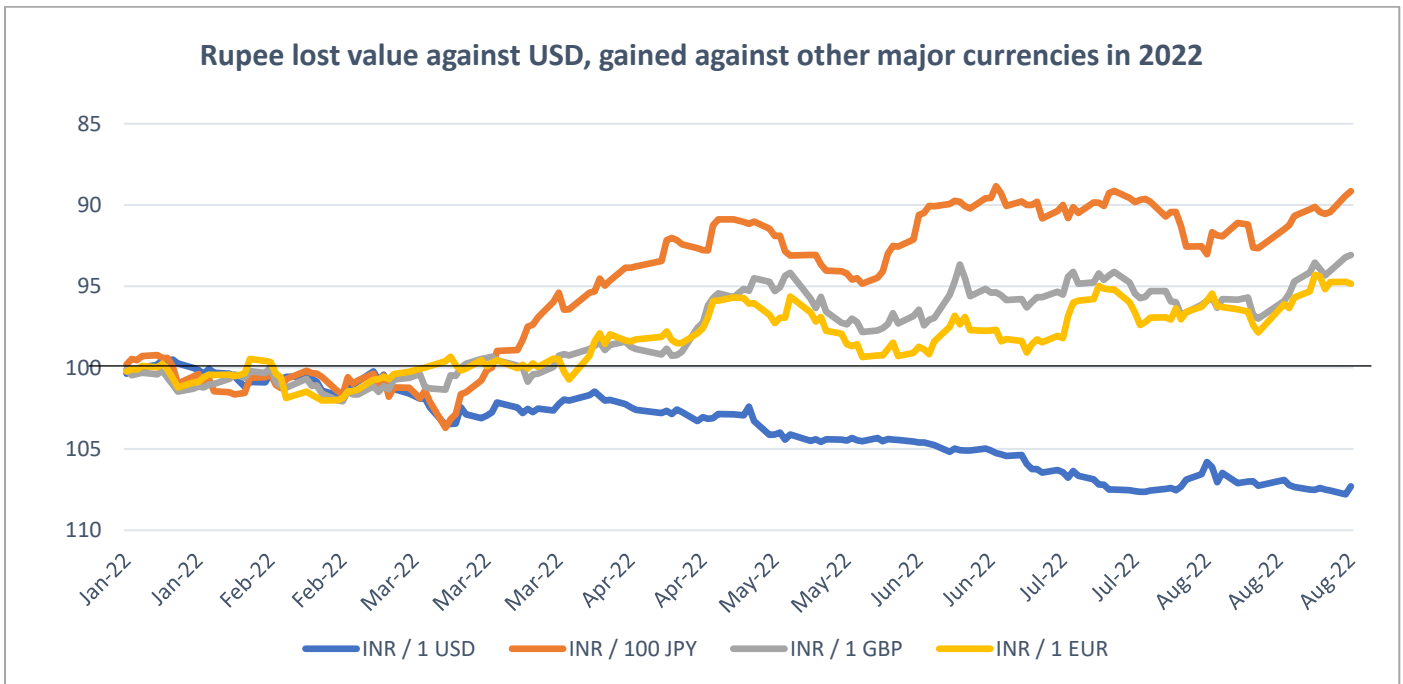


\*: Average for April to August 2022

Source: PIB, BWR Research

## Rupee turns into an outperformer among EM peers in FY23 so far

Although the Indian rupee depreciated against the US dollar, it appreciated against the other major currencies in 2022. Despite aggressive rate hikes by the US Fed, the Indian currency managed to remain relatively stable against the US dollar compared to the currencies of other EMEs. The RBI's accommodative measures and effective interventions to manage volatility helped the Indian currency to remain stable.

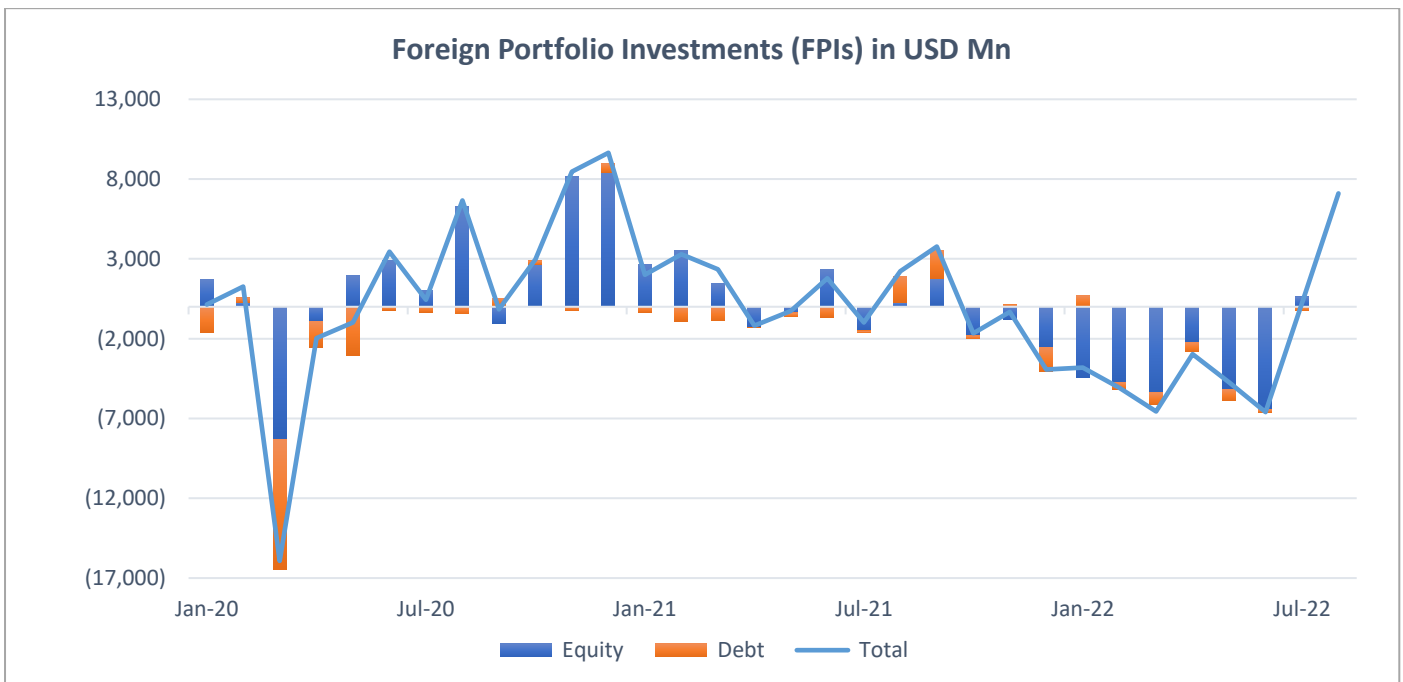


Note: Rebased to 31 December 2021

Source: FBIL, BWR Research

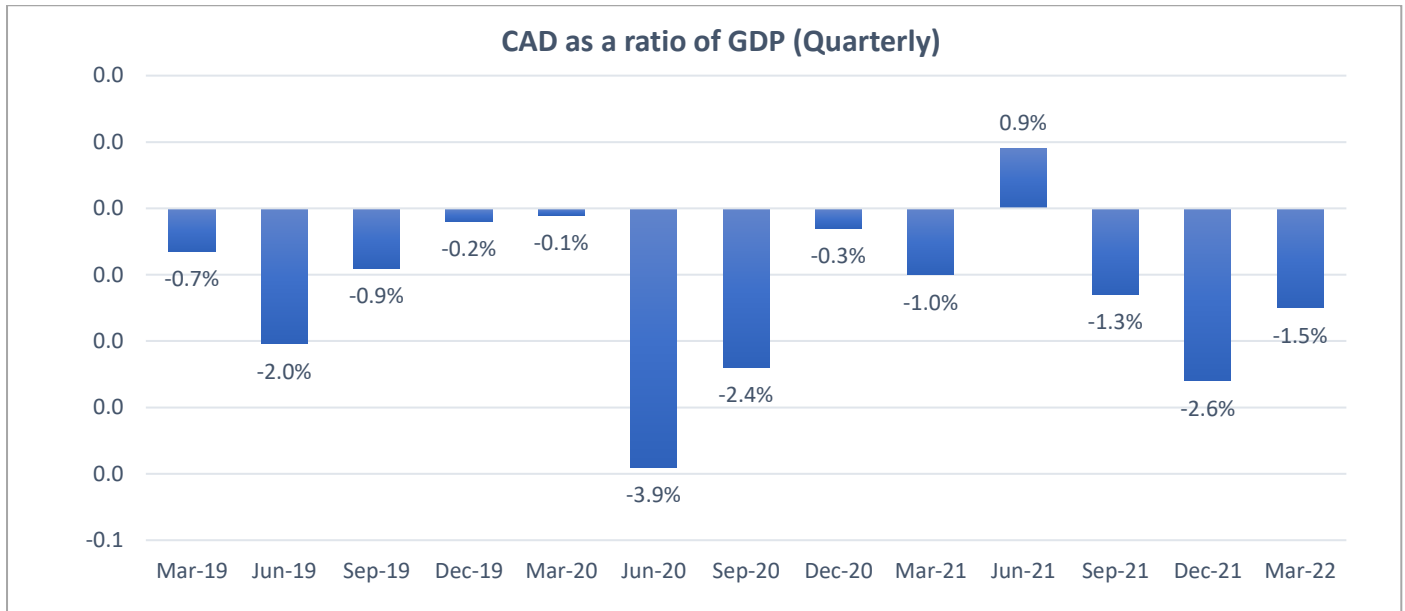
## FPIs returning to Indian equities portray India’s potential growth prospects

In line with the expectations of stability and growth around the Indian economy, FPIs have started to flow towards Indian markets, especially after the tightening of rates by the RBI.



Source: NSDL, BWR Research

India being a large importer of gold, crude oil and capital goods, has mostly run a deficit current account balance.



Source: RBI, BWR Research

### Summary:

- The global economic scenario faces considerable headwinds due to uncertainties on commodity and energy supplies. Financial markets are showing increased volatility due to the overall gloom regarding the future.
- The Indian economy continues on its growth path despite the global headwinds, with clear indications of sustained and higher economic activity, with most sectors bettering their pre-pandemic levels.
- With the changed stance on rates from the RBI, there are indications of inflation moderating in the last few months, which may be a pre-cursor to India's journey onto a stable and sustainable growth path.
- With the supply side being managed with higher outputs and other trade restrictions, the economy is possibly cushioned to an extent against the external environment.

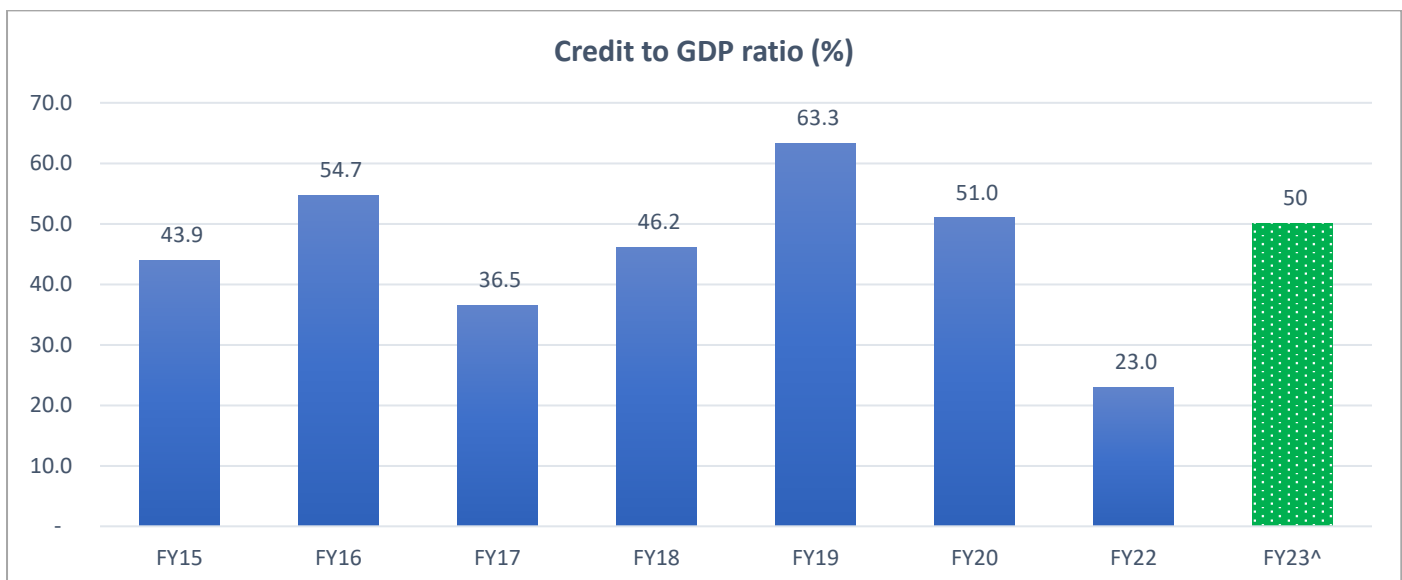
## Banking: Withstanding Turbulent Times

### Role of banking sector in shaping the economy

The effective functioning of the banking sector has a key impact on the stability of economic growth. Banking sector has undergone significant changes in recent years primarily due to asset quality issues after the NBFC crisis in 2019 followed by Covid-19 related disruptions in 2020.

The government, in the last 5-6 years, has infused considerable capital in Public Sector Banks (PSBs) to help them weather the NPA crisis, as well as maintain the minimum capital requirements under the Basel III framework. PSBs remained well-capitalised before the pandemic hit and were in a better position to withstand the pandemic shock. Post the pandemic, the RBI took various conventional and out-of-the-box measures to enable the smooth functioning of the financial system. Along with a 115 bps cut in key policy rates (repo rate reduced to record lows from 5.15% to 4% levels during March 2020 to May 2020), the RBI also maintained the accommodative policy stance throughout FY21 and FY22. In addition, the RBI introduced various liquidity boosting measures to keep the financial system functioning smoothly. The coordinated policy response of the RBI and Government helped mitigate the adverse effects of the pandemic on financial markets and financial institutions, with the lifeline of finance flowing.

One of the key indicators of economic growth is the incremental increase in the bank credit to GDP ratio. A higher credit-to-GDP ratio indicates the aggressive and active participation of the banking sector in the real economy, while a lower number shows the need for more formal credit. The incremental credit to GDP share was as high as 63% in FY19, after averaging 50% for the last five years. The share is likely to cross the 50% mark in FY23 after slipping to 23% in FY22.



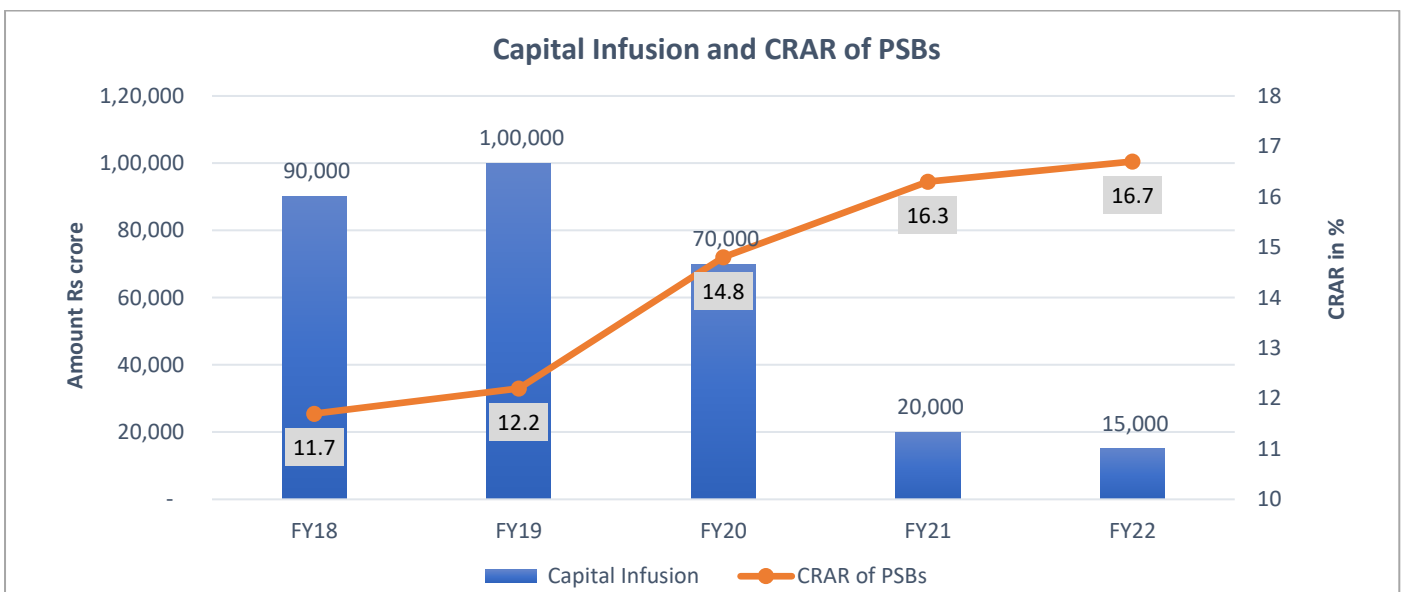
<sup>^</sup> Estimates

Note: For FY21, the ratio is not comparable due to negative growth in GDP

Source: MOSPI, RBI, BWR Research

## Recapitalisation of Banks

The Indian banking system has been able to withstand the shock of the pandemic and maintain the capital adequacy ratio above the minimum regulatory requirements under the Basel III framework. To help banks maintain the minimum capital requirement, as well as manage considerable amounts of bad assets in their books, the government injected Rs 3.2 trillion in PSBs between FY17 and FY20. This recapitalisation was sourced as a combination of the issuance of recapitalisation bonds (Rs 2.76 trillion) and budgetary allocation. The infused funds not only improved the Capital to Risk weighted Assets Ratio (CRAR) of PSBs from 11.7% in FY18 to 14.8% in FY20, but eventually acted as a cushion for the banks against the potential shocks of the pandemic. The CRAR has been on the rise since March 2020, improving further to 16.7% in March 2022.



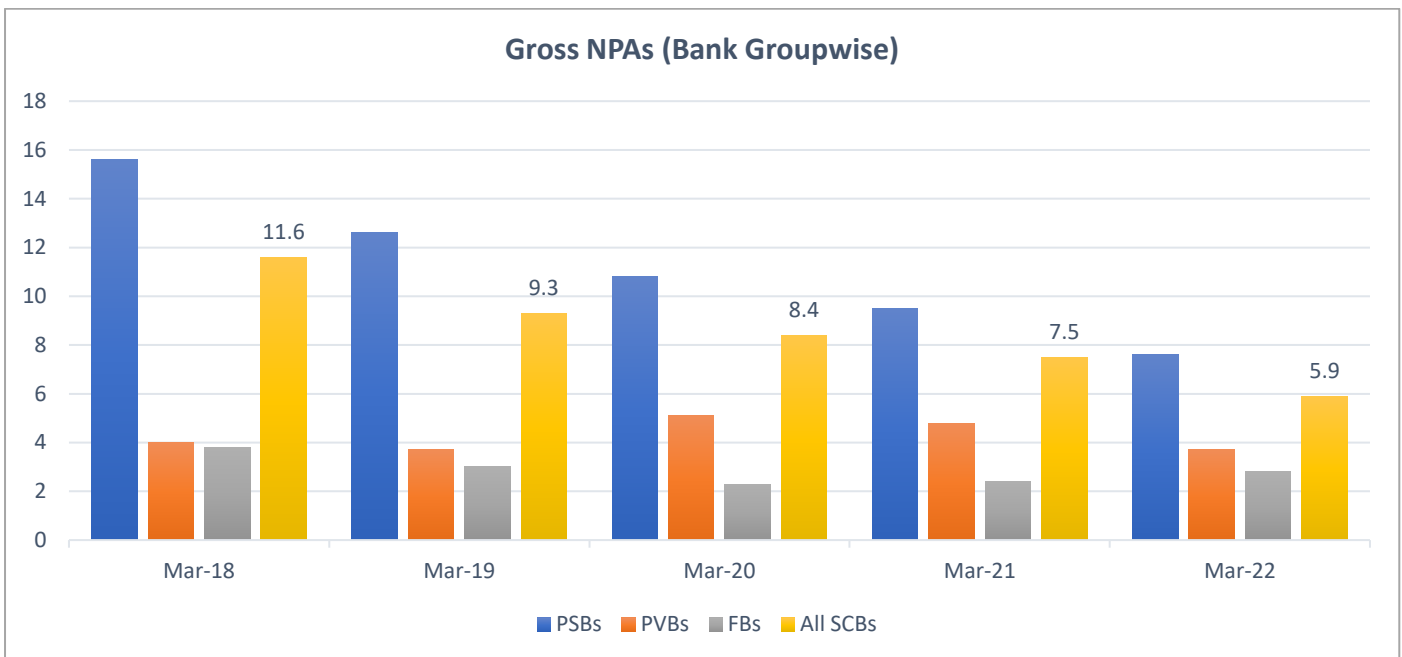
Source: Budget Documents, Financial Stability Reports of RBI, BWR Research

## Restructuring of Banks

The government, as part of the restructuring of the banking sector of India, merged 10 PSBs into 4 banks in 2021. This has provided a larger capital base for the banks and has reduced the need for capital infusion from the government. This has created a robust banking industry with stronger players having greater capability to withstand systemic shocks.

## Asset Quality Ratio; Steady improvement over the years

Asset quality, maintaining which has been a major challenge for Indian banks in the past, has started to improve considerably, thanks to better adherence to regulations and higher capitalisation by the government. After the lows of FY18, the asset quality of banks witnessed an improvement in FY19 on account of IBC backed resolutions and write-offs. Fresh slippages to NPAs also reduced due to a cautious lending approach by banks and better underwriting of loans. Decline in SMA overdues and restructured portfolio also helped improve asset quality, thereby reducing credit costs during this period. The Gross Non-Performing Asset (GNPA) levels came down from 11.6% in March 2018 to around 5.9% in March 2022.



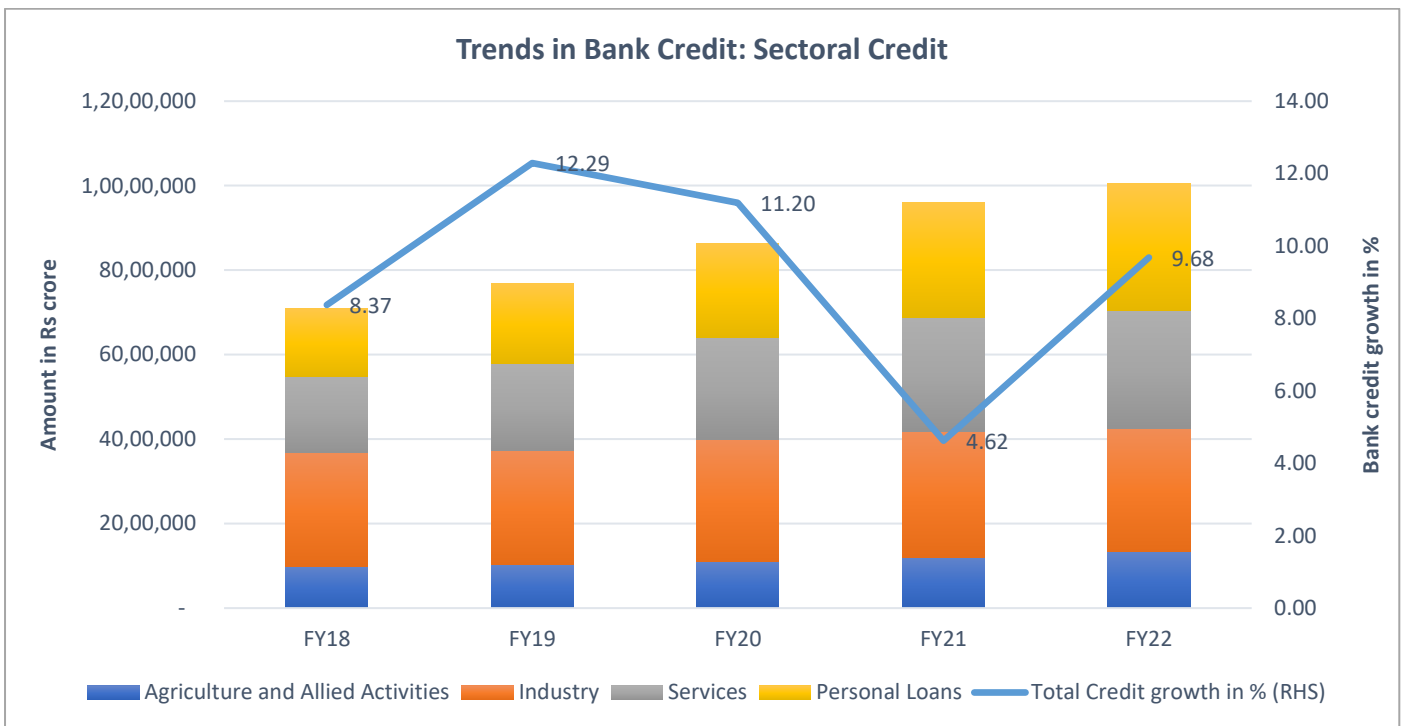
Source: RBI, BWR Research

### Credit growth picking up faster than expected

Credit growth, which remained weak over the past few years due to the economic slowdown, coupled with the stressed balance sheets of banks, is showing signs of improvement. After registering a Compound Annual Growth Rate (CAGR) of 20.9% during the FY02 to FY10 period, it slipped to a CAGR of 10.2% during FY11 to FY20. Risk aversion among banks due to an all-time high non-performing asset in the system further restricted the flow of credit in the system. The slowdown in credit growth was further compounded after the outbreak of Covid-19, with pandemic-led business disruptions.

With a faster resurgence in economic activity, credit growth for banks bounced back to 9.7% in FY22 and is expected to remain buoyant or in double digits in the coming years, given India’s strong growth prospects. As per the latest available data by the RBI on credit outstanding, bank credit grew at a rate of 15.5% y-o-y as on 26 August 2022 compared to 6.1% in the corresponding period previous year.

Supporting the fact that economic recovery is gaining traction, the Capacity Utilisation (CU) of businesses has also started showing signs of improvement. As per RBI data, the CU in the manufacturing sector at the aggregate level rose to 75.3% in Q4FY22, the highest in the last 12 quarters. There is a significant improvement in demand conditions, with companies augmenting their inventories to meet new orders.



Source: RBI, BWR Research

### Summary

- The Indian banking system has been successfully able to withstand the adverse impact of the pandemic mainly due to support from the RBI. A favourable regulatory framework and high capital infusion have helped cushion the shocks, and banks have responded positively to the increased demand for credit.
- After slowing in FY21 on account of weak business sentiments during the year due to the slowdown in the economy resulting in lower demand in the market, bank credit growth showed a clear upswing in FY22 and is likely to continue with double-digit growth in FY23.

## Regulatory Measures for a Resilient Economy

Regulators in India have been historically very proactive and often work in tandem with government policies and priorities. This has been proven time and again, with the Indian Economy showing resilience against various global economic downturns/shocks. Similarly, during the period of the latest turbulence (FY19-FY22), the regulators and government have acted swiftly with multiple structural and operational measures, providing required impetus to the economy at that juncture.

### FY19

- Post the NBFC crisis, SEBI introduced Partial Credit Enhanced (PCE) credit ratings for NBFCs and HFCs. This enabled NBFCs and HFCs attain a better credit rating, which improved investor sentiment.
- To improve the integrity of credit ratings, SEBI also introduced tighter disclosure norms for CRAs.
- The GoI set out to amalgamate various public sector banks, which would make the resultant banks resilient, less risky and more profitable.

### FY20

- Increasing the flow of credit in the economy by the lowering of the Leverage Ratio and Cash Reserve Ratio
- Expansion and extension of its Targeted Long-Term Repo Operations
- A special liquidity scheme for the stressed NBFC and HFC sector, as well as for Mutual Funds was introduced

### FY21

- Rs 50,000 crore relief was provided to the MSME sector
- The Insolvency and Bankruptcy Code (Amendment) Bill, 2021, provided a pre-packed agreement for the resolution of the debt of a distressed MSME entity.
- The RBIs' Priority Sector Lending Guidelines, which included sectors like Agriculture, Education, Export Credit, Housing and MSMEs, helped stimulate lending in the economy and ensured credit availability across stressed sectors of the economy.
- The All-India Financial Institutions was refinanced to the tune of Rs 50,000 crore in FY21.
- Resolution Framework for Covid-19 Related Stress was introduced, which enabled lending institutions to formulate a resolution plan for borrowers facing stress due to Covid-19. This helped mitigate the impact of Covid-19 on borrowers and would eventually lead to the revival of the stressed sectors of the economy.
- To help relieve the banks of their stressed assets, the NARCL was set-up.
- Co-operative banks were permitted to utilise the SARFAESI Act to recover bad loans.
- In view of the Punjab and Maharashtra Co-operative bank issue, the RBI was given regulatory powers over co-operative banks through the Banking Regulation (Amendment) Bill, 2021

## FY22

- At the onset of the second lockdown in FY22, the RBI launched the G-Sec Acquisition Program (G-SAP) 1.0 to provide liquidity to the system and support the yield curve during Q1FY22. The RBI launched G-SAP 2.0 for Q2FY22, which it halted in response to the easing of the lockdown, adequate liquidity and better GST collections.
- A Credit Guarantee Scheme for Micro-Financial Institutions was launched to ensure the availability of credit to small borrowers.

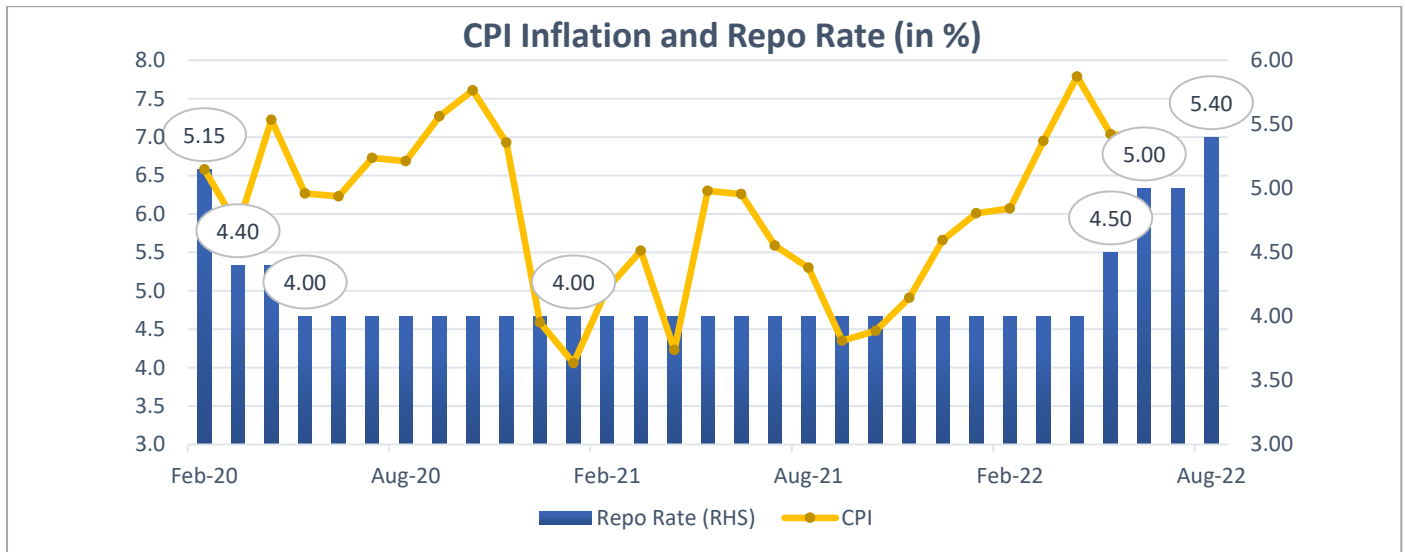
## FY23

- The RBI increased policy rates to tackle increasing inflation with the background of rising energy prices, supply-side pressures and the easing of restrictive measures.
- The RBI also laid out stricter Credit Enhancement (CE) guidelines for Credit Rating Agencies (CRAs) to enable a common framework for better assessment of Credit Enhancement across CRAs.
- The cabinet also approved Interest Subvention for Agriculture Loans, supporting the Agriculture sector by providing it access to low-interest credit.

## New Age Policies

- The RBI removed charges on IMPS and RTGS transactions to encourage digital finance.
- Reserve Bank of India (Digital Payment Security Controls) directions, 2021
- Taxation On Virtual Digital Assets
- Sovereign Green Bonds
- The RBI has launched a discussion paper on Climate Risk and Sustainable Finance in July 2022
- SEBI has initiated the process to set-up a Social Stock Exchange and is in the process of introducing ESG Ratings
- Central Bank Digital Currency expected to be released by the RBI in FY23

## Monetary policy response to changing price levels



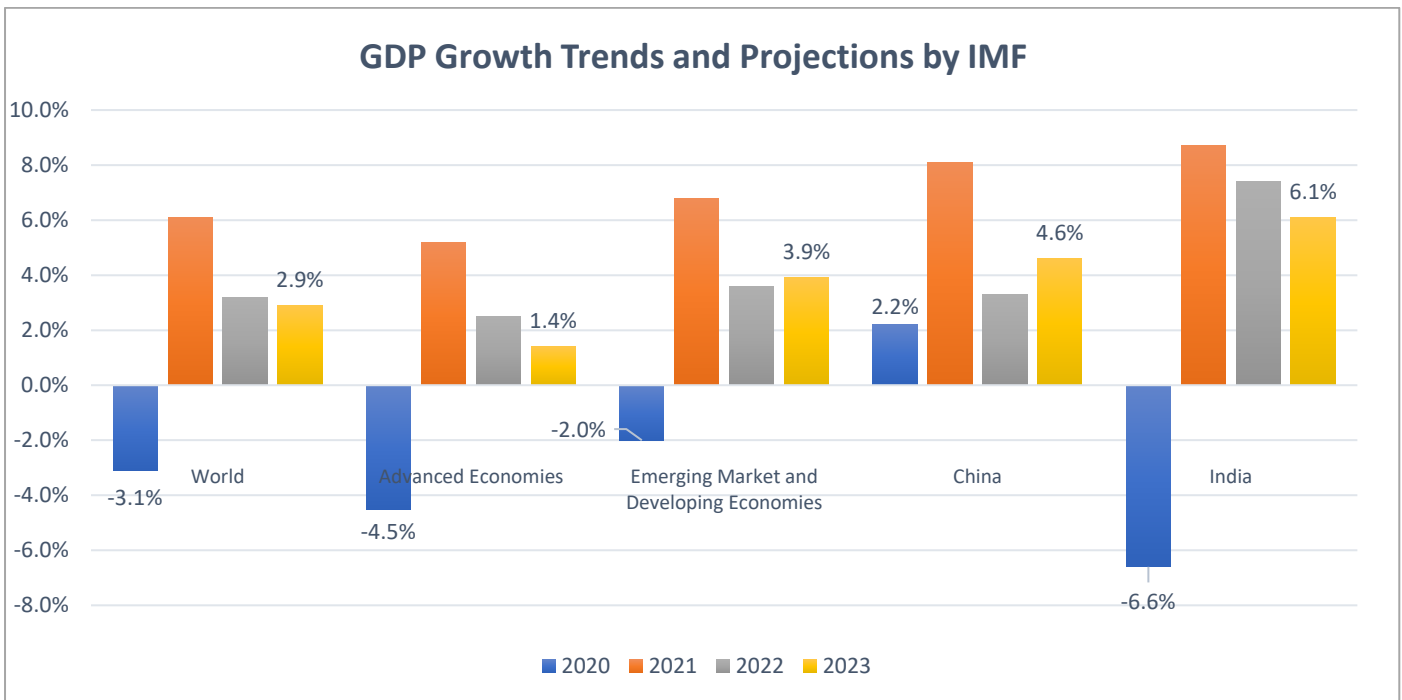
Source: MOSPI, RBI, BWR Research

### Summary

- In the aftermath of the NBFC crisis, regulators undertook corrective actions to stabilise the banking system by a systemic restructuring of the banking industry.
- Measures to improve liquidity flows to the NBFC sector were also initiated.
- The unprecedented economic decline forced by the pandemic was successfully managed by well-coordinated, as well as timely actions taken by the regulators and government.
- With the economy on a recovery path, Indian regulatory policies have shifted focus to a more long-term intent by building a strong financial system that is prepared to handle the demands of sustainable finance and innovations in financial technology, in accordance with the expected global scenario.

# Green Shoots of Economic Revival

## India on course to become world's fastest-growing economy



Note: For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.

Source: IMF World Economic Outlook, July 2022, BWR Research

- The Indian financial system continues to remain stable. Policy support, including regulatory dispensations, helped the Indian banking sector navigate the waves of the pandemic and strengthen their risk absorption capacity.
- After slowing in FY21, on account of weak business sentiments during the year due to the slowdown in the economy resulting in lower demand in the market, bank credit growth showed a clear upswing in FY22 and is likely to continue with double-digit growth in FY23.
- Credit growth in agriculture may remain stable with continued rural demand, while the industry and services sectors are both likely to increase their borrowings with consistent recovery witnessed in the recent period. In the last two years, banks have aggressively increased their share of retail lending as it was a safer bet in terms of asset quality, compared with corporate loans. However, with the revival in the economy, demand for such credit may grow in the coming years.

- The improvement in the financial performance of the borrowers was visible through improved median financial ratios and a clear improvement in credit quality was reflected by a positive movement in the credit ratio<sup>1</sup>. BWR's FY21 credit ratio stood at 1.25, which increased to 2.01 in FY22.
- The regulatory landscape in India has signified proactive and timely interventions, leading to the strengthening of the banking and financial services industry, survival of MSMEs during the pandemic and revival of NBFCs after the NBFC crisis.
- With the changed stance on rates by the RBI, there are indications of inflation moderating from a high of 7.8% April 2022 to 6.71% in July 2022. This again may be a pre-cursor to India's journey onto a stable and sustainable growth path with price stability.
- Having managed the turmoil in the past few years, regulators are now focusing on taking long-term steps to prepare the Indian economy and financial services ecosystem for a period of sustained growth. Policies/guidelines on Fintech, sustainable finance and the factoring of ESG in risk assessment, along with withdrawal of accommodative monetary policy stance to rein in inflation, indicates the long-term view of the regulators, incorporating the expected global scenario in the next 5-7 years.
- Indian economy is back on its growth path despite the global headwinds with clear indications of sustained and higher economic activity, with most sectors bettering their pre-pandemic levels.

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<sup>1</sup> Credit Ratio = No. of Rating Upgrades/No. of Rating Downgrades

## Conclusion

The Indian economy is facing spill-overs from global conditions, but remains on the path of recovery. Global financial stability risks have risen, while domestic macroeconomic and financial developments appear to have decoupled and posted a modest improvement.

The financial system remains resilient and supportive of economic revival. The Indian banking system has been successfully able to withstand the adverse impact of the pandemic mainly due to support from the RBI and Government. A favourable regulatory framework and considerable capital infusion have helped cushion the shocks, laying the foundation for banks to respond positively to the now visible increased demand for credit. Banks, as well as non-banking institutions, have sufficient capital buffers to withstand adversities in the future, indicating long-term stability in the financial system. Banks have also bolstered capital and liquidity positions while asset quality has improved.

Regulatory efforts continue to fortify the financial system against unforeseen negative events and to improve the credit environment to support recovery, while ensuring macroeconomic and financial stability. Bank credit growth is picking up steadily, already clocking double digits.

There is a clear indication of regulatory awareness on the future requirements of the financial system and economy as a whole. Regulators are steering the financial system in India towards the adoption of innovative financial technology with futuristic policies such as, central bank digital currency and the taxation of virtual digital assets, along with an encouraging stance on digital banking.

Furthermore, the regulators are sensitive towards the environment and sustainability compliance targets of India. Accordingly, the RBI and SEBI have started to engage with the stakeholders of the financial system to design suitable policies for Environmental, Social and Governance (ESG) disclosures and risk estimation.

The combination of a robust domestic financial system, sensitive regulatory oversight and the nascent indications of faster reviving economy put India strongly on the threshold of long-term growth towards global economic leadership.

## List of Abbreviations

- Gol - Government of India
- BWR - Brickwork Ratings
- CII - Confederation of Indian Industry
- RBI - Reserve Bank of India
- CRA - Credit Rating Agencies
- PCA - Prompt Corrective Action
- FY - Financial Year
- Rs - Indian Rupees
- USD - United States Dollar
- Y-o-y - Year on Year
- LTRO - Long Term Repo Operations
- TLTRO - Targeted Long Term Repo Operations
- FPIs - Foreign Portfolio Investments
- PSBs - Public Sector Banks
- PVBs - Private Sector Banks
- FBs - Foreign Banks
- RTGS - Real Time Gross Settlement
- NEFT - National Electronic Funds Transfer
- IMPS - Immediate Payment Service
- SEBI - Securities Exchange Board of India
- MSME - Micro, Small and Medium Enterprises
- NBFC - Non-Banking Financial Companies
- HFC - Housing Finance Companies
- NBFC - Non Banking Financial Companies
- HFC - Housing Finance Companies

## DISCLAIMER

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## Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, with around 9000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from 286 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

As India completes 75 years of Independence in 2022, it must position itself for global leadership with a long-term vision for India@100 in 2047. The role played by Indian industry will be central to the country's progress and success as a nation. CII, with the Theme for 2022-23 as Beyond India@75: Competitiveness, Growth, Sustainability, Internationalisation has prioritized 7 action points under these 4 sub-themes that will catalyze the journey of the country towards the vision of India@100.

With 62 offices, including 10 Centres of Excellence, in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with 350 counterpart organizations in 133 countries, CII serves as a reference point for Indian industry and the international business community.

### Confederation of Indian Industry

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