



**THE INSTITUTE OF
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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

August 4, 2022

- **GOVERNMENT APPROVES FAIR AND REMUNERATIVE PRICE OF SUGARCANE PAYABLE BY SUGAR MILLS TO SUGARCANE FARMERS FOR SUGAR SEASON 2022-23:** The Cabinet Committee on Economic Affairs chaired by Hon'ble Prime Minister Shri Narendra Modi has approved Fair and Remunerative Price (FRP) of sugarcane for sugar season 2022-23 (October - September) at Rs. 305/qtl for a basic recovery rate of 10.25%, providing a premium of Rs. 3.05/qtl for each 0.1% increase in recovery over and above 10.25%, & reduction in FRP by Rs. 3.05/qtl for every 0.1% decrease in recovery. However, the Government with a view to protect interest of sugarcane farmers has also decided that there shall not be any deduction in case of sugar mills where recovery is below 9.5%. Such farmers will get Rs. 282.125/qtl for sugarcane in ensuing sugar season 2022-23 in place of Rs. 275.50/qtl in current sugar season 2021-22. FRP of sugarcane is fixed to ensure a guaranteed price to sugarcane growers. To increase income of farmers, Government has increased FRP by more than 34% in past 8 years.
<https://www.thehindu.com/news/national/centre-increases-fair-and-remunerative-price-on-sugarcane/article65722642.ece>
- **INDIA ACHIEVES LANDMARK MILESTONE, OVER 75000 STARTUPS:** Union Minister for Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textile Shri Piyush Goyal today announced that India has achieved a landmark milestone, wherein 75000 startups have been recognized in the country. Latest 10000 startups recognised in 156 days compared to initial ten thousand startups in 808 days. 7.46 lakh jobs created by the Indian startup ecosystem and 49% of startups are from Tier II & Tier III cities.
<https://pragativadi.com/india-achieves-landmark-milestone-over-75000-startups-recognised-so-far/#:~:text=India%20Achieves%20Landmark%20Milestone%2C%20Over%2075000%20Startups%20Recognised%20So%20Far,-By%20Pragativadi%20News&text=New%20Delhi%3A%20Union%20Minister%20for,been%20recognized%20in%20the%20country>
- **ADANI ENTERPRISES BECOMES FOURTH ADANI GROUP FIRM TO CROSS RS 3-TRILLION MCAP:** Adani Enterprises Ltd (AEL) crossed Rs 3 trillion market capitalisation, becoming the fourth group firm to achieve this milestone after stock surged over 57 percent so far this year. Adani Transmission is the top valued firm in the group with a mcap of Rs 3.77 trillion followed by Adani Green Energy, Adani Total Gas. The NSE indices are rebalanced twice every year and changes are made to the index constituents based on various factors. Changes to the NSE



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indices are expected to be announced in the second half of this month and rebalancing is scheduled to take place on September 30.

<https://www.moneycontrol.com/news/business/earnings/adani-enterprises-becomes-fourth-adani-group-firm-to-cross-rs-3-trillion-mcap-8945521.html>

- **LIC BREAKS INTO FORTUNE 500 LIST, RELIANCE JUMPS 51 PLACES:** Recently-listed Life Insurance Corporation (LIC) has broken into the latest Fortune Global 500 list, while Reliance Industries has jumped 51 places. The nation's biggest life insurer with revenue of \$97.26 billion and a profit of \$553.8 million, was ranked 98th on the just released Fortune 500 list. Reliance Industries jumped 51 places to 104 on the 2022 list. This is the first outing of LIC on the list, which ranks listed companies by sales. The list, topped by US retailer Walmart, has nine Indian companies—five of them State-owned, and four from the private sector. State Bank of India (SBI) climbed 17 places to rank 236th. Fortune Global 500 list ranks companies by total revenues for their respective fiscal years ended on or before March 31, 2022. Walmart landed at No. 1 for the ninth straight year, trailed by Amazon, which reached its highest ranking ever. Chinese energy giants State Grid, China National Petroleum, and Sinopec rounded out the top five. For the first time, revenues from Global 500 companies in Greater China (including Taiwan) exceeded revenues from US companies on the list, accounting for 31 per cent of the total.

<https://indianexpress.com/article/india/lic-breaks-into-fortune-500-list-reliance-51-8069514/#:~:text=The%20nation's%20biggest%20life%20insurer,ranks%20listed%20companies%20by%20sales.>

- **COMPANIES TO USE STICKERS INDICATING REVISED PRICE IN GST ON UNSOLD PRE-PACKAGED GOODS:** The Government has permitted companies, after the change of GST, to indicate revised retail price via a stamp or sticker on unsold packaged goods till January next year. It has also made it clear the change in the prices should not exceed the increase of tax. Also, the price should not be overwritten.

<https://www.thehindubusinessline.com/economy/companies-to-use-stickers-or-stamp-indicating-revised-price-post-change-in-gst-on-unsold-pre-packaged-goods/article65721121.ece>

- **SWIGGY ANNOUNCES MOONLIGHTING POLICY THAT ALLOWS EMPLOYEES SIDE GIGS:** Swiggy employees will be allowed to work on external projects for money or pro-bono, said the food delivery firm on Wednesday about a moonlighting policy that it claimed is the industry's first. Moonlighting should be outside office hours or on weekends, must not affect productivity or clash with Swiggy's business.

https://www.business-standard.com/article/companies/swiggy-announces-moonlighting-policy-that-allows-employees-side-gigs-122080301608_1.html



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- **FINTECH PLATFORM BHARATPE APPOINTS NALIN NEGI AS NEW CFO:** Fintech platform BharatPe on Wednesday said it has appointed former SBI Card CFO Nalin Negi as its new chief financial officer, as it prepares for its initial public offering (IPO).
https://www.business-standard.com/article/companies/fintech-platform-bharatpe-appoints-nalin-negi-as-new-cfo-amid-ipo-plans-122080301101_1.html
- **INFLATION DRAGS SERVICES PMI TO FOUR-MONTH LOW OF 55.5 IN JULY:** Higher prices impacted the service sector as the Purchasing Managers' Index (PMI) slipped to 55.5 in July from 59.2 in June. This is its lowest in four months. Also, jobs showed negligible growth.
<https://www.thehindubusinessline.com/economy/inflation-drag-services-pmi-to-four-month-low-of-555-in-july/article65719997.ece>
- **GAYN CAPITAL TO OFFER ₹400 CRORE OF REAL ESTATE PRODUCTS THROUGH FRACTIONAL OWNERSHIP:** GAYN Capital partners with 'Bhoomi and Buildings' to launch multiple investment products. Chennai-based fintech GAYN Capital on Wednesday announced that it will offer ₹400 crore of real estate products through fractional ownership to the general public over the next two years.
<https://www.thehindubusinessline.com/money-and-banking/gayn-capital-to-offer-400-crore-of-real-estate-products-through-fractional-ownership/article65721199.ece>
- **GOVT PLANS INFRASTRUCTURE STATUS FOR SEZs; MOVE TO EASE FINANCING NORMS:** The government plans to facilitate easier financing norms to activities pertaining to the manufacturing and services hubs envisaged under the proposed revamped law for Special Economic Zones (SEZs), also known as Development (Enterprise and Services) Hub Bill, 2022. This will be done by giving them infrastructure status, at par with sectors such as road, rail waterways, airports, to improve access to finance and enable long-term borrowing from lenders at easier terms. The government hopes to pass the DESH Bill in the ongoing monsoon session. Once the Bill is passed, the commerce ministry, in consultation with the finance ministry's department of economic affairs will work closely towards finalising the rules and will be dovetailed into the existing masterlist of infrastructure sub-sector.
https://www.business-standard.com/article/economy-policy/govt-plans-infrastructure-status-for-sezs-move-to-ease-financing-norms-122080301575_1.html
- **RS 2.54 TRILLION SPENT ON CENTRAL GOVT PENSIONERS DURING FY2021-22:** Over Rs 2.54 lakh crore was spent on nearly 70 lakh central government pensioners during 2021-22, the Lok Sabha was informed on Wednesday. There were 69,76,240 pensioners and family pensioners 11,28,441 civil pensioners, 36,03,609 defence pensioners (including armed forces pensioners), 4,32,968 telecom pensioners, 14,82,223 railway pensioners and 3,28,999 postal pensioners, Minister of State for Personnel Jitendra Singh said in a written reply. Total



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expenditure incurred on these pensioners was Rs 2,54,284.4 crore during the financial year 2021-22, he said.

https://www.business-standard.com/article/economy-policy/rs-2-54-trillion-spent-on-central-govt-pensioners-during-fy2021-22-122080301136_1.html#:~:text=Over%20Rs%202.54%20lakh%20crore,Sabha%20was%20informed%20on%20Wednesday.&text=17%3A29%20IST-,Over%20Rs%202.54%20lakh%20crore%20was%20spent%20on%20nearly%2070,Sabha%20was%20informed%20on%20Wednesday.

- **INDIA'S TALLY OF CROREPATIS AT 131,000 AS 6,000 NEW ONES ADDED IN FY22:** India witnessed a rise in the number of millionaires in FY22 as nearly 131,000 people showed their total income above Rs 1 crore, a report stated on Wednesday. This number was at around 125,000 a year earlier. There was also a significant rise in the number of people who declared their income between Rs 10 lakh and Rs 1 crore, data from the Finance Ministry showed. Pankaj Chaudhary, Minister of State in the Finance Ministry, in a written response in the Rajya Sabha presented a summary of tax filers whose gross income was between Rs 10 lakh and Rs 1 crore, and above Rs 1 crore in assessment years 2021-22 and 2020-21.
https://www.business-standard.com/article/finance/india-s-millionaires-numbers-surge-in-fy22-as-131-000-earning-over-rs-1-cr-122080300381_1.html#:~:text=India%20witnessed%20a%20rise%20in,around%20125%2000%20a%20year%20earlier.
- **INDIAN GOVERNMENT WITHDRAWS DATA PROTECTION BILL:** India's government on Wednesday withdrew controversial data protection and privacy bill which was first proposed in 2019 and had alarmed big technology companies such as Facebook and Google, announcing it was working on a new comprehensive law. The 2019 law had proposed stringent regulations on cross-border data flows and proposed giving the Indian government powers to seek user data from companies, seen as part of Prime Minister Narendra Modi's stricter regulation of tech giants. A government notice said the decision came as a parliamentary panel's review of the 2019 bill suggested many amendments, leading to the need for a new "comprehensive legal framework". The government will now "present a new bill," the notice added. India's junior IT minister Rajeev Chandrasekhar said on Twitter the new planned framework will adhere to global standards, adding that privacy was a fundamental right of Indian citizens and that the economy required such cyber laws.
<https://indianexpress.com/article/india/government-withdraws-data-protection-bill-8068257/>

TODAY'S FINANCIAL

TERMINOLOGY: _ *TWIN BALANCE SHEET PROBLEM*



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- A twin balance sheet is a scenario where banks are under severe stress and the corporates are overleveraged to the extent that they cannot repay their loans.
- During a boom period and the economic growth is robust, corporates are encouraged to invest and expand aggressively.
- The economic survey of 2017-18 put it simply. A twin balance sheet problem follows a standard path. Their companies expand during a boom, leaving them with obligations that they cannot repay. So, they default on their debts, leaving bank balance sheets impaired, as well.
- According to the 2017-18 economic survey, investors dumped the stocks of PSU, bringing their prices to such low levels that at one point HDFC was valued as much as 24 public sector banks put together.
- In the mid-2000s, infra companies saw robust growth and their shares shot up. But as the loans piled up, banks found themselves in a tight spot. It was a twin balance sheet problem.

RBI KEY RATES

- Repo Rate: 4.90%
- SDF: 4.65%
- MSF & Bank Rate: 5.15%
- Fixed Reverse Repo Rate: 3.35%
- CRR: 4.50%
- SLR: 18.00%

FOREX RATES (AS PER FBIL 1.30 PM)

- INR / 1 USD : 78.8427
- INR / 1 GBP : 95.9847
- INR / 1 EUR : 80.2198
- INR /100 JPY: 59.1700

EQUITY MARKET

- Sensex: 58350.53 (+214.17)
- NIFTY : 17388.20 (+42.70)



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