



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

DAILY NEWS DIGEST BY BFSI BOARD

October 04, 2022

PhonePe MOVES DOMICILE FROM SINGAPORE TO INDIA IN RUN-UP TO IPO

PLANS: Payments and financial services player PhonePe said on October 3 that it has completed the process of moving its domicile from Singapore to India ahead of its plans to launch an initial public offering (IPO). The Walmart and Flipkart-owned company said that the process was completed in three steps - firstly, over the past year, PhonePe moved all businesses and subsidiaries of PhonePe Singapore to PhonePe Pvt Ltd (India) directly. "Secondly, PhonePe's board recently approved the creation of a new employee stock ownership plan (ESOP) and the migration of 3000+ PhonePe Group employees' existing ESOPs by issuing new ESOPs under PhonePe India's new plan," the company added in a statement. Finally, under the newly liberalised automatic Overseas Direct Investment (ODI) rules, PhonePe has also moved the ownership of the recently acquired IndusOS Appstore (OSLabs Pte Ltd) from Singapore to India.

(Moneycontrol)

SBI CARD LAUNCHES AN INDUSTRY FIRST CASHBACK SBI CARD THAT MAKES

CASHBACK HASSLE FREE: SBI Card launched the industry first CASHBACK SBI Card, where, there is no need to wait for festive sales. It may sound too good to be true, but the new CASHBACK SBI Card provides these very same cashbacks, without any fine print. The newly launched contactless card doesn't discriminate - irrespective of which merchant the customer shops at, if they are shopping offline, they receive a cashback of 1%, and if online, they receive a cashback of 5%. The accelerated cashback cap is especially generous at Rs. 10,000 per month, while the cashback earned is unlimited. It is credited automatically, within two days of statement generation, making it the most fuss free cashback offered anywhere. SBI Card is offering this card free for the first year, till March 2023 as a special launch offer and the application process is as simple as the cashbacks offered.

(Moneycontrol)

GOODS EXPORTS DROP 3.5% IN SEPTEMBER BUT TRADE DEFICIT EASES A

TAD: Merchandise exports dropped 3.5% in September from a year before to \$32.6 billion, the first such drop this fiscal, mirroring a demand slowdown in advanced markets such as the US and the EU. However, trade deficit still eased to \$26.7 billion in August from \$28.7 billion in the previous month, as imports rose at a slower pace. According to the preliminary data released by the ministry, exports in the first half of this fiscal touched \$229.1 billion, up from \$198.3 billion a year before. Meanwhile, imports in the first half widened to \$378.5 billion from \$274.5 billion a year earlier.

(Financial Express)



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

CORPORATE CREDIT QUALITY IMPROVES IN H1: The credit quality of Indian corporate has improved during the first half of the current financial year owing to strong domestic demand, better cash flows and de-leveraging of balance sheets, according to two rating agencies. The credit ratio, a measure of the country's overall creditworthiness that compares upgrades to downgrades, has improved to 5.52 times during H1FY23, compared with 5.04 times in H2FY22, Crisil said. The ratio, as per ICRA, has improved to 3.3 times in H1FY23 compared to 2.8 times in H1FY22.

(Financial Express)

BANK CREDIT TO MICRO, SMALL ENTERPRISES UP 19% YOY IN AUGUST: RBI

DATA: Data from the RBI on sectoral deployment of bank credit in August 2022 collected from 40 scheduled commercial banks showed a 19.6 per cent credit growth in the micro and small enterprise (MSE) sector from a paltry 1.2 per cent in August 2021.

(Financial Express)

BANKS, PAYMENT AGGREGATORS BAT FOR MARKET-LED FEE ON UPI

TRANSACTIONS: The payments ecosystem, including banks and payment platforms, are in favour of graded charges on UPI transactions, which are market-driven instead of being fixed beforehand. "A point of consensus is that there should not be anything called MDR (merchant discount rate). It should be market-driven, and if ever the RBI wants to legislate, it should be on the inter-change and not on MDR," said Vishwas Patel, Chairman of the Payments Council of India. He added that PCI is in the process of submitting its detailed feedback to the Reserve Bank of India.

(Business Line)

E-COMMERCE SAW 35% Y-O-Y GROWTH IN FESTIVAL SALE VOLUMES:

E-commerce reported 35 per cent y-o-y growth during the first leg of festival season sales, according to SaaS e-commerce platform Unicommerce. Unicommerce also reported over 40 per cent YoY growth in festival order volumes in Tier-III cities and over 24 per cent growth in Tier-II volumes. Together Tier- II and Tier III constitute almost 60 per cent of the market share.

(Business Line)

ALL STATES SHIFTING TO OLD PENSION SCHEME COULD RESULT IN

AGGREGATE PENSION LIABILITY OF OVER ₹31-LAKH CRORE: Shifting to the old pension scheme by all the States could result in a liability of over ₹31-lakh crore, a research report by State Bank of India said. It also said that combining all the contingent liabilities along with freebies promised during elections is estimated to be 10 per cent of Gross State Domestic Products (GSDP).

(Business Line)

TCS SET TO WIN \$2-BILLION DEAL FROM BSNL FOR 4G AND 5G ROLL-OUT:

Tata Consultancy Services (TCS) is set to secure a \$2 billion deal from Bharat Sanchar Nigam (BSNL)



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(ST ATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

to roll out its 4G and 5G services across the country. However, the final approvals from the publicly-owned telco may take a couple of months, sources in the know said. As part of the deal, TCS will develop 4G core and Radio Access Network (RAN) technology for BSNL's telecom services. The country's largest IT firm would be the first domestic company to provide these solutions on a large scale. Earlier, Texas-based Mavenir was considered to be the main contender to provide 4G core technology to BSNL. "As per the government's mandate, BSNL will use 4G core developed only by the Indian vendors.

(Business Standard)

GOOGLE ACCELERATOR TO SUPPORT 20 WOMEN-LED START-UPS IN FIRST

COHORT: Google has announced the first class of 20 women founded/co-founded start-ups for the inaugural cohort of its "Google for Startups Accelerator - India Women Founders" programme. The first cohort was selected from close to 400 applications. "This programme is part of a larger effort by Google towards improving the representation of women across different sections of India's digitally-trained workforce.

(Business Standard)

PayU CALLS OFF BILLDESK BUY: The biggest merger & acquisition (M&A) deal in the Indian financial technology space has fallen through, with Prosus-backed PayU calling off the acquisition of BillDesk. The acquisition, for a total consideration of \$4.7 billion, had been announced on August 31, 2021. In a statement issued on Monday, Prosus said: "Closing of the transaction was subject to the fulfilment of various conditions precedent, including approval by the Competition Commission of India (CCI).

(Business Standard)

STATES BORROWING COST RISES FOR THIRD WEEK, JUMPS 12 BPS TO 7.77%:

The average cost of market borrowing for states rose 12 basis point to 7.77 per cent on Monday, increasing for the third consecutive week. The cost of funds has seen a cumulative hike of 31 basis points (bps) during the past three weeks. At the latest auction of debt, 10 states raised Rs 19,500 crore on Monday, drawing down the full amount indicated for this week. The weighted average cut-off of the debt rose by 12 bps to 7.77 per cent from 7.65 per cent in the last auction, despite the weighted average tenor declining to 13 years from 15 years, Aditi Nayar, chief economist at IcrA Ratings, said in a note.

(Business Standard)

EX-PROMOTERS CAN'T HOLD STAKE IN INSOLVENT FIRMS ACQUIRED BY

OTHERS: SC: The Supreme Court has said the promoter of an insolvent firm cannot continue holding residual stakes in the company after it has been acquired by another entity under the Insolvency and Bankruptcy Code (IBC).

(Business Standard)



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

BANK OF MAHARASHTRA'S ADVANCES GROW 29% TO RS 1.48 TRN IN Q2FY23: Public sector lender Bank of Maharashtra said its gross advances rose by 28.65 per cent YoY to Rs 1,48,246 crore in the second quarter ended in September 2022. During the quarter, total deposits grew by 7.86 per cent YoY to Rs 1,95,849 cr. The total business of the bank rose by 15.93 % to Rs 3,44,096 crore as of September, 2022
(Business Standard)

FINANCIAL TERMINOLOGY/CONCEPTS

PRIME RATE

- ❖ Basically, 'prime rate' is the rate of interest that is decided by nations (U.S.A) largest banks for their preferred customers, having a good credit score. Much 'variable' interest depends on the 'prime rates'. For example, the 'APR' (Annual Percentage Rate) on a credit card is 10% plus prime rate, and if the prime rate is 3%, the current 'APR' on that credit card would be 13%.
- ❖ The Federal Reserve (Fed) sets the federal funds overnight rate which serves as the basis for the prime rate, which is the starting point for other interest rates. The prime rate is based on the federal funds rate.
- ❖ The most used prime rate is the rate that the *Wall Street Journal* publishes daily.



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

RBI KEY RATES

Repo Rate: 5.90%
SDF: 5.65%
MSF & Bank Rate: 6.15%
CRR: 4.50%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 81.7417
INR / 1 GBP : 91.8106
INR / 1 EUR : 80.2400
INR /100 JPY: 56.4100

EQUITY MARKET

Sensex: 56788.81 (- 638.11)
NIFTY : 16887.30 (- 207.00)
Bank NIFTY: 38029.65 (- 602.30)

(CMA Chittaranjan Chattopadhyay)

Chairman,

Banking, Financial Services & Insurance Board

***Disclaimer:** Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICAI. For Restricted Circulation only. A Compilation of News in this regard from Secondary Sources.*