



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
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DAILY NEWS DIGEST BY BFSI BOARD

February 08, 2023

RBI HAS ASKED MEITY TO ENSURE ONLY REGULATED DIGITAL LENDERS ON APP STORES:

RBI has furnished the list of Digital Lending Apps (DLAs) being used by Regulated Entities (REs) to the Ministry of Electronics & Information Technology (MeitY), which in turn, has shared the list with respective intermediaries (app stores) and requested them to ensure that only the apps figuring in the list are hosted on their app stores, the finance ministry said in the Parliament on February 7. This comes after the MeitY issued an order to block a host of loan and betting apps with alleged Chinese links. Moneycontrol earlier accessed a list of 58 such apps and reported that Google was reviewing the government order to implement on its app store. Further, the RBI has issued digital lending guidelines in September 2022, which advises measures including due diligence of loan service providers (LSPs), direct disbursement of loan from bank account of lender to bank account of the borrower without any pass-through/pool or third-party account to avoid layering, publishing of the list of DLAs and LSPs engaged by REs and details of activities to avoid anonymity.

(Moneycontrol)

Vi BOARD APPROVES DEBT CONVERSION TO EQUITY; GOVT TO NOW HOLD 33.44% STAKE:

Debt-ridden telecom company Vodafone Idea on February 7 said its board has approved the allotment of equity shares worth Rs 16,133 crore to the government. After the conversion, the government will own 1613 crore shares for Rs 10 each in the firm, which roughly translates into 33.44 percent stake. The shares have been allocated to the government in lieu of conversion of interest dues arising from deferment of adjusted gross revenue and spectrum auction payments, the telco said in a regulatory filing.

(Moneycontrol)

MOODY'S SAYS INDIAN BANKS' EXPOSURES TO ADANI 'NOT LARGE ENOUGH':

The risk to Indian banks due to the rout faced by Adani stocks are "limited", Moody's Investor Services said in a report released on February 7. The exposure of country's lenders to the embattled business group is "not large enough", it noted. The ratings' agency, however, underlined that risks for banks can increase if Adani "becomes more reliant on bank loans". The group's access to funding from international markets can be curtailed "because of heightened risk perception", Moody's said, adding that in such a case, domestic banks may become the main source of funding. This, in turn, may result in "increases in banks' exposures to Adani and greater risks for them", it noted.

(Moneycontrol)



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PC JEWELLER RECEIVES LOAN RECALL NOTICES FROM FOUR BANKS: PC

Jeweller on February 7 said it has received loan recall notices from four lenders - IDBI Bank, Indian Bank, Bank of India and Karur Vysya Bank. The Delhi-based jeweller, in a regulatory filing, noted that its legal proceedings with the State Bank of India (SBI), being held before the Debts Recovery Appellate Tribunal (DRAT), is underway. The next hearing will be held on February 28, it said. "We also submit that the four other banks of the Consortium, namely IDBI Bank, Indian Bank, Bank of India as well as Karur Vysya Bank have also issued their loan recall notices to the company," the exchange filing added.

(Moneycontrol)

US TRADE DEFICIT WIDENS IN 2022: The US trade gap widened to a record in 2022, though expanding less than expected in December, government data said Tuesday, capping off the year on robust imports and strong spending. The overall trade gap grew \$103.0 billion from 2021 to \$948.1 billion last year on a surge in goods imports ranging from crude oil to consumer items including pharmaceuticals and household products. This marks the biggest deficit according to government data dating back to 1960.

(Economic Times)

LIC EXPOSURE TO ADANI GROUP 0.975% OF ITS TOTAL AUM: State-run Life Insurance Corporation of India's exposure in the Adani Group, as on date, is 0.975% of its total assets under management at book value, Minister of state for finance Bhagwat Karad informed the Rajya Sabha on Tuesday. LIC's total AUM are over Rs 41.66 trillion as on September 30, 2022. Citing an earlier press release of January 30, 2023, Karad said LIC's total holding under equity and debt was Rs 35,917.31 crore as on December 31, 2022 under Adani group of companies. The total purchase value of equity, purchased over the last many years, under all the Adani group companies was Rs 30,127 crore. Its market value was Rs 56,142 crore as on January 27, he said.

(Financial Express)

PSU BANKS EXPECT STEADY NIM DESPITE COST PRESSURES: Most top public sector lenders are confident of holding the net interest margin (NIM) at the current levels though the pressure from higher cost of deposits has started to build up. The banks plan to maintain their margins as they may be able to squeeze in benefits of transmission of policy rates to lending rates, in addition to surplus liquidity at their disposal. Banks have seen their NIM expanding so far in the current financial year, with State Bank of India (SBI) leading the pack at 3.69% in Q3FY23, higher by 14 bps sequentially. The margin for the bank will be more or less stable going ahead, chairman Dinesh Khara said in an analyst call.

(Financial Express)



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INDIA RANKS FIRST IN MILK PRODUCTION IN THE WORLD CONTRIBUTING 24% OF GLOBAL MILK PRODUCTION: According to production data of Food and Agriculture Organization Corporate Statistical Database (FAOSTAT), India is the highest milk producer i.e., rank first position in the world contributing twenty-four percent of global milk production in the year 2021-22. The milk production of India has registered fifty-one percent increase during the last eight years i.e., during the year 2014-15 and 2021-22 and increased to twenty-two crore tonne in the year 2021-22.

(PiB)

DGGI AND NFSU SIGNED A MOU FOR SETTING UP OF DIGITAL FORENSIC LABORATORIES: The Directorate General of GST Intelligence (DGGI) and the National Forensic Sciences University (NFSU) today signed a Memorandum of Understanding (MoU) for setting up of digital forensic laboratories along with exchange of information and knowledge, technological advancement and skill development in the field of digital forensics.

(PiB)

CENTRE APPOINTS K SATYANARAYANA RAJU AS NEW MD & CEO OF CANARA BANK: State-owned Canara Bank on Tuesday said the Union Government has appointed K Satyanarayana Raju as its Managing Director and CEO, with immediate effect. He had earlier served Canara Bank as Executive Director since March 10, 2021.

(Business Standard)

PhonePe LAUNCHES CROSS-BORDER UPI PAYMENTS SERVICE, SAYS IT'S INDIA'S FIRST: PhonePe said on Tuesday it has launched a service that will allow the fintech firm's Indian users traveling abroad to pay foreign merchants using Unified Payments Interface (UPI). 'UPI international' supports merchant outlets in UAE, Singapore, Mauritius, Nepal and Bhutan that have a local QR (quick response) code. Users will be able to make direct payments in a foreign currency from their Indian bank, like they do with international debit cards. Walmart-backed PhonePe said it is the first Indian fintech app to launch the service.

(Business Standard)

GOOGLE TO LAUNCH ChatGPT's COMPETITOR 'Bard': Google CEO Sundar Pichai has announced that the tech giant will soon launch an Artificial Intelligence (AI) powered chatbot called 'Bard', aimed at countering the popularity of the ChatGPT tool backed by Microsoft. "Bard can be an outlet for creativity, and a launchpad for curiosity," Pichai, the Indian-origin CEO of Google and parent company Alphabet, said on Monday, adding that Google's chatbot will be able to explain complex subjects like new discoveries from NASA's James Webb Space Telescope to a nine-year-old. Google's announcement follows wide



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speculation that Microsoft is about to bring the AI chatbot ChatGPT to its search engine Bing, following a multi-billion dollar investment in the firm behind it, OpenAI, the BBC reported. ChatGPT (Chat Generative Pre-trained Transformer), which was launched in November 2022, is capable of generating speeches, songs, marketing copy, news articles and student essays or human-like text based on the input it is given.

(Business Standard)

NABARD AIMS TO RAISE RS 3000-5000 CR IN DEBUT GREEN BOND ISSUE:

REPORT: NABARD plans to raise funds by issuing its first-ever green bonds and could tap the market this month, three bankers aware of the development told Reuters on Tuesday. The state-run institute is planning to raise between 30 billion rupees and 50 billion rupees (\$363-\$605 million) through the sale of green bonds maturing in five years to 10 years, the bankers said.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

PURCHASING POWER PARITY

- ❖ The theory aims to determine the adjustments needed to be made in the exchange rates of two currencies to make them at par with the purchasing power of each other. In other words, the expenditure on a similar commodity must be same in both currencies when accounted for exchange rate. The purchasing power of each currency is determined in the process.
- ❖ Purchasing power parity is used worldwide to compare the income levels in different countries. PPP thus makes it easy to understand and interpret the data of each country.
- ❖ Let's say that a pair of shoes costs Rs 2500 in India. Then it should cost \$50 in America when the exchange rate is 50 between the dollar and the rupee.



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RBI KEY RATES

Repo Rate: 6.25%
SDF: 6.00%
MSF & Bank Rate: 6.50%
CRR: 4.50%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 82.6959
INR / 1 GBP : 99.6706
INR / 1 EUR : 88.8204
INR /100 JPY : 62.5700

EQUITY MARKET

Sensex: 60286.04 (-220.86)
NIFTY: 17721.50 (-43.10)
Bnk NIFTY: 41490.95 (+116.30)

Courses conducted by BFSI Board

- ❖ **Certificate Course on Concurrent Audit of Banks**
- ❖ **Certificate Course on Credit Management of Banks**
- ❖ **Certificate Course on Treasury and International Banking**
- ❖ **Certificate Course on Investment Management**
- ❖ **Certificate Course on General Insurance.**

For details please visit BFSIB portal of the ICAI website

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- ❖ **Aide Memoire on Infrastructure Financing.**
- ❖ **Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).**
- ❖ **Guidance Note on the Internal Audit of General Insurance Companies.**
- ❖ **BFSI Chronicle (quarterly issue of BFSIB)**

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CMA Chittaranjan Chattopadhyay

Chairman,

Banking, Financial Services & Insurance Board

The Institute of Cost Accountants of India

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