



**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**

*January 11, 2023*

### **BharatPe GETS IN-PRINCIPLE APPROVAL FROM RBI TO OPERATE AS ONLINE PAYMENT AGGREGATOR:**

Fintech unicorn BharatPe has received an in-principle authorisation from the Reserve Bank of India (RBI) to operate as an online payment aggregator (PA). A 100 percent-owned subsidiary of the company, named Resilient Payments Private Limited, has won the approval. In the last few months, several other fintech players, including Open, Infibeam, and Cashfree, got the nod for the PA licence.

A payment aggregator provides payment services to merchants and e-commerce sites by accepting payment instruments from customers. They pool the funds received from customers and transfer them to merchants after a certain time. Their services include facilitating integrated payment options such as transactions of cash and cheque and online and offline touchpoints, besides allowing bank transfers for merchants without the need to set up accounts directly with a bank.

*(Moneycontrol)*

### **SEBI CLEARS PATH FOR NON-PROMOTER SHAREHOLDERS TO OPT FOR**

**OFS ROUTE:** SEBI, has decided to alter the framework for Offer for Sale (OFS) framework through the stock exchange route. The revamp clears the way for non-promoter shareholders to opt for the OFS mechanism, while simultaneously chalking out a cooling-off period for promoters and non-promoters based on the liquidity of the shares on the exchange. Back in September last year, SEBI had eased rules for OFS by non-promoter shareholders by eliminating the requirement of a minimum shareholding. Till then, non-promoter shareholders who held a 10 percent stake in the company were permitted to sell their shares via the OFS route.

OFS is a convenient and transparent way for publicly traded companies to offload their shares, in order to meet the minimum public shareholding requirement. Now OFS mechanism shall be available to companies with a market capitalisation of Rs 1,000 crore and above based on the average daily market capitalisation for the six months.

*(Moneycontrol)*

### **WORLD BANK CUTS 2023 FORECASTS AND WARNS OF GLOBAL**

**RECESSION:** The World Bank slashed its growth forecasts for most countries and regions and warned that new adverse shocks could tip the global economy into a recession. Global gross domestic product will probably increase 1.7% this year, about half the pace forecast in June. That would be the third-worst performance in the last three decades or so, after the contractions of 2009 and 2020.

*(Moneycontrol)*



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**IDBI BANK SALE SEEN A WINNER WITH TOP DOLLAR BIDS EXPECTED:** As the IDBI Bank privatisation enters the next stage, it may end up being one of the most profitable divestment processes for the government in recent years. Interested bidders are willing to offer a 7-10 per cent premium for controlling interest in the bank, which works out to a valuation of ₹64,000-66,000 crore.

*(Business Line)*

**CENTRE PREPARES NEW BYLAWS FOR AGRI CREDIT SOCIETIES TO 'INFLUENCE' BHARAT:** In a bid to influence rural population through Primary Agricultural Credit Societies (PACS), the Ministry of Cooperation has asked States to circulate its new model bylaws. While all States have, in principle, agreed to adopt the model bylaws, work is on to ensure new PACS with the new bylaws are in place by March, while existing institutions will carry out the changes in phases. While the current bylaws limit the operation of PACS to one area, the model bylaws allow them to perform multifarious activities to improve their financial health.

*(Business Line)*

**AXIS BANK TO ACQUIRE ADDITIONAL 7% STAKE IN MAX LIFE:** Axis Bank on Tuesday said it has entered into a revised agreement with Max Financial Services to acquire an additional 7 per cent stake in Max Life Insurance at fair market value using discounted cash flow method. Axis Bank and its subsidiaries Axis Securities and Axis Capital had in 2021 entered into definitive agreements with Max Financial Services Ltd for acquiring 20 per cent stake in its subsidiary Max Life Insurance Co Ltd. Following this, Axis Entities had collectively acquired 12.99 per cent of the equity share capital of Max Life.

*(Economic Times)*

**HOUSEHOLD DEMAND FOR NREGS WORK UP 14% IN DECEMBER:** Household demand for work under the MGNREGA increased 14% month-on-month to 21.1 million in December 2022 compared to 18.5 million in November, while individual demand went up 15% to 25.9 million against 22.5 million in November, official data showed. Data from Centre for Monitoring Indian Economy showed unemployment in India surged to a 16-month high of 8.3% in December compared to 8.03% in November. The government had made a budgetary allocation of ₹73,000 crore to the flagship rural jobs scheme for 2022-23. However, recently it sought a supplementary grant of ₹16,400 crore.

*(Economic Times)*

**SEBI NOD FOR FUTURE CONTRACTS ON CORPORATE BOND INDICES:** SEBI on Tuesday gave its approval to the exchanges for introducing future contracts on corporate



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bond indices. The regulator decided to permit the bourses to launch derivative contracts on indices of corporate debt securities rated AA+ and above. The contracts should be at least `2 lakh in value at the time of introduction and carry up to three years in tenure, with expiry on the last Thursday of the expiry cycle. There should be at least eight issuers in the index which should have a track record of at least a year with no single issuer having more than 15% weight. The index itself cannot have above 25% weight in a particular group of issuers or a particular sector (excluding securities issued by PSUs, PSBs, and PFIs). For trading members, MFs, insurance firms, housing financiers, pension funds, banks and primary dealers, and Category I and II FPIs, the open position limit across contracts within the respective underlying index has been capped at 10% of the total open interest or `1,200 crore (whichever is higher). For non-institutions in category II FPIs, and scheme-level MFs, and others, the position limit has been capped at 3% of the open interest, of `400 crore (whichever is higher).

*(Financial Express)*

**CENTRE HAS EARMARKED RS 76,000 CRORE TO BOOST INVESTMENT IN MSMEs IN THE NORTHEAST REGION:** MSME Minister Narayan Rane on Monday said that the central government has set aside Rs 76,000 crore to expedite investment in the MSME sector in the Northeastern states of the country, as per a report by the Press Trust of India (PTI).

*(Financial Express)*

**TATA NEARS iPhone PLANT TAKEOVER TO GROW INDIA'S APPLE SUPPLY ROLE:** Tata Group is close to taking over a major plant in southern India in a deal that would give the country its first homegrown iPhone maker. The airline-to-software conglomerate has been in talks with the factory's owner, Taiwan's Wistron Corp., for months, and is looking to complete the purchase by the end of March, according to two people familiar with the process. The two firms discussed various potential tieups but talks have now centered on Tata taking a majority of a joint venture, the people said. Tata is set to oversee the main manufacturing operation, with support from Wistron, the people said, asking not to be named because the plans aren't public.

*(Business Standard)*

**INDIAN ECONOMY TO GROW AT A ROBUST 6.6% IN FY24, SAYS WORLD BANK:** The World Bank on Tuesday projected the Indian economy to grow at a robust 6.6 per cent in 2023-24 (FY24), slowing down from an estimated 6.9 per cent in 2022-23 (FY23), citing "limited spillovers" to Asia's third-largest economy from a projected global slowdown.

*(Business Standard)*

**NRE/NRO ACCOUNTS WITH INTERNATIONAL MOBILE NUMBERS CAN NOW USE UPI:** NPCI has instructed members of the Unified Payments Interface (UPI) ecosystem



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to allow non-resident account types such as non-resident external (NRE)/ non-resident ordinary (NRO) accounts having international mobile numbers to get onboarded and transact through UPI by 30<sup>th</sup> April 2023.

***(Business Standard)***

**EMPLOYEE UNION URGES BANK OF MAHARASHTRA TO HIKE RATES ON TERM DEPOSITS:** An employees union has urged state-owned Bank of Maharashtra to raise the interest offered on fixed deposits for senior citizens to 7.10 per cent for 1- to 3-year tenor and above 6.50 per cent for others. The union argued that 7.10 per cent is the new benchmark for interest rates on fixed deposits across the banking industry. In order to retain existing depositors and bring in new customers, Bank of Maharashtra's maximum rate should be above 7 per cent at least.

***(Business Standard)***



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## ***FINANCIAL TERMINOLOGY/CONCEPTS***

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### **OFFER FOR SALE (OFS)**

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- ❖ Offer for sale (OFS) is a simpler method of share sale through the exchange platform for listed companies. The mechanism was first introduced by India's securities market regulator SEBI, in 2012, to make it easier for promoters of publicly-traded companies to cut their holdings and comply with the minimum public shareholding norms by June 2013.
- ❖ Unlike a follow-on public offering (FPO), where companies can raise funds by issuing fresh shares or promoters can sell their existing stakes, or both, the OFS mechanism is used only when existing shares are put on the block.
- ❖ In an OFS, a minimum of 25 per cent of the shares offered, are reserved for mutual funds (MFs) and insurance companies. At any point, no single bidder other than these two institutional categories is allocated more than 25 per cent of the size of the offering. A minimum of 10 per cent of the offer size is reserved for retail investors. A seller can offer a discount to retail investors either on the bid price or on the final allotment price. The OFS window is open only for a single day. It is mandatory for the company to inform the stock exchanges two banking days prior to the OFS about its intention. This has a key advantage over follow-on public offer (FPO), which stays open for three to 10 days.
- ❖ In OFS, the entire retail bid amount is backed by 100 per cent margins in the form of cash and cash-equivalent.



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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 : 82.2108  
INR / 1 GBP : 100.0555  
INR / 1 EUR : 88.2829  
INR /100 JPY : 62.3500

### **EQUITY MARKET**

Sensex: 60115.48 (-631.83)  
NIFTY : 17914.20 (-187.00)  
Bnk NIFTY: 42014.80 (-568.00)

### **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

### **Publications by BFSI Board**

- ❖ **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)**

To purchase please visit BFSIB portal of ICAI

**CMA Chittaranjan Chattopadhyay**

**Chairman,**

**Banking, Financial Services & Insurance Board**

**The Institute of Cost Accountants of India**

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