



**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 15, 2023**

**PAYMENT AGGREGATORS CAN BE USED FOR LOAN REPAYMENT:** RBI on February 14, allowed payment aggregators (PA) who also work as lending service providers (LSP), to be used for loan repayments. The apex bank, in a FAQ on digital lending guidelines, said that PAs also performing the role of an LSP must comply with the Digital Lending Guidelines. "While entities offering only PA services shall remain out of the ambit of 'Guidelines on Digital Lending', any PA also performing the role of an LSP must comply with the Digital Lending Guidelines," the apex bank said in a FAQ. Earlier, the repayment of loans would go directly from regulated entities like banks to customer accounts.

**(Moneycontrol)**

**ADANI CRISIS: S&P SAYS INDIAN BANKS MAY CHARGE HIGHER RISK PREMIA:** While there may not be any significant financial stability risks from the Adani crisis, Indian banks may now conduct "extra due diligence" before making corporate loans and even charge higher risk premia, S&P Global Ratings said.

**(Moneycontrol)**

**RBI: DIGITAL LENDERS MUST CONVEY DETAILS OF RECOVERY AGENTS TO DEFAULTING BORROWERS:** Reserve Bank of India (RBI) on February 14 said digital lenders must convey the details of the recovery agent if a loan turns delinquent. "If the loan turns delinquent and the recovery agent has been assigned to the borrower, the particulars of such recovery agent assigned must be communicated to the borrower through email/SMS before the recovery agent contacts the borrower for recovery," the RBI said in an FAQ on digital lending guidelines.

Also, at the time of loan sanction, the borrower may be conveyed the name of empanelled agents authorised to contact the borrower in case of loan default, the RBI said.

**(Moneycontrol)**

**SAUDI TOURISM AUTHORITY PARTNERS WITH IPL:** Saudi Tourism Authority (STA) along with BCCI is exploring the possibility of hosting IPL matches in Saudi Arabia. This comes after Saudi Arabia announced its partnership with Twenty 20 cricket league, the TATA Indian Premier League (IPL). The partnership was announced in Mumbai.

**(Business Line)**



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**UNLIKE RETAIL INFLATION, WPI EASES TO 4.73% IN JANUARY:** In January, factory inflation measured by the wholesale price index (WPI) followed a different trajectory than retail inflation, decreasing to 4.73 per cent from 4.95 per cent in December. On Monday, National Statistical Office (NSO) reported retail inflation based on Consumer Price Index at 6.52 per cent in January as against 5.72 per cent in December. “Decline in the rate of inflation (WPI) in January is primarily contributed by mineral oils, chemicals & chemical products, textiles, crude petroleum & natural gas, textiles, and food products,” a statement issued by Commerce & Industry Ministry said. Though WPI is more of academic nature, still it is being tracked to see impact on retail inflation. Inflation in food articles, however, rose to 2.38 per cent in January, from (-) 1.25 per cent in December, 2022.

*(Business Line)*

**FITCH DOWNGRADES CASH-STRAPPED PAKISTAN'S ISSUER DEFAULT RATING TO CCC-:**

Global ratings agency Fitch cut Pakistan's sovereign credit rating on Tuesday by a notch from CCC+ to CCC-, citing policy risks, critically low reserves and large refinancing risks, and difficult conditions set by the IMF. Fitch typically does not assign outlooks to sovereigns with a rating of CCC+ and below. Its downgrade comes after S&P Global in December cut its long-term sovereign credit rating for Pakistan by one notch to "CCC+" from "B",

*(Economic Times)*

**PM MODI HAILS TATA-AIRBUS DEAL, SAYS INDIA WILL BECOME 3RD BIGGEST MARKET IN AVIATION SECTOR IN NEAR FUTURE:**

Prime Minister Narendra Modi on Tuesday hailed the deal between Air India and Airbus under which the Tata-owned carrier will acquire 250 aircraft and said India's growing aviation sector would need over 2,000 aircraft in the next 15 years. Tata Sons Chairman N Chandrasekaran announced that Air India will acquire 250 aircraft, including 40 wide-body planes, from Airbus. Addressing an online event at which the purchase of Airbus aircraft was announced, Modi said the “landmark deal” reflects the deepening ties between India and France, as well as the successes and aspirations of India's civil aviation sector.

*(Financial Express)*

**NEARLY 5 LAKH INFORMAL MICRO UNITS FORMALISED IN A MONTH VIA NEW UDYAM ASSIST PLATFORM:**

The new Udyam Assist Platform (UAP) launched by the MSME Ministry to formalise micro enterprises has turned 4.7 lakh informal micro enterprises (IMEs) into formal businesses in less than a month. Launched on January 11, 2023, with 8 lakh registered IMEs, the platform had an overall 12.7 lakh registered micro units as of February 9, 2023. Sharing the data in the Lok Sabha, the minister of state in the MSME



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ministry Bhanu Pratap Singh Verma said the platform was launched “to bring IMEs under the formal ambit for availing the benefits under Priority Sector Lending.”

*(Financial Express)*

**ICICI BANK SIGNS PACT WITH BNP PARIBAS:** ICICI Bank and BNP Paribas have signed an initial pact to cater to the banking requirements of European corporates operating in India and Indian companies in the European Union.

*(Financial Express)*

**PhonePe RAISES \$100 MN IN ADDITIONAL FUNDING AT \$12 BN**

**VALUATION:** Walmart-owned fintech firm PhonePe has raised another \$100 million in primary capital from Ribbit Capital, Tiger Global and TVS Capital Funds, at a pre-money valuation of \$12 billion. The new investment follows the recent \$350 million primary fundraise that closed on January 19. Ribbit Capital and TVS Capital are new investors, say sources. The infusion comes at a time when startups are facing a funding winter and macroeconomic uncertainty. PhonePe plans to use the funds to scale its payments and insurance businesses in India. It will also launch and aggressively scale new businesses like lending, stockbroking, ONDC-based shopping and account aggregators over the next few years.

*(Business Standard)*

**ADANI HIRES GRANT THORNTON FOR AUDITS AFTER HINDENBURG**

**FALLOUT: REPORT:** India's Adani Group has appointed accountancy firm Grant Thornton for independent audits of some of its companies in a bid to discredit claims by short-seller Hindenburg Research that have battered its stocks and bonds, two people familiar with the matter said on Monday. The appointment marks the first major effort by Adani Group to defend itself in the wake of a Jan. 24 report by Hindenburg that accused it of improper use of offshore tax havens and stock manipulation. The conglomerate, led by billionaire Gautam Adani, has strongly denied the allegations but investors remain concerned. Shares in the group's seven listed subsidiaries have cumulatively lost about \$120 billion in market value in the last three weeks.

*(Business Standard)*

**RBI LAUNCHES ITS SECOND GLOBAL HACKATHON - HARBINGER 2023:**

Reserve Bank is organising its second global hackathon – “HARBINGER 2023 – Innovation for Transformation” with the theme ‘Inclusive Digital Services’. The Hackathon invites participants to develop solutions that have the potential to make digital financial services accessible to the differently abled, facilitate efficient compliance, extend the reach of Central Bank Digital Currencies and enhance the scalability of blockchains.

*(RBI Press Release)*



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## **LOANS ON DEBIT CARDS TO BE GOVERNED BY DIGITAL LENDING**

**GUIDELINES: RBI:** Loans offered on debit cards, including equated monthly instalment (EMI) programmes, would be governed under the digital lending guidelines of the Reserve Bank of India, the central bank clarified on Tuesday. EMI programmes on credit cards would continue to be governed by rules laid down in the master direction on credit card and debit card issuance (2022). But loan products other than the EMI programmes offered on credit cards, which are not covered under the master direction on credit and debit card issuance, would have to adhere to the digital lending guidelines of RBI.

***(Business Standard)***

## **PSBs WRITE OFF RS 29,000 CR IN Q3FY23 AS PART OF A CLEAN-UP**

**EXERCISE:** Public-sector banks (PSBs) in Q3FY23 wrote off bad loans worth Rs 29,000 crore, up from Rs 23,000 crore in the same quarter a year ago, as part of a clean-up exercise. According to estimates by rating agency CARE Ratings, the write-offs by PSBs in April-December 2022, at Rs 81,000 crore, were lower than the Rs 90,000 crore in April-December 2021.

***(Business Standard)***



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

### **ASIAN CLEARING UNION (ACU)**

- ❖ The Asian Clearing Union (ACU) was established with its head-quarters at Tehran, Iran, on December 9, 1974 at the initiative of the United Nations Economic and Social Commission for Asia and Pacific (ESCAP), for promoting regional co-operation. The main objective of the clearing union is to facilitate payments among member countries for eligible transactions on a multilateral basis, thereby economizing on the use of foreign exchange reserves and transfer costs, as well as promoting trade among the participating countries.
- ❖ The Central Banks and the Monetary Authorities of Bangladesh, Bhutan, India, Iran, Maldives, Myanmar, Nepal, Pakistan and Sri Lanka are currently the members of the ACU.
- ❖ The Asian Monetary Units (AMUs) is the common unit of account of ACU and is denominated as 'ACU Dollar', 'ACU Euro' and 'ACU Yen', which is equivalent in value to one US Dollar, one Euro and one Japanese Yen respectively. As the payment channel for processing 'ACU Euro' is under review, the operations in 'ACU Euro' have been temporarily suspended with effect from July 01, 2016.
- ❖ Eligible payments to be settled through ACU:- or export / import transaction between ACU member countries on deferred payment terms; and not declared ineligible. Trade transaction with Myanmar may be settled in any freely convertible currency, in addition to the ACU mechanism.
- ❖ Payments not eligible to be settled through ACU:- Payments between Nepal and India and Bhutan and India, exception being made in the case of goods imported from India by an importer resident in Nepal who has been permitted by the Nepal Rastra Bank to make payments in foreign exchange. Payments that are not on account of export / import transactions between ACU members countries. All eligible current account transactions including trade transactions with Iran should be settled in any permitted currency outside the ACU mechanism until further notice.



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### **RBI KEY RATES**

Repo Rate: 6.50%  
SDF: 6.25%  
MSF & Bank Rate: 6.75%  
CRR: 4.50%  
SLR: 18.00%  
Fixed Reverse Repo: 3.35%

### **FOREX (FBIL 1.30 PM)**

INR / 1 USD : 82.7163  
INR / 1 GBP : 100.4303  
INR / 1 EUR : 88.8081  
INR /100 JPY : 62.6700

### **EQUITY MARKET**

Sensex: 61032.26 (+600.42)  
NIFTY: 17929.80 (+158.90)  
Bnk NIFTY: 41648.30 (+366.10)

### **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**

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