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DAILY NEWS DIGEST BY BFSI BOARD

18 April 2024

BANKING & FINANCE



Paytm starts migrating customers to new UPI IDs: One97 Communications Limited (OCL), which runs Paytm, has started the customer migration to partner payment service provider (PSP) banks Axis Bank, HDFC Bank, SBI and Yes Bank. The Paytm UPI customers were until now using Paytm Payments Bank Limited (PPBL), an associate company of OCL as the PSP bank, which became untenable after RBI's crippling sanctions on PPBL. All Paytm UPI users will be nudged for consent with a pop-up notification for using Paytm with a new UPI ID with one of the four handles like @ptsbi, @pthdfc, @ptaxis and @ptyes. "Following NPCI's approval on March 14, 2024, to onboard OCL as a Third- Party Application Provider (TPAP), Paytm has expedited the integration with Axis Bank, HDFC Bank, State Bank of India (SBI), and YES Bank. All four banks are now operational on the TPAP, streamlining the process for Paytm to shift user accounts to these PSP banks," the company said in a statement to stock exchanges.

(Moneycontrol)

RBI mandates offline payment aggregators to verify KYC for merchants: The Reserve Bank of India's (RBI) draft regulation for payment aggregators (PAs) will enable these companies to manage risks on their platform with well-defined Know Your Customer (KYC) norms for merchants, market participants said. In the draft guidelines published on Tuesday, the banking regulator outlined KYC procedures for small and medium-sized merchants. It stated that a PA will need to undertake Contact Point Verification (CPV) and duly verify the bank account in which funds of small merchants are settled. Physical merchants undertaking only proximity or face-to-face transactions with business turnover less than the threshold limit of Rs. 5 lakh per annum and those not registered under Goods and Services Tax (GST) are defined as small merchants per the draft norms.

(Business Standard)

New EPF rule on auto withdrawal claims under 68J: The Employees' Provident Funds Organisation (EPFO) has increased the qualifying limit of Paragraph 68J claims for auto claims



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processing. The limit has been increased from Rs 50,000 to Rs 1 lakh, which was also implemented in the application software on April 10, 2024, EPFO said in a circular issued on April 16, 2024. EPF subscribers can apply for an advance under Paragraph 68-J of the EPF Scheme for their own and their dependents' medical expenses. According to paragraph 68-J, members may request an advance from the fund for medical treatment in specific circumstances, such as when they are hospitalised for a month or longer, undergo major surgery in a hospital, or have TB, leprosy, paralysis, cancer, mental illness, or a heart condition. Note that a member would no longer need to provide a proforma, medical certificate, or any other kind of certificate or

(Economic Times)



ECONOMY

'India may still be poor': Former RBI gov Subbarao says 3rd-largest economy tag no cause for celebration: Even after becoming the world's third-largest economy by 2029 as seen by Prime Minister Narendra Modi, India may still be a poor country and therefore there is no reason for celebration, former Reserve Bank Governor D Subbarao has said. Subbarao was speaking at a book launch programme where he, citing Saudi Arabia, said that becoming a rich country does not necessarily mean becoming a developed nation. Recalling PM Modi saying that if he returns to office, India will become the third-largest economy before 2029 -- before the end of his third term, he said many economists predict that the country would become the third largest after the US and China, much sooner. In my view, that is possible (India becoming the third-largest economy), but it's not a celebration. Why? We are a large economy because we are 1.40 billion people. And people are a factor of production. So we are a large economy because we have people. But we are still a poor country, Subbarao said, adding that India is now the fifth largest economy in the world, with the figure standing at \$4 trillion.

(Business Today)

India's economy to grow at 8-8.3 pc in current fiscal: PHDCCI: India's economy is estimated to grow at 8-8.3 per cent in the current fiscal, industry body PHDCCI said on Wednesday. The country's GDP will grow at an average of 6.7 per cent over the next 23 years to become a USD 34.7 trillion economy by 2047, with a per capita income of USD 21,000, it added. "We are projecting a



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growth rate of 8 to 8.3 per cent for India's economy for the current financial year," PHDCCI Chief Economist SP Sharma said.

(Economic Times)

Govt plans major capital goods production push: India is proposing to expand the ambit of a key capital goods promotion scheme to include more sectors such as pharmaceuticals and textiles. The current capital goods promotion scheme focuses heavily on electrical component and automobile manufacturing, and the government is now keen to extend support to others. Plans are afoot to also bring new-age technologies besides those used for electric vehicles, batteries and automobile manufacturing. "Proposals to expand the ambit of the scheme are being considered. The aim is to better cover capital goods manufacturing across sectors," a senior official aware of the development told ET.

(Economic Times)

INDUSTRY OUTLOOK



Adani family infuses ₹8,339 crore in Ambuja Cements: Adani family has infused ₹8,339 crore in Ambuja Cements to increase their stake by 3.6 per cent to 70.3 per cent. The investment is part of warrants issued to the promoters when the company was acquired from the Holcim Group. In all, the promoters have infused ₹20,000 crore by converting warrants into equity in the company. In 2022, the promoter family invested ₹5,000 crore and another ₹6,661 crore was pumped in March. The additional investment will fortify the company's financial position, providing it with enhanced capabilities to pursue its growth plans and capitalise on emerging opportunities in the market, said Ambuja Cements in a statement on Wednesday. The Adani Group plans to enhance cement production capacity to 140 million tonnes per annum by 2028. The investment will also enable various strategic initiatives including debottlenecking capex to enhance operational performance, as well as bringing efficiencies across resources and supply chain, it said.

(Business Line)

Government has no plans to monetise its stake in Vodafone: Pandey: The government has no plans to monetise its stake in Vodafone Idea, Tuhin Kanta Pandey, secretary, department of investment and public asset management told Fe, ahead of the mega follow-on public offer (FPO) by the telecom operator. The telco is hitting the market with an Rs 18,000 crore equity offering on Thursday — the share sale will open on April 18 (for anchor investors on April 16) and close on April



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22 — to mobilise funds, which will help it in increasing its capex, launch 5G services and pare spectrum and adjusted gross revenue debt. The company needs funds to catch up with peers Bharti Airtel and Reliance Jio.

(Financial Express)

Air India bids adieu to 'your palace in the sky': Air India has sold four of its last remaining Boeing 747-400 jumbo jetliners, marking the end of an era that had once thrust the airline to the global league. People familiar with the matter said the four aircraft have been sold to US company AerSale, a supplier of aftermarket commercial jet engines and parts. While two aircraft are likely to be converted to freighters, two will be disassembled for their parts, the people said.

(Economic Times)



REGULATION & DEVELOPMENT

NHAI to monetise 2741 km through toll operate transfer, InvIT in FY25: The National Highways Authority of India (NHAI) aims to monetise 33 stretches of national highways in the current financial year 2024-25 (FY25) through its toll operate transfer (TOT) and infrastructure investment trust (InvIT). The stretches include Lucknow-Aligarh, Kanpur-Ayodhya-Gorakhpur, and Bareilly-Sitapur in Uttar Pradesh, Gurugram-Kotputli-Jaipur bypass and Jaipur-Kishangarh in Rajasthan, Panikoili-Rimuli in Odisha, Chennai Bypass in Tamil Nadu, and Muzaffarpur-Darbhanga-Purnia highway in Bihar. Cumulatively, the 33 stretches, spanning 2741 kilometres (km), earned approximately Rs 5000 crore in revenue in FY24. NHAI will have discretion to review and change the list and modes of monetisation based on its own plans going forward.

(Business Standard)

Centre notifies liberalised FDI norms for space sector to boost foreign investment: The government has notified amendments to the foreign direct investment policy in the space sector to attract offshore investors in satellite manufacturing and satellite launch vehicles segments. Amendment made in the FDI policy for space sector through a gazette notification dated April 16, 2024, prescribes liberalized entry route and provides clarity for FDI in satellites, launch vehicles and associated systems or subsystems, creation of spaceports for launching and receiving Spacecraft and manufacturing of space-related components and systems. "These rules may be called the Foreign Exchange Management (Non-debt Instruments) (Third Amendment) Rules, 2024," the gazette notification said.

(Economic Times)



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FINANCIAL TERMINOLOGY

MARK TO MARKET

- ❖ Mark to market (MTM) is a method of measuring the fair value of accounts that can fluctuate over time, such as assets and liabilities. Mark to market aims to provide a realistic appraisal of an institution's or company's current financial situation based on current market conditions.
- ❖ In trading and investing, certain securities, such as futures and mutual funds, are also marked to market to show the current market value of these investments.
- ❖ Mark to market can present a more accurate figure of what a company might receive for its assets under current market conditions.
- ❖ However, during unfavorable or volatile times, MTM may not accurately represent an asset's true value in an orderly market.



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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 : 83.4982
 INR / 1 GBP : 103.6719
 INR / 1 EUR : 88.5593
 INR /100 JPY: 54.0400

EQUITY MARKET

Sensex: 72943.68(-456.10)
 NIFTY: 22147.90 (-124.60)
 Bnk NIFTY: 47484.80 (-288.45)

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