



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

20 Jan 2024

BANKING & FINANCE



BharatPe marks close of \$100 m debt round: Fintech unicorn BharatPe has marked the final close of its \$100 million debt round led by InnoVen Capital in the range of \$60-70 million, according to sources. The New Delhi-based startup's new debt round comes after a gap of more than two years. The fintech major's NBFC arm Trillion Loans has also raised a separate debt round from Credit Saison, as per sources. In May 2023, BharatPe acquired a majority 51 per cent stake in Mumbai-based Trillion Loans. The Tiger Global-backed firm also appointed Ravindra Pandey, Nalin Negi and Sabyasachi Senapati on the board of the NBFC arm. This round comes after BharatPe raised its last equity round in August 2021 when it announced \$370 million in Series E round.

(Business Line)

BFSI weighting in Nifty50 hits 7-year low as HDFC Bank stock slips: After a sharp fall in the share prices of HDFC Bank and other private sector lenders in the past three days, the BFSI (banking, financial services and insurance) sector weighting in the Nifty50 has slipped to a seven-year low of 32.03 per cent, down from nearly 36.6 per cent at the end of March 2023 and 34.5 per cent at the end of December 2023. The 2019 calendar year was the high point for the BFSI sector, when its weighting in the index had risen to a record high of 40.6 per cent at the end of December.

(Business Line)

Paytm Q3 results: Loss narrows to Rs 220 cr, revenue jumps 38%: One 97 Communications Ltd, the parent of fintech firm Paytm, reported a 38% rise in third-quarter revenue on Friday, helped by its payments business and strong loan growth in the financial services segment. Consolidated revenue rose 38% to Rs 2,851 crore for the October-December quarter from Rs 2,062 crore a year earlier. The company, which has not posted a net profit since it went public in November 2021, said its consolidated net loss narrowed to Rs 220 crore from Rs 392 crore a year ago. "For Q3F24, Paytm



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reported 38% YoY revenue growth, due to accelerated GMV (gross merchandise value) growth, higher device addition, and growth of financial services business.

(Business Today)

Central Bank of India Q3 results: Net profit surges 57% to ₹718 crore: The state-owned Central Bank of India on Friday announced its financial results for the third quarter (Q3) ended December 31, 2023 of fiscal year 2024. The bank's net profit surged 57 per cent to ₹718 crore in the third quarter of FY24, as compared to a net profit of ₹458 crore in the same quarter a year ago. Its total income was reported at ₹9,139 crore during the December quarter of FY24 against ₹7,636 crore in the same period last fiscal year. The net interest income (NII) of the bank declined to ₹3,152 crore during the third quarter as compared to ₹3,285 crore in the same period a year ago. At the end of December 2023, Central Bank of India's gross NPAs fell to 4.50 per cent of the total loans from 8.85 per cent a year earlier. Net NPAs or bad loans also came down to 1.27 per cent in Q3 of FY24 from 2.09 per cent at the end of the third quarter of the previous fiscal year.

(Mint)



ECONOMY

Centre's gross borrowings in FY25 likely to be tad lower than ₹15.4-lakh crore: The interim budget is likely to peg gross borrowing between ₹15.1-lakh crore and ₹15.3-lakh crore for FY25, a tad lower than ₹15.4-lakh crore for FY24. Economists attribute it to the government's intent to bring the deficit down to 4.5 per cent by FY26, which means bringing down both the deficit and borrowing. The trend shows that 80-86 per cent of the fiscal deficit is bridged through market borrowing, and this is likely to continue during the next fiscal. At the same time, sovereign gold bonds might see an increase, while the quantum of sovereign green bonds could be at the same level in FY24, i.e., ₹20,000 crore. Overall, a lower supply of G-secs in FY25, combined with increased demand resulting from passive inflows following India's inclusion in global bond indices, is expected to ease G-sec yields in the next fiscal.

(Business Line)

Stock market to work full day on Saturday, remain shut on Monday: The stock market will remain open from 9 am to 3:30 pm on Saturday and remain shut on Monday. The decision has come ahead of the Ram Temple 'Pran Pratishtha' ceremony in Ayodhya on Monday, January 22. The



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Maharashtra government has declared a public holiday on January 22 to mark the celebration of Ram temple Pran Pratishtha in Ayodhya. In addition to the Maharashtra government, the central government had declared a half-day closing until 2:30 p.m. on Monday on the occasion of the Ram Mandir 'Pran Pratishtha' ceremony.

(Mint)

Retail inflation for farm workers rises to 7.71 pc in Dec: Retail inflation for farm workers and rural labourers increased marginally to 7.71 per cent and 7.46 per cent in December compared to 7.37 per cent and 7.13 per cent, respectively, in November due to higher prices of certain food items. Food inflation stood at 9.95 per cent and 9.80 per cent in December 2023, compared to 9.38 per cent and 9.14 per cent, respectively, in November 2023. Food inflation for farm workers and rural labourers was 5.89 per cent and 5.76 per cent, respectively, in December 2022, a labour ministry statement said.

(Economic Times)

INDUSTRY OUTLOOK



Reliance Industries' net rises to ₹17,265 crore in Q3 FY24: Reliance Industries' consolidated net profit rose 9.3 per cent and revenue grew by a mere 3.5 per cent in the October-December quarter, weighed down by higher expenses and its oils-to-chemicals business. The conglomerate reported a net profit of ₹17,265 crore, while its revenue was at ₹2.28-lakh crore in Q3 FY24. Revenue from its O2C segment was at ₹1.4-lakh crore. According to the company, the lower revenue was due to planned maintenance shutdowns at some of its units in Jamnagar in the quarter under review. The revenue from Reliance Retail, accounting for a third of RIL's income grew to ₹74,373 crore and reported a net profit of ₹3165 crore, up 32 per cent year-on-year. Jio Platforms, which houses all its digital properties, reported a net profit of ₹5445 crore, up 2.8 per cent sequentially, while revenue rose 3 per cent to ₹27,697 crore. EBITDA rose 3.5 per cent to Rs 13,995 crore and the EBITDA margin was flat at 50.4 per cent.

(Business Line)

Tata Steel to shut Port Talbot blast furnaces in UK: Tata Steel said on January 19 that it will be shutting down the two blast furnaces in its Port Talbot Steelworks in Wales, UK in phases, a move that may affect up to 2,800 jobs even as the steel major starts talks to transform and restructure its loss-making UK business in line with its green goals. The company said it will "commence statutory



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consultation as part of its plan to transform and restructure its UK business. This plan is intended to reverse more than a decade of losses and transition from the legacy blast furnaces to a more sustainable, green steel business."

(Moneycontrol)

Reliance Industries declares holiday on January 22: Reliance Industries has announced a nationwide holiday for all its employees on January 22 on account of Ram Lalla 'Pran Pratishtha' ceremony being held in Ayodhya. The move is aimed at allowing employees to actively participate in the historic event and immerse themselves in the festivities surrounding the consecration of the Ram temple.

(Moneycontrol)



REGULATION & DEVELOPMENT

Market regulator Sebi planning comprehensive stress tests of equity schemes: The Securities and Exchange Board of India (Sebi) is in active discussion with the mutual fund (MF) industry to do a comprehensive stress test of equity schemes and figure out measures to tackle situations when the test results indicate red flags, chairperson of the markets regulator Madhabi Puri Buch said here on Friday. The markets regulator reviewed reports of the first round of stress tests by fund houses recently but the data provided was not satisfactory, said Buch at a summit on capital formation.

(Business Line)

Over Rs 30,000 crore AIF investments found circumventing norms: Sebi: The Securities and Exchange Board of India (Sebi) on Friday proposed several measures to enhance trust and ease of compliance for Alternative Investment Funds (AIFs) in specific cases at a time when it has found over Rs 30,000 crore worth of investments to be in circumvention of regulations. In a consultation paper floated on Friday, the market regulator said that it has facilitated the setting up of a Standards Forum for AIFs (SFA) for the ease of implementation of AIF regulations. For the first time, Sebi has identified the amount found under circumventions which stands at over Rs 30,000 crore.

(Business Standard)

Central Consumer Protection Authority issues notice to Amazon for sale of sweets making misleading claims of 'Sri Ram Mandir Ayodhya Prasad': The Central Consumer Protection Authority (CCPA), headed by Chief Commissioner Shri Rohit Kumar Singh, has initiated



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action against Amazon Seller Services Pvt. Ltd., concerning the sale of sweets on www.amazon.in under the name 'Shri Ram Mandir Ayodhya Prasad.' The action has been initiated based on a representation made by Confederation of All India Traders (CAIT) alleging that Amazon is engaging in deceptive trade practices involving sale of sweets under the guise of 'Shri Ram Mandir Ayodhya Prasad'. Enabling the sale of food products online that make false representations misleads consumers regarding the genuine characteristics of the product. Such practice falsely influences consumers to make purchase decisions they might not have otherwise taken, had the accurate attributes of the product been mentioned.

(PiB)

75th Republic Day parade at Kartavya Path to be women-centric; 'Viksit Bharat' and 'Bharat - Loktantra ki Matruka' to be the main themes: With the themes of 'Viksit Bharat' and 'Bharat - Loktantra ki Matruka', the 75th Republic Day Parade at Kartavya Path on January 26, 2024 will be women-centric. Addressing a press conference in New Delhi on January 19, 2024. In a first, the parade to be heralded by 100 women artists with Indian musical instruments; 16 States/UTs & nine Ministries/Organisations tableaux to display the country's rich cultural diversity, unity & progress. French President Mr Emmanuel Macron to be the Chief Guest; Marching & band contingents as well as aircraft from France to join their Indian counterparts.

(PiB)



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FINANCIAL TERMINOLOGY

COMMAND ECONOMY

- ❖ A command economy is a key aspect of a political system in which a central governmental authority dictates the levels of production that are permissible and the prices that may be charged for goods and services. Most industries are publicly owned.
- ❖ Proponents of command economies argue government control rather than private enterprise can ensure the fair distribution of goods and services.
- ❖ The main alternative to a command economy is a free market system in which demand dictates production and prices.
- ❖ Cuba, North Korea, and the former Soviet Union all have command economies. China maintained a command economy until 1978 when it began its transition to a mixed economy that blends communist and capitalist elements. Its current system has been described as a socialist market economy.



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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 : 83.1338
INR / 1 GBP : 105.5662
INR / 1 EUR : 90.4457
INR /100 JPY: 55.9000

EQUITY MARKET

Sensex: 71683.23 (+496.37)
NIFTY: 21622.40 (+160.10)
Bnk NIFTY: 45701.15 (-12.40)

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