



**THE INSTITUTE OF
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DAILY NEWS DIGEST BY BFSI BOARD

February 25, 2023

UNEMPLOYMENT RATE DIPS TO 7.2% IN OCTOBER-DECEMBER 2022:

Unemployment rate for persons aged 15 years and above in urban areas declined to 7.2 per cent during October-December 2022 from 8.7 per cent a year ago, the National Sample Survey Survey (NSSO) showed. Joblessness or unemployment rate is defined as the percentage of unemployed persons among the labour force.

(Moneycontrol)

RBI PUTS DEPOSIT WITHDRAWAL RESTRICTIONS ON FIVE CO-OPERATIVE

BANKS: RBI has imposed business restrictions on five cooperative banks w.e.f February 24 citing weak financial conditions. These banks are HCBL Co-operative Bank Ltd, Uravakonda Co-operative Town Bank Ltd, Adarsh Mahila Nagari Sahakari Bank Maryadit, Shimsha Sahakara Bank Niyamitha and Shankarrao Mohite Patil Sahakari Bank Ltd. The banks cannot accept fresh deposits or give loans without prior approval of the central bank. RBI has imposed partial deposit withdrawal restrictions on three banks and complete restrictions on the other two.

(Moneycontrol)

APEDA INKS MoU WITH LULU HYPERMARKET FOR EXPORT PROMOTION OF MILLETS IN GCC COUNTRIES:

In a move to harness export potential of millets to the Gulf Cooperation Countries (GCCs), the Agricultural and Processed Food Products Export Development Authority (APEDA) has signed an MoU with Lulu Hypermarket LLC on February 21, 2023. APEDA aims to promote millet products and value-added products around the world in association with Lulu Group, which is an international retail hypermarket chain that operates stores and shopping malls across Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates, Egypt, India and Far East. As per the agreement, the Lulu Group will facilitate promotional activities for millet products and enable the country to display millets and its value-added products, ready to eat products in international retail chains by sourcing it from Farmer Producer Organizations, Farmer Producer Companies, women entrepreneurs and startups. APEDA will facilitate manufactures to send various samples of millet products to Lulu Hypermarkets, which will be showcased at its various stores. APEDA, in association with Lulu Group, will also provide assistance in labeling of the products in accordance with the requirement of different importing countries.

(PiB)

Paytm BECOMES FIRST TO LAUNCH UPI LITE FOR SMALL VALUE

TRANSACTIONS: Paytm Payments Bank has become the first platform to launch UPI LITE payments, to enable quick and seamless transactions of up to ₹200 without having to enter a PIN



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to make a payment. UPI LITE, enabled by National Payments Corporation of India (NPCI), aids users to carry out multiple small value UPI transactions without using a PIN. Moreover, users can transfer UPI balances back to their bank account anytime, without any charges. Customers will receive a daily SMS from the bank containing a history of all UPI LITE transactions made during the previous day.

(Business Line)

GUJARAT CLOSES IN ON TAMIL NADU'S LEADERSHIP POSITION IN WIND POWER RACE: Gujarat is on the verge of overtaking Tamil Nadu as the country's top State in terms of wind power capacity installation. Tamil Nadu has been at the forefront of harnessing renewable energy, including the wind energy, over the last two decades. However, with faster capacity additions in recent months, favourable policy and support measures, the western State is likely to snatch the leadership position from Tamil Nadu soon. By the end of January, 2023, Gujarat's total wind power capacity rose to 9,919 MW, while Tamil Nadu's installed wind energy capacity stood at 9964 MW.

(Business Line)

TELECOM TYCOON SUNIL MITTAL IS SEEKING A STAKE IN Paytm: Indian telecommunications tycoon Sunil Mittal is seeking a stake in Paytm by merging his financial services unit into the fintech giant's payments bank, according to people with knowledge of the matter. Mittal seeks to fold Airtel Payments Bank into Paytm Payments Bank in a stocks deal and is also seeking to buy Paytm shares from other holders, the people said, asking not to be identified discussing private information. Talks are in early stages and Airtel and Paytm may not reach a deal, the people said.

(Economic Times)

INDIA RANKS 42ND OUT OF 55 NATIONS IN GLOBAL IP INDEX: India has been ranked 42nd out of 55 countries in the US Chamber of Commerce's latest International IP Index report. The annual International IP Index evaluates the protection of IP rights in 55 of the world's leading economies, together representing around 90% of global GDP. The report covers everything from patent and copyright laws to the ability to monetise IP assets and the ratification of international agreements. The report shows a torrent of proposals both domestic and international are threatening to erode intellectual property (IP) rights.

(Financial Express)

BANK CREDIT GROWS AT 16.1% TO RS 134.17 TRILLION IN FEB 10 FORTNIGHT: The banking system credit grew 16.1 per cent year-on-year (YoY) in the fortnight ended February 10 to Rs 134.17 trillion, latest data released by the RBI showed. About a month ago (January 13 fortnight), credit growth stood at 16.5 per cent YoY. The growth is significantly higher than the year-ago period when the banking system credit growth was hovering around the 9



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per cent mark. Growth had moderated to as low as 14.9 per cent YoY in the fortnight ended December 30 due to base effect, but subsequently picked up as the base effect eased out.

(Business Standard)

INDIA'S FOREX RESERVES DROP FOR THIRD WEEK IN ROW, AT 11-WEEK LOW

OF \$561.27 BN: India's forex reserves have declined for the third week in a row. In the week ending February 17, reserves are down by \$5.681 billion, hitting an eleven-week low of \$561.267 billion. In the previous week that ended February 10, reserves registered the biggest weekly drop in more than 11 months by \$8.319 billion to \$566.948 billion. The last time, forex reserves were up was in the week that ended on January 27, 2023. On this day, reserves soared by \$3,034 billion to \$576.761 billion. As per RBI's weekly statistical data, in the week ending February 17, foreign currency assets dipped by \$4.515 billion to \$496.072 billion. While gold reserves tumbled by \$1.045 billion to \$41,817 billion.

(Mint)

SEBI LIKELY TO SCRAP SMALL TOWN-LINKED INCENTIVE FOR MUTUAL FUNDS:

The Securities and Exchange Board of India (Sebi) is likely to scrap an incentive it allows fund houses for mobilising assets from smaller centres called Beyond 30 (B30) in industry parlance. At present, mutual funds can charge up to 30 basis points over and above the total expense ratio (TER) on assets garnered from such places.

(Business Standard)

KFINTECH BUYS 25.6% STAKE IN ACCOUNT AGGREGATOR MONEYONE'S PARENT:

Financial services firm KFin Technologies (KFinTech) has entered the account aggregator business with the acquisition of 25.63 per cent stake in Fintech Products and Solutions India (FPSIPL) for Rs 6.5 crore. FPSIPL owns MoneyOne, which provides technology solutions to banking and financial services companies, has an account aggregator (AA) licence. AA is a framework for data sharing between financial institutions like banks, pension funds, insurance companies, and asset management companies. Under this, AAs use technology for a simple and secure exchange of data between the institutions.

(Business Standard)

PRADHAN MANTRI FASAL BIMA YOJANA EXTENDED TO ACROSS JAMMU AND KASHMIR:

The Jammu and Kashmir government has extended Pradhan Mantri Fasal Bima Yojana (PMFBY) to the farmers of all 20 districts of the union territory, an official said on Friday. Speaking at the launching event of the extension of Pradhan Mantri Fasal Bima Yojana at Sher-e-Kashmir University of Agricultural Sciences and Technology of Jammu on Friday, Lt. Governor Manoj Sinha said that the scheme will provide comprehensive coverage against crop losses arising out of natural calamities and unseasonal rains.

(Business Standard)



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HDFC BANK RAISES \$750 MILLION VIA DOLLAR BOND SALE, TO PAY COUPON OF 5.686%: The country's largest private sector lender HDFC Bank on Thursday announced that it has raised USD 750 million through a dollar bond sale. The bank said it will be paying a coupon of 5.686 per cent for the three-year bonds, according to an exchange filing. The paper, rated Baa3 by Moody's Rating Services and Bbb by S&P, will be listed on the India International Exchange, it said. The USD denominated senior unsecured instruments will be redeemed on maturity in March 2026. The HDFC Bank scrip had closed 0.69 per cent down at Rs 1,603.35 a piece on the BSE on Thursday, as against a 0.23 per cent correction on the benchmark.
(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

GREY MARKET PREMIUM (GMP)

- ❖ Grey market premium or GMP is a premium amount paid at which initial public offering (IPO) shares are traded before it is listed on the stock exchanges. For instance, LIC fixes its IPO price at Rs 90 per share and its IPO GMP is 50, then the organisation will get listed at Rs 140.90. Eventually, investors will receive up to 55 per cent of the profit on listing day.
- ❖ Simply put, IPO-bound firms test waters in the grey market before making the listing debut and the GPM acts as a key indicator that reflects how the IPO may perform on listing day.
- ❖ The value of GMP changes on daily basis on the shares' demand in the stock markets. If the stocks generate strong demand before the listing, then the shares might open on higher profit and if there is a weak demand for the stocks in the market, then the shares are likely to open at a negative price.
- ❖ A 'grey' market exists as a parallel unofficial market where investors trade for applications or shares prior to the official listing on the exchanges. In the grey market, shares are traded in cash and in person, whereas, an IPO market is a Sebi-regulated and recognised route for raising capital in the market. However, a grey market is not officially authorised or regulated and stock exchanges, Sebi and brokers don't have any involvement or back any transactions taking place in the grey 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 : 82.7432
INR / 1 GBP : 99.4937
INR / 1 EUR : 87.7045
INR /100 JPY : 61.4900

EQUITY MARKET

Sensex: 59463.93 (- 141.87)
NIFTY: 17465.80 (- 45.50)
Bnk NIFTY: 39909.40 (-92.15)

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.**

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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)**

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CMA Chittaranjan Chattopadhyay

Chairman,

Banking, Financial Services & Insurance Board

The Institute of Cost Accountants of India

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