



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

August 29, 2022

- **SUBSIDISED FERTILISERS TO BE SOLD UNDER SINGLE BRAND 'BHARAT' FROM OCTOBER:** All subsidised fertilisers including urea and DAP will be sold under the single brand 'Bharat' from October, a move aimed at ensuring timely availability of soil nutrients to farmers and reducing the freight subsidy. Announcing the new initiative 'One Nation One Fertiliser' under the fertiliser subsidy scheme 'Pradhanmantri Bhartiya Janurvarak Pariyojna (PMBJP)', Chemicals and Fertilisers Minister Mansukh Mandaviya said the companies are allowed to display their name, brand, logo and other relevant product information only on one-third space of their bags. On the remaining two-thirds space, he said the "Bharat" brand and PMBJP logo will have to be shown. The companies have been given time till year-end to clear their old stock. In view of a sharp rise in global prices, the government's subsidy bill is estimated to rise to Rs 2.25 lakh crore in the current fiscal.  
[fertiliser subsidy: All subsidised fertilisers to be sold under single brand 'Bharat' from October - The Economic Times \(indiatimes.com\)](#)
- **ZOMATO INTEGRATES GROCERY DELIVERY VIA BLINKIT ON MAIN APP IN PILOT TEST:** Zomato has kicked off a pilot test of delivering groceries via Blinkit on its main app in Delhi-NCR, as the online food aggregator aims to "accelerate" the 10-minute delivery platform's Blinkit journey to profitability. Currently, those part of the pilot project can order for a minimum order value of Rs 150 via Blinkit on Zomato's main app, while on Zomato, it remains Rs 49/-  
[blinkit: Zomato integrates grocery delivery via Blinkit on main app in pilot test - The Economic Times \(indiatimes.com\)](#)
- **RBI'S FOREX RESERVES FALL TO \$564 BILLION, LOWEST IN ABOUT 22 MONTHS:** RBI's foreign exchange or FX reserves fell to \$564 billion as of August 19--their lowest level since October 2020, as per data released by the central bank today. The reserves were lower by \$6.7 billion on week, largely on account of a \$5.8 billion fall in foreign currency assets and fall in gold reserves by \$704 million. The main reason behind this fall is dip in foreign currency assets which the RBI has been using in the forex market to cushion the fall in rupee.  
[RBI's FX reserves fall to \\$564 billion, lowest in about 22 months - The Hindu BusinessLine](#)
- **MCX SUSPENDS COTTON CONTRACT TO AMEND SPECIFICATIONS:** Capital market regulator SEBI has suspended trading in all cotton futures contract on the country's largest commodity exchange MCX for one month to align the contract specifications with that of the market.  
[MCX suspends cotton contract to amend specifications - The Hindu BusinessLine](#)



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- **PM NARENDRA MODI SPINS CHARKHA AT KHADI UTSAV IN AHMEDABAD:** Prime Minister Narendra Modi attended the 'Khadi Utsav' event in Ahmedabad on Saturday. In a one of its kind event being held as part of Azadi ka Amrit Mahotsav, Khadi Utsav is being organised to pay tribute to khadi and its importance during the freedom struggle. The Utsav is being organized at Sabarmati Riverfront, Ahmedabad. Around 7,500 women khadi artisans from various districts of Gujarat participated at the event.  
[Gujarat: PM Narendra Modi spins charkha at Khadi Utsav in Ahmedabad | Business Standard News \(business-standard.com\)](#)
- **US DONATES NINE MILLION PEDIATRIC, COVID-19 VACCINE DOSES TO PAKISTAN:** The United States on Friday donated nine million pediatric and adult doses of Covid-19 vaccines to Pakistan. "As part of the U.S. commitment to provide 77 million doses of US COVID-19 vaccines to Pakistan, an additional nine million pediatric and adult doses from the United States--in partnership with COVAX-- began arriving on August 26," the US Embassy in Pakistan said in a statement. The United States is the single largest donor of COVID-19 vaccines to Pakistan.  
[US donates nine million pediatric, Covid-19 vaccine doses to Pakistan | Business Standard News \(business-standard.com\)](#)
- **FREEBIES MUST BE FUNDED OUT OF BUDGETS, SAYS FM SITHARAMAN:** Union minister for finance and corporate affairs Nirmala Sitharaman on Friday said that the International Monetary Fund's (IMF) latest projection of a 7.4% economic expansion for India in FY23 was broadly in sync with the government's own assessment, but added that given the downside risks from external factors, it was not yet time to drop caution on the growth front. The minister said rather than the question of what constituted "freebies", what she was more concerned about was the tendency (among some state governments) to shift the burden of freebies onto "someone else", like the electricity discoms instead of funding these out of the budgets. Political parties making electoral promises should make adequate budgetary provisions to take care of the expenditures, she iterated..  
[FE India's Best Banks Awards: Freebies must be funded out of Budgets, says FM Sitharaman | The Financial Express](#)
- **JUSTICE LALIT SWORN IN AS 49th CJI:** Justice Uday Umesh Lalit on Saturday was sworn in as 49th Chief Justice of India by taking an oath in front of President Droupadi Murmu at the Rashtrapati Bhavan. Justice Lalit will have a brief tenure of 74 days as the head of India's judiciary and would demit office on 8 November.  
[Justice Lalit sworn in as 49th CJI: High profile cases, verdicts and career highlights | Mint \(livemint.com\)](#)



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- **OPERATIONAL CREDITORS LEAD IN FILING BANKRUPTCY CASES:** Operational creditors, especially small vendors and suppliers, are increasingly initiating corporate insolvency resolution proceedings against corporate debtors, according to the latest available data. As a result, some experts are concerned that this will go against the basic tenet of the IBC, which they say is a resolution, not recovery, mechanism by putting firms under pressure to clear their dues. Another reason for the large number of cases by operational creditors could be the relatively lower fee of ₹2,000 needed to file an application under Section 9 of the IBC. While operational creditors have initiated 51.2% of insolvency resolution cases since the inception of IBC, 42.8% were initiated by financial creditors or lenders. The remaining were by companies declaring themselves insolvent, showed data from the April-June newsletter of the IBBI.

[Operational creditors lead in filing bankruptcy cases | Mint \(livemint.com\)](#)

- **DISNEY STAR WINS BROADCASTING RIGHTS OF ALL ICC EVENTS FROM 2024 TO 2027 IN INDIA:** Indian media conglomerate Disney Star, on Saturday, has bagged the broadcasting rights of all International Cricket Council (ICC) events for a four-year deal from 2024 to 2027 for the Indian market, the global governing body of cricket said.

[Disney Star wins broadcasting rights of all ICC events from 2024 to 2027 in India - BusinessToday](#)

- **SBI PLANNING TO INVOKE PERSONAL GUARANTEES OF BAJAJ HINDUSTHAN PROMOTERS:** State Bank of India (SBI), the lead bank of Bajaj Hindusthan Sugar (BHSL), is planning to invoke the personal guarantees of promoters after the company was sent for debt resolution to the Allahabad Bench of the National Company Law Tribunal (NCLT). The NCLT is yet to admit SBI-led banks' petition to start the corporate insolvency resolution process for BHSL. The company owes Rs 4,771 crore to Indian banks and has already availed of two debt restructuring schemes, leading to steep haircuts taken by lenders.

[SBI planning to invoke personal guarantees of Bajaj Hindusthan promoters | Business Standard News \(business-standard.com\)](#)



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- **GOVT MAY TRY NEW CURRENCY SWAP TO HELP DEVELOPING ECONOMIES AVERT DEFAULT:** To help economies facing the risk of debt default, India could try an innovative method of currency swap backed by trade in mineral resources. “Given the currency fluctuations, it will be crucial for the Global South to enter into currency swap agreements and link them to projects and trade in minerals and other commodities,” said Dammu Ravi, Secretary (Economic Relations), Ministry of External Affairs at an event in New Delhi. A currency swap between two cross-border entities allows them to procure loans in foreign currency at more favourable interest rates than might be available when they borrow directly in a foreign market. Access to critical minerals from abroad has become essential for India to build up its semiconductor chip industry and expand renewable energy to push growth. India has already extended the term of a \$400 million currency swap facility with Sri Lanka this year.  
[Govt may try new currency swap to help developing economies avert default | Business Standard News \(business-standard.com\)](#)
- **NOIDA SUPERTECH TWIN TOWERS DEMOLITION:** The illegal Supertech Twin Towers in Noida were demolished today, bringing to close a nine-year-long legal battle. The Apex and Ceyane buildings had 915 flats, 21 shops and 2 basements. The demolition exercise took place under a Rs 100 crore insurance policy, which included damage to adjacent buildings, if any. The premium and other costs have to be borne for Supertech Ltd.  
[Noida Supertech Twin Towers Demolition Today Live: Apex and Ceyane towers all set to be demolished | The Financial Express](#)
- **JAN DHAN YOJANA: FOUR OUT OF FIVE ACCOUNTS OPERATIONAL, AVERAGE DEPOSIT UP BY 71%:** Only one out of five PMJDY accounts is inoperative as against one in four accounts, five years back. Also, deposit per account has gone up by over 71 per cent during the same period, while 56 per cent of the account holders are women. PMJDY accounts hit 462.5 mn in eight yrs, deposits reach Rs 1.73 trillion.  
[Jan Dhan Yojana: Four out of five accounts operational, average deposit up by 71% - The Hindu BusinessLine](#)



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**FINANCIAL TERMINOLOGY/CONCEPTS**  
**ALTMAN'S Z-SCORE MODEL**

This is a Credit Risk Assessment model. NYU Stern Finance Professor Edward Altman developed the Altman Z-score formula in 1967, and it was published in 1968. The Altman Z-score is the output of a credit strength test for determining whether a company, notably in the manufacturing space, is headed for bankruptcy. The formula takes into account profitability, leverage, liquidity, solvency, and activity ratios. An Altman Z-score close to „0“ suggests a company might be headed for bankruptcy, while a score closer to „3“ suggests a company is in solid financial positioning.

**Altman Z-Score = 1.2A + 1.4B + 3.3C + 0.6D + 1.0E**

**Where;**

**A = working capital / total assets**

**B = retained earnings / total assets**

**C = earnings before interest and tax / total assets**

**D = market value of equity / total liabilities E = sales / total assets**

A score below 1.8 means it's likely the company is headed for bankruptcy, while companies with scores above 3 are not likely to go bankrupt. In more recent years, however, it was suggested that, a Z-Score closer to 0 indicates a company may be in financial trouble.



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#### **RBI KEY RATES**

Repo Rate: 5.40%  
SDF: 5.15%  
MSF & Bank Rate: 5.65%  
Fixed Reverse Repo Rate: 3.35%  
CRR: 4.50%  
SLR: 18.00%

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

INR / 1 USD :79.9097  
INR / 1 GBP :94.3371  
INR / 1 EUR :79.6236  
INR /100 JPY :58.3700

#### **EQUITY MARKET**

Sensex: 58833.87 (+59.15)  
NIFTY : 17558.90 (+36.40)  
Bank NIFTY: 38987.20 (+36.40)

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