



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

DAILY NEWS DIGEST BY BFSI BOARD

January 02, 2023

GST COLLECTIONS RISE TO RS 1.5 LAKH CRORE IN DECEMBER, UP 2.5%

FROM NOVEMBER: India collected Rs 1.5 lakh crore as GST in December, the finance ministry said on January 1. At Rs 1.5 lakh crore, the GST collections for December were up 15.2 percent YoY, and 2.5 percent higher from November. Gross GST collections stood at Rs 1.46 lakh crore in November 2022 and Rs 1.3 lakh crore in December 2021.

(Moneycontrol)

BLOCKCHAIN TO BE USED TO PUSH FARM EXPORTS: India's natural farming could soon get a technological push through blockchain, as the government plans to use the technology across all export-driven crops to increase the country's food shipments and incentivise farmers to take up chemical-free processes. The Niti Aayog has launched a pilot project in collaboration with the Himachal Pradesh government on apple farming, to ensure quality production while also monitoring the produce across the entire storage and supply chain.

(Economic Times)

UPI TRANSACTIONS SURGE 7.7% IN DEC TO ₹12.8-LAKH CRORE: Payments transactions via the UPI (Unified Payments Interface) network surged 7.7 per cent on-month to high of ₹12.8-lakh crore in December against a drop of 1.7 per cent in November. The volume of transactions, too, rose by a sharp 7.1 per cent to ₹783 crore during the month, according to data by NPCI (National Payments Corporation of India).

(Business Line)

INDIA'S ELECTRICITY CONSUMPTION GROWS 11 PC TO 121.19 BILLION

UNITS IN DECEMBER: India's power consumption logged a double-digit growth of over 11 per cent to 121.19 billion units in December 2022 compared to the year-ago period, according to government data. The robust growth of power consumption indicates sustained momentum of economic activities in December. Experts say power consumption and demand will further increase in January due to use of heating appliances, especially in the northern parts of the country, and further improvement in economic activities. In December 2021, power consumption stood at 109.17 billion units (BU), higher than the 105.62 BU in the same month of 2020, the data showed.

(Economic Times)

RUPEE FALLS OVER 11% IN 2022 WORST SINCE 2013: The Indian rupee depreciated over 11 per cent in 2022 against the dollar -- its poorest performance since 2013



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and the worst drubbing among Asian currencies -- as the US Federal Reserve's aggressive monetary policy propelled the greenback. The rupee closed 2022 at 82.61 to the US dollar, down from 74.29 at end of 2021 as the US currency headed for its biggest yearly gain since 2015. The Indian unit, however, fared better than some other global currencies like the Turkish Lira and British Pound

(Economic Times)

INDIA'S JOBLESS RATE RISES TO 16-MONTH HIGH OF 8.30% IN DECEMBER;

CMIE: India's unemployment rate rose to 8.30% in December, the highest in 16 months, from 8.00% in the previous month, data from the Centre for Monitoring Indian Economy (CMIE) showed on Sunday. The urban unemployment rate rose to 10.09% in December from 8.96% in the previous month, while the rural unemployment rate slipped to 7.44% from 7.55%, the data showed. "Most importantly, the employment rate has increased in December to 37.1%, which again is the highest since January 2022," he told Reuters. Containing high inflation and creating jobs for millions of young people entering the job market remain the biggest challenge for Prime Minister Narendra Modi's administration ahead of national elections in 2024.

(Economic Times)

CENTRE TO ROLL OUT NEW INTEGRATED FOOD SECURITY SCHEME STARTING 1 JANUARY 2023:

The roll out of center's new integrated food security Scheme is set to begin on 1 January 2023. As per the decision made by cabinet, the new Scheme would provide free food grains to 81.35 crore beneficiaries under NFSA, for the year 2023. The Scheme would also ensure effective and uniform implementation of National Food Security Act (NFSA). Government of India has social & legal commitment to the people of the nation- a dignified life by ensuring them access to food and nutritional security through availability of adequate quantity of quality foodgrains. For fulfilling this commitment to the most vulnerable 67% of population i.e. 81.35 crore persons covered under NFSA, the cabinet decided to launch a new Central Sector scheme to fulfill the vision of One Nation - One Price - One Ration. Under the scheme, Government of India will provide free foodgrains to all NFSA beneficiaries i.e. Antyodaya Ann Yojana (AAY) households & Priority Household (PHH) persons for the next one year through the wide spread network of 5.33 lakhs Fair Price Shops across the country. The decision will strengthen the provisions of NFSA, 2013 in terms of accessibility, affordability and availability of foodgrains for the poor.

(Press Information Bureau)

TATA VETERAN RK KRISHNAKUMAR DIES AT 84: Former Tata Sons' director and a group veteran R K Krishnakumar, and a long-term associate of Ratan Tata, passed away in Mumbai on Sunday, following a heart attack. Born in 1938, he was 84 years old. A Padma Shri awardee, he held trustee positions at Sir Dorabji Tata and Sir Ratan Tata Trusts, the



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philanthropic arms through which Tata Sons conducts its philanthropic initiatives. In 2009, Krishna Kumar received Padma Shri for his contributions to the country's trade and business.

(Financial Express)

CORPORATE TAX TO GDP RATIO EXCEEDS 3 PC AFTER TWO YEARS IN

FY'22: Corporate tax collections exceeded 3 per cent of the GDP after a gap of two years in 2021-22, reflecting overall improvement in profitability of India Inc propelled by increase in demand for goods and services. However, the corporate tax collection is yet to surpass its five-year high of 3.51 per cent of GDP recorded in 2018-19. In actual terms, the net corporate tax collection in 2021-22 stood at Rs 7.12 lakh crore. The Gross Domestic Product (GDP) at current market price was Rs 236.64 lakh crore. The percentage of net corporate tax to GDP worked out to be 3.01 per cent. The mop up and ratio slipped to 2.77 % of GDP in 2019-20 on account of reduction in corporate tax rate. In the biggest reduction in 28 years.

(Financial Express)

CANARA BANK LOOKS TO GROW BUSINESS TO RS 30 TRILLION IN FIVE

YEARS: After crossing business growth of Rs 20 trillion in December, public sector lender Canara Bank is looking to grow its business; deposits plus advances to Rs 30 trillion in about five years. As of March 2020, that is before amalgamation, Canara Bank business was over Rs 10 trillion and on April 01, 2020 – Syndicate Bank having business of Rs five trillion was merged with Canara Bank. So both put together, the business was Rs 15.6 trillion, which in about two years and nine months has touched Rs 20 trillion. That is about Rs 4.4 trillion of business added.

(Business Standard)

AJAY KUMAR SRIVASTAVA BECOMES NEW MD AND CEO OF INDIAN

OVERSEAS BANK: Ajay Kumar Srivastava has been elevated as Managing Director and CEO of Indian Overseas Bank with effect from January 1, 2023 from his current posting as executive director. He started his banking career as a probationary officer in 1991 with Allahabad Bank where he worked in various capacities in different parts of the country.

(Business Standard)

INDIANS EMERGE AS BIGGEST BENEFICIARIES OF UAE RAFFLE DRAW IN

2022: Indians emerged as the biggest beneficiaries of the UAE's leading weekly raffle draw Mahzooz, which has created 31 multi-millionaires in the last two years, giving away over 350,000,000 dirham in prize money to its winning participants. Among the total 217,000 winners, Indians come first, thanks to the large and repeat participation numbers from within the United Arab Emirates, India and other Gulf Cooperation Council countries.

(Business Standard)



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PM'S VISION FOR 2023 IS MOBILE PHONE EXPORTS OF RS 1 TRN: Prime Minister Narendra Modi's vision for 2023 is to have mobile phone exports with the segment featuring in the top 10 export category from India, Minister of State for Electronics and IT Rajeev Chandrasekhar said.

(Business Standard)

ANIL KUMAR LAHOTI TAKES CHARGE AS CHAIRMAN AND CEO, RAILWAY BOARD: Anil Kumar Lahoti has taken over the charge of the new Chairman and Chief Executive Officer (CEO), of the Railway Board. The appointments committee of the Cabinet approved the appointment. Prior to this, Lahoti worked as a Member (Infrastructure) of the Railway Board.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

CURRENCY-DEPOSIT RATIO

- ❖ The currency deposit ratio shows the amount of currency that people hold as a proportion of aggregate deposits.
- ❖ An increase in cash deposit ratio leads to a decrease in money multiplier. An increase in deposit rates will induce depositors to deposit more, thereby leading to a decrease in Cash to Aggregate Deposit ratio. This will in turn lead to a rise in Money Multiplier.
- ❖ Currency-deposit ratio holds an inverse relationship with the money supply. This implies that an increase in currency deposit ratio results in a decrease in the money supply in the economy and vice-versa. This is because an increase in currency deposit ratio implies that people increase their cash holdings as compared to the proportion of deposits held in the bank. This implies that banks would have comparatively lesser money to create credit in the economy. A reduction in credit creation will lead to a fall in money supply prevailing in the economy. The vice-versa of this process will be applicable in case of a fall in currency deposit ratio.



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RBI KEY RATES

Repo Rate: 6.25%
SDF: 6.00%
MSF & Bank Rate: 6.50%
CRR: 4.50%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 82.7862
INR / 1 GBP : 99.7436
INR / 1 EUR : 88.1496
INR /100 JPY : 62.4500

EQUITY MARKET

Sensex: 60840.74 (-293.14)
NIFTY : 18105.30 (-85.70)
Bnk NIFTY: 42986.40 (-265.95)

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)**

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CMA Chittaranjan Chattopadhyay

Chairman,

Banking, Financial Services & Insurance Board

The Institute of Cost Accountants of India

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