

## THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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## DAILY NEWS DIGEST BY BFSI BOARD

December 02, 2022

#### RBI LAUNCHES RETAIL DIGITAL RUPEE IN MUMBAI, NEW DELHI,

**BENGALURU AND BHUBANESWAR:** The Reserve Bank of India (RBI) on Thursday launched the first pilot project for retail digital rupee in Mumbai, New Delhi, Bengaluru and Bhubaneswar. The retail digital rupee (e?-R) project has started in a closed user group with the participation of four lenders; State Bank of India, ICICI Bank, Yes Bank and IDFC First Bank as well as customers and merchants. In the second phase of retail digital rupee project, nine more cities and four more banks will be included. *(Financial Express)* 

# NOVEMBER GST COLLECTIONS AT RS 1.46 LAKH CRORE, DOWN 3.9% FROM

**OCT:** India collected Rs 1.46 lakh crore as Goods and Services Tax (GST) in November, up by 10.9 percent compared to the same month last year, but 3.9 percent lower from October. The gross GST collection was Rs 1.52 lakh crore in October 2022 and Rs 1.32 lakh crore in November 2021.

#### (Moneycontrol)

**SBI CARDS TOPS HDFC BANK IN INCREMENTAL CARD ISSUANCES:** SBI Cards has trumped HDFC Bank in incremental card issuances in the festival month of October. HDFC Bank, still the segment leader in the country, retreated to the fourth position in new credit card additions - at less than 220,000 in October. SBI Cards added 340,000 customers. Axis Bank, at 260,000 and ICICI Bank, at a little more than 220,000, beat HDFC Bank, India's most valued lender, in incremental additions. In terms of total credit cards, HDFC Bank continued to remain the market leader with 16.5 million credit cards, followed by SBI Cards at 15.1 million. ICICI Bank, at 13.5 million, and Axis Bank, at more than 9 million, are other major players in this segment.

(Economic Times)

**RESERVE BANK OF INDIA, JAPANESE REGULATOR HOLD TALKS ON CLEARING HOUSES:** RBI and the Financial Services Agency (FSA) of Japan on Wednesday exchanged letters of cooperation in the field of central counterparties (CCPs) with the expressed aim of improving mutual cooperation. "With this exchange of letters, the RBI and the FSA are committed to deepening relations between the two countries and strengthening the exchange of information," the Indian central bank said on Wednesday. The move comes at a time when the European and the UK regulators have derecognised various Indian clearing



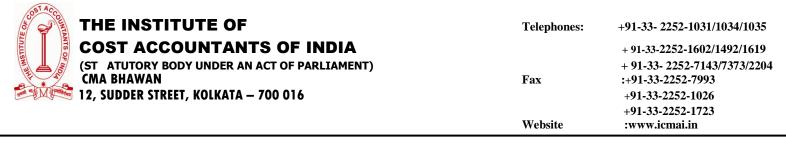
houses, including the Clearing Corporation of India (CCIL), which hosts the trading platform for government bonds and overnight indexed swaps (OIS). *(Business Standard)* 

#### **GOVT CUTS WINDFALL TAX ON LOCALLY PRODUCED CRUDE OIL AND DIESEL EXPORTS:** The Central government on December 1 said that it has further cut windfall tax on locally produced crude oil and diesel exports. The tax on crude oil produced by firms such as state-owned ONGC has been reduced to Rs 4,900 per tonne from the existing Rs 10,200 per tonne. Govt. also cut the rate on export of diesel to Rs 8 per litre from Rs 10.5 per litre. The levy includes Rs 1.5 per litre as road infrastructure cess. The special additional excise duty on petrol continues to remain nil and that on aviation fuel ATF at Rs 5 a litre. (Moneycontrol)

**RS 14.30 LAKH CRORE BANK CREDIT RAISED BY MICRO, SMALL ENTERPRISES IN OCTOBER:** Gross bank credit deployed by scheduled commercial banks to micro and small enterprises in the country jumped 15.9 % year-on-year in October, showed latest monthly data on sectoral deployment of bank credit by RBI. Credit to MSEs increased from Rs 12.34 lakh crore in Oct 2021 to Rs 14.30 lakh crore in Oct 2022. *(Financial Express)* 

**RBI COMES OUT WITH FOUR-TIERED REGULATORY FRAMEWORK FOR URBAN COOPERATIVE BANKS:** RBI on Thursday announced a four-tiered regulatory framework for categorisation of Urban Co-operative Banks (UCBs), Besides, the central bank has come out with norms pertaining to the net worth and capital adequacy of these banks. The four-tiered regulatory framework, based on size of deposits of the UCBs, will come into force with immediate effect. The extant regulatory framework classifies UCBs into two tiers — Tier I and Tier II. The RBI has categorised all unit UCBs and salary earners' UCBs (irrespective of deposit size), and all other UCBs having deposits up to Rs 100 crore in Tier 1.In Tier 2, it has placed UCBs with deposits more than Rs 100 crore and up to Rs 1,000 crore. Tier 3 will cover banks with deposits more than Rs 1,000 crore and up to Rs 10,000 crore.UCBs with deposits more than Rs 10,000 crore have been categorised in Tier 4. *(Financial Express)* 

**RELIANCE FAR OUTPACES ADANI IN HURUN'S LIST TO EMERGE AS MOST VALUABLE COMPANY IN INDIA:** Mukesh Ambani-owned Reliance Industries Ltd has topped the list of 500 most valuable companies in India, Axis Bank's Private Banking Business and Hurun India's '2022 Burgundy Private Hurun India 500' showed on Thursday. RIL's value stood at Rs 17.2 lakh crore, up 3.6 per cent as compared to last year. Tata Consultancy



bagged the second spot despite its value contracting 10.8 per cent. The company is valued at Rs 11.6 lakh crore followed by HDFC Bank (with a value of Rs 8.3 lakh crore). *(Economic Times)* 

### ADANI GROUP TO INVEST \$7.39 BILLION IN ODISHA IN NEXT 10 YEARS:

Adani Group, will invest 600 billion Indian rupees (\$7.39 billion) over the next 10 years in the mineral-rich state of Odisha, a top executive said on Thursday. The group will commission a liquefied natural gas (LNG) terminal with 5 million tons of capacity in Dhamra port in the state this month, and plans to double this capacity within the next five years *(Economic Times)* 

**URBAN AREAS FEEL THE PAIN AS UNEMPLOYMENT IN INDIA SURGES TO 8% IN NOVEMBER:** The unemployment rate in India surged to 8% in November from 7.7% in October on account of a significant increase in unemployment in urban India, shows the data from the Centre for Monitoring Indian Economy. As per the CMIE data, the unemployment rate in urban India went up from 7.21% in October to 8.96% in November while the unemployment rate in rural India fell to 7.55% compared to 8.04% in October. *(Economic Times)* 

**OVER 3 MN CENTRAL GOVT PENSIONERS USED DIGITAL LIFE CERTIFICATES: DoPPW:** More than 30 lakh Central government pensioners used digital life certificates (DLCs), the Department of Pension & Pensioners' Welfare (DoPPW) said on Thursday. Submission of life certificates is an important activity to be carried out by pensioners every year in the month of November (with special provision for pensioners aged 80 years and above to submit their life certificates in October) to ensure continuity of their pension. (*Business Standard*)

**ODISHA DESTINED TO EMERGE TRN-DOLLAR ECONOMY: CM PATNAIK WOOS INVESTORS:** Claiming that Odisha is destined to become a trillion-dollar economy in the near future, Chief Minister Naveen Patnaik on Thursday assured business leaders of all support in launching their projects in the state. Patnaik said this while addressing the plenary session of the third edition of the Make In Odisha' conclave, the state's business summit, attended by Arcelor Mittal Executive Chairman L N Mittal, Chairman of Vedanta Resources Anil Agarwal, JSW chief Sajjan Jindal, JSPL Chairman Naveen Jindal, Adani Group's Karan Goutam Adani and others.

(Business Standard)



#### **RESERVE BANK OF INDIA ISSUES FRAMEWORK FOR INDIAN BANKS'**

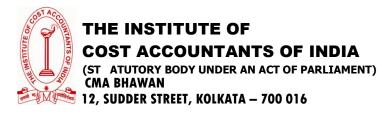
**FOREIGN BIZ:** RBI has put in place a framework to allow overseas subsidiaries and branches of Indian banks and financial institutions to undertake activities not specifically permitted in the Indian domestic market. The framework also specifies the applicability of these instructions to IFSCs in India, including Gujarat International Finance Tec-City (GIFT City). While these activities may not need prior approval, they are subject to compliance with all applicable laws/regulations and conditions stipulated by the RBI and those prescribed by the host regulator.

(Business Standard)

#### CARLYLE, ADVENT GET CONDITIONAL NOD FROM RBI FOR 9.99% IN YES

**BANK**: Private equity majors The Carlyle Group and Advent have got the Reserve Bank's nod to own up to 9.99 per cent in Yes Bank, the private sector lender said on Thursday. The two PE funds in July this year expressed an intent to pump-in over Rs 8,000 crore in Yes Bank subject to regulatory permissions. Regulatory nod is required for owning over 5 per cent in a bank. The investment by the PE funds will be one of the biggest in the banking sector in recent times, and was announced after the bank was able to make progress on a plan to house nearly Rs 50,000 crore of bad loans in a newly carved ARC.

(Business Standard)



## FINANCIAL TERMINOLOGY/CONCEPTS

CENTRAL BANK DIGITAL CURRENCY – RETAIL (e₹-R)

- RBI on 1<sup>st</sup> December 2022 launched the first pilot project for retail digital rupee in Mumbai, New Delhi, Bengaluru and Bhubaneswar in a closed user group with the participation of four lenders State Bank of India, ICICI Bank, Yes Bank and IDFC First Bank. The launch comes a month after the Reserve Bank of India (RBI) started a pilot in the digital rupee – wholesale on November 1 2022.
- The e?-R is in the form of a digital token that represents legal tender and would offer "features of physical cash like trust, safety and settlement finality", according to the RBI."As in the case of cash, it will not earn any interest and can be converted to other forms of money, like deposits with banks.
- CBDC is a digital form of currency notes issued by a central bank. While most central banks across the globe are exploring the issuance of CBDC, the key motivations for its issuance are specific to each country's unique requirements. Based on the requirements placed by banks, digital rupee will be created by the RBI using latest technology and digitally issued to the banks in a secure manner. Customers will be able to place the request for digital rupee through the digital wallet in their mobile app provided by the banks and the requested amount would get credited to their digital rupee wallets.
- The users will be able to transact with e?-R through a digital wallet offered by the participating banks and stored on mobile phones/devices.Transactions can be both Person to Person (P2P) and Person to Merchant (P2M). Payments to merchants can be made using QR codes displayed at merchant locations. Eight banks have been identified for phase-wise participation in the pilot project.



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FOREX (FBIL 1.30 PM) INR / 1 USD : 81.1512 INR / 1 GBP : 98.1670 INR / 1 EUR : 84.7467 INR /100 JPY : 59.4900	Credit Management of Banks * Certificate Course on Treasury and International Banking * Certificate Course on Investment	Iending to MSME Sector (including restructuring of MSME Credit ).
EQUITY MARKET Sensex: 63284.19 (+184.54) NIFTY : 18812.50 (+54.20) Bnk NIFTY: 43260.65 (+29.65)	Management * Certificate Course on General Insurance. For details please visit BFSIB portal of the ICAI website	<ul> <li>BFSI Chronicle (quarterly issue of BFSIB)</li> <li>To purchase please visit BFSIB portal of ICAI</li> </ul>

#### (CMA Chittaranjan Chattopadhyay)

Chairman,

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