



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

**January 13, 2023**

### **CPI INFLATION FALLS AGAIN IN DECEMBER, HITS 1-YEAR LOW OF 5.72%:**

India's headline retail inflation rate eased to a one-year low of 5.72 % in December from 5.88 percent the previous month, data released on January 12 by the ministry of statistics and programme implementation showed. At 5.72 %, the latest Consumer Price Index (CPI) inflation print is below the consensus estimate. The fall in headline inflation in December was led by food items, with food inflation tumbling to 4.19 % also the lowest in a year. As for the medium-term target of 4 percent, CPI inflation has now exceeded it for 39 months in a row.

**(Moneycontrol)**

### **INDIA'S IIP GROWTH REBOUNDS TO 7.1% IN NOVEMBER:**

India's industrial growth, as per the Index of Industrial Production (IIP), accelerated to 7.1 percent in November, data released on January 12 by the Ministry of Statistics and Programme Implementation showed. The IIP in November stood at 137.1, which is higher as compared to 128 in the year-ago period. In October 2022, an IIP of 129.3 was clocked. It also the highest IIP growth clocked in the last five months.

**(Moneycontrol)**

### **NO TDS ON REMUNERATIONS, SALARIES OR COMMISSION PAID TO**

**PARTNERS: ITAT:** The Gauhati Bench of the Income Tax Appellate Tribunal (ITAT) has ruled that the Tax Deducted at Source (TDS) does not apply to salary or commission paid to partners.

**(Moneycontrol)**

### **BANK STAFF TO STRIKE WORK ON JAN 30, 31:**

The United Forum of Bank Unions (UFBU), on Thursday decided to go on two-day strike from January 30 to press for their various demands, a top All India Bank Employees' Association (AIBEA) official said. The strike is to press for the following demands: five days banking, updation of pension, residual issues, scrapping of National Pension System (NPS), immediate starting of negotiation on charter of demands for wage revision, and adequate recruitment in all cadres.

**(Economic Times)**

### **US INFLATION EASED AGAIN TO 6.5% OVER THE PAST 12 MONTHS:**

The US Inflation eased to 6.5% in December compared with 12 months earlier, the government said Thursday. It was the sixth straight year-over-year slowdown. On a monthly basis, prices actually slipped 0.1% from November to December, the first such drop since May 2020. The softer readings add to growing signs that the worst inflation bout in four decades is gradually



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waning. Still, the Fed doesn't expect inflation to slow enough to get close to its 2% target until well into 2024.

*(Economic Times)*

### **SBI LAUNCHES e-BANK GUARANTEE (e-BG) FACILITY IN COLLABORATION**

**WITH NeSL:** State Bank of India (SBI), has launched e-Bank Guarantee (e-BG) facility by joining hands with National e-Governance Services Limited (NeSL). With the advent of e-BG, this function will be replaced by e-stamping and e-signature. The e-Bank Guarantee procedure will be made easier by NeSL's Digital Document Execution (DDE) technology, which offers e-Stamp and e-Sign features. Beneficiaries using NeSL's platform will instantly get an e-Bank Guarantee without additional verification.

*(Live Mint)*

### **CBI BOOKS EX-FINANCE SECY ARVIND MAYARAM FOR 'CORRUPTION' IN CURRENCY NOTES' SECURITY THREAD:**

The CBI has booked Arvind Mayaram, former secretary of department of economic affairs, and others on charges of agreeing to a contract with the UK-based De La Rue International Limited in 2004 for supply of security thread for Indian currency notes.

*(Business Line)*

### **INDIA'S GOLD IMPORTS PLUNGE 79% IN DECEMBER ON WEAK DEMAND,**

**HIGH PRICES:** India's gold imports declined 79 per cent in December to 20 tonnes against 95 tonnes a year ago amid sharp rise in prices in rupee terms, weak demand and a surge in smuggling. As a result, gold imports in 2022 dropped 34 per cent to 706 tonnes from 1,068 tonnes a year ago, bullion sources said.

*(Business Line)*

### **PFRDA INTRODUCES NEW BANK ACCOUNT VERIFICATION AND NAME/PAN MATCHING PROCESS IN NPS:**

PFRDA has introduced an advanced mode of bank account verification of subscribers through PAN-PRAN-VPA (UPI). "As part of Azadi Ka Amrit Mahotsav (AKAM), PFRDA is pleased to introduce an advanced mode of Bank Acct Verification of the Subscribers (PAN-PRAN- VPA(UPI)) with elegant features where the joint holder details, PAN and UPI Ids are verified through NPCI and matched with Permanent Retirement Acct Number (PRAN)," the pension regulator said in a circular today January 12, 2023). The PAN-PRAN-VPA(UPI) feature is currently offered by CAMS CRA for its associated subscribers.

*(Financial Express)*



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**ALIBABA SELLS NEARLY HALF OF ITS DIRECT STAKE IN PAYTM AT RS 535.9 PER SHARE:** Chinese conglomerate Alibaba is learnt to have sold a 3.1 per cent stake – nearly half of its direct shareholding in digital financial services firm One97 Communications in an indication of exiting the Indian market, sources said on Wednesday. However, Alibaba group firm Ant Financial has not diluted its stake in Paytm and continues to hold 25 per cent of the company. The development follows Alibaba’s stake sale in BigBasket and Zomato.

*(Financial Express)*

**MSME MIN LAUNCHES UDYAM ASSIST PLATFORM TO BOOST REGISTRATION OF INFORMAL MICRO UNITS:** MSME Minister Narayan Rane on Wednesday inaugurated the Udyam Assist Platform (UAP) to bring informal micro enterprises in the country into the formal fold and enable them for priority sector lending. For the operationalisation of the platform, the ministry also signed a memorandum of understanding with its developing agency SIDBI. “The UAP platform will enable informal micro businesses who aren’t registered under GST to get a registration certificate from the government based on their information with banks or non-banking financial companies (NBFCs). The platform will complement the existing Udyam registration portal,” the source added. UAP certificate will be treated at par with the Udyam registration certificate.

*(Financial Express)*

**SEBI ALLOWS AIFs TO PARTICIPATE IN CREDIT DEFAULT SWAP TRANSACTIONS:** SEBI has allowed alternative investment funds (AIFs) to participate in the Credit Default Swaps (CDS) market as protection buyers and sellers in a bid to facilitate deepening of the domestic corporate bond segment. The new norms, which will come into force with immediate effect, allow business entities to hedge risks associated with the bonds market. CDS is a specific kind of counter-party agreement which allows the transfer of third party credit risk from one party to another. Under the new norm, Category-I and Category-II AIFs can buy CDS on underlying investment in debt securities only for the purpose of hedging, while Category-III AIFs can purchase CDS for hedging or otherwise, within permissible leverage, the Securities and Exchange Board of India (Sebi) said in a circular. With regard to selling, Sebi said Category-II and Category-III AIFs may sell CDS by earmarking unencumbered government bonds or Treasury bills equal to the amount of the CDS exposure.

*(Economic Times)*

**INDIAN BANKS GAVE HIGHEST RETURNS IN ASIA PACIFIC REGION: S&P Global:** The stocks of two Indian banks - the Punjab & Sind Bank and the Jammu and Kashmir Bank Ltd - occupied the top two spots among 15 banks in the Asia Pacific region in terms of returns in the quarter ended December 31, 2022, said S&P Global Market



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Intelligence. "Indian banks occupied 11 of the 15 slots in a list compiled by S&P Global Market Intelligence of Asia-Pacific bank stocks with the highest total returns in the quarter ended December 31, 2022," the report said. According to the report, the Punjab & Sind Bank had posted a returns of 118 per cent while the Jammu and Kashmir Bank gave 104.69 per cent.

*(Economic Times)*

### **NARCL GETS CENTRE'S BLANKET GUARANTEE WORTH RS 15,300 CRORE:**

The National Asset Reconstruction Company (NARCL) has been given a blanket guarantee worth Rs 15,300 crore by the Centre, a report in the Economic Times (ET) said. The banks will now be able to rely on government guarantees on the stop security receipts (SRs) issued by the NARCL during the liquidation. "The guarantee gives banks the option to fall back on an instrument in case recovery is not as expected. Senior NARCL officials are already in Delhi to sign the documents and activate the guarantee," a person aware of the matter told ET. The guarantee will be valid for five years and will cease to exist if the resolution is not made within five years. In 2021, the Centre had given a guarantee of Rs 30,600 crore to NARCL.

*(Business Standard)*



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## ***FINANCIAL TERMINOLOGY/CONCEPTS***

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### **CONTAGION**

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- ❖ A contagion can be explained as a situation where a shock in a particular economy or region spreads out and affects others by way of, say, price movements.
- ❖ The contagion effect explains the possibility of spread of economic crisis or boom across countries or regions. This phenomenon may occur both at a domestic level as well as at an international level. The failure of Lehman Brothers in the United States is an example of a domestic contagion.
- ❖ The fundamental underlying this scenario where price movements in one market are resultant of shocks or volatility in the other market is that there is a perfect information flow. With increasing interdependence and correlation between economies, this possibility has increased. While internationally, there could a number of other factors governing trade, which may influence the extent of this contagion effect across geographies.



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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 : 81.7187  
INR / 1 GBP : 99.2425  
INR / 1 EUR : 87.9566  
INR /100 JPY : 62.0600

### **EQUITY MARKET**

Sensex: 59958.03 (- 147.47)  
NIFTY : 17858.20 (-37.50)  
Bnk NIFTY: 42082.30 (-150.40)

### **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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