



**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 16, 2023

GST NOT PAYABLE ON GOVT INCENTIVE TO BANKS FOR PROMOTING RUPAY CARD, LOW VALUE BHIM-UPI TXN.: Incentives paid by the government to banks for promoting RuPay debit cards and low-value BHIM-UPI transactions will not attract GST, the Finance Ministry said. Last week the Cabinet cleared a Rs 2,600-crore incentive scheme for banks to promote RuPay debit cards and low-value BHIM-UPI transactions in the current fiscal. Under the Incentive scheme for the promotion of RuPay Debit Cards and low-value BHIM-UPI transactions, the government pays banks an incentive as a percentage of the value of RuPay Debit card transactions and low-value BHIM-UPI transactions up to Rs 2,000.

(Economic Times)

FSIB RECOMMENDS NAMES FOR MD & CEO AT BOB & BOI: Financial Services Institutions Bureau (FSIB), on Saturday recommended elevation of Executive Director (ED) Debadatta Chand as managing director of Bank of Baroda. Besides, it recommended Union Bank of India ED Rajneesh Karnatak for the position of MD & CEO in Bank of India.

(Business Line)

INDIA LETS BANKS USE FACE RECOGNITION, IRIS SCAN FOR SOME TRANSACTIONS: SOURCES: The Indian government is allowing banks to verify individual transactions that exceed a certain annual limit using facial recognition and an iris scan in some cases, in a bid to reduce fraud and tax evasion, three sources told Reuters. The verification is not mandatory and is intended for cases where another government identification card used for tax purposes, the Permanent Account Number (PAN) card, is not shared with banks. The prospect of banks using facial recognition has concerned some privacy experts.

(Economic Times)

SUPREME COURT ALLOWS STATES TO IMPOSE SPECIAL ROAD TAX: The apex court has ruled that state governments can now impose lumpsum road tax on all public transport vehicles. The tax collected will be used to improve infrastructure facilities. The levy is slated to be compensatory in nature and, therefore, within the competence of a state legislature according to a report by the Economic Times.

(Moneycontrol)

RATAN TATA CELEBRATES 25 YEARS OF INDICA CAR, 'BRINGS BACK FOND MEMORIES': Ratan Tata shared a touching post on his Instagram on Sunday remembering 25 years of the famous Tata Indica car. The Tata Indica is a compact hatchback car that was



**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

first introduced in India in 1998 by Tata Motors. The car was designed and developed in India, the first fully indigenous Indian passenger car.

(Business Today)

PM MODI FLAGS OFF WORLD'S LONGEST RIVER CRUISE: Prime Minister Narendra Modi has flagged off the world's longest river cruise MV Ganga Vilas via video conferencing. It would cost over Rs 12.59 lakh for a 51-day trip to take the world's longest river cruise MV Ganga Vilas from Varanasi to Dibrugarh. Tickets for the Ganga Vilas cruise can be booked via the Antara Cruises website, the company that operates the Ganga Vilas cruise. The 51-day-long cruise will cover 50 tourist spots including world heritage sites, national parks, river ghats, and major cities.

(Business Today)

CENTRE TO GIVE ₹2,000 CRORE TO STATES ENCOURAGING TO SCRAP OLD VEHICLES: To incentivize them to scrap old vehicles or those vehicles which are older than 15 years and also provide tax concessions to individuals for it, the central government will give an additional ₹2,000 crore to states under the Special Assistance for Capital Investment scheme. Also, the government is mulling to provide tax concessions to individuals for scrapping old vehicles.

(Live Mint)

BANK CREDIT TO RETAIL, WHOLESALE TRADE JUMPS 16% YOY IN NOVEMBER: Gross bank credit (non-priority) deployed to the retail and wholesale trade in the country in November 2022 jumped 16 per cent year-on-year (YoY) to Rs 7.33 lakh crore from 10.2 per cent during November 2021 at Rs 6.32 lakh crore, according to the sectoral deployment data by the Reserve Bank of India (RBI). Among wholesale and retail trade, which were brought under the MSME category in July 2021, retail trade was deployed Rs 3.79 lakh crore in November, up 21.9 per cent from Rs 3.11 lakh crore deployed in November 2021. In comparison, Rs 3.53 lakh crore was deployed to wholesale trade (other than food procurement) in November 2022, increasing by 10.3 per cent from Rs 3.20 lakh crore in November 2021.

(Financial Express)

1.44 LAKH WOMEN ENTREPRENEURS HAVE FULFILLED 14.76 LAKH ORDERS ON GeM SINCE 2019: The government's public procurement initiative Government eMarketplace (GeM) has registered over 1.44 lakh Udyam-verified women-led micro and small enterprises (MSEs) under its Womaniya programme launched in 2019 to encourage women entrepreneurs and self-help groups (SHG) from the informal sector to sell via GeM. According to the data shared by the commerce ministry in a statement on Saturday,



**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

women MSE sellers have fulfilled over 14.76 lakh orders worth Rs 21,265 crore in gross merchandise value (GMV) since 2019. Women entrepreneurs have a share of 74 per cent in the order value of products sold on GeM and 26 per cent in the order value of service categories.

(Financial Express)

HDFC BANK Q3 NET PROFIT UP 19% TO RS. 12259 CRS: Private sector lender HDFC Bank on Saturday posted a standalone net profit of Rs 12,259 crore for the three months ended December, 19% higher year-on-year due to a drop in its provisions. The bank reported a 6% y-o-y decline in its provisions to Rs 2,806 crore. The bank's pre-provisioning operating profit (PPOP) stood at Rs 19,024 crore, up 13% y-o-y despite only a 4% increase in its non-interest income, which was at Rs 8,500 crore in Q3FY23. The 75% decline in the lender's trading income was offset by a jump in its fee and foreign exchange income. Total advances stood at Rs 15.1 trillion as of December 31, higher by 19.5% y-o-y, led by broad-based growth across segments such as retail, rural and corporate. On the liabilities side, the bank's total deposits jumped 20% y-o-y to Rs 17 trillion as of December 31. Total capital adequacy ratio stood at 19.4% as on December 31 against a regulatory requirement of 11.7%. The gross NPA ratio stood at 1.23% while the net NPA ratio was at 0.33%.

(Financial Express)

COAL MINISTRY OFFERS RELAXATION IN REVISION OF PERFORMANCE

BANK GUARANTEE: Coal Ministry Offered relaxation in Revision of Performance Bank Guarantee and extended Bid due date for Commercial Coal Block auction upto January 30. The Ministry of Coal had launched the sixth round and second attempt of fifth round of commercial coal mines' auction on November 3, 2022 for 141 coal mines. Considering the demand from the industry and to promote Ease of Doing Business (EoDB), the Ministry has decided that going forward the first revision in the Performance Bank Guarantee (PBG) would be done upon grant of mine opening permission for the respective coal mines.

(Business Standard)

GOOGLE SAYS INDIA ANTITRUST RULING TO DRIVE UP COSTS FOR APP

DEVELOPERS: Alphabet Inc's Google said on Friday that India's new antitrust order to change how the company markets its Android platform will drive up costs for app developers, equipment makers, and consequently, consumers. The Competition Commission of India (CCI) in October fined Google \$161 million for exploiting its dominant position in Android, and asked it to change restrictions imposed on smartphone makers related to pre-installing apps. Google licenses its Android system to smartphone makers, but critics say that its imposition of restrictions, such as the mandatory pre-installation of its own apps, is anti-competitive. The company argues that such agreements help keep Android free.

(Business Standard)



**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

AFTER SINGAPORE, TWITTER LIKELY TO VACATE INDIA OFFICES IN MUMBAI, DELHI: Elon Musk-owned Twitter is reportedly looking to shed its co-working spaces in Delhi and Mumbai after having already done so in Bengaluru. The process for vacating offices was initiated in December last year, according to reports citing sources.

(Business Standard)

INDIA'S RUSSIAN OIL IMPORTS CROSS 1 MILLION BARRELS A DAY IN DECEMBER: India's import of crude oil from Russia increased further in December 2022, topping 1 million barrels per day for the first time ever as Moscow remained its top oil supplier for the third month in a row, according to data from energy cargo tracker Vortexa. Russia, which made up for just 0.2 per cent of all crude oil India imported in the year to March 31, 2022, supplied 1.19 million bpd in December. This was higher than 909,403 bpd crude oil India imported from Russia in November and 935,556 bpd in October 2022. The previous record for most crude oil imports from Russia was in June 2022 when India bought 942,694 bpd, according to Vortexa.

(Business Standard)



**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

FINANCIAL TERMINOLOGY/CONCEPTS

NEER & REER

- ❖ **NOMINAL EFFECTIVE EXCHANGE RATE (NEER):** NEER is a measure of the value of a currency against a weighted average of several foreign currencies. An increase in NEER indicates an appreciation of the local currency against the weighted basket of currencies of its trading partners. More simply, NEER shows in net terms whether the Rupee is more expensive or cheaper than a basket of other currencies in terms of their present value; the 'weights' being the relative importance of such currencies in our foreign trade. These weights are determined as per the moving average of previous 3 years' exports plus imports to/from the concerned countries. In economics, the NEER is an indicator of a country's international competitiveness in terms of the foreign exchange (forex) market.
- ❖ **REAL EFFECTIVE EXCHANGE RATE (REER):** The real effective exchange rate (REER) is the weighted average of a country's currency in relation to an index or basket of other major currencies. The weights are determined by comparing the relative trade balance of a country's currency against each country within the index. This exchange rate is used to determine an individual country's currency value relative to the other major currencies in the index. The REER is the weighted average of NEER adjusted by the ratio of domestic price to foreign prices.



**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

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 : 81.4328
INR / 1 GBP : 99.2764
INR / 1 EUR : 88.2628
INR /100 JPY : 63.1000

EQUITY MARKET

Sensex: 60261.18 (+303.15)
NIFTY : 17956.60 (+98.40)
Bnk NIFTY: 42371.25 (+289.00)

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)**

To purchase please visit BFSIB portal of ICAI

CMA Chittaranjan Chattopadhyay

Chairman,

Banking, Financial Services & Insurance Board

The Institute of Cost Accountants of India

***Disclaimer:** Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICAI. For Restricted Circulation only. A Compilation of News in this regard from Secondary Sources.*