



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

**February 03, 2023**

**NSE PUTS ADANI ENTERPRISES, ADANI PORT, AMBUJA CEMENT UNDER ASM FRAMEWORK AMID STOCK ROUTH:** Amid massive stock rout in most of Adani group stocks, the National Stock Exchange has put Adani Enterprises, Adani Port, Ambuja Cement under additional surveillance measure (ASM) framework effective February 3, 2023. This will mean the intraday trading will also require 100 percent upfront margin. The ASM list is a list of securities that are currently getting monitored due to factors like price fluctuation, volatility, volume variance, etc. Stocks that are shortlisted for inclusion on the ASM list serve as a warning to investors about unusual price movement.

**(Moneycontrol)**

**RailTel GETS RS 253 CRORE ORDER FROM SBI FOR 4G LTE CONNECTIVITY TO ATMs:** RailTel Corporation of India Ltd, a PSU under the Ministry of Railways, announced on February 2 that it has received a work order from the State Bank of India (SBI) for providing 4G LTE connectivity to 15,000 offsite ATMs spread across the country.

**(Moneycontrol)**

**BANK OF ENGLAND HIKES RATES BY HALF-POINT TO TAME INFLATION:** Bank of England raised interest rates by half a percentage point as it sought to tame double-digit inflation that is fueling a cost-of-living crisis, public-sector strikes and fears of recession. The bank's monetary policy committee voted 7-2 to push its key rate to 4%, approving the 10th consecutive rate increase since a post-pandemic surge in the world economy and Russia-Ukraine war drove inflation to 40-year highs.

**(Moneycontrol)**

**COMPETITION (AMENDMENT) BILL. BIG RELIEF TO INDUSTRY AS CENTRE AGREES TO EXTEND 'SETTLEMENT' WINDOW TO CARTELS:** In a huge relief to industry, the Centre has accepted the recommendation of Parliamentary Standing Committee on Finance to include cartels within the scope of settlement mechanism proposed under the Competition (Amendment) Bill 2022. The Competition (Amendment) Bill was introduced on August 5 in Lok Sabha and was sent to House Panel for examination and Report.

**(Business Line)**

**RELIANCE RETAIL TO ACCEPT DIGITAL CURRENCY:** Reliance Retail has become the first Indian retailer to introduce Central Bank Digital Currency (CBDC), also known as digital rupee. The company has piloted the use of Digital Rupee in one store in Mumbai, and



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plans to make this facility available in all its stores in Mumbai within the next three to four months, in accordance with Reserve Bank of India (RBI) norms. The launch of this facility was in collaboration with Innoviti Technologies, ICICI Bank, and Kotak Mahindra Bank.

*(Business Line)*

**PACS TO OFFER SERVICES OF COMMON SERVICE CENTRES:** A Memorandum of Understanding (MoU) was signed on Thursday, between Ministry of Cooperation and Ministry of Electronics and Information Technology which will enable 63,000 functional Primary Agricultural Credit Societies (PACS) to provide services already offered by Common Service Centres (CSCs). As per the MoU, PACS will be able to function as CSCs and offer more than 300 services to the rural population including their 13 crore farmer-members.

*(Business Line)*

**HINDUJAS SET TO RAISE STAKE IN INDUSIND BANK TO 26%:** The three years of long wait is said to have ended for the Hindujas. As the promoter of IndusInd Bank, IndusInd International Holdings Limited is said to have received a go-ahead from the banking regulator to increase its stake in the bank to 26 per cent from the current 15.16 per cent.

*(Business Line)*

**SENDING MONEY ABROAD WILL BE COSTLIER AS GOVT. PROPOSED TO COLLECT TCS AT 20%, UNDER THE LIBERALISED REMITTANCE SCHEME**

**(LRS):** Sending money abroad is about to pinch more after Finance Minister Nirmala Sitharaman proposed to collect tax at source at 20%, under the Liberalised Remittance Scheme (LRS) of the RBI, without the applicability of any threshold limit. The amendments will come into effect from July 1, 2023. The blanket application of 20% TCS for all remittances, other than travel and medical is likely to cause resentment and hardship amongst the middle class and HNIs. However, in case of educational expenses, like university fees, the tax collection at source (TCS) norms remain unchanged. Earlier, the remitting bank collected 5% tax at source only if the amount being remitted in a financial year exceeded Rs 7 lakh. Also, the withholding tax applied only on the amount in excess of Rs 7 lakh (thus if Rs 10 lakh was being remitted, only Rs 3 lakh was subject to the tax collection norms). "The rate of TCS for international remittance under LRS for education purposes continues to remain the same at 5% on transfers above Rs 7 lakh and 0.5% if the source of funds is through a loan from a financial institution.

*(Economic Times)*

**RAILWAYS POSTS 73 PER CENT REVENUE GROWTH IN APRIL-JANUARY**

**2023:** The railways' revenue earnings are up by 73 per cent in the passenger segment during April-January 2023 as compared to the same period last year, according to an statement



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issued by the national transporter. The total approximate earnings in the passenger segment for Indian Railways on originating basis during April to January 2023 is Rs 54,733 crore, registering an increase of 73 % in comparison to Rs 31,634 crore achieved during the same period last year, it said.

*(Economic Times)*

**CREDIT GUARANTEE PLAN FOR MSMEs REVAMPED:** The government will infuse Rs 9,000 crore into the credit scheme, operational from April 1, to spur the flow of institutional credit into critical units. This will lead to an additional collateral-free guaranteed credit of Rs2 trillion to such units and soften the blow of elevated interest rates by bringing down their borrowing cost by about 1 percentage point. MSMEs account for about 40% of the country's exports, 6% of the manufacturing GDP and almost 25% of the services GDP. The government has also decided to raise the turnover limit by 50% to claim presumptive taxation gains, which will benefit these units and certain professionals, with annual turnover up to Rs 3 crore and Rs 75 lakh, respectively. This relief, however, comes with a rider — the cash component of such relevant businesses and professionals must not be more than 5% of their receipts.

*(Financial Express)*

### **SBI GAVE LOANS WORTH \$2.6 BILLION TO ADANI GROUP COMPANIES,**

**SAYS REPORT:** State Bank of India, the country's largest financier, has given loans of as much as \$2.6 billion to companies in the Adani conglomerate, or about half of what is allowed under rules, according to a person familiar with the matter. SBI's exposure includes \$200 million from its overseas units, the person said. Dinesh Kumar Khara, chairman of SBI, said earlier on Thursday the Adani Group companies were servicing the loans and he doesn't see an "immediate challenge" to whatever the bank has lent so far.

*(Business Standard)*

### **INDIAN AVIATION INDUSTRY SUFFERS OVER RS 24,000 CR LOSS IN 2020-**

**22:** India's aviation industry suffered a loss of over Rs 24,000 crore in the last two financial years during 2020-22. As per the Union Ministry of Civil Aviation, the industry in FY 2020-21 suffered a loss of Rs 12,479 crore and in FY 2021-22 it was Rs 11,658 crore.

*(Business Standard)*

### **I-T DEPT SPENDS 57 PAISE FOR EVERY RS 100 OF TAX COLLECTION: GOVT**

**OFFICIAL:** Income-tax collection cost that the I-T Department incurs in the country is one of the lowest in the world at Rs 0.57 for every Rs 100 collected as tax, Shishir Agarwal, Chief Commissioner of Income Tax, Hyderabad, said on Thursday. We spend just 57 paise to collect every Rs 100 income-tax. We are one of the lowest in the world. The UK spends 73 paise, Japan 174 paise, Germany 135 paise, Canada 150 paise, France 111 paise. The USA is the



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only country that spends less than us, a press release quoted him as saying. According to him 65 per cent of I-T returns filed were processed and refunds made within 24 hours of filing.

*(Business Standard)*

**BANGLADESH WANTS REVISION OF 2017 POWER PURCHASE DEAL WITH ADANI POWER:** Bangladesh has sought revision of a 2017 power purchase agreement with Adani Power Ltd as the price for the coal-generated electricity appeared too expensive, officials said in Dhaka on Thursday. "We have communicated with the Indian company seeking revision of the agreement," an official of the state-run Bangladesh Power Development Board (BPDC) told PTI on the condition of anonymity and without elaborating on the matter. Media reports suggested that the "high coal price" to be purchased for the Adani plant at India's Jharkhand emerged as the key factor for the dispute. "In their view, the coal price quoted (USD400/MT) by Adani power is excessive.

*(Business Standard)*



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

### **REGULATORY SANDBOX**

- ❖ Regulatory sandbox refers to live testing of new products or services in a controlled regulatory environment. It acts as a "safe space" for business as the regulators may or may not permit certain relaxations for the limited purpose of testing.
- ❖ The sandbox allows the regulator, the innovators, the financial service providers and the customers to conduct field tests to collect evidence on the benefits and risks of new financial innovations, while carefully monitoring and containing their risks.
- ❖ Entities are allowed to experiment with fintech solutions in a live environment and on a limited set of real users for a limited time frame.
- ❖ Firstly, regulators obtain first-hand empirical evidence on the benefits and risks of emerging technologies and their implications, enabling them to take a considered view on the regulatory changes or new regulations that may be needed to support useful innovation, while containing the attendant risks. Second, users of a sandbox can test the product's viability without the need for a larger and more expensive roll-out.
- ❖ Third, fintechs provide solutions that can further financial inclusion in a significant way.
- ❖ In India, financial regulators such as the Reserve Bank of India, Securities and Exchange Board of India, Insurance Regulatory and Development Authority and the International Financial Services Centres Authority run their own sandboxes.
- ❖ The RBI sandbox scheme, introduced in 2019, is based on thematic cohorts. The first four cohorts were on retail payments, cross-border payments, MSME lending, and prevention of financial frauds, respectively.
- ❖ In September, the RBI announced the fifth cohort and based on feedback received from various stakeholders, it has kept the theme neutral. Innovative products, services or technologies cutting across various functions in RBI's regulatory domain would be eligible to apply.



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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 : 81.9536  
INR / 1 GBP : 101.5340  
INR / 1 EUR : 90.2555  
INR /100 JPY : 63.6800

### **EQUITY MARKET**

Sensex: 59932.24 (+224.16)  
NIFTY: 17610.40 (- 5.90)  
Bnk NIFTY: 40669.30 (+156.30)

### **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**

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