



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

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- **GOVERNMENT COMMITTED TO STICK TO 6.4 PER CENT FISCAL DEFICIT, SAYS OFFICIAL:** The Government is committed to stick to the fiscal deficit target of 6.4 per cent during current fiscal i.e., 2022-23 or FY23, a top government official said here on Monday. Meanwhile, another official said that no cap or deadline has been fixed for withdrawal of windfall gain tax. The government has levied windfall gain tax on domestically-produced crude, besides export duty on petrol and diesel and ATF and increasing import duty on gold various while a number of economists feel there is an upside risk to twin deficits. India is dependent on crude imports to meet 85 per cent of its domestic needs and a weaker rupee makes imports costlier. Commodity prices, including of crude oil, are ruling high due to the ongoing Ukraine war and have led to inflationary pressures across countries, including India. Meanwhile, Vivek Johri, Chairman of the Central Board of Indirect Taxes & Custom (CBIC), said there was no cap decided yet for review of the windfall tax.  
<https://www.thehindubusinessline.com/economy/government-committed-to-stick-to-64-per-cent-fiscal-deficit-says-official/article65599207.ece>
- **PRIVATE BANKS REPORT STRONG GROWTH IN Q1 ADVANCES:** Reflecting the normalization in economic activities, a number of private sector banks have posted strong growth in advances ahead of their first-quarter results. The country's largest private sector lender HDFC Bank reported a 21.5 per cent year-on-year (y-o-y) jump in advances to ₹13.95-lakh crore as on June 30, 2022, from ₹11.47-lakh crore a year ago. HDFC Bank's deposits increased 19.3 per cent to ₹16.05-lakh crore as on June 30, 2022, from ₹13.45-lakh crore a year ago. Federal Bank also reported a 16.3 per cent growth in gross advances to ₹1,54,405 crore as on June 30, 2022, from ₹1,32,787 crore as of June 30, 2021. IndusInd Bank has posted an 18 per cent growth in net advances to ₹2,49,541 crore as on June 30, 2022, from ₹2,10,727 crore on June 30, 2021. According to data with the Reserve Bank of India, non-food bank credit grew 12.6 per cent in May 2022 as compared with 4.9 per cent a year ago.  
[Banks report strong growth in advances - The Hindu BusinessLine](#)
- **HIGHEST 28% GST ON LUXURY, SIN GOODS TO CONTINUE: REVENUE SECRETARY:** The government intends to continue with the top GST slab of 28 per cent for luxury and sin goods, but is open to discuss narrowing down the three slabs of 5, 12 and 18 per cent into two, Revenue Secretary Tarun Bajaj said on Monday. Addressing the industry leaders, Bajaj said the rate rationalization exercise of the GST Council is a result of introspection of GST, five years after its rollout, and the policymakers do not have a "fetish" to raise the tax rates to the revenue-neutral level of 15.5 per cent.  
[Highest 28% GST on luxury, sin goods to continue: Revenue Secretary | Business Standard News \(business-standard.com\)](#)



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- **INDIA'S RECORD \$25.6-BN TRADE DEFICIT IN JUNE ADDS PRESSURE ON RUPEE:** India's June trade deficit widened to a record \$25.63 billion, pushed by a rise in crude oil and coal imports, from \$9.61 billion a year ago, adding to fears of further pressure on the rupee. Rupee has plunged 6% against the dollar this year, weighed down by broad strength in the greenback and as investors retreated from domestic share markets. June's merchandise trade deficit was the highest ever, according to private economists. In the first quarter of the current fiscal year ending June, the merchandise trade deficit more than doubled to \$70.25 billion from \$31.42 billion during a year ago period, preliminary trade data released by the Ministry of Commerce and Industry on Monday showed.  
[https://www.business-standard.com/article/economy-policy/india-s-record-25-6-bn-trade-deficit-in-june-adds-pressure-on-rupee-122070401129\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-record-25-6-bn-trade-deficit-in-june-adds-pressure-on-rupee-122070401129_1.html)
- **HOTELS, RESTAURANTS BARRED FROM LEVYING SERVICE CHARGE:** The Central Consumer Protection Authority (CCPA) on July 4 prohibited hotels and restaurants from adding a service charge by default or without the customer's consent to food bills and allowed consumers to report violations.  
<https://www.moneycontrol.com/news/business/hotels-restaurants-barred-from-levying-service-charge-8778351.html>
- **KOTAK MAHINDRA BANK, INDUSIND BANK FINED FOR RULE VIOLATIONS:** The Reserve Bank of India (RBI) on July 4 imposed a monetary penalty on private lenders Kotak Mahindra Bank and IndusInd Bank for non-compliance with loan and KYC directives. The banking regulator imposed a fine of Rs 1.05 crore on Kotak Mahindra Bank for not following its directions on customer protection and loans and advances, the RBI said in a release. An inspection report revealed that the bank failed to credit the eligible amount to the Depositor Education and Awareness Fund within the prescribed period. The private lender also failed to credit the amount involved in the unauthorised electronic transactions to the customers' account within 10 working days from the date of notification by the customer, in certain cases, and maintain or apply margin on advances to stock brokers.  
<https://www.moneycontrol.com/news/business/kotak-mahindra-bank-indusind-bank-fined-for-rule-violations-8777921.html>
- **MAHARASHTRA GOVT TO CUT VAT ON FUEL, SAYS CM EKNATH SHINDE:** Maharashtra Government is likely reduce VAT on fuel prices, said Chief Minister Eknath Shinde in the State Assembly on Monday. This decision to cut VAT on fuel will be taken in the upcoming state Cabinet meeting, Shinde informed the House, while replying to a debate.  
<https://economictimes.indiatimes.com/news/politics-and-nation/maharashtra-govt-to-cut-vat-on-fuel-says-cm-eknath-shinde/articleshow/92655105.cms>



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- **PRIMARY AGRICULTURE CREDIT SOCIETIES MAY BE ALLOWED TO SELL PETROLEUM PRODUCTS, RUN PDS SHOPS:** The Centre has proposed to allow primary agriculture credit societies (PACS) to undertake activities like dealership of petroleum products, running PDS shops, and developing hospital and educational institutions, in addition to their regular functions. In this regard, the Ministry of Cooperation has floated a draft 'Model By-laws of PACS' on which it has invited suggestions from the state governments and other stakeholders by July 19. The existing framework does not allow PACS to diversify in other areas apart from their core business. The draft model by-laws propose that PACS should be allowed to work as Bank Mitras and common service centres (CSCs), provide cold storage and godown facilities, set up PDS shops besides enabling them to work in dairy, fishery, irrigation and green energy sectors.  
<https://economictimes.indiatimes.com/industry/services/retail/primary-agriculture-credit-societies-may-be-allowed-to-sell-petroleum-products-run-pds-shops/articleshow/92655804.cms?from=mdr>
- **GUJARAT, KARNATAKA BEST PERFORMING START-UP ECOSYSTEMS, FUNDING GREW 7X IN EIGHT YEARS:** Between 2015-2022, the number of start-up investors grew nine times, total start-up funding increased seven times, and number of incubators saw 7x growth, the report said. India has 70,809 recognized start-ups with 648 districts with at least one recognized start-up. Start-ups employ about 7.5 lakh people in the country. A total of Rs 85.47 crore work orders were provided to 299 start-ups by 15 states/union territories, and 31 states/union territories have a start-up policy in place. As per the report, 47 per cent of start-ups have at least one women director. Gujarat and Karnataka have been raked as an institutional champion, capacity building pioneer, procurement forerunner, incubation hub and funding leader for its various start-up initiatives.  
[Gujarat, Karnataka best performing start-up ecosystems, funding grew 7x in eight years - BusinessToday](#)
- **INDIA MAY DROP WINDFALL TAX IF OIL PRICES FALL \$40 A BARREL:** India will only withdraw its windfall tax introduced last week for oil producers and refiners if global prices of crude fall as much as \$40 a barrel from present levels, Revenue Secretary Tarun Bajaj told Reuters on Monday.  
[India may drop windfall tax if oil prices fall \\$40 a barrel: Report | Mint \(livemint.com\)](#)



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#### **RBI KEY RATES**

Repo Rate: 4.90%

SDF: 4.65%

MSF & Bank Rate: 5.15%

Fixed Reverse Repo Rate: 3.35%

CRR: 4.50%

SLR: 18.00%

#### **FOREX RATES (AS PER FBIL 1.30 PM)**

INR / 1 USD : 78.9866

INR / 1 GBP : 95.6238

INR / 1 EUR : 82.3978

INR / 100 JPY: 58.3300

#### **EQUITY MARKET**

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