



**THE INSTITUTE OF
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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

August 05, 2022

- **CENTRAL CONSUMER PROTECTION AUTHORITY PASSES ORDER AGAINST AMAZON FOR ALLOWING SALE OF DOMESTIC PRESSURE COOKERS IN VIOLATION TO MANDATORY STANDARDS:** The Central Consumer Protection Authority, recently passed order against violation of consumer rights by Amazon e-commerce platform for allowing sale of domestic pressure cookers in violation to mandatory standards prescribed by the on its e-commerce platform. CCPA had issued notices to major e-commerce platforms including Amazon, Flipkart, Paytm Mall, Shopclues and Snapdeal as well as to the sellers registered on these platforms. After examination of the response submitted by the company, it was observed that total 2,265 pressure cookers not conforming to mandatory standards were sold through Amazon after notification of the QCO. Amazon directed to notify consumers of all 2,265 pressure cookers, recall and reimburse the prices of such pressure cookers to consumers and submit a compliance report in 45 days. Amazon to pay penalty of ₹1,00,000 for allowing sale of pressure cookers in violation to QCO and violating the rights of consumers.
<https://pib.gov.in/PressReleasePage.aspx?PRID=1848370>
- **SEBI APPOINTS CHOKSHI & CHOKSHI TO CONDUCT FORENSIC AUDIT OF FUTURE RETAIL'S FINANCIAL STATEMENTS:** The Securities and Exchange Board of India (SEBI) has ordered a forensic audit into the financial statements of Future Retail for FY20, FY21, and FY22 over concerns that the "disclosure of financial information and the business transactions in the matter of Future Retail Limited have been dealt with in a manner which may be detrimental to the interest of the investors or the securities markets
[SEBI appoints Chokshi & Chokshi to conduct forensic audit of Future Retail's financial statements \(moneycontrol.com\)](https://www.moneycontrol.com/news/business/sebi-appoints-chokshi-and-chokshi-to-conduct-forensic-audit-of-future-retail-limited-11241899.html)
- **ADANI GROUP TO ACQUIRE MACQUARIE'S PORTFOLIO OF ROADS FOR RS 3,110 CRORE:** Adani Road Transport, a subsidiary of Adani Enterprises, will acquire Gujarat Road and Infrastructure Company and Swarna Tollway for around Rs 3,110 crore from Macquarie Asia Infrastructure Fund.
[Adani Group to acquire Macquarie's portfolio of roads for Rs 3,110 crore \(moneycontrol.com\)](https://www.moneycontrol.com/news/business/adani-group-to-acquire-macquarie-s-portfolio-of-roads-for-rs-3110-crore-11241899.html)
- **BANK OF ENGLAND RAISES KEY INTEREST RATE BY 50 BPS, HIGHEST SINCE 1995:** The Bank of England raised interest rates by the most in 27 years on Thursday, despite warning that a long recession is on its way, as it rushed to smother a rise in inflation which is now set to top 13%. Reeling from a surge in energy prices caused by Russia's invasion of Ukraine, the BoE's Monetary Policy Committee voted for a half percentage point rise in Bank Rate to 1.75% - its highest level since late 2008 - from 1.25%.
[Bank of England raises key interest rate by 50 bps, highest since 1995 \(moneycontrol.com\)](https://www.moneycontrol.com/news/business/bank-of-england-raises-key-interest-rate-by-50-bps-highest-since-1995-11241899.html)



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- **65,000 ITRS FILED WITHIN FOUR MONTHS OF LAUNCH: TARUN BAJAJ:** Within four months of the introduction of the updated returns scheme, over 65,000 income tax returns (ITRs) have been submitted, according to a senior government official. Simultaneously, effort is on to make normal returns filing easier from the next assessment year by adding new features.
[65,000 ITRs filed within four months of launch: Tarun Bajaj - The Hindu BusinessLine](#)
- **CENTRE CONSIDERS CONTINUING EPCG SCHEME FOR EXPORTERS IN NEW FOREIGN TRADE POLICY:** In what could spell relief for exporters, the Centre is “strongly considering” the extension of the popular Export Promotion Capital Goods (EPCG) scheme, that allows duty-free imports of certain capital goods subject to a specific export obligation, in the new foreign trade policy (FTP) likely to be implemented from September 1, 2022.
[Centre considers continuing EPCG scheme for exporters in new foreign trade policy - The Hindu BusinessLine](#)
- **NO GST ON NOTICE PAY RECOVERY:** Notice pay recovery will not attract GST. However, cancellation fee for hotels booking, airline or train ticket, etc will be taxed at the same GST rate as would be applicable to the principal service. The circular said forfeiture of salary or recovery of bond amount in the event of the employee leaving the employment before the minimum agreed period by the employer is not “a consideration for tolerating the act of such premature quitting of employment but as penalties for dissuading the non-serious employees from taking up employment and to discourage and deter such a situation. Further, the employee does not get anything in return from the employer against payment of such amounts. “Such amounts recovered by the employer are not taxable,” it said.
[No GST on notice pay recovery - The Hindu BusinessLine](#)
- **RISE IN CASH IN CIRCULATION FOR APRIL-JULY STANDS AT RS 50,800 CR: RBI DATA::** India’s currency in circulation has increased by only around Rs 500 billion in the first four months of this financial year, which is nearly half the pace of the same period a year ago. “Economic activity is completely back to pre-pandemic levels, and hence there is hardly any need for panic-driven cash withdrawals, which is leading to a drop in cash in circulation,” a trader with a state-run bank said. The rise in the cash in circulation for April-July stood at Rs 508 billion (\$6.38 billion), as compared to Rs 928 billion for the similar period last year and a mammoth Rs 2.25 trillion in 2020-21, the peak of lockdown, data from the Reserve Bank of India showed. The currency in circulation had jumped by over Rs 4 trillion in 2020-21, while the increase tapered to Rs 2.80 trillion in the last financial year, and market participants expect another drop in the current year.
[Rise in cash in circulation for April-July stands at Rs 50,800 cr: RBI data | Business Standard News \(business-standard.com\)](#)



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- **AXIS BANK TO WIND UP UK SUBSIDIARY AFTER DEAL WITH OPENPAYD FAILS:** India's third largest private lender Axis Bank is winding up its subsidiary in Britain after a deal with financial firm OpenPayd failed, it said in a regulatory filing on Thursday. Axis Bank first said in 2020 that it will be winding down its UK operations. Currently, the bank's international strategy is to focus on Indian corporates that have global operations, it said in an investor presentation in the results of the quarter ended June.
[Axis Bank to wind up UK subsidiary after deal with OpenPayd fails | Business Standard News \(business-standard.com\)](#)
- **FEDERAL BANK BECOMES 1ST TO LIST PAYMENT GATEWAY ON NEW TAX PLATFORM:** Kerala-based Federal Bank has become the first bank to list its Payment Gateway platform on the TIN 2.0 platform of the Income Tax Department. The TIN 2.0 platform went live on July 1 this year and the "Payment Gateway" has been enabled, providing one more payment option to taxpayers, who can now make their payments with ease, using modes such as Credit/Debit Card, UPI, NEFT/RTGS and Internet Banking. Harsh Dugar, Group President & Country Head Wholesale Banking, Federal Bank, said Federal Bank is actively using digital as a key enabler of superior experience and transaction convenience.
[Federal Bank becomes 1st to list Payment Gateway on new tax platform | Business Standard News \(business-standard.com\)](#)
- **HDFC BANK SAYS NO NEED TO PAY OFF PARENT FIRM'S LIABILITIES ON DAY ONE OF MERGER:** Liabilities of HDFC Ltd will be transferred to HDFC Bank upon their merger and there is no need to pay off such dues on the very first day of the merger, the lender said on Thursday. "As per the proposed composite scheme of amalgamation, the liabilities of HDFC Limited will be transferred to the bank and will be serviced and repaid by the bank as per the contracted maturity," HDFC Bank said in a regulatory filing. The bank is not required to pay off any amount of liability of HDFC Ltd on day one of the mergers unless coincidentally any particular liability happens to mature on the same date. The parent-subsiary merger is seen as the biggest transaction in India's corporate history. In April this year, HDFC Bank and HDFC Ltd announced the merger proposal in which the lender will take over the mortgage lender for about USD 40 billion in about 18 months.
[HDFC Bank says no need to pay off parent firm's liabilities on day one of merger - BusinessToday](#)
- **RELIANCE BRANDS SIGNS FRANCHISE AGREEMENT WITH BALENCIAGA:** Reliance Brands Limited has inked a deal with Balenciaga to bring the global luxury brand to the Indian market. The two have signed a long-term franchise agreement for the Reliance Retail Ventures company to become its sole partner in the country. This is the company's second brand with the French luxury group Kering. Kering houses other luxury brands like Bottega Veneta, Gucci, Saint Laurent as well as Alexander McQueen among others.
[Reliance Brands signs franchise agreement with Balenciaga | Mint \(livemint.com\)](#)



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**TODAY'S FINANCIAL
TERMINOLOGY: HYBRID ANNUITY MODEL (HAM)**

▶The HAM is a mix EPC and BOT- ANNUITY model of Infrastructure projects, with the government and the private companies sharing the total project cost in the ratio of 40:60 respectively.

▶Apart from 60% project cost, the private player will also build the road and on completion will hand it over to the government. The government shoulders the responsibility of revenue collection (by toll). The government will then pay the fixed amount of annuity annually to the private player for the defined period (10 or 20 years) as per the contract.

▶The government will select that private player (in competitive bidding) who asks for minimum annuity from the government.

▶HAM is a kind of win- win situation for both private players and government. The government has reduced responsibility for arranging for cost of project (only 40%, while in EPC it was 100%). The private player has to arrange for only 60% of project cost (in BOT- ANNUITY, it was 100%, unless government gives viability gap funding, VGF of 20%; nevertheless, it was minimum 80%).

▶Moreover, all regulatory clearances risk, compensation risk, commercial risk and traffic risk is borne by government, so risk for private sector is also minimal.



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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 : 79.5427
INR / 1 GBP : 96.6009
INR / 1 EUR : 80.8700
INR /100 JPY: 59.2900

EQUITY MARKET

Sensex: 58298.80 (- 51.73)
NIFTY : 17382.00 (- 6.20)

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