



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
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## **DAILY NEWS DIGEST BY BFSI BOARD**

**January 12, 2023**

### **Rupay DEBIT CARDS, LOW-VALUE UPI PAYMENTS GET A RS 2,600-CRORE**

**CABINET BOOST:** The Union Cabinet on January 11 gave its nod to a Rs 2,600 crore-incentive scheme for Financial Year 2022-23, which is aimed at boosting low-value transactions done through UPI and promote Rupay debit cards. The incentives will be provided on use of Rupay debit cards and the person-to-merchant BHIM UPI transactions of low value. Under the scheme, "the acquiring banks will be provided financial incentive for promoting point-of-sale (PoS) and e-commerce transactions for current FY2022-23"

*(Moneycontrol)*

### **DIRECT TAX COLLECTIONS AT 87% OF FY23 TARGET AS ON JANUARY 10:**

The Centre's direct tax collections, net of refunds, reached 86.7 percent of the 2022-23 budget target by January 10. Between April 1, 2022 and January 10, 2023, the government's gross direct tax collections stood at Rs 14.71 lakh crore. Net of refunds, the number is Rs 12.31 lakh crore, 19.6 percent higher from the corresponding period of the financial year 2021-22.

*(Moneycontrol)*

### **RBI ASKS PayU INDIA TO REAPPLY FOR PAYMENT AGGREGATOR LICENCE:**

The Reserve Bank of India (RBI) has asked online payments gateway PayU India to reapply for its payment aggregator (PA) licence, two people aware of the matter told ET. PayU India must reapply within three months of receiving RBI's response to its initial application, one of the sources said. The fintech firm's complex corporate structure was one reason why RBI asked it to reapply, another source added. As a result, PayU India has stopped onboarding new merchants on its platform.

*(Economic Times)*

### **STARTUP FUNDING IN INDIA DROPS 33% TO \$24 BILLION IN 2022:**

Funding for Indian startups dropped by 33% to \$24 billion in 2022 as compared to the previous year though it was nearly double the amount recorded in 2019 or 2020, said a PwC India report on Wednesday. Global investors were still positive about the Indian startup ecosystem despite the global slowdown, as per the report titled 'Startup Tracker-CY 22'. "Funding for Indian startups in CY22 was nearly \$24 billion, a drop of 33% in comparison to CY21 but was still more than twice the funds raised in CY20 and CY19 each", it said. The startups received total funding of \$13.2 billion in 2019, \$10.9 billion in 2020 and \$35.2 billion in 2021.

*(Economic Times)*

### **RBI SAYS 10 NBFCs SURRENDER REGISTRATION CERTIFICATES:**

The Reserve Bank of India on Wednesday said 10 NBFCs and one asset reconstruction company have



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surrendered their registration certificates. The 10 Non-Banking Financial Companies (NBFC), which surrendered their registration certificates, include Telecom Investments India Private Limited, Srinivasa Finance Corporation Private Limited and Parkin Marketing Pvt. Ltd.

*(Economic Times)*

### **CABINET APPROVES SETTING UP OF 3 COOPERATIVES TO PROMOTE EXPORTS, ORGANIC PRODUCTS, SEEDS:**

The Cabinet Committee on Economic Affairs, on Wednesday approved setting up of three cooperative societies under Multi State Cooperative Societies (MSCS) Act, 2002. These societies would focus on exports, organic farming, and quality seeds, benefiting farmers. The Cabinet approved setting up and promoting a national level multi-state cooperative export society, with support from relevant ministries, for undertaking exports of all goods and services produced by cooperatives and related entities. “The proposed society will provide thrust to exports from cooperative sector by acting as an umbrella organisation for carrying out and promoting exports.

*(Live Mint)*

### **BANKS TO REPORT EVERY PENNY PAID AS INTEREST TO DEPOSITOR:**

The Income Tax department has notified that effective January 5, each bank, financial institution and post office has to report every rupee of interest paid to a depositor. “The information is to be reported for all account/deposit holders where any interest exceeds zero per account in the financial year, excluding Jan Dhan accounts,” said the notification. The limit earlier was set at ₹5,000 per person per financial year. The move will help in widening the tax base and plug the leakages, said experts.

*(Business Line)*

### **NFRA SEEKS E-LOCKER FOR AUDITORS TO KEEP DIGITAL DOCS SAFE:**

The National Financial Reporting Authority (NFRA) has been working to implement a mechanism for auditors which could help them to keep their files safe in a tamper-proof way. The authority has been looking for a similar mechanism like DigiLocker which caters to individuals. “The move comes after the regulator for auditors of listed and large Indian companies noticed instances of manipulation of the files and recent regulatory action by the Public Company Accounting Oversight Board (PCAOB), NFRA’s American counterpart, which imposed a fine on KPMG India and sanctioned the audit firm along with its engagement partner Sagar Pravin Lakhani,” said a TOI report.

*(Economic Times)*

### **B2B PAYMENTS FIRM EnKash GETS RBI NOD FOR PAYMENT AGGREGATOR**

**LICENSE:** B2B payments platform EnKash said it has received in-principle approval from the Reserve Bank of India (RBI) for a payment aggregator license. Founded in 2018, EnKash said the license will help it “broaden its product offerings to millions of businesses for digital transactions.”



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The company helps businesses optimise their spending by managing all their finances in one place and reducing the time taken in making payments like utility, GST, bill payments, etc.

*(Financial Express)*

### **COMMERCIAL LOAN ORIGINATION VOLUMES DECLINE 4.3 PC IN FY22; AVG**

**TICKET SIZES JUMP:** Commercial lending origination volumes declined by 4.3 % to 22.2 lakh loans in FY22. There was a 73 per cent jump on originations by value to Rs 66.49 lakh crore, while the portfolio outstanding at the end of the fiscal grew 8.5 %, the report by Crif High Mark said. The average ticket sizes for commercial loans across lenders witnessed a huge spike during the year, with PSBs reporting the number at Rs 3.34 crore in FY22 against Rs 1.65 crore, and that of private banks stood at Rs 3.30 crore compared to Rs 1.85 crore. Commercial lending includes a credit of over Rs 10 lakh to any commercial entity.

*(Financial Express)*

**AT 15TH PLACE, INDIGO AMONG WORLD'S 20 MOST PUNCTUAL AIRLINES:** The country's largest airline IndiGo and state-owned Coimbatore airport are among the 20 most punctual airlines and airports globally, according to a report. When it comes to On-Time Performance (OTP) in 2022, IndiGo is ranked 15th while Coimbatore airport is at the 13th position, as per the report by aviation analytics firm OAG. The list is topped by Garuda Indonesia with an OTP of 95.63 per cent.

*(Business Standard)*

### **NCLAT REFUSES TO STAY CCI'S ORDER OF RS 936 CRORE PENALTY ON**

**GOOGLE:** The National Company Law Appellate Tribunal (NCLAT) on Wednesday refused to stay the second Competition Commission of India (CCI) order imposing a penalty of Rs 936.44 crore on Google for abusing its dominant position through its Playstore policies. Google had approached the NCLAT seeking a stay on the CCI's October 25 order that imposed a fine of Rs 936.44 crore on it and asked Google to cease and desist from abusive practices in the Playstore.

*(Business Standard)*

### **GOVT EXTENDS TENURE OF SBI MD CHALLA SREENIVASULU SETTY BY 2**

**YEARS:** The government has extended the term of State Bank of India Managing Director Challa Sreenivasulu Setty by two years with effect from January 20.

*(Business Standard)*

### **WORLD BANK SEES INDIA GROWTH SLOWING TO 6.6% NEXT FISCAL FROM**

**EXPECTED 6.9%:** India's economic growth rate will slow to 6.6 per cent in next financial year from an expected 6.9 per cent in 2022-23, the World Bank said in its latest economic update. India however is expected to be the fastest growing economy of the seven largest emerging-market and developing economies (EMDEs), it said. The growth rate of 6.9 per cent in current fiscal year (April



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2022 to March 2023) compares with 8.7 per cent in the previous year. For 2024-25, the growth rate is projected at 6.1 per cent.

***(Business Standard)***

### **MICRO AND SMALL ENTERPRISES CORNER 55% OF TOTAL ORDERS PLACED**

**ON GeM PORTAL:** Micro and small enterprises (MSEs) have cornered over 55 per cent of the total orders placed on the public procurement platform GeM since 2019, a senior government official said. The Government e-Market (GeM) portal was launched on August 9, 2016, for online purchases of goods and services by all the central government ministries and departments.

***(Business Standard)***



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

### **'GOOGLE TAX' OR DIVERTED PROFITS TAX**

- ❖ Diverted Profits Tax, commonly known as "Google tax", refers to tax provisions designed to counter the practice of profits being diverted to other jurisdictions that have lower or zero tax rates.
- ❖ While Google is one of the most frequent practitioners of such diversions, and hence the tax's informal nickname; the practice is quite prevalent across industry sectors. Profits are considered diverted when an entity pays only a negligible tax amount in, say, the United Kingdom by completing its transactions in the low-tax capital city of Dublin, Ireland, even though the revenue it generated in the UK is well within tax brackets.
- ❖ Such entities derive large profits from their local user bases through online ads and in-app purchases even in countries where the firms might not have an employee base.
- ❖ **The Google Singapore Case:** Recently, India's Income Tax Appellate Tribunal (ITAT), however, ruled against the I-T department's appeal to disallow Google's tax deduction, stating the transaction under scrutiny did not attract the levy since the advertisers and target audience were located abroad, and the revenue was paid to Google Singapore, which does not have a permanent establishment in India. Even before the matter was addressed by ITAT, the commissioner of I-T (Appeals) had also ruled that the tax levy did not apply to the assessee, since they were neither an Indian resident with business or profession in India nor a non-resident with a permanent establishment in India.



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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 : 81.7029  
INR / 1 GBP : 99.4390  
INR / 1 EUR : 87.8551  
INR /100 JPY : 61.7400

### **EQUITY MARKET**

Sensex: 60105.50 (- 9.98)  
NIFTY : 17895.70 (-18.50)  
Bnk NIFTY: 42232.70 (+217.90)

### **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,**

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