



**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 13, 2023**

**GROSS DIRECT TAX COLLECTION SURGED TO ₹15.67 LAKH CRORE, NET ROSE TO ₹12.98 LAKH CRORE:** Gross direct tax collection grew to ₹15.67 lakh crore between April 1, 2022 and February 10, 2023 in the current financial year 2022-23 (FY23) as against ₹12.63 crore during corresponding period of last fiscal (FY22). Meanwhile, net collection (gross tax minus refund) surged to ₹12.98 lakh crore from ₹10.96 lakh crore during the period under reviews. This shows growth of over 18 per cent.

**(Business Line)**

**RIL, BIRLA AND TATA COMMIT RS 1-TRN INVESTMENTS IN UP:** Reliance Industries (RIL) chairman Mukesh Ambani and Aditya Birla Group chairman Kumar Mangalam Birla on Friday committed investments worth Rs 75,000 crore and Rs 25,000 crore, respectively, in Uttar Pradesh with plans to expand their businesses in the state in the near future. Besides, Tata Sons chairman N Chandrasekaran said group firm Air India SATS will set up an integrated multi-modal cargo hub at the upcoming Jewar airport in partnership with Zurich Airport.

**(Financial Express)**

**DoT STARTS DOLING OUT PRODUCTION-LINKED INCENTIVES, GX TELECOM GETS FIRST CHEQUE:** The Department of Telecom has started disbursing production-linked incentives to shortlisted manufacturers who have completed their target for 2021-22, a government official said. Telecom gear maker GX Telecom, which has been shortlisted under the PLI scheme for promoting local manufacturing, said it received an incentive from the DoT under the scheme.

**(Economic Times)**

**I-T DEPT TO COME OUT WITH MODIFIED VALUATION NORMS FOR TAXING FOREIGN INVESTMENTS IN UNLISTED COS:** The Income Tax Department is likely to come out with modified valuation rules under the I-T Act for ascertaining the fair market value (FMV) of shares of unlisted companies for the purpose of levying tax on non-resident investments. The Finance Bill, 2023 has proposed amending Section 56(2)(viib) of the I-T Act, thereby bringing overseas investment in unlisted closely held companies, excepting DPIIT-recognised startups, under the tax net. The amendments are needed as I-T Act and FEMA provide different methodologies for calculating the FMV of shares of unlisted companies. "Rule 11UA of I-T rules will be re-prescribed taking into account the concerns expressed by stakeholders to harmonise it with the FEMA regulations," the official told PTI.



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Rule 11UA deals with determination of FMV of assets, other than immovable property. Under the existing norms, only investments by domestic investors or residents in closely held companies were taxed over and above the fair market value. This was commonly referred to as angel tax. The Finance Bill, 2023, has proposed such investments over and above the FMV, will be taxed irrespective of whether the investor is a resident or non-resident. Once approved by Parliament, the provisions would come into effect from April 1.

*(Economic Times)*

### **PSU BANKS' PROFIT JUMPS 65% IN Q3; BANK OF MAHARASHTRA TOPS**

**CHART WITH 139% SURGE:** PSBs have logged a robust profit growth of 65 % to Rs 29,175 crore during the third quarter ended December 2022, with Bank of Maharashtra emerging as the top performer in terms of percentage growth in profit, followed by Kolkata-based UCO Bank which posted a profit of Rs 653 crore, 110 percent higher than its earning in the third quarter of the previous fiscal. Two other lenders whose profit growth was higher than 100 per cent were Union Bank of India and Indian Bank. All 12 PSBs cumulatively earned a profit of Rs 29,175 crore in the third quarter of the current financial year, against Rs 17,729 crore in the same period a year ago, recording a jump of 65 %.

*(Moneycontrol)*

### **THREE ADANI GROUP COMPANIES PLEDGE ADDITIONAL SHARES FOR SBI:**

**REPORT:** Three Adani Group companies have pledged additional shares for State Bank of India, days after a scathing report by a US short-seller led to over USD 100 billion loss in its market value, as per stock exchange filings. Adani Ports and Special Economic Zone (APSEZ), Adani Transmission Ltd and Adani Green Energy pledged shares to SBICAP Trustee Company, a unit of India's biggest lender, SBI. As many as 75 lakh more shares of APSEZ have been pledged, taking the total to 1 per cent of all shares with SBICAP. In the case of Adani Green, pledge of 60 lakh more shares took the total to 1.06 per cent. Pledge of 13 lakh more shares of Adani Transmission took the total to 0.55 per cent, the filings showed. The additional pledges are part of a USD 300 million LC issued by SBI for Adani Group's Carmichael coal mining project in Australia.

*(Business Standard)*

### **ADANI-HINDENBURG ROW: SUPREME COURT FOR EXPERT PANEL ON INVESTORS' SAFETY:**

The Supreme Court on Friday asked the Securities and Exchange Board of India (Sebi) to respond by Monday on measures that can be taken to protect Indian investors from instances like the slump in Adani group stocks after a critical report by the American short-seller Hindenburg Research. A Bench, comprising Chief Justice of India (CJI) D Y Chandrachud and Justices P S Narasimha and J B Pardiwala, asked the markets regulator to give a detailed response on how a strong framework can be put in place to prevent such instances. "It is said the total loss by Indian investors is several lakh crores. How do we



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ensure they are protected? It is said to be Rs 10 lakh crores. How do we ensure that this does not happen in the future? What role should be envisaged for Sebi in the future?" the Bench asked. The court suggested an expert committee that could confer wider powers to Sebi.

*(Business Standard)*

### **CCI ORDER AFTER-EFFECT: DEVICE MAKERS MAY NOW PAY GOOGLE FOR**

**ANDROID OS:** Google is in talks with mobile device brands on the broad contours of an agreement in which the latter will be paying the American tech major for using the Android operating system (OS), according to sources. Android is powered by Google Play. Google, on the other hand, is willing to pay original equipment manufacturers (OEMs) to pre-install certain apps. Currently, the Android OS is licensed free to device makers but with a mandatory bouquet of nine apps.

*(Business Standard)*

### **INDORE MOPS UP RS 661.52 CR ON DAY 1 OF PUBLIC ISSUE OF GREEN**

**BONDS:** In a first-of-its-kind initiative in India, the Indore Municipal Corporation (IMC) has garnered Rs 661.52 crore on the first day of a public issue of green bonds to raise capital for setting up a Rs 244 crore solar power plant. The green bond was oversubscribed by 5.42 times against the base price of Rs 122 crore, an official said. The public issue will close on Tuesday. IMC is the first urban body in the country to introduce green bonds as a public offering for the solar power plant, the official said.

*(Business Standard)*

### **GOVT TO OFFLOAD 30 MN MT WHEAT TO COOL DOWN PRICES VIA OPEN MARKET DISPOSAL:**

With a view to cool down the rising prices of wheat and atta, the government has decided to offload 30 lakh metric tons of wheat under Open Market Disposal Scheme (OMSS) and sales to state governments, Kendriya Bhandar, National Consumer Cooperative Federation (NCCF), National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED), State Cooperatives/ Federations etc., to cool down the prices of wheat and atta. Union Minister of State for Consumer Affairs, Food and Public Distribution, Sadhvi Niranjana Jyoti, in a written reply to a question in Rajya Sabha on Friday, said that the government takes various steps from time to time to augment domestic availability and control increasing food prices. These steps include releases from the buffer to cool down prices, imposition of stock limits, monitoring of stocks declared by entities to prevent hoarding, and also requisite changes in trade policy instruments like rationalization of import duty, changes in import quota, restrictions on exports of the commodity etc.

*(Business Standard)*



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## **NEW TAX REGIME TO BENEFIT MIDDLE CLASS; LEAVE MORE MONEY IN THEIR HANDS: FM:**

Finance Minister Nirmala Sitharaman on Saturday said the new tax regime will benefit the middle class as it will leave more money in their hands. Talking to reporters after the customary post-Budget address to the central board of RBI, she said under the revamped concessional tax regime, which will be effective from the next fiscal, no tax would be levied on income up to Rs 3 lakh. Income between Rs 3-6 lakh would be taxed at 5 per cent; Rs 6-9 lakh at 10 per cent, Rs 9-12 lakh at 15 per cent, Rs 12-15 lakh at 20 per cent and income of Rs 15 lakh and above will be taxed at 30 per cent. However, no tax would be levied on annual income of up to Rs 7 lakh. Responding to a query on price rise, RBI Governor said retail inflation is expected to be around 5.3 per cent in 2023-24 and may fall further if crude prices remain benign.

***(Business Standard)***



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

### **SUPPLY CHAIN FINANCING**

- ❖ Supply chain finance (SCF) is a term describing a set of technology-based solutions that aim to lower financing costs and improve business efficiency for buyers and sellers linked in a sales transaction. SCF methodologies work by automating transactions and tracking invoice approval and settlement processes, from initiation to completion. Under this paradigm, buyers agree to approve their suppliers' invoices for financing by a bank or other outside financier--often referred to as "factors." And by providing short-term credit that optimizes working capital and provides liquidity to both parties. While suppliers gain quicker access to money they are owed, buyers get more time to pay off their balances.
- ❖ Supply chain finance works best when the buyer has a better credit rating than the seller, and can consequently source capital from a bank or other financial provider at a lower cost. This advantage lets buyers negotiate better terms from the seller, such as extended payment schedules. Meanwhile, the seller can unload its products more quickly, to receive immediate payment from the intermediary financing body.
- ❖ A typical extended payables transaction works as follows: Let's say the buyer, Company ABC, purchases goods from the seller, Supplier XYZ. Under traditional circumstances, Supplier XYZ ships the goods, then submits an invoice to Company ABC, which approves the payment on standard credit terms of 30 days. But if Supplier XYZ is in dire need of cash, it may request immediate payment, at a discount, from Company ABC's affiliated financial institution. If this is granted, that financial institution issues payment to Supplier XYZ, and in turn, extends the payment period for Company ABC, for an additional further 30 days, for a total credit term of 60 days, rather than the 30 days mandated by Supplier XYZ.



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### **RBI KEY RATES**

Repo Rate: 6.50%  
SDF: 6.25%  
MSF & Bank Rate: 6.75%  
CRR: 4.50%  
SLR: 18.00%  
Fixed Reverse Repo: 3.35%

### **FOREX (FBIL 1.30 PM)**

INR / 1 USD : 82.5787  
INR / 1 GBP : 99.9615  
INR / 1 EUR : 88.5668  
INR /100 JPY : 62.7600

### **EQUITY MARKET**

Sensex: 60682.70 (-123.52)  
NIFTY: 17856.50 (-37.00)  
Bnk NIFTY: 41559.40 (+5.10)

### **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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