



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

November 16, 2022

NAA TO WIND UP, GST ANTI-PROFITEERING COMPLAINTS TO BE TAKEN UP BY CCI FROM DECEMBER 1:

All GST anti-profiteering complaints would be dealt with by the Competition Commission of India (CCI) from December 1 as the extended tenure of National Anti-profiteering Authority ends this month. A notification in this regard is expected to be issued by the finance ministry later this month.

The National Anti-profiteering Authority (NAA) was set up in November 2017 under Section 171A of Goods and Services Tax (GST) law to check unfair profiteering activities by registered suppliers. The Authority's core function is to ensure that benefits of reduction in GST rates on goods and services and of the input tax credit are passed on to consumers by way of reduction in prices. As per the decision by the Council, NAA will cease to exist from December 1. Henceforth, all investigations, based on complaints filed by consumers, will be done by the Directorate General of Anti-profiteering (DGAP) which will then submit a report to CCI.

(Economic Times)

PhonePe CROSSED 10 BILLION TRANSACTIONS IN SEPT QUARTER FOR FIRST TIME:

Fintech major PhonePe crossed 10 billion quarterly transactions for the first time in the September quarter while its annualised total payments volume has crossed \$920 billion, Walmart said in an earnings call on November 15. "PhonePe also continues to perform well with annualised total payment volume at \$920 billion and reaching a record level of monthly transactions to about \$3.6 billion. This was the first time PhonePe had a quarter with more than 10 billion transactions," Walmart's chief financial officer said in a post-earnings analyst call. Data from NPCI shows that the lion's share of the 10 billion transactions in Q3 or 9,358 million was on account of united payments interface (UPI) transactions. During the quarter, PhonePe commanded a 45 percent market share of the UPI volumes and 47 percent of the value of total UPI transactions.

(Moneycontrol)

SBI HIKES LOAN INTEREST RATES BY UP TO 15 BPS: State Bank of India has raised its marginal cost of lending rate (MCLR) across tenors by 10-15 basis points. Due to this latest MCLR hike, borrowers' EMI outgo will increase further. The new interest rates are effective from November 15, 2022. As per the SBI website, the MCLR for one month and three months has been raised from 7.60% to 7.75%; the MCLR for six months and one year has been raised from 7.90% to 8.05%.

(Economic Times)



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RBI GOVERNOR SHAKTIKANTA DAS TO MEET BANKERS, REVIEW CREDIT GROWTH SUSTAINABILITY:

RBI Governor Shaktikanta Das will meet the heads of public sector banks on November 16 to discuss the issue of sustainability of credit growth in India. The issue of slower deposit growth amid burgeoning credit offtake could be taken up, according to a note shared with bankers, Times of India reported.

(Economic Times)

ALL INDUSTRIES & TRADE FORUM APPEALS TO PM MODI TO IMPOSE IMPORT RESTRICTION ON CHINA AND ASEAN COUNTRIES TO SUPPORT MSMEs:

The trade body All Industries & Trade Forum (AITF) has urged Prime Minister to impose import restrictions on China and Association of Southeast Asian Nations (ASEAN) as the imports may cross 20 lakh crore this year from the region which are proving detrimental to MSMEs, said a report by the Knowledge and News Network (KNN). The trade body has also appealed for an inquiry from the Central Bureau of Investigation (CBI) to unearth the alleged scam of huge imports from ASEAN and under invoicing from China, the report said.

(Financial Express)

AIR INDIA FACES FINE OF \$1.4M BY US FOR REFUNDS DELAY:

The US Department of Transportation could slap a penalty of \$1.4 million on the Tata Group-owned Air India for 'extreme delays' in providing refunds. This penal action follows enforcement actions by the body against the carrier to pay \$121.5 million to passengers seeking refunds due to flight cancellations or significantly changed flights. The US body is assessing more than \$7.5 million in civil penalties against six airlines for extreme delays in providing refunds.

(Financial Express)

IBC RECOVERY IMPROVES TO 30.2% IN SEPT QUARTER:

After two disappointing quarters, recovery for creditors from the resolution of stressed assets under the Insolvency and Bankruptcy Code (IBC) improved in the three months through September and stood at 30.2% of their admitted claims, according to the data compiled by the insolvency regulator. The recovery for financial creditors alone had hit a record low of 10.2% in the March quarter and 10.7% in the June quarter.

(Financial Express)

INDIA'S EXPORTS DECLINE BY 17% TO \$29.78 BN IN OCTOBER; TRADE DEFICIT WIDENS TO \$ 26.91 BN:

India's exports entered negative territory after a gap of about two years, declining sharply by 16.65 per cent to USD 29.78 billion in October, mainly due to global demand slowdown, even as trade deficit widened to USD 26.91 billion, according to data released by the commerce ministry on Tuesday. Key export sectors, including gems and jewellery, engineering, petroleum products, ready-made garments of all textiles,



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chemicals, pharma, marine products, and leather, recorded negative growth during October. Imports during the month under review rose by about 6 per cent to USD 56.69 billion on account of increase in the inbound shipments of crude oil and certain raw materials such as cotton, fertiliser and machinery. During April-October 2022, exports recorded a growth of 12.55 per cent to USD 263.35 billion.

(Business Today)

SBI NOMINATES MINISTRY OF FINANCE SECRETARY VIVEK JOSHI ON ITS

BOARD: The Department of Financial Services, Ministry of Finance, in a letter dated November 15, 2022, has nominated Vivek Joshi (secretary, Ministry of Finance) as a director on the central board of directors of State Bank of India, the bank said in a regulatory filing.

(Business Standard)

GOVT ASKS STATE-OWNED FIRMS TO CONSIDER INSOLVENCY COURT TO SHUT LOSS-MAKING UNITS:

Govt has asked state-owned firms to consider moving the country's insolvency court to shut loss-making units, hoping for speedier resolutions as the government looks to slim down its public sector holdings. Public sector companies will have to file an insolvency application under the Insolvency and Bankruptcy Code (IBC) for the resolution of a loss-making unit within three months of approval from a committee comprising top cabinet ministers, according to guidelines released by the government on Monday. The government is looking to close loss-making units in nearly nine months from the day a firm seeks approval to do so. State-run firms can also opt to close their units by approaching the Ministry of Corporate Affairs, as is currently the norm, the government added.

(Live Mint)

SEBI PENALISES GLOBAL SNC, PROPRIETOR FOR UNREGISTERED ADVISORY SERVICES:

Sebi on Tuesday levied fines totalling Rs 6 lakh on Global Invest Consultant and Advisor/The Global SNC/The Global and its proprietor Rakesh Aashware for providing unauthorised investment advisory services. In addition, the regulator debarred them from the securities markets for a period of 3 years. The order came after Sebi received complaints and thereafter the regulator had conducted an examination into the activities of Global Invest Consultant and Advisor/The Global SNC/The Global and its sole proprietor Aashware.

(Business Standard)

9 RUSSIAN BANKS OPEN VOSTRO ACCOUNTS FOR TRADE IN RUPEE AFTER RBI APPROVAL:

As many as nine special vostro accounts have been opened with two Indian banks after permission from the Reserve Bank of India to facilitate overseas trade in rupee, a top government official said on Tuesday. Sberbank and VTB Bank; the largest and



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second-largest banks of Russia, respectively are the first foreign lenders to receive the approval after the RBI announced the guidelines on overseas trade in the rupee in July. "Nine accounts have been opened. One in Uco Bank, one in Sber, one in VTB and 6 with IndusInd Bank.

(Business Standard)

STATES DEBT COST FALLS 12 BPS TO 7.67% ON RECEDING APPETITE FROM ISSUERS: States on Tuesday got some reprieve in their debt cost with the weighted average price falling by 12 bps to 7.67 per cent due to receding appetite from issuers as they received tax payouts from the Centre last week. Assam, Bihar, Karnataka and Punjab have raised Rs 8,800 crore from the market at the auctions.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

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: 5.90%
SDF: 5.65%
MSF & Bank Rate: 6.15%
CRR: 4.50%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 81.4280
INR / 1 GBP : 95.8929
INR / 1 EUR : 84.1309
INR /100 JPY: 58.0200

EQUITY MARKET

Sensex: 61872.99 (+248.84)
NIFTY : 18403.40 (+74.20)
Bnk NIFTY: 42372.70 (+295.90)

(CMA Chittaranjan Chattopadhyay)

Chairman,

Banking, Financial Services & Insurance Board

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