



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

DAILY NEWS DIGEST BY BFSI BOARD

December 19, 2022

UNION FINANCE MINISTER CHAIRS 48TH MEETING OF THE GST COUNCIL:

The 48th GST Council met under the Chairmanship of Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman via virtual mode in New Delhi on 17.12.2022 which made the following important recommendations;

- The tax rate for husk of pulses including chilka and concentrates reduced to NIL from 5% and the rate for Ethyl alcohol supplied to refineries for blending with motor spirit (petrol) has been reduced to 5% from 18%.
- No GST is payable where the residential dwelling is rented to a registered person if it is rented in his/her personal capacity for use as his/her own residence and on his own account and not on account of his business.
- Incentive paid to banks by Central Government under the scheme for promotion of RuPay Debit Cards and low value BHIM-UPI transactions are in the nature of subsidy and thus not taxable.
- The higher rate of compensation cess of 22% is applicable to SUVs, having engine capacity exceeding 1500 cc, length exceeding 4000 mm and a ground clearance of 170 mm or above.
- **Decriminalization under GST:** The Council has recommended to raise the minimum threshold of tax amount for launching prosecution under GST from Rs. One Crore to Rs. Two Crores, except for the offence of issuance of invoices without supply of goods or services or both, reduce the compounding amount from the present range of 50% to 150% of tax amount to the range of 25% to 100% and to decriminalize certain offences such as obstruction or preventing any officer in discharge of his duties, deliberate tempering of material evidence and failure to supply the information.
- **Facilitate e-commerce for micro enterprises:** GST Council in its 47th meeting had granted in-principle approval for allowing unregistered suppliers and composition taxpayers to make intra-state supply of goods through E-Commerce Operators (ECOs), subject to certain conditions. The Council approved the amendments in the GST Act and GST Rules, and the scheme may be implemented w.e.f. 01.10.2023.
- Circular to be issued to clarify that No Claim Bonus offered by the insurance companies to the insured is an admissible deduction for valuation of insurance services.
- Proposal made to conduct a pilot in State of Gujarat for Biometric-based Aadhaar authentication and risk-based physical verification of registration applicants. This will help in tackling the menace of fake and fraudulent registrations.
- Section 37, 39, 44 and 52 of CGST Act, 2017 to be amended to restrict filing of returns/statements to a maximum period of three years from the due date of filing of the relevant return / statement.

(Press Information Bureau)



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

GROSS DIRECT TAX MOP-UP GROWS 26% TO RS 13.63 LAKH CRORE; NET COLLECTIONS NEAR 80% OF BUDGET TARGET FOR FY23:

The gross direct tax collections have grown 26 per cent to over Rs 13.63 lakh crore so far this fiscal, aided by TDS deductions and healthy corporate advance tax mop-up, as per an official statement. After adjusting for refunds, the net direct tax collection so far this fiscal stands at Rs 11.35 lakh crore, which is about 80 per cent of the full-year Budget target. The Budget had estimated direct tax collection of Rs 14.20 lakh crore this financial year, higher than the Rs 14.10 lakh crore collected last fiscal (2021-22). Tax on corporate and individual income makes up for direct taxes. Refunds worth about Rs 2.28 lakh crore have been issued till December 17, 2022, a growth of 68 per cent over the year-ago period. The robust tax mop-up shows the economy rebounded from pandemic lows with rise in earnings of both companies and individuals. The mop-up includes advance tax collection of Rs 5.21 lakh crore, Tax Deducted at Source (TDS) of Rs 6.44 lakh crore, and self-assessment tax of Rs 1.40 lakh crore.

(Moneycontrol)

BANKS LOOKING AT POSSIBILITY OF RUPEE TRADE WITH BANGLADESH,

AFRICAN NATIONS: Banks are looking at the possibility of initiating rupee trade with Bangladesh and African countries like Egypt as part of exercise to make rupee an international currency, sources said. The overseas trade in rupee would safeguard the external sector from fluctuation in the forex market. India imported goods worth USD 3,520.83 million from Egypt, of USD 1,004.24 million from Algeria and USD 2,725.08 million from Angola in the last financial year. As far as Bangladesh is concerned, the import in the last year from the neighbouring country stood at USD 1,977.93 million, according to the data provided by the commerce ministry. Currently rupee trade arrangements are with Russia, Mauritius and Sri Lanka through Special Rupee Vostro Account (SRVA).

(Moneycontrol)

ACCOUNT AGGREGATOR NETWORK: 94 FIUS, 26 FIPS ONBOARDED ON RBI'S FINANCIAL DATA-SHARING SYSTEM:

The Reserve Bank of India's financial data-sharing system Account Aggregator (AA), launched in September 2021, has onboarded 94 financial institutions as financial information users (FIUs) as of December 12, 2022. Out of 94 FIUs, 73 are RBI regulated, 10 are regulated by SEBI, nine by the insurance regulator IRDAI and two by pension fund body PFRDA. The details were shared by Minister of State for finance Bhagwat Karad in a written reply to a question in the Lok Sabha earlier this week. Apart from FIUs, 26 entities are registered on the AA network as financial information providers (FIPs) including 12 public sector banks, 10 private banks, one small finance bank and three life insurance companies.

(Financial Express)



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

AMBANI TO TAKE ON ITC, PATANJALI, ADANI WITH FMCG BRAND

'INDEPENDENCE': Reliance will rival FMCG food businesses of ITC, Tata Consumer Products Ltd and Adani Wilmar with launch of brand 'Independence' for staples, processed foods, beverages and other daily essentials, analysts said. Reliance Consumer Products Ltd (RCPL), the newly set up FMCG arm of Reliance Retail Ventures Ltd (RRVL) last week made a foray into staples with launch of brand Independence.

(Business Standard)

MICROFINANCE LOANS GROW 11% TO RS 71,916 CRORE IN Q2 FY23:

Microfinance loans in the country grew by nearly 11 % to Rs 71,916 crore during the second quarter of the current fiscal, industry data showed. Microfinance loans worth Rs 64,899 crore were disbursed during the same period a year ago.

(Business Standard)

58% INDIANS CUT 'MAKE IN CHINA' PURCHASES ACROSS PRODUCTS IN

2022: SURVEY: About 58 per cent of Indians have reduced their 'Make in China' purchases due to the current geo-political situation while 26 per cent said they found Indian alternatives to be better in price and quality when it comes to fashion, apparel, vehicle accessories and gadgets categories, a new survey has shown. About 59 per cent of Indians surveyed said they do not have any Chinese app on their phone while 29 per cent still have one or more, according to data compiled by social community engagement platform LocalCircles. The survey received over 40,000 responses from consumers located in 319 districts.

(Business Standard)

FINANCE MINISTRY ADVISES PSBs NOT TO FORCE-SELL INSURANCE

PRODUCTS: The finance ministry has advised public sector banks (PSBs) not to force-sell insurance products to customers and said such a practice impacts the core businesses of banks.

(Business Standard)

SEBI ENHANCES VIGIL ON MCX TECHNOLOGY TRANSITION; HIGH COURT

ISSUES NOTICES: As top commodity exchange MCX races against time to move its trading technology from erstwhile promoter 63 Moons, regulator SEBI is keeping a close vigil on mock trading sessions and the transition process. In the meantime, the matter has reached Madras High Court with an investors group seeking a detailed probe by SEBI into the exchange with regard to the "integrity and competence of the market software technology" to be adopted by MCX. While SEBI has sought for weeks' time to file a counter affidavit, the court on December 8 also issued notices to MCX, MCX Clearing Corporation as well as their CEOs and Chief Technology Officers. On condition of anonymity due to the matter being sub-judice and



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

under regulatory scanner, top officials said some mock trading sessions have serious issues, but MCX did not reply to queries from PTI in this regard.

(Business Standard)

58% OF GOVT-RECOGNISED START-UPS CENTRED IN 5 STATES;

MAHARASHTRA TOPS LIST: Nearly 58 % of the government-recognised start-ups are confined to just five states in the country. A total of 84,012 start-ups have been recognised by the government (as on November 30, 2022). However, the latest government data showed that nearly 60% of the total government recognized start-ups are from the states including Maharashtra, Karnataka, Delhi, Gujarat and Uttar Pradesh. While Maharashtra tops with 15,571, followed by Karnataka, Delhi, Uttar Pradesh and Gujarat.

(Business Standard)



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

FINANCIAL TERMINOLOGY/CONCEPTS

5 FORCES ANALYSIS OF THE ENVIRONMENT

The five forces model of analysis was developed by Michael Porter to analyze the competitive environment in which a product or company works. There are five forces that act on any product/ brand/ company:

1. *The threat of entry*: competitors can enter from any industry, channel, function, form or marketing activity. How best can the company take care of the threat of new entrants?
2. *Supplier power*: what is the power of suppliers in this industry? How will their actions affect costs, supplies and developments? If there are a few suppliers, power is in their favour and cost of switching may be prohibitive; vice versa for a situation with lots of suppliers. There may be too many buyers from too few suppliers.
3. *Buyer power*: there may be few buyers for the product, which could mean that they would drive down prices and dictate business terms. What is their effect on the business? If there are many buyers, sellers could decide not to supply to a few, because other buyers will step in.
4. *Threat of substitutes*: can another substitute the product? Tea for coffee; email for fax? What is the likely possibility of this and what is its impact?
5. *Competitive rivalry*: all the four forces may come together to produce this force. All the resources at a company's disposal may be put in to maintain market shares and sales. How intense is competitive action, can it be countered?



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website :www.icmai.in

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 : 82.8184
INR / 1 GBP : 101.1903
INR / 1 EUR : 88.2629
INR /100 JPY : 60.3500

EQUITY MARKET

Sensex: 61337.81 (-461.22)
NIFTY : 18269.00 (-145.90)
Bnk NIFTY: 43219.50 (-278.70)

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
COUNCIL MEMBER**

The Institute of Cost Accountants of India

Disclaimer: Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICAI. For Restricted Circulation only. A Compilation of News in this regard from Secondary Sources.