



**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 23, 2022

GoM AGREES TO TAX ONLINE GAMING AT PAR WITH CASINOS AND HORSE RACING; CAN ATTRACT 28% GST: a group of state finance ministers in a meeting today have proposed that the goods and services (GST) tax be hiked by 10 per cent to the highest slab rate of 28 per cent. Government sources said the proposal, once formally approved by the federal GST Council headed by finance minister Nirmala Sitharaman, will bring the GST on online gaming in India on par with betting or gambling, which already attract 28 per cent GST.

(Business Today)

INDIA'S GDP GROWTH TO SLOW TO 5.9% IN 2023 ON FADING RE-OPENING IMPACT: GOLDMAN SACHS: Goldman Sachs expects India's economic growth to slow to 5.9% next year, from an estimated 6.9% growth in 2022, as the boost from the post-COVID reopening fades and monetary tightening weighs on domestic demand. Reserve Bank of India, last week, pegged the domestic growth rate at 7% for 2022-23.

(Business Today)

AIRTEL PAYMENTS BANK LAUNCHES FACE AUTHENTICATION FOR SAVINGS BANK ACCOUNTS: Airtel payments bank has launched face authentication-based savings account opening for customers, becoming the first payments bank to offer the service. Face authentication based e-KYC is available at 500,000 banking points of Airtel Payments Bank in India. The authentication is processed using a new app from the Unique Identification Authority of India (UIDAI).

(Economic Times)

GOVT MAY GIVE ADDITIONAL FUNDS FOR RURAL SCHEMES: The Indian government will likely raise its allocation to the rural development ministry by 18% to Rs 1.60 lakh crore (\$14.19 billion) for the current fiscal year, partly to bolster its job scheme, a top government source told Reuters. India had allocated Rs 1.36 lakh crore for 2022/23 for various schemes in the hinterland, but the stress in rural areas has led to increased demand for the Mahatma Gandhi National Rural Employment Guarantee Scheme, or MNREGA, the country's only minimum job guarantee scheme, which pays \$2 to \$3 a day. The additional funds will be used to bulk up job and affordable housing schemes in the fiscal year ending March 2023, said the official

(Economic Times)



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NYKAA'S CFO ARVIND AGARWAL STEPS DOWN: FSN E-Commerce Ventures Ltd., parent of beauty and fashion e-tailer Nykaa, on Tuesday said its chief financial officer Arvind Agarwal has resigned from the company. "Arvind Agarwal, Chief Financial Officer of FSN E-Commerce Ventures Limited will be leaving the company, effective close of business hours on November 25, 2022, to pursue other opportunities in the digital economy & start-up space," the company said in a filing with the stock exchanges.

(Live Mint)

KERALA RANKS NO.1 IN DAILY WAGE PAYMENTS IN INDIA: Daily wagers in Kerala earned way more than in more industrialised states like Gujarat and Maharashtra and earned more than double the national average of Rs 373.30. The latest data in RBI's handbook of statistics on Indian states showed that last fiscal (2021-22), construction workers' average daily wage in Kerala was more than three times of that in the lowest paying states Tripura and Madhya Pradesh. As per the data, a daily wager in the construction sector earned Rs 837.3 a day in Kerala, compared to Rs 250 in Tripura, Rs 267 in Madhya Pradesh, Rs 296 in Gujarat and Rs 362 in Maharashtra. The other two top states are Jammu & Kashmir and Tamil Nadu, where the wages were Rs 519 and Rs 478, respectively.

(Business Today)

MSMEs TELL FM NIRMALA SITHARAMAN HOW TO IMPROVE ACCESS TO BANK LOANS: Federation of Indian Micro and Small & Medium Enterprises (FISME), a representative organisation for the MSME sector, has suggested scrapping the bank loan rating (BLR) requirement by banks to lend to MSMEs and instead developing a unique rating model focusing on solvency alone of the borrower. The suggestion was part of the talking points submitted by FISME for next year's budget to the finance ministry. According to FISME, banks demand BLR rating from SEBI-approved credit rating agencies (CRAs) for lending to SMEs, however, the rating system is meant for listed units. Hence, there is virtually no model of BLR rating for non-listed units and as a result, CRAs hardly award even BBB+ rating to MSMEs which has become a must for the bankers, it said.

(Financial Express)

BENGALURU POSTS HIGHEST GROWTH IN OFFICE RENTALS ACROSS ASIA PACIFIC: Bengaluru continues to lead the Asia Pacific region in terms of office rental growth at 12.1% year-on-year in the quarter ended September, according to Knight Frank's Asia-Pacific Prime Office Rental Index for the quarter. Mumbai ranked third in the index, recording 7% y-o-y growth in office rentals, followed by Delhi NCR at the 14th spot, which remained stable during the same period.

(Financial Express)



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AMBANI SAYS INDIAN ECONOMY TO GROW 13-FOLD TO \$40 TRILLION BY

2047: India is likely to become a USD 40 trillion economy by 2047-- a 13-fold jump from its current size -- driven primarily by a clean energy revolution and digitalisation, billionaire Mukesh Ambani said on Tuesday. Ambani's estimate for the Indian economy, currently the fifth largest in the world behind only the US, China, Japan and Germany, is more optimistic than Asia's richest man Gautam Adani, who last week stated that India will become a USD 30 trillion economy by 2050 on back of rising consumption and socio-economic reforms.

(Business Standard)

Paytm HAS LOST OVER RS 1 TRILLION IN MARKET CAP SINCE ITS ISSUE:

The shares of One97 Communications, which operates the payments platform Paytm, hit an all-time intra-day low of Rs 476.65 apiece before closing at Rs 477.1 on Tuesday, down over 11 per cent from their previous close. The company's market capitalisation (m-cap) was Rs 30,971 crore at close on Tuesday – down by over Rs 1 trillion since the time of the issue. Compared with the issue price of Rs 2,150, the company's share price has fallen nearly 78 per cent.

(Business Standard)

IBBI EXPECTED TO INTRODUCE TWO KEY CHANGES TO THE INSOLVENCY

LAW: The law governing insolvency proceedings in India may soon undergo two key amendments. According to a report in the *Economic Times (ET)*, the Insolvency and Bankruptcy Board of India (IBBI) may enable quicker debt resolutions and distribution of recovery proceedings despite the continuation of litigation. According to the report, stakeholders agreed that banks must be allowed to restart the insolvency proceedings if a successful resolution applicant backs off. "Two points to emerge clearly were the need to amend the law to allow banks more flexibility in case a bidder pulls out, and to allow distribution of proceeds even if there is pending litigation,"

(Business Standard)

NCLAT STAYS CCI-IMPOSED PENALTY AGAINST OYO: The National Company Law Appellate Tribunal (NCLAT) on Tuesday stayed the ₹169 crore penalty imposed by the Competition Commission of India (CCI) upon IPO-bound Oravel Stays Limited (OYO). A NCLAT Division Bench, comprising Justice Rakesh Kumar, Member (Judicial) and Ashok Kumar Mishra, Member (Technical), however, directed OYO to deposit 10 per cent of the penalty amount.

(Business Line)

INDIAN GOVT WANTS SOLAR MANUFACTURERS TO BID FOR \$2.4 BILLION

IN AID: India is looking for takers for \$2.4 billion in government aid it's offering to stimulate



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domestic manufacturing of solar power equipment. The state-run Solar Energy Corp. of India is seeking bids from solar manufacturers for 195 billion rupees of financial incentives, according to documents published on the agency's website. The government is seeking to grow the country's module-making capacity to as much as 90 gigawatts, enough to meet its own requirements and serve export markets. Reliance Industries Ltd. and Adani Group, industrial giants run by billionaires Mukesh Ambani and Gautam Adani, were winners in a previous round of solar manufacturing incentives and are eligible to apply again for building additional capacity, the bid documents show.

(Business Standard)

INVESTMENT SUMMIT: UTTAR PRADESH EYES RS 1 TRILLION WORTH OF PROPOSALS: Uttar Pradesh is eyeing an image makeover. To change the perception that it is an agricultural state, MSME-dominated and inward-looking, UP will launch an aggressive bid to invite foreign investment in Global Investor Summit (GIS) to be held in Lucknow between 10 and 13 February 2023. It would be sending out teams of officials and ministers to hold road shows in 18 countries.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

CARBON CREDITS

- ❖ Carbon credits primarily help to reduce green house gas emissions into the atmosphere.
- ❖ A carbon credit is a permit that allows the company that holds it to emit a certain amount of carbon dioxide or other greenhouse gases. One credit permits the emission of a mass equal to one ton of carbon dioxide.
- ❖ The carbon credit is one half of a so-called "cap-and-trade" program. Companies that pollute are awarded credits that allow them to continue to pollute up to a certain limit. That limit is reduced periodically. Meanwhile, the company may sell any unneeded credits to another company that needs them.
- ❖ Private companies are thus doubly incentivized to reduce greenhouse emissions. First, they will be fined if they exceed the cap. Second, they can make money by saving and reselling some of their emissions allowances.
- ❖ The ultimate goal of carbon credits is to reduce the emission of greenhouse gases into the atmosphere. As noted, a carbon credit is equal to one ton of carbon dioxide.
- ❖ Companies or nations are allotted a certain number of credits and may trade those to help balance total worldwide emissions."Since carbon dioxide is the principal greenhouse gas," the United Nations notes, "people speak simply of trading in carbon."The intention is to reduce the number of credits over time, thus incentivizing companies to find innovative ways to reduce green house gas emissions.



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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 : 81.7742
INR / 1 GBP : 96.8828
INR / 1 EUR : 83.8611
INR /100 JPY: 57.6600

EQUITY MARKET

Sensex: 61418.96 (+274.12)
NIFTY : 18244.20 (+84.20)
Bnk NIFTY: 42457.10
(+110.55)

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- ❖ **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)**

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(CMA Chittaranjan Chattopadhyay)

Chairman,

Banking, Financial Services & Insurance Board

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