



**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 29, 2022***

**CENTRE HAS NO PLAN TO BRING BACK MASK MANDATE AS OF NOW:** The Centre reportedly has no plan to bring back the mask mandate as of now, despite the surge in Covid cases in some countries, including neighbouring China. Mirror Now, quoting sources, claimed that the government will now focus more on awareness. India reported a total 188 fresh Covid cases on Wednesday in the last 24 hrs, against 157 cases reported the previous day.

***(Economic Times)***

**STEEL IMPORTS FROM RUSSIA JUMP OVER 400% IN APR-NOV PERIOD:**

Russian steel exports to India rose by 468 per cent between April and November this year, the highest in recent times. Shipments coming into India stood at 218,000 tonnes for the eight month period under review at \$253 million; while for the same period last year, Russia exported just 38,400 tonnes and valued at \$61 million. Cheaper offerings, distress selling by mills and a fall in international steel prices, have been major causes of rising imports from Russia and some other key markets like China, Korea and others.

***(Business Line)***

**SHARE BUYBACKS HIT A HIGH OF ₹38,735 CRORE IN 2022:** The total value of buyback offers jumped over 170 per cent year-on-year in 2022 as public sector enterprises and IT service firms used their surplus cash to reward shareholders or to shore up their dwindling stock prices. Data compiled from Prime Database show that a total of 58 buybacks amounting to ₹38,735 crore were offered in 2022 as against 42 offers worth ₹14,341 crore in 2021. Buyback refers to the company buying back its shares from shareholders, typically at a price higher than the current market price. Companies can choose to buyback through the tender (buy directly from shareholders) or open market (buy via stock exchanges) routes.

***(Business Line)***

**RIL UNDER MUKESH AMBANI, 20 YEARS OF STRONG GROWTH:**

Mukesh Ambani, 65, has completed 20 years at the helm of Reliance Industries Ltd (RIL) one of largest employers and most profitable companies of India. He took over as the Chairman and Managing Director of Reliance Industries after the demise of his father and Reliance founder Dhirubhai Ambani on July 6, 2002. During Mukesh Amabni's over 20 years of stewardship, RIL has achieved a consistent strong double-digit growth across all financial parameters. Reliance's market capitalisation has grown at an annualised rate of 21 per cent in the last 20 years to ₹17,81,841 crore as of March, 2022 from ₹41,989 crore in March, 2002 Its revenues grew at 15 per cent to ₹792,756 crore during the said period. Reliance's net profit had



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increased at an annualised rate of 16 per cent to ₹67,845 crore against ₹3,280 crore two decades ago.

*(Business Line)*

### **SEBI FINES CLEARING AND SETTLEMENT ARMS OF NSE AND BSE IN KARVY BROKING CASE:**

Market regulator SEBI has held Indian Clearing Corporation (ICCL) and NSE Clearing Corporation (NCCL), the trade clearing and settlement arms of the BSE and the NSE, responsible for violation of norms in the matter involving Karvy Broking's funds mismatch. SEBI has imposed a fine of ₹50 lakh and ₹25 lakh against ICCL and NCCL for not adhering to the early warning mechanism (EWM) rules. On March 22, 2019, NSE had observed that in 70 per cent of cases of (client) running accounts, they were receiving alerts of mismatches from depositories and they were finding it difficult to act on such a large number of alerts. This mismatch was nothing but client security deposited with the broker and the broker's deposit with the exchange. On April 9, 2019, SEBI called for reconciliation of holding statements with depository data for all the market infrastructure institutions. In this, huge mismatches were observed for securities reported by Karvy Stock Broking and actual balance in its demat accounts.

*(Business Line)*

### **ICAI BATS FOR INDIA INC, PITCHES FOR 100% TAX DEDUCTION FOR CSR**

**EXPENSES:** The CA Institute has urged Finance Minister, Nirmala Sitharaman, to allow 100 per cent tax deduction of Corporate Social Responsibility (CSR) spends by corporates in the upcoming budget. Currently, CSR expenses are not eligible for deduction as a business expense under Section 37 of the Income Tax Act of 1961.

*(Business Line)*

### **BANKS' GNPAS IN MICRO, SMALL ENTERPRISE LOANS STOOD AT 16.8% IN**

**FY22:** India's scheduled commercial banks have reported gross non-performing assets (GNPA) worth Rs 1.17 lakh crore in the priority sector credit to micro and small enterprises (MSEs) for the financial year 2021-22 in comparison to Rs 1.28 lakh crore worth GNPAs in their MSE loan portfolio recorded in FY21, according to the data from the Reserve Bank of India (RBI). The share of MSE GNPAs out of total NPAs for banks was 16.87 per cent in FY22 and 16.47 per cent in FY21. The data shared in the RBI's Report on Trend and Progress of Banking in India for FY22 on Tuesday noted that among all banks, small finance banks (SFBs) had the highest share of MSE GNPAs in their total NPAs followed by public sector banks, private banks, and foreign banks.

*(Financial Express)*



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### **CENTRE TO LAUNCH A CREDIT CARD SCHEME AND VYAPAR CREDIT CARD**

**FOR MICRO UNITS:** To improve credit access for MSMEs, the government is all set to lay out a Merchant Credit Card (MCC) Scheme for traders and a Vyapar Credit Card (VCC) for microunits, reported the Economic Times. The VCC is expected to offer an interest-free credit period of up to 50 days and around 85 per cent coverage under the Credit Guarantee Fund for Micro Units. Along the lines of Kisan Credit Card, MCC Scheme may also provide loans to merchants at a subsidised interest rate, the report added.

*(Financial Express)*

### **BANDHAN BANK HIKES BULK FD RATES, NOW EARN AS HIGH AS 8.15% ON**

**THESE TENORS:** The private sector lender Bandhan Bank has hiked its interest rates on bulk fixed deposits of more than ₹2 Cr. According to the bank's official website, the new rates will take effect on December 28, 2022. The bank is currently giving a maximum interest rate of 7.90% on tenors of 365 days to less than 15 months after the modification of callable bulk deposits. Whereas, the bank is giving a maximum interest rate of 8.15% on non-callable bulk deposits maturing on the specific tenors.

*(Live Mint)*

### **SBI TO CONSIDER RAISING FUNDS VIA INFRASTRUCTURE BONDS WORTH**

**UP TO \$1.21 BN:** State Bank of India, the country's largest lender, said on Wednesday it will consider approval for raising funds through the issue of infrastructure bonds worth up to 100 billion rupees (\$1.21 billion) during fiscal year 2023. A meeting of the executive committee of the central board of the bank is scheduled to be held on Jan. 3, the bank said in a regulatory filing.

*(Business Standard)*

### **CBIC ISSUES CLARIFICATIONS ON TAX RECOVERY FROM FIRMS UNDER**

**INSOLVENCY:** The Central Board of Indirect Taxes and Customs (CBIC) issued two key circulars, clarifying its stance on the treatment of tax dues from companies undergoing insolvency and the limitation period for issuing show-cause notices under the Goods and Services Tax (GST) regime. According to this, proceedings under Insolvency and Bankruptcy Code (IBC) would now come under the purview of Section 84 of the CGST Act. The provision deals with the process to be followed when the original tax, interest or penalty ('Government Dues') stands reduced under an appeal, revision or other proceedings. The circular clarified that scope of 'proceedings' under Section 84 would cover those under IBC as well. Therefore, where confirmed government dues stand reduced under an IBC order, the GST department shall only recover such reduced dues by following the prescribed procedure.

In a separate circular, CBIC clarified that in case a show-cause notice was issued beyond the "limitation period" and the adjudicating authority held that an extended period of limitation



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cannot be invoked, then the entire proceeding will have to be dropped. It further clarified that in case a show-cause notice was issued for multiple financial years and only a part of the period is subject to limitation, then the demand will sustain only for the period which is under the limitation period.

***(Business Standard)***

### **SEBI PROPOSES REGULATORY FRAMEWORK FOR INDEX PROVIDERS, RS 25**

**CR NET Worth:** SEBI is planning to introduce a regulatory framework for index providers, for increasing transparency and accountability in governance and administration of the financial benchmarks. The regulator has proposed that the index providers offering indices for use in India will be required to register with SEBI for obtaining authorisation and must have a minimum net worth of Rs 25 crore. The proposals in the consultation paper are based on the recommendation of the Secondary Market Advisory Committee (SMAC). Comments from market participants have to be submitted by January 27, 2023.

***(Business Standard)***



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

### **REGTECH**

- ❖ Regtech is the management of regulatory processes within the financial industry through technology. The main functions of regtech include regulatory monitoring, reporting, and compliance.
- ❖ Regtech, or RegTech, consists of a group of companies that use cloud computing technology through software-as-a-service (SaaS) to help businesses comply with regulations efficiently and less expensively. Regtech is also known as regulatory technology.
- ❖ With the use of big data and machine-learning technology, regtech reduces the risk to a company's compliance department by offering data on money laundering activities conducted online—activities that a traditional compliance team may not be privy to due to the increase of underground marketplaces online.
- ❖ Regtech tools seek to monitor transactions that take place online in real-time to identify issues or irregularities in the digital payment sphere. Any outlier is relayed to the financial institution to analyze and determine if fraudulent activity is taking place. Institutions that identify potential threats to financial security early on are able to minimize the risks and costs associated with lost funds and data breaches.
- ❖ A bank that receives huge amounts of data may find it too complex, expensive, and time-consuming to comb through. A regtech firm can combine complex information from a bank with data from previous regulatory failures to predict potential risk areas that the bank should focus on.
- ❖ Some of the Regtech companies in India are Enforc'd, Finchat, Kyo lab etc.



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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 : 82.9183  
INR / 1 GBP : 99.7679  
INR / 1 EUR : 88.2986  
INR /100 JPY : 61.9000

### **EQUITY MARKET**

Sensex: 60910.28 (-17.15)  
NIFTY : 18122.50 (-9.80)  
Bnk NIFTY: 42827.70 (-31.80)

### **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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