

Info Capsule

Wednesday
May 18, 2022

President : CS Devendra V. Deshpande

Vice President : CS Manish Gupta

❖ **Indirect Tax**

Goods and Services Tax

- **CBIC extends due date for filing of Form GSTR-3B and Form GST PMT-06 (Notification No. 05/2022-Central Tax and Notification No. 06/2022 - Central Tax dated May 17, 2022)**

Central Board of Indirect Taxes and Customs extended the due date for furnishing the return in FORM GSTR-3B for the month of April, 2022 till May 24, 2022 and for depositing the tax due in FORM GST PMT-06 for the month of April, 2022 till May 27, 2022.

For details:

<https://egazette.nic.in/WriteReadData/2022/235799.pdf>



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❖ **Insolvency and Bankruptcy**

NOIDA not financial creditor but operational creditor under IBC: SC (May 17, 2022)

The Supreme Court on Tuesday held that the New Okhla Industrial Development Authority (NOIDA) is not a financial creditor but an operational creditor under the Insolvency and Bankruptcy Code (IBC).

The apex court delivered its verdict on appeals filed by NOIDA in which a common question arose as to whether the authority is entitled to be treated as a financial creditor within the meaning of the IBC.

"We would think that, having regard to the fact that both the NCLT and NCLAT have proceeded on the basis that the appellant (NOIDA) is an operational creditor, we need not stretch the exploration further and pronounce on the questions, which may otherwise arise," a bench of justices K M Joseph and Hrishikesh Roy said in its 186-page verdict.

For details:

https://www.business-standard.com/article/current-affairs/noida-not-financial-creditor-but-operational-creditor-under-ibc-sc-122051701510_1.html

❖ **Banking and Insurance**

● **RBI announces decision on six applications received under Guidelines for 'on tap' Licensing of Universal Banks and Small Finance Banks (May 17, 2022)**

The Reserve Bank has received 11 applications to set up bank under the Guidelines for 'on tap' Licensing of Universal Banks and Small Finance Banks. The examination of six applications has now been completed as per the procedure laid down under these guidelines. Based on the assessment of the applications (i) UAE Exchange and Financial Services Limited; (ii) The Repatriates Cooperative Finance and Development Bank Limited (REPCO Bank); (iii) Chaitanya India Fin Credit Private Limited and (iv) Shri Pankaj Vaish and others were not found suitable under Guidelines for 'on tap' Licensing of Universal Banks and (i) VSoft Technologies Private Limited and (ii) Calicut City Service Co-operative Bank Limited were not found suitable under Guidelines for 'on tap' Licensing of Small Finance Banks.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53718

● **RBI Bulletin – May 2022 (May 17, 2022)**

The Reserve Bank of India on May 17, 2022 released the May 2022 issue of its monthly Bulletin. The Bulletin includes Monetary Policy Statement, 2022-23, Resolution of the Monetary Policy Committee (MPC) - May 2 and 4, 2022, one speech, four articles and current statistics. The four articles are:

I. State of the Economy;

II. Financial Stocks and Flow of Funds of the Indian Economy 2019-20;

III. Growth Maximising External Debt of India; and

IV. Irrigation Management for Sustainable Agriculture.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53720

● **Please change the definition of 'fraud', bankers to urge RBI: Report (May 16, 2022)**

Indian banks will jointly move the Reserve Bank of India (RBI) asking to change the definition of the word "fraud" which crushes companies, leads to legalities even after the amount is repaid and petrify financiers, a media report said on May 16, 2022. Under the RBI, the regulation requires all banks to mark a lending company and all its accounts as "fraud account" when one lender puts a fraud tag. This leads to a process where lenders have to file police complaints and take a beating, which is often disproportionately higher than the size of the fraud.

For details:

https://www.business-standard.com/article/finance/high-street-banks-to-urge-rbi-asking-change-in-definition-of-fraud-122051600285_1.html

❖ *Technology and Automation*

• **Union Minister Dr. Jitendra Singh emphasises technology and AI driven governance reforms (May 17, 2022)**

In an interaction with the Permanent Secretaries of the Govt. of Gambia, who are currently in India to attend a one week Capacity Building Programme on Public Policy and Governance, Union Minister Dr. Jitendra Singh emphasised technology and Artificial Intelligence (AI) driven governance, which, he said, is going to become an essential part of our future working.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1826047>

• **India aims to roll out 6G telecom network by end of decade: PM Modi (May 17, 2022)**

India is targeting the rollout of 6G telecom network, which will provide ultra high speed internet connectivity, by the end of the decade, Prime Minister Shri Narendra Modi said on (Tuesday) May 17, 2022. India currently has 3G and 4G telecom networks and companies are gearing up to launch 5G over the next few months.

For details:

https://www.business-standard.com/article/current-affairs/india-aims-to-roll-out-6g-telecom-network-by-end-of-decade-pm-modi-122051700530_1.html

❖ *Terminology for today*

Engel's Law

Engel's Law is an economic theory introduced in 1857 by Ernst Engel, a German statistician, stating that the percentage of income allocated for food purchases decreases as income rises. As a household's income increases, the percentage of income spent on food decreases while the proportion spent on other goods (such as luxury goods) increases.

❖ *Market Watch*

Stock Market Indices as on 18.05.2022	
S & P BSE Sensex	54208.53 (-109.94)
Nifty 50	16240.30 (-19.00)

Foreign Exchange Rates as on 17.05.2022 <i>(https://www.geojit.com/currency-futures)</i>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
77.37	81.26	96.20	0.60

❖ **Business and Economic News**

● **Tata Consumer in acquisition talks with at least five consumer brands (May 18, 2022)**

Tata Consumer Products Ltd., the food and beverage arm of the \$103 billion Indian conglomerate, wants to go on an acquisition spree to bolster its position in the country's competitive consumer goods sector, and is in discussions to buy up to five brands.

For details:

https://www.business-standard.com/article/companies/tata-consumer-in-acquisition-talks-with-at-least-five-consumer-brands-122051800141_1.html

● **WPI inflation in April jumps to 15.08%, highest in 17 years; food, fuel prices bite (May 17, 2022)**

Wholesale inflation in the month of April rose to 15.08 per cent in India, highest in at least 17 years, government's latest data showed. "The high rate of inflation in April, 2022 was primarily due to rise in prices of mineral oils, basic metals, crude petroleum & natural gas, food articles, non-food articles, food products and chemicals & chemical products etc. as compared to the corresponding month of the previous year," the Ministry of Commerce and Industry said Tuesday.

WPI (Wholesale Price Index) inflation, which is the highest since at least April 2005, is also higher than analysts expectations of 14.48 per cent, according to a Reuters poll. This is the 13th month in a row for WPI reading to be in double digits. Earlier in March, WPI inflation was at 14.55%.

For details:

<https://www.financialexpress.com/economy/wpi-inflation-in-april-jumps-to-15-08-highest-in-17-years-food-fuel-prices-bite/2527601/>

Prepared by Directorate of Academics

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