



**THE INSTITUTE OF
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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

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- **SBI puts off KSK Mahanadi Power NPA auction after I-T probe on ARCs:** The State Bank of India has put off the sale of its non-performing asset loan of KSK Mahanadi Power scheduled on December 31 after the income tax department started an investigation against few asset reconstruction companies (ARCs). SBI has an exposure of Rs 4,100 crore in KSK Mahanadi Power and the bank had set a reserve price of Rs 1,423 crore for selling the loan to any ARC, bank, NBFC or a financial institution. The income tax department has initiated an investigation against several ARCs after it was found that several promoters are funding the ARCs via informal channels. After the IT department raided four ARCs last month, it found cash transactions worth Rs 850 crore with an asset reconstruction company. The IT department is now investigating transactions worth Rs 75,000 crore conducted by these four ARCs.
https://www.business-standard.com/article/finance/sbi-puts-off-ksk-mahanadi-power-npa-auction-after-i-t-probe-on-arcs-122010600780_1.html
- **BBB unlikely to rope in private candidates for Union Bank of India top position:** Banks Board Bureau (BBB), which has been given the task of recommending candidates for the top posts in public sector banks, is unlikely to invite private sector candidates to participate in the selection process for the post of Managing Director and CEO of Union Bank of India (UBI). It had recently stunned the banking world after it scrapped the earlier advertisement in December 2021 inviting applications for the position of MD and CEO of UBI by January 28, 2022. If the current indications are anything to go by, the selection for the top post may happen from “internal candidates” within the public sector banking system, sources in banking industry said.
<https://www.thehindubusinessline.com/money-and-banking/bbb-unlikely-to-rope-in-private-candidates-for-union-bank-of-india-top-position/article38156431.ece>
- **Bank of Maharashtra mulls ₹1,700 cr fund-raise via QIP and FPO by March 2023:** Bank of Maharashtra (BoM) is likely to raise between ₹500 crore to ₹700 crore via the qualified institutional placement (QIP) route in the current quarter (Q4FY22) and up to ₹1,000 crore through follow-on public offer (FPO) next financial year. AS Rajeev, MD & CEO, BoM, said the purpose of the QIP and FPO is to shore up capital from sources other than the Government and diversify the investor base to meet SEBI’s minimum public shareholding (MPS) norm of 25 per cent. Though the minimum regulatory capital to risk-weighted assets ratio (CRAR) required to be maintained by the Pune-headquartered public sector bank for the half-year ended September 30, 2021, was 10.875 per cent, it maintained this ratio higher at 14.67 per cent (excluding current year profit), following capital raise of Rs 403.70 crore through QIP in July 2021 at ₹23.70 per share.
<https://www.thehindubusinessline.com/money-and-banking/bank-of-maharashtra-mulls-1700-cr-fund-raise-via-qip-and-fpo-by-march-2023/article38146275.ece>
- **Centre seeks relaxation in promoter shareholding cap for IDBI Bank sale:** The central government has approached the Reserve Bank of India (RBI), seeking relaxation in the promoter shareholding cap for the new buyer of IDBI Bank. The Centre has sought relaxing the 26-per cent cap for new promoters of IDBI Bank, as it looks to initiate a strategic divestment of the lender. The RBI is considering the Centre’s proposal, as the government plans to come up with an expression of interest (EoI) and preliminary information memorandum for the bank’s sale. The Department of Investment and Public Asset Management has had consultations with the RBI



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late last month, along with government-appointed intermediaries, to finalise conditions for the strategic disinvestment of IDBI Bank.

https://www.business-standard.com/article/finance/centre-seeks-relaxation-in-promoter-shareholding-cap-for-idbi-bank-sale-122010700018_1.html

- **Lack of consistent income key reason for most people being out of financial inclusion: Nabard:** Most people are still out of financial inclusion due to the lack of consistent income and there is a need to spread financial awareness and generate income for them to include more people in the formal financial system, Nabard Chief General Manager Goverdhan Rawat said on Wednesday. Rawat was speaking at a financial inclusion program meet held in Aurangabad on Wednesday. Sixteen vans are given by the National Bank for Agriculture and Rural Development (Nabard) to spread awareness among people, which will display schemes of the government and facilities of banks. Out of these 16, four were inaugurated in Aurangabad by Union Minister of State for Finance Bhagwat Karad.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/lack-of-consistent-income-key-reason-for-most-people-being-out-of-financial-inclusion-nabard/articleshow/88741191.cms>
- **Banks have written off double the amount recovered in last 5 yrs: RBI data:** Commercial banks in India have written off a whopping Rs 9.54-trillion loans in the last five years, of which more than Rs 7 trillion was by the public sector banks. The amount banks have written off in the last five years is more than double than the amount recovered during the period. According to Reserve Bank of India (RBI) data, the amount recovered in the last five years through various channels like Lok Adalats, Debt Recovery Tribunals, SARFAESI Act, and under Insolvency and Bankruptcy Code (IBC) was Rs 4.14 trillion. Bankers often argue that write-offs do not mean that they don't have the option to recover those loans, as they are technical write-offs. However, as the data shows, recoveries by banks, which are not only from written-off accounts, is half of what has been written off.
https://www.business-standard.com/article/finance/banks-write-offs-double-the-amount-recovered-in-last-5-years-rbi-data-122010600688_1.html
- **Paytm enables users to 'Tap to Pay' from their virtual cards at retail outlets:** Paytm has enabled users to make instant payments through their Paytm registered card by tapping their phone on a PoS machine. This service — 'Tap to Pay'— will be possible even if the phone is locked or there is no mobile data or internet connection. Paytm's Tap to Pay service is available for Android and iOS users paying through Paytm All-in-One PoS devices and PoS machines of other banks. "True digitisation of financial services can only happen when it is not hindered by the limitations of data. With the introduction of Tap to Pay, we are now enabling our users to carry out all digital transactions with or without mobile data. This service is supported by Paytm All-in-One PoS, and also by most major banks and card networks to give our users the widest range of choices", a Paytm spokesperson said.
<https://www.thehindubusinessline.com/money-and-banking/paytm-enables-users-to-tap-to-pay-from-their-virtual-cards-at-retail-outlets/article38148407.ece>
- **NPCI, Jio roll out UPI Autopay for prepaid and postpaid users:** The National Payments Corporation of India (NPCI) and Jioon Thursday announced the introduction of UPI Autopay for the telecom industry. "Jio's integration with UPI Autopay has made it the first player in the telecom industry to go live with the unique e-mandate feature that was launched by NPCI," said a statement. Jio customers can now set standing instructions on the MyJio App using UPI Autopay for their tariff plans and have a hassle-free recharging experience. The Jio plan opted by the users would be auto renewed on the set date.
<https://www.thehindubusinessline.com/money-and-banking/npci-jio-roll-out-upi-autopay-for-prepaid-and-postpaid-users/article38144609.ece>



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- **Tata Capital unveils 'Flexi Plus Loans' across product categories:** Tata Capital, the flagship financial services company of the Tata Group, has unveiled 'Flexi Plus Loans', a range of new offerings that can be availed across product categories. This latest category of loans aims to give Tata Capital's customers the freedom and convenience to suit their financial requirements, the company said in a statement. Flexi Plus Loans can be availed across categories including Personal Loans; Business Loans; Loan Against Property; Two-Wheeler Loans; Used Car Loans; Home Loans.
<https://www.thehindubusinessline.com/companies/tata-capital-unveils-flexi-plus-loans-across-product-categories/article38146614.ece>
- **RBI ups threshold for LCR maintenance by banks on funds received from non-financial small biz customers:** The Reserve Bank of India has upped the threshold limit for Banks to maintain Liquidity Coverage Ratio (LCR) on deposits and other extension of funds received from non-financial small business customers from ₹5 crore to ₹7.5 crore. So, henceforth, all commercial banks (other than regional rural banks, local area banks and payments banks) will be required to maintain LCR if they receive deposits of ₹ 7.5 crore and above from non-financial small business customers against ₹5 crore earlier.
<https://www.thehindubusinessline.com/money-and-banking/rbi-ups-threshold-for-lcr-maintenance-by-banks-on-funds-received-from-non-financial-small-biz-customers/article38151998.ece>
- **PCI welcomes RBI move allowing digital payments in offline mode:** The Payments Council of India has welcomed the move by the Reserve Bank of India to facilitate small value digital payments in offline mode. "The move will benefit the adoption of digital transactions in rural areas or where internet connectivity is erratic or unpredictable, and further provide impetus to offline digital payments," it said in a statement on Thursday. The RBI had released the framework for small value digital payments in offline mode on January 3.
<https://www.thehindubusinessline.com/money-and-banking/pci-welcomes-rbi-move-allowing-digital-payments-in-offline-mode/article38151420.ece>
- **Ujjivan Small Finance Bank's Company Secretary & Compliance Officer resigns:** Ujjivan Small Finance Bank on Thursday said Chanchal Kumar has resigned from the position of Company Secretary and Compliance Officer of the bank. In a regulatory filing, Ujjivan Small Finance Bank said Kumar resigned on January 5, 2022. "His resignation would be effective from April 04, 2022 (close of business hours) after serving the applicable notice period. Consequently, he shall also cease to be a Key Managerial Personnel of the Bank in terms of Section 203 of the Companies Act, 2013 and other Applicable Laws," the filing said.
https://www.business-standard.com/article/finance/ujjivan-small-finance-bank-s-company-secretary-compliance-officer-resigns-122010600630_1.html
- **CVC expands scope of banking frauds panel to cases above Rs 3 cr :** The Central Vigilance Commission (CVC) on Thursday expanded the scope of the Advisory Board for Banking and Financial Frauds (ABBFF), which would now examine bank frauds of Rs 3 crore and above and recommend action. Till now, the ABBFF was only looking into banking and financial frauds of Rs 50 crore and above. With the above amendment, there will be complete synchronisation of all the frauds where complaints/FIRs are filed with CBI for the threshold of Rs 3 crore and above, an official statement said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/cvc-expands-scope-of-banking-frauds-panel-to-cases-above-rs-3-cr/articleshow/88739776.cms>
- **DPIIT to come out with revised FDI policy to facilitate LIC disinvestment: Secretary:** The commerce and industry ministry is making changes in the foreign direct investment (FDI) policy to facilitate disinvestment of the country's largest insurer LIC, after taking views from the finance ministry, a top government official said on Thursday. Anurag Jain, secretary in the Department for Promotion of Industry and Internal Trade (DPIIT), said



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the current policy related to the sector will not facilitate the disinvestment process of LIC and, hence, needs to be revised. We are working on further simplification of the FDI policy. A very important point for further simplification is required urgently as we have to do the LIC disinvestment. So, we would be coming out with a revised FDI policy which will facilitate LIC disinvestment," he told reporters here.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/dpiit-to-come-out-with-revised-fdi-policy-to-facilitate-lic-disinvestment-secretary/articleshow/88738037.cms>

- **Vedanta's Twin Star to appeal against NCLAT order on restarting the Videocon Industries resolution plan:** Vedanta's holding company Twin Star Technologies, the winning bidder of the Videocon Industries and its 12 units, are preparing to appeal against the appellate tribunal's order to restart the resolution process of consumer durable companies while financial creditors are apprehensive that prolonged litigation could fetch them lower offers. National Company Law Appellate Tribunal on Wednesday directed the committee of creditors to restart the resolution process following an appeal by them that Twin Star's plan is "not feasible."
<https://economictimes.indiatimes.com/news/company/corporate-trends/vedantas-twin-star-to-appeal-against-nclat-order-on-restarting-the-videocon-industries-resolution-plan/articleshow/88738573.cms>
- **HDFC Life completes acquisition of Exide Life; to start merger soon :** HDFC Life on Thursday announced the closure of the acquisition Exide Life deal, which will pave the way for increasing its presence in the south India market. The private sector insurer acquired a 100 per cent stake in Exide Life from its parent Exide Industries after issuing over 8.7 crore shares at an issue price of Rs 685 and a cash payout of Rs 726 crore, aggregating to Rs 6,687 crore. Exide Industries now holds a 4.1 per cent stake in HDFC Life. HDFC Life said the deal is closed subsequent to receiving all relevant regulatory approvals and it will soon initiate the merger of Exide Life with itself.
<https://economictimes.indiatimes.com/industry/banking/finance/insure/hdfc-life-completes-acquisition-of-exide-life-to-start-merger-soon/articleshow/88737398.cms>
- **Banks' profitability, asset quality, solvency at risk: Report:** The third wave poses a risk to asset quality of banks as many restructured loans with a moratorium would be out of this dispensation in Q4'2022, according to ratings firm Icra. The increased spread of the new Covid-19 variant, Omicron is likely to result in the third wave of Surge in infections. " As banks restructured most of these loans with a moratorium of up to 12 months, this book is likely to start exiting the moratorium from Q4 FY'2022 and Q1 FY'2023" said Anil Gupta, vice president – financial sector Ratings, Icra." Therefore, a third wave poses high risk to the performance of the borrowers that were impacted by the previous waves and hence poses a risk to the improving trend of asset quality, profitability, and solvency."
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-profitability-asset-quality-solvency-at-risk-report/articleshow/88738082.cms>
- **EarlySalary crosses ₹5,000 crore loan disbursement in December 2021 :** Consumer lending platform for young professionals EarlySalary has disbursed 25 lakh loans worth ₹5,000 crore since its inception. "The company was launched in 2015 and has grown 300 per cent since last year," it said in a statement on Thursday. Akshay Mehrotra, Co-Founder and CEO, EarlySalary said, "The ₹5,000-crore loan disbursement milestone is a testament to our remarkable resilience as an organisation that has made digital credit possible which has consistently helped millions of young individuals."
<https://www.thehindubusinessline.com/companies/earlysalary-crosses-5000-crore-loan-disbursement-in-december-2021/article38143240.ece>



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- **SEBI ramps up hiring ahead of LIC IPO:** The capital markets regulator has started a drive to recruit 120 senior executives as it beefs up headcount ahead of the initial share sale by Life Insurance Corporation of India, in what will be the nation's biggest public issue. The Securities and Exchange Board of India will be recruiting experienced officials across legal, information technology, research, general and official language departments over the next four months, the regulator said in a recruitment notice on its website on Wednesday. Its overall headcount stands at about 850 now.
<https://www.thehindubusinessline.com/markets/sebi-ramps-up-hiring-ahead-of-lic-ipo/article38142212.ece>
- **FPIs pull out ₹50,000 cr from bank/finance sector:** Foreign fund outflow from the banking and financial services sector crossed ₹50,000 crore in the first three quarters of the current fiscal amid rich valuations of the sectoral stocks and concerns over credit growth due to the new coronavirus variant. Latest data from depositories show foreign portfolio investors (FPIs) have pulled out ₹50,892 crore from banking & financial services sector between April-December, 2021.
<https://www.thehindubusinessline.com/markets/fpis-pull-out-50000-cr-from-bankfinance-sector/article38157273.ece>
- **Markets slump as US Fed turns hawkish, pandemic intensifies:** The Sensex was down 621 points to close at 59,601. The Nifty index fell by 179 points to close at 17,749. The meeting minutes released by the Federal Reserve indicated that it might not only raise interest rates sooner than expected but could also reduce its overall asset holdings to tame high inflation.
<https://www.thehindubusinessline.com/markets/markets-slump-as-us-fed-turns-hawkish-pandemic-intensifies/article38156684.ece>
- **Rupee slips 6 paise to 74.44 against dollar in early trade:** The rupee declined by 6 paise to 74.44 against the US dollar in opening trade on Thursday, tracking the strength of the American currency in the overseas market after hawkish US Fed minutes. Investors saw minutes from the Federal Reserve meeting as a sign that the US central bank might hike interest rates faster to cool inflation and this could lead to outflows from the domestic markets, forex traders said.
<https://www.thehindubusinessline.com/markets/forex/rupee-falls-6-paise-to-7444-against-dollar-in-early-trade/article38143170.ece>

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