



**THE INSTITUTE OF
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10.12.2021 : Today's Banking / Financial News at a Glance

- Bank of Baroda signs MoU with Centrum Housing Finance : Bank of Baroda (BoB) has signed a memorandum of understanding (MoU) with Centrum Housing Finance (CHFL) for sourcing and financing housing loan borrowers under co-lending model. Harshadkumar T. Solanki, General Manager – Mortgage & Other Retail Assets, Bank of Baroda, said that with this tie-up the bank will be able to penetrate deep into markets in Tier 2 and Tier 3 cities at competitive rates. Bank of Baroda would be able to garner housing loan business to the extent of ₹1,000 crore in one financial year, he added. Sanjay Shukla, MD and CEO, CHFL, said the collaborative approach involved in co-lending helps maximise credit flow to underserved and unserved segments. - Business Line

<https://www.thehindubusinessline.com/money-and-banking/bank-of-baroda-signs-mou-with-centrum-housing-finance/article37910846.ece>

- Bank of Maharashtra, NPCI tie up to launch RuPay credit card ; Bank of Maharashtra (BoM) on Thursday said it has tied up with the National Payments Corporation of India (NPCI) to launch its first credit card on card payment network RuPay. Titled 'BOM Platinum RuPay Contactless Credit Card', it offers 100 reward points as a welcome benefit to users on their first retail spending worth ₹1,000 or more and a complimentary annual membership fee for the first year. The card also comes with the card liability cover wherein customers will have zero liability post reporting of fraud, BoM said in its statement. "They will also be protected against card counterfeiting, card skimming and other online frauds as part of this cover." Card's reward system accumulates 1 reward point for every ₹100 spent. - Live Mint

<https://www.livemint.com/industry/banking/bank-of-maharashtra-npci-tie-up-to-launch-rupay-credit-card-11639032888140.html>

- Public sector bank disbursed most loans to MSMEs: Report : Public sector banks accounted for the largest share of loans disbursed under the ECLGS scheme under which the government guarantees a certain amount of loans to MSMEs, with private sector banks coming close. But the public sector banks reached more to the tiny borrowers, finds a study by credit bureau Transunion Cibil. Of the total loan applications received under the ECLGS scheme, the share of public sector banks is about 47%. While that of private sector banks is 44 per cent. But the public sector banks have reached out more to the tiny borrowers who have accounted for 58 per cent of the number of loans disbursed, finds the study by the credit bureau. - economic times

<https://economictimes.indiatimes.com/industry/banking/finance/banking/public-sector-bank-disbursed-most-loans-to-msmes-report/articleshow/88190654.cms>

- Bank credit could rise upwards of 10% in next one year: Jefferies : Indian banks which were pummeled in the recent sell off are likely to see return of global investor allocation in the new year as credit growth is set to accelerate and costs of providing for defaults may reduce, said Jefferies. More than \$2 billion worth banking stocks were sold by FPIs. As per Jefferies, due to the recent sell-off most marquee financial stocks are trading at attractive valuations. ICICI Bank is trading 2.2 times price to book (PB) while HDFC Bank is at 3 times. Axis Bank PB is at 1.6x, IndusInd Bank at 1.3x and State Bank of India at 1.2x. "We see favourable risk-reward for banks with ICICI Bank as top pick and HDFC Bank given growth rebound & fair valuation," Jefferies said in a note. - economic times



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<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-credit-could-rise-upwards-of-10-in-next-one-year-jefferies/articleshow/88187390.cms#:~:text=More%20than%20%242%20billion%20worth%20banking%20stocks%20were%20sold%20by%20FPIs.&text=%E2%80%9CThese%20can%20lift%20growth%20in.and%208%25%20for%20PSUs.%E2%80%9D>

- Karur Vysya Bank to cut base rate, benchmark prime lending rate : Private sector lender Karur Vysya Bank (KVB) on Thursday said it will slash its base rate and benchmark prime lending rate to 7.75 per cent and 12.75 per cent, respectively, with effect from December 15, 2021. The lender will cut its base rate by 0.25 per cent to 7.75 per cent. It will also revise downwards the benchmark prime lending rate (BPLR) by a similar margin to 12.75 per cent. "We advise that the base rate and BPLR of the bank would be revised with effect from December 15, 2021," KVB said in a regulatory filing. - Business Standard

https://www.business-standard.com/article/finance/karur-vysya-bank-to-cut-base-rate-benchmark-prime-lending-rate-121120900522_1.html#:~:text=Private%20sector%20lender%20Karur%20Vysya.cent%20to%207.75%20per%20cent.

- Karnataka Bank gets MeitY award for highest Bhim-Upi transactions for two years : The Ministry of Electronics & Information Technology (MeitY) has conferred the private sector lender Karnataka Bank with two DigiDhan awards for achieving the target with highest percentage in BHIM–UPI transactions under the private sector bank category consecutively for the past two fiscal years. MeitY & Railway Minister Ashwini Vaishnaw and MoS, IT & Skill Development Rajeev Chandrasekhar presented the award to bank's General Manager Raja BS and Deputy GM Jagadeesh KS in Delhi, the bank said in a statement. - economic times

<https://economictimes.indiatimes.com/industry/banking/finance/banking/karnataka-bank-gets-meity-award-for-highest-bhim-upi-transactions-for-two-years/articleshow/88187404.cms>

- Ujjivan Small Finance Bank raises interest rate on deposits : Ujjivan Small Finance Bank on Thursday said it has raised interest rates on deposits across various tenures. For the general citizen up to 60 years, the bank will now offer an interest rate of 6.6 per cent for deposits for tenures of 19 months, one day to 24 months. For 12 months tenure, the interest rate has been increased to 6.5 per cent, Ujjivan SFB said in a release. The previous rates for these tenures were 6 per cent. The new rates are applicable from December 9, 2021, the bank said. The SFB said it will offer additional 75 basis points (0.75 per cent) interest to senior citizens across all tenures. For 19 months, one day to 24 months tenure, the interest rate is as high as 7.35 per cent, while for 12 months tenure, the bank is now offering 7.25 per cent, it added. Earlier rates on these deposits yielded 6.5 per cent each.

<https://www.cnbtv18.com/personal-finance/ujjivan-small-finance-bank-raises-fixed-deposit-interest-rates-new-term-deposit-rates-up-to-735-11770622.htm>

- Paytm Payments Bank receives Scheduled Bank status from RBI : Paytm Payments Bank Limited (PPBL), an associate entity of Paytm, has received Scheduled Bank status from Reserve Bank of India (RBI) and has been included in the Second Schedule to the Reserve Bank of India Act, 1934. Being a Scheduled Payments Bank, Paytm Payments Bank can now explore new business opportunities. The bank can participate in government and other large corporations issued Request for Proposals (RFP), primary auctions, fixed-rate and variable rate repos,



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and reverse repos, along with participation in Marginal Standing Facility. Paytm Payments Bank would now also be eligible to partner in government-run financial inclusion schemes. - Business Line

https://www.business-standard.com/podcast/finance/what-does-a-scheduled-bank-status-mean-for-paytm-payments-bank-121121300083_1.html

- Barclays plots Asia revival with strategic hires after hiatus : Barclays plans to make key hires in investment banking and wealth management across Asia next year as the British lender plots its return to some of the world's fastest growing economies after a 2016 restructuring. The bank -- which is benefiting from a boom in deals and trading along with its Wall Street rivals -- is seeking to rebuild in some of the markets it exited, and is targeting China, India, Singapore and Australia to expand, according to Jaideep Khanna, head of Barclays Asia-Pacific and India chief executive officer. It's also hiring in Japan and Hong Kong. "We are profitable in the region and I fully expect it to continue in 2022," Khanna, 56, said in an interview. "Our focus is going to be consistent - try and stick to the areas where we are strong. There are enough areas for us to drive returns today and that's what we are focused on." <https://www.bloomberg.com/news/articles/2021-12-08/barclays-plots-asia-revival-with-strategic-hires-after-hiatus#:~:text=Barclays%20Plc%20plans%20to%20make,economies%20after%20a%202016%20restructuring.&ext=It%20has%20hired%20nine%20key,in%20the%20last%20eight%20months>.
- PMC Depositors Forum wants draft scheme of amalgamation of PMC Bank with Unity SFB altered : Depositors of the scam-hit Punjab and Maharashtra Co-operative (PMC) Bank want immediate payment of 25 per cent of the amount that will remain in their account after the initial payment of up to ₹5 lakh and payment of the balance in three installments over three years. The PMC Depositors Forum, in its suggestions to the RBI, has sought incorporation of the aforementioned clauses in the final scheme of amalgamation of PMC Bank with Unity Small Finance Bank. As per RBI's draft scheme of amalgamation, depositors will be paid their money over a stretched period of 2 to 10 years. The Forum said this clause is not in favour of the depositors and appears to be beneficial only to the transferee Bank (Unity SFB). - Business Line
<https://www.thehindubusinessline.com/money-and-banking/pmc-depositors-forum-wants-draft-scheme-of-amalgamation-of-pmc-bank-with-unity-sfb-altered/article37909448.ece>
- Former MD & CEO of Bharti AXA General Insurance joins ACKO : Online insurance seller ACKO on Wednesday announced that it has appointed Sanjeev S, an industry veteran and former MD & CEO of Bharti AXA in its leadership team. He will also be joining the board of Directors of ACKO Insurance. Sanjeev has over 20 years of experience working with leading companies such as Fullerton India Credit, and ING Vysya Life Insurance, among others. He has been in diverse roles in the sector ranging from sales, planning, and distribution to marketing and managing business across different verticals. Sanjeev's last role was in Bharti AXA General Insurance which recently merged with ICICI Lombard. –
<https://www.thehindubusinessline.com/money-and-banking/former-md-ceo-of-bharti-axa-general-insurance-joins-acko/article37909108.ece>



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- ECLGS loans: Private sector banks' average ticket size higher than PSBs : Private sector banks (PvSBs) and public sector banks (PSBs) accounted for 44.5 per cent and 43.6 per cent, respectively, of the loans disbursed under the Emergency Credit Line Guarantee Scheme (ECLGS), according to a TransUnion CIBIL report. However, the number of applications processed by PSBs were 1.6 times that of PvSBs. NBFCs and others accounted for 10.3 per cent and 1.60 per cent, respectively, of the disbursed amount. The average ticket size (ATS) of loans ECLGS was ₹6.04 lakh for PvSBs; ₹3.59 lakh for PSBs; ₹ 2.42 lakh for NBFCs; and ₹ 73,000 for others. ECLGS was launched in 2020 in the wake of the outbreak of the Covid-19 pandemic to provide additional liquidity to MSMEs with reduced cost of funds.

<https://www.thehindubusinessline.com/money-and-banking/eclgs-loans-private-sector-banks-average-ticket-size-higher-than-psbs/article37913746.ece#:~:text=The%20average%20ticket%20size%20of,to%20a%20TransUnion%20CIBIL%20report.>

- Nasscom makes recommendations to RBI on Card-on-File tokenisation : Providing a tiered timeline to merchants for compliance and allowing them to store the first few digits of a card (BIN range) to ascertain the network, issuer, card type, are among the key suggestions made by industry body National Association of Software and Services Companies to the Reserve Bank of India on facilitating compliance with Card-on-File Tokenisation (CoFT). "The RBI circular dated September 07, 2021, allows storing limited data – last four digits of actual card number and card issuer's name – for transaction tracking and reconciliation purposes. Merchants require first few digits of a card (BIN range) to ascertain the network, issuer, card type for several purposes. Given that BIN ranges are information available publicly and cannot uniquely identify a card, storing of the BIN range does not impinge on the customer security," Nasscom said Thursday, detailing its submission to the RBI. - Business Standard

https://www.business-standard.com/article/finance/nasscom-makes-recommendations-to-rbi-on-card-on-file-tokenisation-121120901285_1.html#:~:text=Nasscom%20makes%20recommendations%20to%20RBI%20on%20Card%20on%20File%20tokenisation,-Neha%20Alawadhi%20%7C%20New&text=%22The%20RBI%20circular%20dated%20September.transaction%20tracking%20and%20reconciliation%20purposes.

- Axis AMC Growth Avenues AIF achieves final close; raises Rs 1,000 cr : Axis Asset Management on Thursday said it has garnered Rs 1,000 crore through the final close of its Growth Avenues AIF (alternate investment fund), which will invest in unlisted mid-to-late stage innovative companies. The asset management company achieved its target within a span of three months from its first close on strong response from family offices, high networth individuals (HNIs) and non-resident Indians (NRIs). The fund aims to invest in unlisted mid-to-late stage innovative companies with strong long term growth prospects, the asset management firm said in a statement. "The strong response received by the Axis Growth Avenues Fund is a reflection of the long term opportunities in the fast evolving Indian digital economy. The start-up ecosystem has expanded significantly in India offering substantial wealth creation opportunities for investors in new-age businesses," Chandresh Nigam MD and CEO, Axis AMC, said. - Financial Express

<https://www.financialexpress.com/industry/banking-finance/axis-amc-growth-avenues-aif-achieves-final-close-raises-rs-1000-cr/2385400/>

- Crypto may erode central bank's control over money supply: Former RBI Guv : Former Reserve Bank of India Governor Duvvuri Subbarao has said the central bank could lose control over money supply and inflation



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management if cryptocurrency is allowed in the country. Speaking at a webinar organised by the National Stock Exchange (NSE) and New York University (NYU) Stern School of Business, Rao also said India's case for issuing a central bank digital currency (CBDC) may not be strong as there are capital controls. "Crypto is backed by algorithms and there is fear that the central bank might lose control over money supply and inflation management. There are also concerns that crypto will disrupt the monetary policy, he said on Wednesday. "Crypto can jump capital controls; fiat money is linked to the reserve currency, he added. - Business Standard

https://www.business-standard.com/article/markets/crypto-may-erode-central-bank-s-control-over-money-supply-former-rbi-guv-121120900563_1.html

- Asian Development Bank approves Rs 2,645-crore loan to improve urban services in India : Asian Development Bank on Thursday said it has approved a Rs 2,644.85 crore (USD 350 million) loan for India to help improve its urban services. The loan supports the policies established by the Ministry of Housing and Urban Affairs to accelerate universal coverage of piped water supply and improved sanitation, Asian Development Bank said in a release. Asian Development Bank (ADB) has approved a USD 350 million policy-based loan to improve urban services in India, the release said. - financial express
<https://economictimes.indiatimes.com/news/economy/finance/asian-development-bank-approves-rs-2645-crore-loan-to-improve-urban-services-in-india/articleshow/88186502.cms#:~:text=Asian%20Development%20Bank%20on%20Thursday.help%20improve%20its%20urban%20services.>
- Reliance Capital Insolvency: Deloitte comes on board to support RBI-appointed administrator : Big 4 firm Deloitte has been picked to provide support to Nageswara Rao Y, the RBI appointed administrator for the insolvency resolution process of Reliance Capital, sources in the know told Moneycontrol. "Deloitte was selected earlier this week following a bidding process. They have come on board," said one of the persons cited above. A second person confirmed the same and said the Deloitte team would help in matters of compliance, filings, communication, and other aspects. "Processes under the IBC (insolvency and bankruptcy code) are complex and challenging and require a big execution team," he added. - moneycontrol.
<https://www.moneycontrol.com/news/business/corporate-action/rel-cap-insolvency-deloitte-comes-on-board-to-support-rbi-appointed-administrator-7808761.html>
- Karur Vysya Bank names Ramshankar R as CFO with effect from Feb 10 :Private sector lender Karur Vysya Bank (KVB) on December 9 informed the stock exchanges on appointment of Ramshankar R as its next Chief Financial Officer (CFO). The appointment will come into effect from February 10, 2022, the bank said. In addition to the CFO charge, Ramshankar would also hold the post of Key Managerial Personnel, the regulatory filing noted. He would replace the current CFO, M D Ramesh Murthy, who has resigned from his role and would be relieved following the conclusion of his notice period. - moneycontrol.
<https://www.moneycontrol.com/news/business/karur-vysya-bank-names-ramshankar-r-next-cfo-with-effect-feb-10-7807701.html>
- Sensex up 157 points at closing, Nifty ends above 17,500 amid volatility : The BSE Sensex closed at 58,807.13, up 157.45 points or 0.27 per cent. It recorded an intraday high of 58,889.96 and a low of 58,340.85. The Nifty 50



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closed at 17,516.85, up 47.10 points or 0.27 per cent, near the day's high of 17,543.25. It recorded an intraday low of 17,379.60. ITC, L&T, Asian Paints, UPL and Britannia were the top gainers on the Nifty 50, while HDFC Bank, Titan, Nestle India, SBI Life and NTPC were the top losers. - Business Line

<https://www.thehindubusinessline.com/markets/stock-markets/sensex-up-157-points-at-closing-nifty-ends-above-17500-amid-volatility/article37911367.ece>

- Rupee trades in narrow range in early trade against US dollar : ndian rupee was trading in a narrow range in morning trade on Thursday tracking the subdued domestic equities and a firm American dollar amid concerns over the impact of the new Covid variant on the economy. At the interbank foreign exchange, the rupee opened at 75.45 against the dollar. It pared the initial gains and touched a low of 75.53 in initial deals. On Wednesday, the Indian rupee fell to a near two-month low of 75.50 against the US dollar, as RBI's bi-monthly monetary policy decision failed to enthruse forex market participants. - Business Line

<https://www.moneycontrol.com/news/business/markets/indian-rupee-trades-in-narrow-range-in-early-trade-against-us-dollar-7787601.html>

- Gold prices today dip for second day, silver rates fall : Gold prices in India traded in a narrow range today as futures on MCX dipped 0.07% to ₹48,023, extending losses to the second day. Silver futures were off 0.05% to ₹61,590. In global markets today, gold was steady at at \$1,782.65 per ounce as stronger US dollar and firmer US bond yields weighed on the precious metals. The dollar index strengthened 0.1% against a basket of six major currencies, weighing on bullion by raising its cost to buyers holding other currencies while US Benchmark 10-year Treasury yields were hovering close to their highest level in nearly 2 weeks. - Live Mint.

<https://www.livemint.com/market/commodities/gold-prices-today-fall-for-second-day-silver-rates-drop-sharply-11633494991491.html>

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