



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

March 11, 2022

- **Bank credit grows by 7.9 per cent; deposits by 8.6 per cent:** Bank credit grew by 7.9 per cent to Rs 116.27 lakh crore and deposits rose by 8.6 per cent to Rs 162.17 lakh crore in the fortnight ended February 25, RBI data showed. In the fortnight ended February 26, 2021, bank advances stood at Rs 107.75 lakh crore and deposits at Rs 149.33 lakh crore, according to the RBI's Scheduled Banks' Statement of Position in India as on February 25, released on Thursday. In the previous week ended February 11, 2022, bank credit grew by 7.86 per cent and deposits by 9.11 per cent. In 2020-21, bank credit had risen by 5.56 per cent and deposits by 11.4 per cent.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-credit-grows-by-7-9-per-cent-deposits-by-8-6-per-cent/articleshow/90133855.cms>
- **SBI plans separate digital bank, to revamp app to 'Only Yono':** India's largest lender State Bank of India (SBI) is planning a separate digital entity and will revamp its current mobile application, rechristening it 'Only Yono', as part of its decision to be future-ready, showed documents. SBI is looking to implement the revamp in 12-18 months, including migrating existing Yono customers to Only Yono. "Only Yono is envisaged as the next generation of Yono which will make SBI ready to launch a complete digital bank with a leaner and modular architecture, more streamlined journeys, sleek and personalized customer-centric design and capturing value from ecosystems," according to a notice by the bank seeking consultants for this initiative.
<https://www.livemint.com/industry/banking/sbi-plans-separate-digital-bank-to-revamp-app-to-only-yono-11646891569190.html>
- **Three PSE bank CMDs retiring this year:** Twenty Executive Directors (EDs) and Deputy Managing Directors (DMDs) of nationalised banks will be vying with each other for the numero uno position at Union Bank of India (UBI), Punjab & Sind Bank (P&SB) and Indian Overseas Bank (IOB). UBI MD & CEO, Rajkiran Rai G, and P&SB MD & CEO, S Krishnan, will be completing their term on May 31, 2022. IOB MD & CEO, Partha Pratim, will complete his term end-December 2022. The Banks Board Bureau (BBB) will interface with the eligible candidates and make its recommendation to the Government for filling the upcoming vacancies in the three aforementioned public sector banks. Interestingly, last December, BBB had cancelled its advertisement for the position of MD & CEO of Union Bank of India. Referring to this development, a senior public sector bank executive said that the Government may prefer that the chief of a mid-sized PSB is moved laterally to Union Bank of India, which is the country's 5 th largest PSB.
<https://www.thehindubusinessline.com/money-and-banking/20-ed-and-dmds-eligible-for-top-position-at-union-bank-psb-and-job/article65210468.ece#:~:text=UBI%20MD%20%26%20CEO%2C%20Rajkiran%20Rai,his%20term%20end%2DDecember%202022.>



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- **Karnataka Bank inks pact with SELCO Solar:** Karnataka Bank Ltd has signed a memorandum of understanding (MoU) with SELCO Solar Light Pvt Ltd to provide energy access to the underserved population. Under this initiative, Karnataka Bank provides financial support to purchase the solar energy products of SELCO Solar Light Pvt Ltd. A statement by the bank said customers can take loans from the bank with a competitive interest rate for installing SELCO Solar energy products for both household and commercial use.
<https://www.thehindubusinessline.com/money-and-banking/karnataka-bank-inks-pact-with-selco-solar/article65210069.ece>
- **IndusInd Bank to probe staff role in 'tech glitch' at micro credit arm:** Disbursement of micro loans without obtaining the client consent at IndusInd Bank arm Bharat Financial Inclusion (BFIL) had happened due to a technical glitch, the bank said on Wednesday, citing the findings of an review by Deloitte Touche Tohmatsu. The bank's board has now constituted a committee to assess staff accountability, if any, arising out of the findings of the report. BFIL's MD and CEO Shalabh Saxena and executive director and CFO Ashish Damani had tendered their resignations on November 25, 2021. The board decided to defer the decision to relieve the executives until the completion review which was going on at that point of time.
<https://www.financialexpress.com/industry/banking-finance/indusind-bank-to-probe-staff-role-in-tech-glitch-at-micro-credit-arm/2455365/>
- **Banks report turnaround in credit pick up in February:** Banks have reported a robust pick up in credit in the two fortnights of February 2022 after a decline in the two fortnights of January, according to Reserve Bank of India data. All scheduled Banks disbursed ₹79,149 crore in the fortnight ended February 25, and ₹84,142 crore in the preceding fortnight. Crisil has estimated that gross bank credit in FY22 will grow by 9-10 per cent against 5 per cent in FY21.
<https://www.thehindubusinessline.com/money-and-banking/banks-report-turnaround-in-credit-pick-up-in-february/article65211922.ece#:~:text=Banks%20have%20reported%20a%20robust,crore%20in%20the%20preceding%20fortnight.>
- **NaBFID to be regulated as AIFI under RBI Act:** The Reserve Bank on Tuesday said NaBFID will be regulated and supervised as an All India Financial Institution by it under the RBI Act, 1934. The National Bank for Financing Infrastructure and Development (NaBFID) Act, 2021, received the assent of the President on March 28, 2021. It came to force with effect from April 19, 2021. Accordingly, NaBFID has been set up as a Development Financial Institution (DFI) to support the development of long-term infrastructure financing in India, the RBI said in a release on Wednesday. "NaBFID shall be regulated and supervised as an All India Financial Institution (AIFI) by the Reserve Bank under Sections 45L and 45N of the Reserve Bank of India Act, 1934," it said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/nabfid-to-be-regulated-as-aifi-under-rbi-act/articleshow/90107837.cms>



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- **Centre lures candidates for DFI's top job with hefty pay package:** After failing to get adequate response to head its Development Finance Institution (DFI), the Centre has sought more applications for the top job of the National Bank for Financing Infrastructure and Development (NaBFID) by luring applicants with hefty pay package and relaxing the eligibility criteria. Extending the last date for applying for the post of managing director (MD) of NaBFID, the Banks Board Bureau (BBB) — headhunter for filling top-level posts at public sector financial institutions — has notified that the total compensation — total of fixed pay and performance bonus — will not exceed Rs 3.36 crore per annum.
https://www.business-standard.com/article/finance/centre-lures-candidates-for-dfi-s-top-job-with-hefty-pay-package-122031000027_1.html
- **Govt is making sure that India will have at least 75 digital banking units in near future: Nirmala Sitharaman:** Union Minister for Finance and Corporate Affairs Nirmala Sitharaman said that the government is making sure that India will have at least 75 digital banking units in near future. Sitharaman chaired a post-budget interaction with stakeholders from trade and industry of North Eastern states in Guwahati on Thursday. Addressing various industry leaders and representatives from trade bodies of the North Eastern region Sitharaman said that the Union Government has taken up various futuristic steps in the Union Budget by focusing on development through enhancing and establishing digital infrastructure in the country. She said that the Government is ensuring that India gets ready in the next 25 years to be on the top of the curve by using technologies in various sectors and making India digitally ready.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/govt-is-making-sure-that-india-will-have-at-least-75-digital-banking-units-in-near-future-nirmala-sitharaman/articleshow/90125697.cms>
- **Push for a UPI ecosystem minus debitcards as RBI vows inclusion:** Registrations for unified payments interface (UPI) must be independent of debit cards to further the adoption of digital payments in India, experts said a day after the Reserve Bank of India (RBI) launched UPI123Pay, which will allow users to make offline digital payments through feature phones. A debit card is mandatory to set the UPI PIN, under the existing mechanism. A customer must key in debit card details to receive a one-time password on his phone to log into the system. As such, customers who have bank accounts but do not have debit cards cannot use the homegrown payments network. "Yes, there is a demand that UPI payments should be allowed without debit cards. There are many people who have debit cards, but do not know how to use them except for withdrawing cash. Then there are others who do not use them at all," said Parijat Garg, an independent fintech expert.
<https://www.livemint.com/industry/banking/push-for-a-upi-ecosystem-minus-debit-cards-as-rbi-vows-inclusion-11646853280321.html>
- **HDFC Bank bets on tie-ups to retake card market share:** HDFC Bank is looking at more tie-ups and product launches to recoup its lost market share in credit cards, after the Reserve Bank of India (RBI) lifted the embargo on new card issuances in August. In December 2020, HDFC Bank was ordered to halt new digital banking initiatives and freeze credit card issuance until it addressed lapses that had led to a series of digital outages. This led to the bank losing market share in credit card outstanding



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and spending during the nine months of the embargo. Since the restrictions were lifted in August, the bank has issued as many as 1 million new credit cards and also relaunched three credit cards, targeting 75% of the credit card market.

<https://www.livemint.com/industry/banking/hdfc-bank-bets-on-tie-ups-to-retake-card-market-share-11646846733624.html>

- **Banks, financial institutions rush to raise funds as credit growth picks up:** A host of banks and financial institutions is raising funds from the market in March to fund their business growth and meet balancesheet targets before the end of the financial year. Earlier this month, two public sector lenders — Union Bank of India and Canara Bank — raised Rs 1500 crore and Rs 1,000 crore by way of additional tier-I bonds as they see increase in credit demand. Another public sector lender Bank of Maharashtra is planning to raise Rs 1000 crore through the same route in March. Among private sector lenders, HDFC – the largest mortgage financier – raised Rs 10,000 crore through 10-year bonds. ICICI Bank – the second-largest private sector lender raised Rs 8,000 crore via infrastructure bonds to finance projects in sectors such as transport and power and affordable housing. Can Fin Homes also raised Rs 700 crore while India Infrastructure Finance Company is planning to raise Rs 1,500 crore.
https://www.business-standard.com/article/finance/banks-financial-institutions-rush-to-raise-funds-as-credit-growth-picks-up-122030901532_1.html
- **Online-mortgage lender Better fires 3,000 staffs in US, India in latest cuts:** Online-mortgage lender Better is firing roughly 3,000 employees in the US and India as rising interest rates weigh on the volume of new loans. The total represents about 35 per cent of the company’s workforce, according to a person familiar with the matter who asked not to be identified discussing private information. Better eliminated approximately 9 per cent of its workforce last year, announcing the move in a video conference call. Chief Executive Officer Vishal Garg later apologised for how that round of cuts was handled and took a hiatus before returning in January. This time, the company said it would contact all of the affected workers personally.
<https://www.thehindubusinessline.com/money-and-banking/online-mortgage-lender-better-fires-3000-staffs-in-us-india-in-latest-cuts/article65209960.ece>
- **BharatPe Co-founder Ashneer Grover loses lustre after embezzlement accusations:** In the annals of controversial start-up founders, there’s a special place for the likes of Uber’s Travis Kalanick and WeWork’s Adam Neumann. Now, Ashneer Grover could join their ranks. Within BharatPe, one of the country’s fastest-growing financial technology companies, a ferocious split has divided the startup’s board from Grover, the co-founder and former managing director. In recent days, senior leadership has accused Grover of misappropriating funds. Staff have narrated a long litany of complaints. In a leaked audio recording posted anonymously on Twitter, a man whose voice sounds like Grover’s threatens a bank employee with death for not helping him get shares in a hot initial public offering.
<https://www.thehindubusinessline.com/money-and-banking/bharatpe-co-founder-ashneer-grover-loses-lustre-after-embezzlement-accusations/article65209983.ece>



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- **Income tax refunds of over Rs 1.83 lakh crore issued so far this fiscal: CBDT :** Refunds worth over Rs 1.86 lakh crore have been issued to more than 2.14 crore taxpayers during the current financial year, the Income Tax department said on Thursday. This includes refunds of Rs 67,442 crore in 2,11,76,025 cases under the personal income tax category and corporate tax refunds of Rs 1,19,235 crore in 2,31,654 cases, the department said in a series of tweets. "CBDT issues refunds of over Rs 1,86,677 crore to more than 2.14 crore taxpayers from 1st Apr, 2021 to 07th March, 2022," it said.
<https://economictimes.indiatimes.com/news/economy/finance/income-tax-refunds-of-over-rs-1-83-lakh-crore-issued-so-far-this-fiscal-cbdt/articleshow/90131821.cms>
- **MF AUM dips despite positive inflow in equity in February:** The overall asset under management of the mutual fund industry fell three per cent for the first time in the last one year to ₹37.56-lakh crore in February against ₹38.91-lakh crore logged in the previous month largely due to mark-to-market valuation write down in equity and outflow in debt funds. However, inflow into equity mutual funds increased to ₹19,705 crore last month against ₹14,888 crore in January as investors used the fall in market valuation to make fresh investments. as per Association of Mutual Funds in India data released on Wednesday
<https://www.thehindubusinessline.com/markets/mf-aum-dips-despite-positive-inflow-in-equity-in-february/article65206970.ece#:~:text=The%20overall%20asset%20under%20management,and%20outflow%20in%20debt%20funds.>
- **Sidbi keen on coming out with venture debt scheme: CMD Ramann:** Small Industries Development Bank of India (Sidbi) is looking at launching a venture debt scheme, its Chairman and Managing Director S Ramann said on Thursday. "Sidbi is very keen on coming out with a venture debt scheme," Ramann said at an event organised by Indian Venture and Alternate Capital Association. He also said some action from the government in terms of working towards a corpus that can go into venture debt will be seen soon. The development finance institution is also ready to partner with a host of players to be able to bring in venture debt for these companies, Ramann added.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/sidbi-keen-on-coming-out-with-venture-debt-scheme-cmd-s-ramann/articleshow/90133240.cms>
- **Indian rupee surges 42 paise to 76.20 against US dollar in early trade:** The rupee advanced 42 paise to 76.20 against the US dollar in the opening trade on Thursday, supported by positive domestic equities and early trends in state election results. At the interbank foreign exchange, the rupee opened at 76.27 against the US dollar, then gained momentum and touched 76.20, registering a gain of 42 paise from the previous close. On Wednesday, the rupee had appreciated 38 paise to close at 76.62 against the US dollar following a retreat in crude oil prices and rebound in domestic equities.
<https://www.moneycontrol.com/news/business/markets/indian-rupee-surges-42-paise-to-76-20-against-us-dollar-in-early-trade-8215541.html>
- **Sensex up 817 pts at closing, Nifty above 16,500:** The BSE Sensex closed at 55,464.39, up 817.06 points or 1.50 per cent. It recorded an intraday high of 56,242.47 and a low of 54,982.82. The Nifty 50 closed at 16,594.90, up 249.55 points or 1.53 per cent. It recorded an intraday high of 16,757.30 and a low of 16,447.90. Hindustan Unilever, Tata Steel, Grasim, State Bank of India and JSW Steel were the



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top gainers on the Nifty 50 while Coal India, Tech Mahindra, Dr Reddy, UPL and ONGC were the top losers.

<https://www.thehindubusinessline.com/markets/sensex-up-817-pts-at-closing-nifty-above-16500/article65210834.ece>

- **Gold rates today fall further, down ₹2,500 from highs in just two days:** Gold and silver fell today in Indian markets after a selloff in the previous session. On MCX, gold futures were down 0.35% to ₹52,570 per 10 gram while silver fell 0.8% to ₹69,039 per kg. In the previous session, gold had slumped ₹1,500 per 10 gram while silver about ₹2000 per kg. On Wednesday, gold had hit an ₹55,200 at intraday highs. In the global markets, gold extended losses today as risk sentiment improved following indications that Ukraine was ready for a diplomatic solution with Russia.

<https://www.livemint.com/market/commodities/gold-rates-today-fall-further-down-rs-2-500-from-highs-in-just-two-days-11646882954248.html>

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