



**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, ICAI

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- **RBI devolves maiden issuance of 10-year G-Sec on PDs:** The maiden issuance of the 10-year Government Security (G-Sec) maturing in 2032 devolved on Primary Dealers (PDs), probably the first time this has happened with a paper, which will become the new 10-year benchmark security. RBI devolved the 10-year paper to the tune of 42 per cent of the notified amount of ₹13,000 crore amid rising upward pressure on secondary market G-Sec yields.
<https://www.thehindubusinessline.com/money-and-banking/rbi-devolves-maiden-issuance-of-10-year-g-sec-on-pds/article64825648.ece>
- **Banks park Rs 4.3 trn in Rs 5-trn variable rate reverse repo auction:** Banks on Friday parked Rs 4.31 trillion of their surplus funds with the Reserve Bank of India (RBI) at a cut-off of 3.99 per cent, almost touching the repo rate, indicating the money market rates are not going to fall in a hurry even as the RBI goes easy on its liquidity absorption mode. The central bank had surprised the bond market by announcing a Rs 5 trillion variable rate reverse repo (VRRR) auction, instead of an expected Rs 8 trillion auction, as the economy suffered dislocations due to the ongoing Omicron surge.
https://www.business-standard.com/article/finance/banks-park-rs-4-3-trn-in-rs-5-trn-variable-rate-reverse-repo-auction-122011500012_1.html
- **Bank credit grows 9.16%, deposits up 10.28%:** Banks are seeing a gradual pick-up in loans as there are distinct signs of pick-up in the economy and revival investments and loan demand Banks ended the calendar year with higher credit growth of 9.2 per cent as of December 31 on a year-on-year (y-o-y) basis compared to 6.6 per cent growth a year ago. Outstanding loans amounted to Rs 116.8 lakh crore. Significantly, loans rose Rs 3.69 lakh crore during the last fortnight of the calendar year ending December, according to the latest data released by the Reserve Bank of India.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-credit-grows-9-16-deposits-up-10-28/articleshow/88901703.cms>
- **RBI proposes new norms for classification of banks' investment portfolio:** The Reserve Bank of India (RBI) on Friday proposed new norms for the classification and valuation of the investment portfolio of banks, with a view to align them with the global prudential framework and accounting standards. According to the proposed norms, the investment portfolio of banks will be divided into three categories held-to-maturity (HTM), available for sale (AFS), and fair value through profit and loss account (FVTPL). Within FVTPL, held-for-trading (HFT) shall be a sub-category aligned with the specifications of 'Trading Book' as per the Basel-III framework.
<https://www.cnbctv18.com/finance/rbi-proposes-new-norms-for-classification-valuation-of-banks-investment-portfolio-12132742.htm>
- **Government may increase cover for MSMEs under credit guarantee scheme:** The government may sharply increase the amount of interest-free loans for micro, small and medium enterprises (MSMEs) under a key Central credit guarantee scheme. Proposals from industry bodies to increase credit



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guarantees under the Centre's Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) are under consideration as the government seeks ways to help small businesses that are struggling after the pandemic, officials told Moneycontrol. As a result, the scheme will ensure that each registered MSME gets access to larger interest-free loans, the limit of which currently stands at Rs 2 crore.

<https://www.moneycontrol.com/news/economy/policy/government-may-increase-cover-for-msmes-under-credit-guarantee-scheme-7937051.html>

- **RBI proposes adding corporate bonds in banks' HTM category:** The Reserve Bank of India (RBI) on Friday proposed allowing banks to keep corporate bonds, or even equity shares of subsidiaries, associates and joint ventures in the held-to-maturity category (HTM) of their investment books. An investment in the HTM category doesn't require to be valued at the current market price, and therefore, banks do not have to incur mark-to-market losses if the current prices of the instruments dip in the market.
https://www.business-standard.com/article/finance/rbi-proposes-adding-corporate-bonds-in-banks-htm-category-122011500007_1.html
- **Asset quality for non-bank financial institutions expected to deteriorate in 2022: Fitch:** Ratings expects deteriorating asset quality for Indian non-bank financial institutions (NBFIs) in 2022 stemming primarily from micro, small and medium enterprises (MSMEs) and microfinance lending sectors along with property construction finance. The ratings agency cautioned that the surge in Covid-19 cases in India associated with the Omicron variant may delay the recovery in MSMEs and microfinance lending, adding to asset-quality risks for Indian NBFIs. In this regard, Fitch referred to the Reserve Bank of India's Financial Stability Report, published in December 2021, which noted emerging signs of stress among MSMEs as well as microfinance.
<https://www.thehindubusinessline.com/money-and-banking/asset-quality-for-non-bank-financial-institutions-expected-to-deteriorate-in-2022-fitch/article64825178.ece>
- **Aditya Birla Housing Finance opens four new branches in Gujarat:** Aditya Birla Housing Finance Ltd. (ABHFL), the housing finance arm of Aditya Birla Capital Ltd on Thursday launched four new branches in Gujarat increasing its presence in the State. The lender inaugurated full-service branches in Gandhinagar, Navsari, Junagadh and Bhavnagar. ABHFL now has its presence in 14 locations in Gujarat, including Ahmedabad, Surat, Rajkot, Vadodara, Jamnagar, Vapi, Mehsana, Ankleshwar and Anand.
<https://www.thehindubusinessline.com/companies/aditya-birla-housing-finance-opens-four-new-branches-in-gujarat/article64822299.ece>
- **IBC may come up in Budget session for faster resolution, cross-border norms:** The Insolvency and Bankruptcy Code (IBC) could soon see some strengthening, including a cross-border insolvency framework and measures to speed up resolution of cases, with the matter set to be taken up in the upcoming budget session of parliament, government insiders said. The proposed legislative changes also include a code of conduct for the committee of creditors (CoC) that decides on insolvency resolution proposals.



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<https://economictimes.indiatimes.com/industry/banking/finance/banking/ibc-may-come-up-in-budget-session-for-faster-resolution-cross-border-norms/articleshow/88888051.cms>

- **LIC IPO: DRHP likely this month, 20% FDI cap being proposed:** The Department for Promotion of Industry and Internal Trade (DPIIT) is working to bring the draft red herring prospectus (DRHP) of Life Insurance Corporation of India (LIC) this month, CNBC-TV18 reported on January 14 quoting sources. According to the report, 20 percent foreign direct investment (FDI) limit is being proposed for the country's biggest ever public offer and DPIIT will soon bring a proposal to the cabinet, the report said. The DRHP will provide the embedded value of LIC as well as the number of shares on offer.
<https://www.moneycontrol.com/news/business/ipo/lic-ipo-drhp-likely-this-month-20-fdi-cap-being-proposed-7936841.html>
- **Paytm to shut Canada app two months after sinking on debut in India:** Online mobile payments firm Paytm is shutting down its Canada business almost two months after sinking on public market debut in India. "During these unprecedented times we have had to make some tough business decisions. Unfortunately, as of March 14 the Paytm Canada App will be shutting down permanently. Effective January 14, we will be disabling scheduled payments and top-ups for Paytm Cash which includes EMT transfers, Canada Post and bank transfers," the company said in a blog post. "Any bill payments that are submitted or that have been pre-scheduled over the next 30 days will be accepted," it added.
<https://www.moneycontrol.com/news/business/startup/paytm-to-shut-canada-app-two-months-after-sinking-on-debut-in-india-7936801.html>
- **Indifi, GPay join hands to offer instant digital credit to SMEs:** Indifi Technologies has collaborated with Google Pay to provide instant loans to eligible small merchants on the Google Pay platform. The biggest challenge that most small business owners face is working capital management and the speed of securing capital to manage it. The collaboration aims to address this problem and help small merchants to meet their working capital needs. The partnership is aligned to Indifi's differentiated ecosystem based approach to lending. Indifi has already partnered with many companies including Amazon, Zomato, Swiggy and more. It serves the MSMEs present on these ecosystem platforms, through embedded lending offerings. Indifi has been successful in bridging the credit gap of these underserved businesses by leveraging data and technology mitigating the underwriting challenges associated with MSMEs.
<https://economictimes.indiatimes.com/small-biz/sme-sector/indifi-gpay-join-hands-to-offer-instant-digital-credit-to-smes/articleshow/88891433.cms>
- **India's forex reserves dip \$897 million in the first week of January:** India's armoury of foreign exchange reserves is seen depleting in the recent weeks. Reserves dipped \$897 million during the week ended January 7 as the Reserve Bank sold dollars to meet dollar demand to touch \$632.7 billion. Both foreign currency assets as well as value of gold in reserves dipped during the week by \$497 million and \$360 million respectively, the latest Reserve Bank data shows.
<https://economictimes.indiatimes.com/news/economy/finance/forex-reserves-down-by-878-million-to-632-736-billion/articleshow/88902741.cms>



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- **ICICI Prudential AMC joins hands with US-based First Trust Advisors:** Under the agreement, ICICI Prudential AMC will first launch a strategic metal and energy equity fund of funds ICICI Prudential Asset Management Company has entered into a collaboration with the US-based First Trust Advisors, which is into actively-managed exchange-traded funds, to launch a slew of global fund of funds. Under the agreement, ICICI Prudential AMC will first launch a strategic metal and energy equity fund of funds, which will invest in an offshore fund managed by First Trust Advisors, the AMC said in a statement on Friday.
<https://www.moneycontrol.com/news/business/icici-prudential-amc-joins-hands-with-us-based-first-trust-advisors-7937761.html>
- **IRFC mops up \$500 million in green offshore bonds:** Indian Railway Finance Corporation Limited (IRFC), the dedicated market borrowing arm of the Indian Railways, on Thursday, launched its \$500 million 144A/Reg S USD Bonds offering with exclusive listing at India INX and NSE-IFSC, which are the two exchanges at Gift City, the country's sole international financial services centre (IFSC). These bonds were launched under the \$7 billion Global Medium Term Note (GMTN) Programme rated at par with the sovereign. A Reg S status means the bond need not be registered with the US Securities and Exchange Commission. On the other hand, Rule 144A enables bonds to still be sold to institutional investors (Qualified Institutional Buyers) in the US.
<https://www.thehindubusinessline.com/money-and-banking/irfc-mops-up/article64825489.ece>
- **Sensex, Nifty end five-day rally to close flat amid weak global cues:** The BSE Sensex closed at 61,223.03, down 12.27 points or 0.02 per cent. It recorded an intraday high of 61,324.59 and a low of 60,757.03. The Nifty 50 closed at 18,255.75, down 2.05 points or 0.01 per cent. It recorded an intraday high of 18,286.95 and a low of 18,119.65. Tata Consumer, IOC, TCS, Infosys and Adani Ports were the top gainers on the Nifty 50 while Asian Paints, Axis Bank, UPL, Hindustan Unilever and ONGC were the top laggards.
<https://www.thehindubusinessline.com/markets/sensex-nifty-end-five-day-rally-to-close-flat-amid-weak-global-cues/article64825369.ece>
- **Indian rupee falls 19 paise to 74.09 against US dollar in early trade:** The rupee declined by 19 paise to 74.09 against the US dollar in opening trade on Friday, as muted domestic equities and elevated crude oil prices weighed on investor sentiments. Forex traders said the local unit fell following more hawkish comments by Federal Reserve officials.
<https://www.moneycontrol.com/news/business/markets/indian-rupee-falls-19-paise-to-74-09-against-us-dollar-in-early-trade-7936641.html>

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