



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
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## DAILY NEWS DIGEST BY BFSI BOARD, ICAI

January 16, 2022

- PM Narendra Modi today said that India's Global Innovation Index ranking has improved from 81 in 2015 to 46 now. "The campaign that is going on in India regarding innovation has the effect that India's ranking in the Global Innovation Index has improved a lot. In 2015, India was at number 81 in this ranking. Now, India is at number 46 in the Innovation Index," the Prime Minister said in his virtual interaction with startups.  
[https://www.business-standard.com/article/economy-policy/india-s-global-innovation-index-ranking-improved-from-81to-46-now-pm-modi-122011500424\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-global-innovation-index-ranking-improved-from-81to-46-now-pm-modi-122011500424_1.html)
- The maiden issuance of the 10-year Govt 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% of the notified amount of ₹13,000 crore amid rising upward pressure on secondary market G-Sec yields. Bond market players say they have not so far come across any instance of a maiden issuance of the 10-year paper being devolved by the RBI on PDs.  
<https://www.thehindubusinessline.com/money-and-banking/rbi-devolves-maiden-issuance-of-10-year-g-sec-on-pds/article64825648.ece>
- The 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. The new bank portfolio classification norms will come into effect from April 1, 2023, the RBI paper said, while inviting comments on a discussion paper in this regard from stakeholders by February 15.  
[https://www.business-standard.com/article/finance/rbi-proposes-new-norms-for-classification-of-banks-investment-portfolio-122011401218\\_1.html](https://www.business-standard.com/article/finance/rbi-proposes-new-norms-for-classification-of-banks-investment-portfolio-122011401218_1.html)
- The 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. Earlier, only government and state government securities, and certain securities by infrastructure companies were allowed in the HTM category. Also, banks were not allowed to keep more than 25% of their total investments in this category.



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[https://www.business-standard.com/article/finance/rbi-proposes-adding-corporate-bonds-in-banks-htm-category-122011500007\\_1.html#:~:text=The%20Reserve%20Bank%20of%20India,HTML\)%20of%20their%20investment%20books.](https://www.business-standard.com/article/finance/rbi-proposes-adding-corporate-bonds-in-banks-htm-category-122011500007_1.html#:~:text=The%20Reserve%20Bank%20of%20India,HTML)%20of%20their%20investment%20books.)

- Banks on Friday parked Rs 4.31 trillion of their surplus funds with the RBI at a cut-off of 3.99%, 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](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)
- SBI today increased interest rates on fixed deposit by upto 10 basis points or 0.10%. Interest rate on fixed deposits for tenure 1 year to less than 2 years has been increased to 5.1% from 5.0%. For senior citizens the rate is increased from 5.50% to 5.60%, as per data available with the SBI website. This interest rate is applicable on FDs below Rs 2 crore. The new rate is effective from Jan 15, 2022.  
[https://www.business-standard.com/article/finance/sbi-hikes-interest-rates-on-fixed-deposits-by-upto-10-basis-points-122011500534\\_1.html](https://www.business-standard.com/article/finance/sbi-hikes-interest-rates-on-fixed-deposits-by-upto-10-basis-points-122011500534_1.html)
- HDFC Bank reported an 18% Y-o-Y increase in standalone net profit in the third quarter on the back of healthy growth in net interest income and other income even as loan loss provisions declined. The bank recorded a net profit of ₹10,342 crore in the reporting quarter (Oct- Dec 2021) against ₹ 8,758 crore in the year ago period.  
<https://www.thehindubusinessline.com/money-and-banking/hfdc-bank-reports-18-yoy-increase-in-q3fy22-net-profit/article64836854.ece>
- RBL Bank will rope in executive search firm EgonZehnder and Pradip Shah, Chairman, National Asset Reconstruction Co Ltd to select the lender's new full-time managing director and chief executive. At present, Rajeev Ahuja, an executive director at bank, is acting as interim MD & CEO after Vishwavir Ahuja, proceeded on medical leave in Dec 2021. RBI has approved R Ahuja's appointment up to three months from December 25, 2021.  
[https://www.business-standard.com/article/finance/rbl-bank-to-rope-in-egonzehnder-narcl-chairman-for-ceo-search-122011500923\\_1.html](https://www.business-standard.com/article/finance/rbl-bank-to-rope-in-egonzehnder-narcl-chairman-for-ceo-search-122011500923_1.html)
- Taking another step towards completion of the privatization process for Air India, the Centre has brought thousands of employees of the airlines under the EPFO (Employees' Provident Fund & Miscellaneous Provisions Act 1952) coverage. Employees will come under EPFO from Dec 1, 2021. According to the gazette notification, the employer and majority of the employees have agreed to shift to provisions under the EPFO.  
<https://www.thehindubusinessline.com/companies/air-india-employees-shift-to-epfo/article64836735.ece>



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