



**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

April 16, 2022

- The RBI seems to have shelved its project to implement Plastic banknotes due to concerns about the ability of the currency notes to withstand Indian climatic conditions, characterised by high temperatures. Moreover, with the UPI -based transactions growing by leaps and bounds and the planned launch of Central Bank Digital Currency (CBDC) in FY 23, the need for introducing Plastic banknotes has diminished.
<https://www.thehindubusinessline.com/money-and-banking/rbi-puts-plan-to-introduce-plastic-banknotes-on-backburner/article65323653.ece>
- IDBI Bank has proposed a nearly 10- fold hike in the salary of its MD & CEO Rakesh Sharma who had been instrumental in bringing the bank out of the RBI's restrictive prompt corrective action (PCA) framework. The bank has sought the approval of its shareholders through a postal ballot which started on April 6 and will end on May 5, 2022, to pass the ordinary resolution, among others.
https://www.business-standard.com/article/companies/idbi-bank-seeks-shareholders-nod-for-10-fold-hike-in-md-ceo-salary-122041500722_1.html
- The Government has enhanced authorised share capital of 3 public sector general insurance companies – National Insurance Co Ltd, Oriental Insurance Co Ltd and United India Insurance Co. This will facilitate capital infusion of ₹5,000 Cr in these companies. A notification issued by the Finance Ministry said that for the National Insurance, authorised capital will now be ₹15,000 Cr (1,500 Cr shares with face value of ₹10 each) as against present ₹7,500 Cr (1,500 Cr shares with face value of ₹10 each). Similarly, for Oriental Insurance, it will be ₹7,500 Cr (750 Cr shares with face value of ₹10 each) from ₹5,000 crore (500 Cr shares with face value of ₹10 each). In case of United India Insurance, authorised capital has been raised to ₹7,500 Cr (750 Cr shares with face value of ₹10 each) from ₹5,000 Cr (500 Cr shares with face value of ₹10).
<https://www.thehindubusinessline.com/money-and-banking/authorised-share-capital-of-national-insurance-oriental-insurance-united-insurance-enhanced-will-facilitate-capital-infusion/article65320700.ece>
- Even as the Govt is trying to popularise the adoption of Unified Payments Interface (UPI) globally, banks and payment providers are yet to meet deadlines for its implementation. Frowning upon this delay, the NPCI has asked all banks, payment service providers and third party application providers (TPAPs) to enable international acceptance through UPI or UPI Global latest by September 30 this year.
<https://www.thehindubusinessline.com/money-and-banking/npci-to-players-ensure-international-acceptance-of-upi-by-sept-30/article65317287.ece>



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- Union Bank of India said the IL & FS Tamilnadu Power Co account with the Bank has been classified as fraud due to diversion of funds by the Co. The amount outstanding in the account is ₹1,314.85 crore and provision already held is ₹525.95 crore, the bank said in an exchange filing.
<https://www.thehindubusinessline.com/money-and-banking/union-bank-classifies-il-fs-tamilnadu-power-account-as-fraud/article65318524.ece>
- Bank of India has moved the NCLT, filing a petition to initiate insolvency proceedings against debt-ridden Future Retail Ltd. Earlier this month, Future Retail Ltd (FRL) had reported a default of Rs 5,322.32 crore to its lenders on account of the ongoing litigations with e-commerce major Amazon and other related issues. "Bank of India has served an advance intimation of filing an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 against the Co for default on non- payment of monies due in terms of the Framework Agreement entered into between the company and Bank of India," FRL said in a regulatory filing.
<https://timesofindia.indiatimes.com/business/india-business/bank-of-india-moves-nclt-against-future-retail-files-insolvency-plea/articleshow/90852090.cms>
- Kotak, which was among the very few Indian financial institutions that warmed up to the cryptocurrency world, is having second thoughts. The bank has discontinued - at least temporarily - handling payments for trades with CoinSwitch Kuber, a large crypto intermediary, the sources told. What triggered the call is unclear, but sources said Kotak has decided to pause till the dust settles on cryptos.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/kotak-pauses-crypto-trade-with-coinswitch-kuber/articleshow/90832357.cms>
- The NPCI has approved an additional six crore users on UPI for WhatsApp. "With this approval, WhatsApp will be able to expand the service to its 10 crore users," it said in a late night statement.
<https://www.thehindubusinessline.com/money-and-banking/npci-allows-whatsapp-for-additional-6-crore-users/article65320068.ece#:~:text=The%20platform%20processed%2025.4%20lakh,late%20night%20statement%20on%20Wednesday.>
- The securitisation market witnessed an increased activity in the fourth quarter of the FY 2021-22 with the value of such transactions rising to ₹1.35-lakh crore as against ₹90,000 crore in the previous fiscal, Crisil Ratings said in a report.
<https://www.thehindubusinessline.com/money-and-banking/securitisation-value-rises-50-to-135-lakh-cr-in-fy22-crisil-report/article65320089.ece>
- Trading volumes across top cryptocurrency exchanges, including WazirX, CoinDCX, Unocoin and Bitbns, hit new lows having dropped by 35% over the last 24 hours on Wednesday. With this, trading volumes have plunged to nearly 75% till date, starting from April 1, when the new crypto tax was implemented, according to crypto research firm CREBACO Global. The average drop in volumes over the last 10 days was around 65%.



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<https://www.businesstoday.in/crypto/story/crypto-tax-impact-trading-volumes-on-indian-crypto-exchanges-drop-328496-2022-04-04>

- Elon Musk has made a “best and final” offer to buy Twitter Inc., saying the Co has extraordinary potential and he will unlock it. The world’s richest man will pay \$54.20 per share in cash, representing a 54% premium over the Jan 28. closing price and a value of about \$43 billion. "Since making my investment I now realize the company will neither thrive nor serve this societal imperative in its current form. Twitter needs to be transformed as a private Co," Musk said in a letter to Twitter Chairman Bret Taylor.
<https://frontline.thehindu.com/dispatches/elon-musk-offers-to-buy-twitter-outright-for-usd-41-billion/article38473835.ece>
- Prices of CNG in the national capital today were hiked by ₹2.50 per kg and that of piped cooking gas by ₹4.25 per unit to record levels on the back of surge in raw material cost.
<https://www.thehindubusinessline.com/news/national/cng-price-hiked-by-25-per-kg-piped-cooking-gas-by-425/article65320602.ece>

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