



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

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- **229 banking frauds a day in 2020-21, recovery rate below 1%, RBI says in RTI reply:** Banking frauds in India are so frequent and rampant that they no longer surprise most people. For example, take the last financial year, 2020-21, during which more than 83,000 banking frauds took place that syphoned off Rs 1.38 lakh crore. The recoveries during the same period amount to a little over Rs 1,000 crore, less than one per cent of the outflow. In 2020-21, 229 frauds on average happened every day. One may, however, want to take some solace: this was a slight improvement over the figures from the previous financial year (2019-20) when the country witnessed 231 banking frauds every day. In 2019-20, Rs 1.85 lakh crore was fraudulently taken away from banks and only 8.7 per cent could be recovered. All these figures were revealed by the Reserve Bank of India (RBI) in response to a Right to Information (RTI) query filed by India Today.
[https://www.indiatoday.in/business/story/229-banking-frauds-day-2020-21-recovery-rate-rbi-rti-reply-1888096-2021-12-15#:~:text=In%202020%2D21%2C%20229%20frauds,to%20Information%20\(RTI\)%20query.&text=For%20example%2C%20take%20the%20last,off%20Rs%201.38%20lakh%20crore.](https://www.indiatoday.in/business/story/229-banking-frauds-day-2020-21-recovery-rate-rbi-rti-reply-1888096-2021-12-15#:~:text=In%202020%2D21%2C%20229%20frauds,to%20Information%20(RTI)%20query.&text=For%20example%2C%20take%20the%20last,off%20Rs%201.38%20lakh%20crore.)
- **Lending to discoms: Power ministry asks SBI to follow stricter norms:** The Union power ministry has asked State Bank of India (SBI) to follow strict prudential norms when it comes to lending to state-run power distribution companies (discoms), warning that unchecked lending to the financially-stressed entities can expose the bank's loan assets to risks. In a letter to SBI chairman Dinesh Kumar Khara, power secretary Alok Kumar said that even if the loans to discoms are given against state government guarantees, the "present trend of increasing unpaid government dues and subsidy arrears will repayment of debt non-feasible in case of defaults".
<https://www.financialexpress.com/industry/lending-to-discoms-power-ministry-asks-sbi-to-follow-stricter-norms/2381907/>
- **Crypto, banking Bills may be deferred to Budget Session:** Parliament is unlikely to take up two critical Bills — one on regulating cryptos and the other on privatisation of public sector banks — in the ongoing Winter Session. Both the Bills, which were among the list of 26 new pieces of legislation set for introduction in the ongoing Session, are likely to be pushed to the Budget Session. According to the Lok Sabha Bulletin, the purport of the 'Cryptocurrency and Regulation of Official Digital Currency Bill, 2021' Bill was "to create a facilitative framework for creation of the official digital currency to be issued by the Reserve Bank of India. It also seeks to prohibit all private cryptocurrencies in India; however, it allows for certain exceptions to promote the underlying technology of cryptocurrency and its uses." Minister of State in the Finance Ministry Pankaj Chaudhary subsequently told Parliament that the Bill is "under finalisation for consideration of the Cabinet". But the Bill was not on the agenda of the Cabinet meeting on Wednesday. The ongoing session will end next week (on December 23).
<https://www.thehindubusinessline.com/economy/policy/crypto-banking-bills-may-be-deferred-to-budget-session/article37963485.ece>
- **Banking services paralysed on day one of the two-day strike:** Banking services across the country were paralysed on Thursday, the first of the two-day nationwide strike called by the united forum of bank unions (UFBU) to protest against the proposed Bank privatisation Bill. Most bank branches remained closed after more than eight lakh bank employees struck work to participate in the strike, C H Venkatachalam, General Secretary, All India Bank Employees Association (AIBEA), told BusinessLine. Bank Employees from Public sector banks,



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several old generation private sector banks and a few employees (clerical and Class IV cadre) of Foreign Banks too participated in the strike, sources said.

<https://www.thehindubusinessline.com/money-and-banking/banking-services-paralysed-on-day-one-of-the-two-day-strike/article37970987.ece>

- **Pine Labs partners with AU Small Finance Bank:** Pine Labs, a merchant commerce platform, has partnered with AU Small Finance Bank, the country's largest small finance bank. With this partnership, the bank's credit cardholders will now be able to avail of equated monthly instalments (EMI) offers at the point of sale and convert their regular purchase into interest-free EMIs across the over 2 lakh merchant base of Pine Labs, pan India. Currently, Pine Labs powers more than 30 different credit issuers and NBFC partners on its Android PoS terminals. The collaboration between the two entities is expected to benefit the large underbanked population of India. In fact, about 55-60 per cent of customers of the AU Small Finance Bank are first-time credit cardholders with a presence across the west, north, and central parts of India and prominent Tier 3 and 4 cities.
<https://www.thehindubusinessline.com/money-and-banking/pine-labs-partners-with-au-small-finance-bank/article37966966.ece>
- **PhonePe tokenised cards on Visa, Mastercard and Rupay:** Digital payments platform PhonePe on Thursday announced that it has tokenised cards on all three major payment networks - Visa, Mastercard and Rupay. "PhonePe's tokenisation solution will help businesses save time and effort by removing the need to integrate with multiple card networks while complying with RBI guidelines," it said in an official release. The Reserve Bank of India has asked payment aggregators and the merchants onboarded by them to not store actual credit card data. Starting January 1, 2022, no entity in the card transaction or payment chain, other than the card issuers and/or card networks, shall store the actual card data. Instead, cardholders can get digital tokens to complete their online transactions.
<https://www.moneycontrol.com/news/business/phonepe-becomes-first-to-tokenise-cards-on-visa-mastercard-and-rupay-7831751.html>
- **HDFC sells 4.51% in Ansal Housing:** Housing Development Finance Corporation Limited has sold 26.8 lakh shares representing 4.51 per cent of the paid-up share capital of Ansal Housing Limited. "... the Corporation has sold 26,80,000 shares representing 4.51 per cent of the paid-up share capital of Ansal, which includes sale of 21,50,000 shares representing 3.62 per cent of the paid-up share capital of Ansal done on December 15, 2021," HDFC said in a stock exchange filing on Thursday. It had previously informed the bourses that it had invoked the pledge on 50,00,000 shares of Ansal Housing Limited aggregating 8.42 per cent of its paid-up share capital, pledged with the Corporation by the borrower.
<https://www.thehindubusinessline.com/money-and-banking/hdfc-sells-451-in-ansal-housing/article37968291.ece>
- **YES Bank board to meet on December 21 to consider fund raise:** The board of YES Bank will meet on December 21 to consider raising funds. "...a meeting of the Board of Directors of YES Bank is scheduled to be held on December 21, 2021 to consider seeking shareholders' approval for raising of funds by issue of equity shares/ depository receipts/ convertible bonds/ debentures / warrants / any other equity linked securities, through permissible modes, subject to necessary approvals from shareholders/ regulators, as applicable," the bank said in a stock exchange filing on Thursday. The existing approval of the shareholders for this purpose is valid till February 28, 2022, it further said.
<https://www.thehindubusinessline.com/money-and-banking/yes-bank-board-to-meet-on-december-21-to-consider-fund-raise/article37969441.ece>



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- **Paytm expands rent payment services; offers cashback up to ₹10,000:** Paytm, owned by One 97 Communications that got listed in bourses last month, has expanded its rent payment services to include new categories like car rentals, furniture rentals, wedding services like venue, catering and decor, guesthouse rentals and society maintenance. This is in addition to the already existing payment solutions for house rent, shop rentals, property deposit, token amount and brokerage fee. Rent payments can be made directly to the beneficiary's UPI ID for deposits on their bank account or by instantly feeding the bank account details. While for the convenience of the sender, the company offers a vast range of payment modes, including credit card, debit card, Paytm UPI, Paytm Postpaid (buy now, pay later) and net-banking.
<https://www.thehindubusinessline.com/money-and-banking/paytm-expands-rent-payment-services-offers-cashback-up-to-10000/article37968627.ece>
- **Shriram Transport risk appetite heightens with proposed merger, says Fitch:** The recent announcement by Shriram group to merge Shriram City Union Finance Limited (SCUF) with Shriram Transport Finance Company Limited (STFC) would result in a rise in STFC's exposure to riskier asset segments, according to Fitch Ratings. This, along with management's plans for higher growth by the combined entity, could heighten STFC's risk appetite and raise asset-quality risks, cautioned the credit rating agency. Any rise in risk appetite following the merger could subsequently pressure asset quality and credit costs, it added.
<https://www.livemint.com/companies/news/shriram-transport-risk-appetite-may-rise-with-proposed-merger-says-fitch-rating-11639655323977.html>
- **Edelweiss ARC to double investments in retail bad loans:** Edelweiss Asset Reconstruction Company (ARC) is set to double its investments in retail bad loans to ₹1,000 crore as defaults are likely to grow and the prospects of a quick recovery in this segment are better than in corporate loans, which wind up in National Company Law Tribunal proceedings. Many loans taken during Covid-19 could turn bad as incomes in several segments are under stress. Last year, Edelweiss ARC bought retail loans for about ₹500 crore across mortgage, loan against property (LAP), small and medium enterprises, commercial vehicles, auto loans and unsecured segments.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/edelweiss-arc-to-double-investments-in-retail-bad-loans/articleshow/88308818.cms>
- **Need to harmonise rules on taxation and recovery for NBFC too: FIDC:** The Finance Industry Development Council (FIDC), an industry body for non-banking finance companies (NBFCs), has impressed upon the government on the need to harmonise provisions on taxation and recovery as well, even as the Reserve Bank of India (RBI) is harmonising regulations governing finance companies with that of banks. The Council has asked the government to exempt tax deduction at source (TDS) on interest payment made to NBFCs. Under Section 194A of Income Tax Act, tax is required to be deducted at the rate of 10 per cent from interest paid to NBFCs, FIDC said. But the section allows exemptions to persons making interest payment to institutions such as banks, life insurance companies and UTI.
https://www.business-standard.com/article/finance/need-to-harmonise-rules-on-taxation-and-recovery-for-nbfc-too-fidc-121121600991_1.html
- **Federal Bank starts international banking services for individuals at GIFT city:** Private sector lender Federal Bank on Thursday launched product offerings for individuals, including non-resident Indians (NRIs), at Gujarat International Finance Tec-City (GIFT city). It said that retail overseas foreign currency loans, current account, savings account and term deposit products are now available for retail customers. This is in line with the recent regulatory changes brought in by International Financial Services Centres Authority (IFSCA) in GIFT City to increase retail participation. These retail products are in addition to the bank's existing line of trade finance, corporate loan and treasury products from GIFT City branch, it said.



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<https://www.livemint.com/industry/banking/federal-bank-starts-international-banking-services-for-individuals-at-gift-city-11639654452732.html>

- **CSB Bank, Clear tie up to roll out ITR e-filing facility for NRI customers:** Catholic Syrian Bank (CSB) on Thursday said it has tied up with online tax filing platform Clear (formerly ClearTax) to launch an income tax e-filing facility for its NRI customers. The bank said e-filing options will be completely free of cost and that the partnership allows its customers to file their taxes online with reduced effort and lesser time. Customers will also have the option to opt for CA assisted ITR filing for specialized return filings and expert advisory on capital gains, global income, inheritance at a discounted rate for the bank's customers.
<https://www.livemint.com/industry/banking/csb-bank-clear-tie-up-to-roll-out-itr-e-filing-facility-for-nri-customers-11639645795865.html>
- **RBI imposes monetary penalty on three cooperative banks:** The Reserve Bank of India (RBI) on December 16 imposed monetary penalties on three cooperative banks for violation of rules. These entities are Jila Sahakari Kendriya Bank Maryadit, Rajgarh, Mahila Nagrik Sahakari Bank Maryadit, Mahasamund and Jila Sahakari Kendriya Bank Maryadit, Jabalpur (M.P.). The penalties pertain to rule violations on know your customer norms and exposure norms (in the case of Mahila Nagrik Sahakari Bank), the RBI said. In the case of Mahila Bank, the RBI inspections revealed non-adherence to inter-bank exposure limit and inter-bank Counter Party limit, the RBI said.
<https://www.moneycontrol.com/news/business/companies/rbi-imposes-monetary-penalty-on-three-cooperative-banks-7833411.html>
- **About 9% MSMEs got shut down due to COVID-19 disruptions, govt tells Lok Sabha:** An online survey conducted by National Small Industries Corporation Ltd found that about 9 percent of micro, small and medium enterprises (MSMEs) have closed down as a result of the COVID-19 pandemic, minister Narayan Rane said. In a written reply to a question by Congress leader Rahul Gandhi, Rane said that an online survey conducted in August last year covering around 5,744 MSMEs in 32 states/UTs found that 91 percent of them were functional while 9 percent had closed due to COVID-19 impact.
https://www.business-standard.com/article/economy-policy/9-msmes-closed-down-due-to-covid-as-of-august-2020-says-govt-121121600707_1.html
- **Rupee rises 23 paise to 76.09 against US dollar:** The rupee recovered 23 paise to close at 76.09 (provisional) against the US dollar on Thursday, reacting to the US Federal Reserve's announcement on ending bond-buying stimulus by March. At the interbank forex market, the local unit opened at 76.31 against the greenback and witnessed an intra-day high of 76.06 during the day's trade. On Wednesday, the rupee plunged by 44 paise to close at a 20-month low of 76.32 against the American currency.
https://www.business-standard.com/article/finance/indian-rupee-rises-23-paise-to-end-day-at-76-09-against-us-dollar-121121600817_1.html
- **Sensex rallies over 500 points after Fed policy decision; Nifty tops 17,300:** The 30-share index surged 494.12 points or 0.86 per cent to 58,282.15 in the opening trade. Similarly, the Nifty rose 122.15 points or 0.71 per cent to 17,343.55. Infosys was the top gainer in the Sensex pack, rising over 2 per cent, followed by Bajaj Finance, HCL Tech, Tata Steel, Tech Mahindra and NTPC. On the other hand, Maruti, Sun Pharma, HUL and ITC were among the laggards.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-rallies-over-500-points-after-fed-policy-decision-nifty-tops-17300/article37966479.ece>



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