



**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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- Banks have made a case for lowering fixed deposit (FD) tenure to 3 years for availing tax benefits, in line with mutual fund products like equity-linked savings scheme (ELSS). Currently, the tax break is available on 5-year tax-saving FD schemes. One can claim an income tax deduction by investing money in a five-year FD scheme under Section 80C of the Income Tax Act, 1961. Section 80C is a wide bracket with a ceiling of Rs 1.50 lakh. "As compared to other financial products (such as ELSS) available in the market, the tax-saver fixed deposit (FD) has become less attractive and if the lock-in period is reduced, this would make the product more attractive and provide more funds to the banks," IBA said in a pre-Budget proposal submitted to the Govt.
https://www.business-standard.com/article/finance/banks-pitch-for-reduction-of-tax-free-fixed-deposit-tenure-to-3-years-122011700785_1.html
- India's overall economic activity remains strong, driven by an upbeat consumer confidence and uptick in bank credit, and expectations that Omicron may turn out to be a "flash flood rather than a wave" have further brightened the prospects, according to a RBI article. "On the vaccination front, India has made rapid strides. On the Omicron variant, the recent data from the UK and South Africa suggest that such infections are 66 to 80% less severe, with a lower need for hospitalisation," the article on the state of economy published in the RBI Bulletin said today.
<https://www.firstpost.com/business/indias-overall-economic-activity-driven-by-consumer-confidence-and-bank-credit-remains-strong-rbi-article-10294641.html>
- Even as the number of Covid cases has risen sharply in the beginning of the year, SBI has withdrawn its "special support scheme" for covid-infected employees earlier than the deadline, in a reflection of the confidence that authorities now have in handling the third wave of the pandemic. The bank said that the special scheme of offering Rs 20000 to every employee who is tested Covid positive has been subsumed with the bank's existing medical scheme with effect from January 1. The facility has been discontinued 3 months before its extended deadline.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/sbi-withdraws-financial-scheme-for-covid-infected-employees/articleshow/88948064.cms>



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- Kotak Mahindra Bank has introduced the Same Day Settlement (SDS) feature for merchants for payments received on its Point of Sale (PoS) terminals. At a time when digital payments are soaring, the SDS facility is especially useful for businesses with immediate cash flow requirements, those with high inventory turnover and the need to replenish stocks frequently as well as for businesses that employ the services of daily wage earners for optimal payroll management, the bank said in a statement.
<https://www.thehindubusinessline.com/money-and-banking/kotak-mahindra-bank-introduces-same-day-settlement-feature-for-merchants/article64905753.ece>
- The Board of Directors of DCB Bank has approved the appointment of Rupa Devi Singh, Independent Director, as Non-Executive Chairman of the Bank. This appointment, which was approved at the Board of Director meeting on Jan 14, 2022, is in view of the vacancy caused by retirement of Nasser Munjee from that position.
<https://www.thehindubusinessline.com/money-and-banking/dcb-banks-board-approves-appointment-of-rupa-devi-singh-as-non-executive-chairman/article64905429.ece>
- In the quarter gone by (Q3 of FY22), HDFC Bank issued around 950,000 credit cards, its highest ever credit card issuance in any single quarter. Since the RBI revoked the embargo on it in August 2021 to issue new credit cards, the lender has issued 1.37 million credit cards.
https://www.business-standard.com/article/finance/private-lender-hdfc-bank-issues-record-credit-cards-in-third-quarter-122011700035_1.html#:~:text=In%20the%20quarter%20gone%20by,issued%201.37%20million%20credit%20cards.
- Frauds in the banking sector are expected to increase over the next two years even as the banks brace themselves to the new challenges thrown up by the Covid-19 and pandemic induced digital adoption, the latest edition of the Deloitte India Banking Fraud Survey has revealed.
<https://www.thehindubusinessline.com/money-and-banking/banking-frauds-will-increase-over-next-two-years-deloitte-india-banking-fraud-survey/article64905891.ece>
- Foreign portfolio investors (FPIs) reversed the 3-month selling streak in January by investing net Rs 3,117 Cr in Indian markets, so far this month. Depositories data showed that they pumped Rs 1,857 Cr into equities and Rs 1,743 Cr into hybrid instruments during January 1-14. At the same time, they pulled out Rs 482 Cr from the debt segment, taking the total net inflow to Rs 3,117 Cr. Prior to this, overseas investors were net sellers in the Indian markets for 3 consecutive months since October 2021.
<https://www.financialexpress.com/market/fpis-invest-rs-3117-cr-in-indian-markets-in-jan-so-far/2407975/>



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- The All India Power Engineers Federation (AIPEF) today said that around 15 lakh power sector employees will go on nationwide strike for 2 days from February 23 to protest against privatisation. "National Coordination Committee of Electricity Employees & Engineers (NCCOEEE) has decided to resort to two days nationwide strike along with call given by All India Trade Unions on 23rd and 24th February," an AIPEF statement said.
https://www.business-standard.com/article/economy-policy/power-sector-employees-to-go-on-2-day-strike-in-feb-against-privatisation-122011700944_1.html
- USD / INR 74.24
Sensex 61308.91 (+85.88)
BSE Bankex 43624.80 (-146.25)
Nifty 50 18308.10 (+52.35)
Nifty Bank 38216.15 (-154.2)

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