



**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

March 21, 2022

- **SBI lines-up 12 NPA accounts for sale to ARCs to recover dues of over Rs 820 cr:** The country's largest lender SBI has lined-up a dozen non-performing assets (NPAs) on sale to recover loan dues of over Rs 820 crore, as per the bank's notifications. In terms of the bank's policy on sale of financial assets, in line with the regulatory guidelines, SBI said it has placed these accounts for sale to asset reconstruction companies (ARCs)/banks/Non-Banking Financial Companies (NBFCs)/financial institutions (FIs), on the terms and conditions indicated there against. In various notices on its website, State Bank of India (SBI) has put up a total of 12 bad assets for sale during this month to April 13. NPA account Topworth Urja & Metals Ltd, with a loan outstanding of Rs 396.74 crore is to be sold in an e-auction to be held on March 29, 2022. With reserve price fixed at Rs 85 crore, SBI said the NPA account will be sold on a cash/cash-cum-SR ratio of 50:50. "Bid with highest cash component shall be considered as successful bid," it said in a notice.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/sbi-lines-up-12-npa-accounts-for-sale-to-arcs-to-recover-dues-of-over-rs-820-cr/articleshow/90333485.cms>
- **New RBI guidelines on urban cooperative banks explained:** The 2022 notification specifies that UCBs can raise capital through three broad methods, viz:- issuance of equity shares, preference shares, and debt instruments. First, UCBs can raise funds by issue of equity to enrolled members within the area of operation or through additional equity shares to existing members. Second, UCBs can augment Tier – I & Tier – II capital by issuing Perpetual Cumulative & Non-Cumulative Preference Shares, and, Redeemable Cumulative & Non-Cumulative Preference Shares. Third, UCBs can issue Perpetual Debt Instruments (PDIs) for Tier – I Capital and Long Term Subordinated Bonds as Tier – II Capital. It can be issued to institutional investors also, with the consent of the depositors. The notification specifies that such fundraising capital instruments can be issued by the UCBs with the prior approval of RBI. UCBs must seek permission via application to the regional office of RBI. The application shall be accompanied by an offer document, prospectus, information memorandum, a compliance certificate from a Chartered Accountant, and relevant disclosures.  
<https://www.financialexpress.com/industry/banking-finance/new-rbi-guidelines-on-urban-cooperative-banks-explained/2465423/>
- **Get a gold loan without stepping out of your home:** Doorstep gold loans seem to be slowly catching the fancy of customers with several lenders looking to expand services. Players including IIFL Finance, gold loan NBFC Indel Money and asset-backed digital lending platform Rupeek are expanding such services as they see demand picking up. "I think the model is good. But like any other new thing that comes up, it's a matter of customer trust and adoption," said Rajesh Rajak, CFO, IIFL Finance, pointing out that even net-banking and online shopping took some time for widespread customer acceptance and adoption. IIFL Finance is looking to expand it from six cities where it is present to about 30 cities in the near future. In an interaction with BusinessLineDoorstep gold loans have a wider acceptance in larger cities currently, Rajak told BusinessLine, adding that it could be because people have lesser time there.  
<https://www.thehindubusinessline.com/money-and-banking/lenders-expand-doorstep-gold-loan-services-owing-to-increased-demand/article65236768.ece>
- **Maharashtra-based unicorn raided by I-T Dept, black income of Rs 224 cr unearthed:** The Income Tax department has detected undisclosed income of about Rs 224 crore after it recently raided a unicorn start-up group based in Pune and Thane in Maharashtra, the CBDT said on Sunday. The group, which is engaged in



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wholesale and retail of construction materials, has a turnover exceeding Rs 6,000 crore. In a statement, the department said that the searches were carried out on March 9 at 23 premises in Maharashtra, Karnataka, Andhra Pradesh, Uttar Pradesh and Madhya Pradesh.

<https://economictimes.indiatimes.com/news/india/i-t-dept-detects-rs-224-cr-black-income-after-raids-on-maharashtra-based-start-up-group/articleshow/90332607.cms>

- **Govt working on classification of cryptocurrency under GST law:** The government is working on classification of cryptocurrency as goods or services under the GST law, so that tax can be levied on the entire value of transactions. Currently, 18 per cent Goods and Services Tax (GST) is levied only on service provided by crypto exchanges and is categorised as financial services. GST officers are of the view that cryptos, by nature, are similar to lottery, casinos, betting, gambling, horse racing, which have 28 per cent of GST on the entire value. Besides, GST at 3 per cent is levied on the entire transaction value in case of gold. "There is a clarity needed in regard to levy of GST on cryptocurrencies and whether it has to be levied on the entire value, We are seeing whether cryptocurrencies can be classified as goods or services and also removing any doubt on whether it can be called an actionable claim," an official said.  
<https://www.livemint.com/market/cryptocurrency/govt-working-on-classification-of-cryptocurrency-under-gst-law-11647763264506.html>
- **Gold ETFs log ₹248 crore net outflow in February:** Gold exchange-traded funds (ETFs) witnessed a net outflow of ₹248 crore in February, making it the second consecutive month of withdrawals as investors preferred equities over other segments on record SIP flows. Net outflows from the gold ETFs were at ₹452 crore in the month of January. Prior to that, the asset class had seen a net investment of ₹313 crore, according to the data of Association of Mutual Funds in India (Amfi). Despite the outflows, the category witnessed an increase in net assets under management (AUM) of gold ETFs to ₹18,727 crore at the end of February from ₹17,839 crore in January-end. Also, the segment saw a surge in the number of folios by 3.09 lakh to 37.74 lakh during the period under review. "This move could be directed towards gold assets being considered as a tool for diversification of the portfolio by the investors and a hedge against market volatility," Priti Rathi Gupta, Founder, LXME, said.  
<https://www.thehindubusinessline.com/news/gold-etfs-log-248-crore-net-outflow-in-february/article65242804.ece>
- **Mcap of top-10 valued companies swells by over ₹2.72 lakh crore; RIL leads the chart:** The top-10 valued companies added a whopping ₹2.72 lakh crore to their market valuation last week, as the domestic equity benchmarks witnessed heavy buying tracking an overall bullish trend in global equities. The benchmark indices made strong gains in the holiday-truncated week. The 30-share BSE Sensex climbed 2,313.63 points or 4.16 per cent, while the NSE Nifty advanced 656.60 points or 3.95 per cent. Mirroring the bullish trend in the broader market, the combined market capitalisation (m-cap) of the country's top-10 firms zoomed by ₹2,72,184.67 crore during last week.  
<https://www.thehindubusinessline.com/markets/mcap-of-top-10-valued-companies-swells-by-over-272-lakh-crore-ril-leads-the-chart/article65242790.ece>
- **Covid-19 survivors likely to go off health insurance cover wait list:** With the Covid-19 pandemic receding, some insurers are relooking at the restrictions imposed on people infected with coronavirus looking to buy an insurance cover. A few health insurance companies have significantly reduced the "cooling-off" period or done away with it in certain segments, while others are contemplating doing the same, in an effort to make it easier for consumers to buy health insurance. When Covid was at its peak, some insurers had introduced a "cooling-off" period -- a duration during which consumers could not apply for a health insurance policy if they had contracted Covid. It ranged from 15 days to as long as six months.



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[https://www.business-standard.com/article/finance/covid-19-survivors-likely-to-go-off-health-insurance-cover-wait-list-122031801061\\_1.html](https://www.business-standard.com/article/finance/covid-19-survivors-likely-to-go-off-health-insurance-cover-wait-list-122031801061_1.html)

- **Net-zero shift may have less impact on banking, says RBI study:** The transition to the net-zero emission target will entail limited spill-over impact on Indian banking because three sectors with direct exposure to fossil fuels — electricity, auto, and chemical — form only 10 per cent of non-retail credit, according to a study by the Reserve Bank of India (RBI). But several other industries indirectly use fossil fuels and therefore, any transition to green energy can have implications for their income and consequently their interest coverage ratio (ICR). Therefore, the gross non-performing assets (GNPA) ratio of such industries may be sensitive to green energy transition and thus, the impact on the overall banking system needs to be monitored closely, it said.  
[https://www.business-standard.com/article/finance/net-zero-shift-may-have-less-impact-on-banking-says-rbi-study-122031900042\\_1.html#:~:text=The%20transition%20to%20the%20net,Bank%20of%20India%20\(RBI\).](https://www.business-standard.com/article/finance/net-zero-shift-may-have-less-impact-on-banking-says-rbi-study-122031900042_1.html#:~:text=The%20transition%20to%20the%20net,Bank%20of%20India%20(RBI).)

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