



**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

February 22, 2022

- **FM Nirmala Sitharaman asks banks to be more customer-friendly:** Union Finance Minister Nirmala Sitharaman on Monday said banks need to focus more on being customer-friendly so that the process of availing credit becomes more hassle-free for borrowers. However, the minister made it clear that banks do not have to be lenient on credit underwriting standards by taking any adverse risks on a proposal. At a meeting between industry representatives and the finance minister, a startup founder in the baking business suggested for credit to be available hassle-free, to which largest lender SBI's Chairman Dinesh Kumar Khara said a startup's worries are more on the equity side and assured full support in lending if sufficient equity is on the table. Later, he also made a mention of the government's Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE).
<https://www.livemint.com/industry/banking/fm-nirmala-sitharaman-asks-banks-to-be-more-customerfriendly-11645441334143.html>
- **RBI orders five banks to list zero coupon bonds at "fair value":** Mint Road has ordered five state-owned banks, including the Bank of India, to list down zero coupon government bonds issued in lieu of equity at 'fair value'. Since these bonds are typically offered at deep discounts to their face values, such an order could require the banks to raise more capital, three people familiar with the matter told ET. The regulatory direction comes after an assessment showed that valuing these instruments at face value could create a misleading picture of the banks' financial strength and set a precedent that could be exploited in future by others and weaken the banking system. Central Bank of India, Indian Overseas Bank, Uco Bank and Punjab & Sind Bank would need to mark their zero-coupon recapitalisation bonds at fair value to meet the standards set by the Bank of International Settlements norms for banks across the globe, said the sources cited above.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-orders-five-banks-to-list-zero-coupon-bonds-at-fair-value/articleshow/89709323.cms>
- **RBI likely to step in to stabilise rupee in forex market:** The Reserve Bank of India (RBI) is expected to step up its intervention in the foreign exchange market to prevent wild swings in the rupee's value amid simmering geopolitical tensions on the Ukraine frontier, and ahead of the country's biggest public share sale to date. Although a weakening rupee theoretically boosts India's export competitiveness, wild swings in the currency make assessments on investment returns rather difficult, especially when India appears to be splitting ranks from global central banks on rate decisions. "The rupee is likely to turn volatile, losing value to the dollar amid geopolitical tensions," said Bhaskar Panda, executive vice-president, HDFC Bank. "The central bank may step in to curb any wild swings in the exchange rate ahead of the prestigious equity issuance." Life Insurance Corp of India has filed papers to sell shares in India's biggest initial public offering (IPO) to date.
<https://economictimes.indiatimes.com/markets/forex/rbi-likely-to-step-in-to-stabilise-rupee-in-forex-market/articleshow/89713267.cms>
- **Rs 22,842 cr bank fraud case: ABG Shipyard's former chairman Rishi Agarwal questioned by CBI:** Former Chairman and Managing Director of ABG Shipyard Ltd. Rishi Agarwal appeared before the CBI on Monday for questioning in connection with the Rs 22,848 crore alleged banking fraud, the biggest such case registered by the central agency, officials said. The CBI had questioned him last week as well and would continue to record his statement in the coming days on various aspects of alleged diversion of funds as pointed out in the forensic audit conducted by banks, they said. The central probe agency had registered an FIR in the matter on February 7, 2022 on a complaint filed by SBI 17 months ago on August 25, 2020. The agency has also named the then



**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

executive director Santhanam Muthaswamy, directors Ashwini Kumar, Sushil Kumar Agarwal and Ravi Vimal Nevetia and another company, ABG International Pvt Ltd, for alleged offences of criminal conspiracy, cheating, criminal breach of trust and abuse of official position under the Indian Penal Code (IPC) and the Prevention of Corruption Act, they said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rs-22842-cr-bank-fraud-case-abg-shipyards-former-chairman-rishi-agarwal-questioned-by-cbi/articleshow/89724840.cms>

- **IRCTC, NPCI, Bank of Baroda arm launch co-branded credit card for railway customers:** With over six crore users booking railway tickets on the IRCTC website on a daily basis, the Indian Railways' catering and ticketing arm along with NPCI and BOB Financial Solutions on Monday launched a co-branded credit card to tap the huge potential the market offers. The 'IRCTC BoB RuPay Contactless Credit Card' is specially curated to offer the maximum savings to the frequent travellers on the Indian Railways, the officials said at the launch. BOB Financial Solutions Ltd (BFSL) is a wholly-owned subsidiary of Bank of Baroda (BoB). Customers can also use the credit card for other shopping purposes like groceries as well as fuel buy. Cardholders can also use this card to transact at international merchants and ATMs through the JCB network. The credit card will offer benefits such as up to 40 reward points (per Rs 100 spent) on 1AC, 2AC, 3AC, CC, or EC bookings made through the IRCTC website or mobile app.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/irctc-npci-bank-of-baroda-arm-launch-co-branded-credit-card-for-railway-customers/articleshow/89726551.cms>
- **NABARD projects priority sector lending of Rs 6.13 lakh crore during 2022-23 for Maharashtra:** The National Bank for Agricultural and Rural Development (NABARD) has projected priority sector lending of ₹ 6.13 lakh crore during 2022-23 for Maharashtra. The State Focus Paper projecting a potential credit outlay of Rs.6,13,503 crore to priority sectors, with 57% share allocated for MSMEs in the State during 2022-23 was launched by Uddhav Thackeray, Chief Minister on Monday in Mumbai. The Maharashtra Regional Office of NABARD, Pune conducted the State Credit Seminar on Monday at Mumbai. The credit projections include estimations of ₹1,43,019 crore (23%) for agriculture, ₹3,48,372 crore (57%) towards MSME and ₹1,22,112 crore (20%) to other priority sectors. "Possible ways of increasing credit outreach in the State, specially to small and marginal farmers were discussed in detail," said a NABARD release.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/nabard-projects-priority-sector-lending-of-6-13-lakh-crore-during-2022-23-for-maharashtra/articleshow/89731248.cms>
- **With gold loan auctions normalising, NBFCs may pursue aggressive strategies to grow portfolio: Ind-Ra:** Gold loan auctions by non-banking finance companies (NBFCs) would normalise in Q4 (January-March) FY22 as NBFCs with a large portfolio are seen adopting aggressive strategies to maintain and expand their gold loan franchise in the face of intense competition from banks, according to India Ratings (Ind-Ra). The rating agency attributed the expected normalisation to gold prices stabilising since October 2021, after periods of corrections seen since December 2020, along with normalcy returning in business activities.
[https://www.thehindubusinessline.com/money-and-banking/with-gold-loan-auctions-normalising-nbfc-may-pursue-aggressive-strategies-to-grow-portfolio-ind-ra/article65070632.ece#:~:text=Gold%20loan%20auctions%20by%20non,Ratings%20\(Ind%2DRa\).](https://www.thehindubusinessline.com/money-and-banking/with-gold-loan-auctions-normalising-nbfc-may-pursue-aggressive-strategies-to-grow-portfolio-ind-ra/article65070632.ece#:~:text=Gold%20loan%20auctions%20by%20non,Ratings%20(Ind%2DRa).)
- **Keen on IPO in this fiscal: LIC Chairman:** Life Insurance Corporation of India is preparing for its mega initial public offering, which it hopes to launch this fiscal, its Chairman, M.R. Kumar, said on Monday. "We are watching the geopolitical developments closely, but are keen on listing in March," he told presspersons. His comments come amidst increasing global concerns over tensions between Russia and Ukraine that has also spooked the markets. The valuation process is currently on, Kumar said, adding that policyholders have shown a



**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

lot of interest in the IPO. Nearly 70 lakh permanent account numbers have been linked to life insurance policies to enable policyholders to participate in the IPO.

<https://www.thehindubusinessline.com/money-and-banking/keen-on-ipo-in-this-fiscal-lic-chairman/article65070772.ece>

- **Government considers ways to ensure privacy of CBDC users:** The Government is mulling over ways to provide a mechanism to ensure the anonymity of users in Central Bank Digital Currency (CBDC) just like paper or metal-based fiat currency. Experts have called for an approach that strikes a balance between adoption and privacy. “One option could be inclusion of a specific provision, while passing the finance bill, to ensure the anonymity of users,” a source said. Anonymity means the central bank does not keep a record of users on the basis of a particular series of currency. Banks would have records about the value of the transaction, but not details about the specific series of currency with a particular customer.
<https://www.thehindubusinessline.com/money-and-banking/government-considers-ways-to-ensure-privacy-of-cbdc-users/article65070799.ece>
- **ED raids India Bulls Finance Centre offices:** Offices of India Bulls Finance Centre in Mumbai, Delhi, and Pune were raided by the Enforcement Directorate (ED) on Monday. According to two sources, the raids were conducted following an FIR registered in the Palghar police station in April. The FIR was filed under multiple sections including forgery, fraud and money laundering. “Since the promoters were Mumbai-based, the matter was moved to CID, and thereafter Enforcement Directorate (ED) too was involved,” said the first person.
<https://www.thehindubusinessline.com/news/ed-raids-india-bulls-finance-centre-offices/article65071554.ece>
- **IDFC First Bank chief gifts 9 lakh shares to 5 persons to purchase houses:** V Vaidyanathan, Managing Director and CEO, IDFC First Bank, has gifted 9 lakh equity shares of the private sector lender to five members of his staff to help them purchase houses. It is declared that the recipients are personal relationships and not related to him in any manner under the definition of related parties of the Companies Act or SEBI Regulations,” the bank said in a stock exchange filing on Monday.
<https://www.thehindubusinessline.com/money-and-banking/idfc-first-bank-chief-gifts-9-lakh-shares-to-5-persons-to-purchase-houses/article65071642.ece>
- **RBI to undertake \$5 b sell/buy swap auction next month :** The Reserve Bank of India (RBI) has decided to undertake a US Dollar/ Indian Rupee sell/ buy swap auction of \$5 billion on March 8, amid the upcoming reversal of a buy/sell auction it had undertaken for a similar amount three years back and expected volatility in the foreign exchange market once US Fed hikes rates. Under a sell/buy swap, a bank buys US Dollars (USDs) from RBI and simultaneously agrees to sell the same amount of USDs at the end of the swap period. Similarly, under a buy/sell swap, a bank sells USDs to RBI and simultaneously agrees to buy the same amount of USDs at the end of the swap period.
<https://www.thehindubusinessline.com/money-and-banking/rbi-to-undertake-5-b-sellbuy-swap-auction-next-month/article65071545.ece#:~:text=The%20Reserve%20Bank%20of%20India,once%20US%20Fed%20hikes%20rates.>
- **RBI imposes penalty on 3 co-operative banks for deficiencies in compliance:** The Reserve Bank of India (RBI) on Monday said it has imposed penalties on three co-operative banks totalling Rs 5 lakh for deficiencies in regulatory compliance. A penalty of Rs 2 lakh has been imposed on Baramulla Central Co-operative Bank Limited, Jammu and Kashmir for violation of RBI directions prohibiting acceptance of fresh deposits, the central bank said in a statement. The RBI said it has imposed a penalty of Rs 2 lakh on The Big Kancheepuram Co-operative Town Bank Limited (No.3) for non-adherence of directions issued under Exposure Norms and Statutory / Other Restrictions -- UCBS, it said in another statement.



**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

https://www.business-standard.com/article/finance/rbi-imposes-penalty-on-3-co-operative-banks-for-deficiencies-in-compliance-122022101179_1.html

- **IPO-bound LIC may not sell entire stake in IDBI Bank: Chairman M R Kumar:** State-run Life Insurance Corp Of India (LIC), which is planning the country's largest IPO next month, may not sell its entire stake in IDBI Bank and can use its large network of branches to market its insurance services, its chairman said. LIC, the country's biggest insurance company, is planning to float a 5 percent stake to raise about \$8 billion next month, which could make it India's largest initial public offering (IPO) by far. Its majority stake in IDBI Bank, which it rescued in 2019, is seen as a risk to its balance sheet. "I would like to have some stake in IDBI Bank. It has been the strongest contributor to the bancassurance channel for us. This will help us to grow that part of the channel," said M R Kumar in a press conference with reporters on Monday.
<https://www.moneycontrol.com/news/business/ipo/ipo-bound-lic-may-not-sell-entire-stake-in-idbi-bank-chairman-m-r-kumar-8143161.html>
- **Sensex down 149 points, Nifty closes below 17,300 amid volatility:** The BSE Sensex closed at 57,683.59, down 149.38 points or 0.26 per cent. It recorded an intraday high of 58,141.96 and a low of 57,167.02. The Nifty 50 closed at 17,206.65, down 69.65 points or 0.4 per cent. It recorded an intraday high of 17,351.05 and a low of 17,070.70. Wipro, Infosys, Shree Cement, Powergrid and HDFC Bank were the top gainers on the Nifty 50 while Hindalco, UPL, Divi's Lab, Adani Ports and Sun Pharma were the top laggards.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-down-149-points-nifty-closes-below-17300-amid-volatility/article65070640.ece>
- **Rupee advances 11 paise as dollar, crude oil weaken:** M(Rising for the fifth straight day, the rupee extended gains by 11 paise to close at a one-month high of 74.55 against the US dollar on Monday on the back of a weak dollar and softer crude oil prices amid hopes of a diplomatic solution to the Russia-Ukraine crisis. The local unit opened strong at 74.51 to a dollar and later spurted to the day's high of 74.35 as crude oil traded below \$95 per barrel. The rupee later gave up some of the gains due to losses in the domestic equity markets and forex outflows, before finally finishing at 74.55, showing a gain of 11 paise over the previous close.
[https://www.thehindubusinessline.com/markets/forex/rupee-advances-11-paise-as-dollar-crude-oil-weaken/article65071310.ece#:~:text=M\(Rising%20for%20the%20fifth,to%20the%20Russia%2DUkraine%20crisis.](https://www.thehindubusinessline.com/markets/forex/rupee-advances-11-paise-as-dollar-crude-oil-weaken/article65071310.ece#:~:text=M(Rising%20for%20the%20fifth,to%20the%20Russia%2DUkraine%20crisis.)

Disclaimer

Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICAI.

*For Restricted Circulation only A Compilation of News in this regard from Secondary Sources.