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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

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- **Maintain constant vigil on financial sector: FM Sitharaman to regulators:** The high-level FSDC headed by Finance Minister Nirmala Sitharaman on Tuesday deliberated on the challenges emanating from global and domestic developments and asked the regulators to maintain constant vigil on the financial sector. The Financial Stability and Development Council (FSDC) meeting attended by various financial sector regulators, including RBI Governor Shaktikanta Das, comes against the backdrop of rising tension between Russia and the US over Ukraine. The Council also discussed measures required for further development of the financial sector and to achieve an inclusive economic growth with macroeconomic stability. "The Council deliberated on the various mandates of the FSDC and major macro-financial challenges arising in view of global and domestic developments."
https://www.business-standard.com/article/finance/maintain-constant-vigil-on-financial-sector-fm-sitharaman-to-regulators-122022200937_1.html
- **Banks may not wait for regulation to adopt decentralised finance:** Decentralised finance or DeFi is fast catching up with bankers and technologists around the globe even as regulations around it are still not in place. Decentralised finance offers a number of new opportunities to banks to expand their scope and cut costs. The recent decision by JP Morgan to step up efforts in the field of decentralised finance by opening a branch in metaverse is going to encourage others to take up the opportunities it presents. "Decentralised finance cannot be ignored by regulation as the next-generation decentralised infrastructure is getting very close to existing payment rails with transaction speed, security and very low level of costs. Major banks around the world are not sitting and waiting for regulations to come out as they feel the new networks can help them save money," Capgemini's chief technology and innovation officer for financial services, Sudhir Pai, told Times of India.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-may-not-wait-for-regulation-to-adopt-decentralised-finance/articleshow/89740097.cms>
- **Religare Finvest lenders to move RBI for insolvency:** Lenders to Religare Finvest Ltd passed a resolution early last week to request the Reserve Bank of India (RBI) to start insolvency proceedings against the finance company after the banking regulator rejected the management's proposal to grant a 'change of ownership status' making it difficult to implement debt restructuring plan under the current regulatory framework, said two people aware about the development. Under the Insolvency and Bankruptcy Code (IBC) framework, only the RBI can refer a finance company for insolvency proceedings. Lenders are of the view that a resolution under IBC will be a transparent process thus generate interest among prospective buyers, the people said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/religare-fininvest-lenders-to-move-rbi-for-insolvency/articleshow/89734123.cms>



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- **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>
- **Rs 22,842 cr bank fraud case: ABG Shipyard's former chairman Rishi Agarwal questioned by CBI:** The Central Bureau of Investigation (CBI) Monday quizzed Rishi Kamlesh Agarwal for over nine hours in connection with what is being pegged as the country's biggest bank fraud of Rs 22,842 crores. Agarwal is former Chairman and Managing Director of Surat based ABG Shipyard which stands booked by the CBI on charges of duping a consortium of 28 banks. Nearly a week after it had booked the company and its Directors on charges of criminal conspiracy, attempt bribe, misuse of official position, the agency had issued summons to Rishi Agarwal to join investigation.
<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>
- **LIC IPO to go ahead despite market volatilities: FM Nirmala Sitharaman:** The government will go ahead with the planned initial public offer (IPO) of Life Insurance Corp of India (LIC) despite the market volatilities due to geopolitical developments, finance minister Nirmala Sitharaman said. The government is keeping a close eye on global developments due to the tension between Ukraine and Russia and will like to see a diplomatic solution to the crisis, Sitharaman said. She was in Mumbai for a post budget consultation with industrialists, bankers and also chaired a meeting of the Financial Stability and Development Council (FSDC).
<https://economictimes.indiatimes.com/industry/banking/finance/insure/lic-ipo-to-go-ahead-despite-market-volatilities-fm-nirmala-sitharaman/articleshow/89752720.cms>
- **Paytm Payments Bank enables merchants to accept e-RUPI prepaid vouchers:** Paytm Payments Bank Limited (PPBL) has become an official acquiring partner for e-RUPI vouchers, further making it accessible at offline stores across the country. e-RUPI, which is a government initiative, is a cashless prepaid voucher that beneficiaries can present via SMS or QR Code. Paytm's merchant partners can then scan, enter the amount to be paid and receive the payment directly in their bank account. This will benefit beneficiaries (users), even those who do not have access to formal banking services or smartphones to avail the convenience of digital payments.
<https://www.thehindubusinessline.com/money-and-banking/paytm-payments-bank-enables-merchants-to-accept-e-rupi-prepaid-vouchers/article65073270.ece>



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- **Ujjivan SFB ties up with Hero MotoCorp for two-wheeler financing:** Ujjivan Small Finance Bank has tied up with Hero MotoCorp to finance two-wheeler purchase. “Ujjivan SFB will be funding up to 100 per cent of the on-road price of the vehicle (LTV), depending on the customer’s credit profile,” the two companies said in a statement on Tuesday, adding that customers will benefit from the 6,000 Hero touchpoints across the country. “We have a strong presence in urban, semi-urban and rural geographies, thereby offering deeper penetration for Hero MotoCorp. Our digital proposition will enable the under-served mass market segment to avail of two-wheeler loans of their choice in a seamless manner,” said Carol Furtado, Chief Business Officer, Ujjivan SFB.
<https://www.livemint.com/industry/banking/ujjivan-sfb-ties-up-with-hero-motocorp-for-two-wheeler-financing-11645517147488.html>
- **RBI cautions public about prepaid instruments issued by unauthorised entities:** The Reserve Bank of India (RBI) on Tuesday cautioned members of public against Prepaid Payment Instruments (non-closed) issued by unauthorised entities. This advisory comes as the central bank has noticed that sRide Tech Private Limited, a company having its registered office in Gurugram, Haryana, is operating a semi-closed (non-closed) pre-paid instrument (wallet) through its car-pooling app (application) ‘sRide’ without obtaining the required authorisation from RBI under the provisions of the Payment and Settlement Systems Act, 2007. “As such, any person dealing with sRide Tech Private Limited, will be doing so at their own risk,” RBI said in a statement.
<https://www.financialexpress.com/industry/banking-finance/rbi-cautions-public-against-ppis-issued-by-unauthorised-entities/2441917/#:~:text=The%20Reserve%20Bank%20of%20India,performs%20or%20assures%20to%20perform.>
- **Banks may miss deadline for implementation of ATM cassette swap in ATMs:** The tardy progress made by banks in complying with the extended timeline for implementation of cassette swap in ATMs has drawn the ire of the Reserve Bank of India. The central bank had extended the timeline for implementation of cassette swap in all ATMs to March 31, 2022, from March 31, 2021, following the Indian Banks’ Association (IBA) making a representation on behalf of various banks, which expressed difficulties in meeting the deadline. Many banks are likely to miss the extended deadline for implementing cassette swap in ATMs, say bankers.
<https://www.thehindubusinessline.com/money-and-banking/banks-may-miss-deadline-for-implementation-of-atm-cassette-swap-in-atms/article65073874.ece#:~:text=The%20central%20bank%20had%20extended,difficulties%20in%20meeting%20the%20deadline.>
- **Cashaa launches personal accounts for crypto deposits:** Crypto friendly neo bank Cashaa on Tuesday launched its personal accounts with the yield program, which enable users to store, buy, sell and earn interest without risking assets to unknown Defi projects. The platform has been globally providing banking services to crypto businesses, along with physical banking services in India through UNICAS. Following banking services, the company has now launched personal wallet to let retail users earn better. Through the new wallet users can generate the best yield on crypto, stable coin, and fiat



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deposits in over 22 supported currencies. The users will experience the boon with superior yields and interest paid daily with no risk of losing their funds to Defi projects, Cashaa claimed.

<https://www.thehindubusinessline.com/info-tech/cashaa-launches-personal-accounts-for-crypto-deposits/article65073980.ece>

- **HSBC India operations registers profit before tax of \$1.11 bn in FY21:** Banking major HSBC on Tuesday said its India operation has reported an 8.4 per cent jump in the profit before tax for the fiscal year 2021 to \$1.11 billion as against \$1.024 billion in the previous fiscal. Global banking and markets division contributed the largest chunk to the profit before tax of India operations in the fiscal year 2021 at \$593 million, while commercial banking reported profit before tax of \$265 million. The corporate centre reported a profit before tax of \$232 million and wealth and personal banking a profit before tax of \$20 million in the fiscal year 2021.
<https://www.thehindubusinessline.com/money-and-banking/hsbc-india-operations-registers-profit-before-tax-of-111-bn-in-fy21/article65074454.ece>
- **Crypto players to FinMin: Review 30% tax, 1% TDS:** Cryptocurrency exchanges have requested the Finance Ministry that the 30 per cent flat rate of tax should be reviewed and be according to the tax slab of the investor. According to sources, the crypto industry has sent a representation to the Finance Ministry on the Budget proposals and is hoping to meet officials for further consultation. “The industry in general is very positive but the dampener is the 30 per cent tax rate and the 1 per cent TDS, which we are hoping to get resolved. The impact has been positive. For most people who wanted to get into crypto, the biggest fear has been uncertainty. But now because of the income tax proposals, people know they can declare and pay tax and not worry on that aspect,” said Nischal Shetty, Founder and CEO, WazirX.
<https://www.thehindubusinessline.com/money-and-banking/crypto-players-to-finmin-review-30-tax-1-tds/article65073428.ece>
- **Russia-Ukraine unrest: Bitcoin losing out to gold has analysts eyeing \$30,000 level:** Bitcoin dropped to a more than two-week low as fears of a possible Russian invasion of Ukraine prompted some analysts to predict the largest cryptocurrency could slide toward the key \$30,000 level. Bitcoin dropped for a sixth straight day, touching a low of \$36,372 on Tuesday after Russian President Vladimir Putin said he’s recognising two self-proclaimed separatist republics in eastern Ukraine and ordering troops there.
<https://www.thehindubusinessline.com/money-and-banking/cryptocurrency/russia-ukraine-unrest-bitcoin-losing-out-to-gold-has-analysts-eyeing-30000-level/article65073235.ece#:~:text=The%20cryptocurrency%20dropped%20for%20a,low%20of%20%2436%2C372%20on%20Tuesday&text=Bitcoin%20dropped%20to%20a%20more,toward%20the%20key%20%2430%2C000%20level.>
- **Some PSBs refuse to create FD accounts for IL&FS companies:** Even as a government-appointed board is leading the turnaround of the beleaguered Infrastructure Leasing & Financial Services (IL&FS) group entities and distribution of group assets to creditors is going on under an insolvency resolution framework, some public sector banks, including Bank of Baroda, Allahabad Bank and Oriental Bank of



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Commerce, have refused to create fixed deposit accounts for some of the group entities. Subsequent intervention by the court eased the situation to some extent, but the problem persists even now in certain cases, sources say.

<https://www.financialexpress.com/industry/banking-finance/some-psbs-refuse-to-create-fd-accounts-for-ilfs-companies/2440957/#:~:text=Even%20as%20a%20government%2Dappointed,of%20Baroda%2C%20Allahabad%20Bank%20and>

- **By FY23, P2P lending biz to grow up to Rs 8,000 crore:** Rajat Gandhi, founder & CEO, Faircent : The peer-to-peer (P2P) lending industry will likely reach Rs 7,000-Rs 8,000 crore in gross loan volume by the end of the next financial year, Faircent founder and chief executive officer (CEO) Rajat Gandhi has told FE in an interaction. “Next year, on an annualised basis, I think, the whole industry should be around Rs7,000 – Rs8,000 crore, at least Rs5,000 crore. After that, subsequently, it should be Rs10,000 – Rs12,000 crore upwards,” he said.
<https://www.financialexpress.com/industry/banking-finance/by-fy23-p2p-lending-biz-to-grow-up-to-rs-8000-crore-rajat-gandhi-founder-ceo-faircent/2440902/>
- **LIC acquires 0.085 per cent additional stake in Capri Global Capital:** Life Insurance Corporation of India has increased its stake in Capri Global Capital Ltd (CGCL) from 4.959 per cent to 5.044 per cent. LIC has acquired the stake via market purchase, per the Corporation’s disclosure to the exchanges. Shares of CGCL closed flat at ₹591.35 on the BSE. CGCL had reported 22 per cent year-on-year (yoy) increase in third quarter standalone net profit at ₹48.51 crore crore against ₹39.81 crore in the year ago period.
<https://www.thehindubusinessline.com/markets/lic-acquires-0085-per-cent-additional-stake-in-capri-global-capital/article65074521.ece>
- **Direct tax receipts touch Rs 11 lakh crore; FY22 mop-up to exceed RE by Rs 50,000 crore:** With the Centre’s gross (pre-transfers to states) direct tax revenues growing by 55% on year to reach Rs 11.02 lakh crore till February 18, the collections during the whole of FY22 are expected to reach Rs 13 lakh crore, 4% higher than the revised estimate (RE) of Rs 12.5 lakh crore, a senior income tax department official told FE. Corporation tax collections stood at Rs 5.67 lakh crore, personal income tax at Rs 5.1 lakh crore and equalisation levy at Rs 3,194 crore as of February 18. The collections from securities transaction tax stood at Rs 21,230 crore as of February 18, 6% higher than the RE of Rs 20,000 crore (Budget estimate or BE was just Rs 12,500 crore), thanks to a buoyant capital market.
<https://www.financialexpress.com/economy/direct-tax-receipts-touch-rs-11-lakh-crore-fy22-mop-up-to-exceed-re-by-rs-50000-crore/2440797/>
- **Sensex down 383 points at closing, Nifty ends below 17,100 amid Russia-Ukraine unrest:** The BSE Sensex closed at 57,300.68, down 382.91 points or 0.66 per cent. It recorded an intraday high of 57,505.85 and a low of 56,394.85. The Nifty 50 which slipped below the 17,000 mark, recording an intraday low of 16,843.80, closed at 17,092.20, down 114.45 points or 0.67 per cent. It recorded an intraday high of 17,148.55. M&M, Bajaj Finserv, Hero Motocorp, Eicher Motor and Hindalco were the top gainers on the Nifty 50 while Tata Steel, BPCL, TCS, SBI Life and Tata Motors were the top losers.



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<https://www.thehindubusinessline.com/markets/sensex-down-383-points-at-closing-nifty-ends-below-17100-amid-russia-ukraine-unrest/article65073778.ece>

- **Rupee drops 29 paise as crude oil spikes nearly 4 per cent:** The rupee depreciated by 29 paise to close at 74.84 against the US currency on Tuesday, ending its five-day winning run as crude oil spiked nearly 4 per cent and equities dived after Russia recognised two separatist regions in eastern Ukraine and decided to send soldiers. Forex traders said sustained foreign fund outflows, a lacklustre trend in domestic equities and elevated crude oil prices weighed on investor sentiment. At the interbank foreign exchange, the rupee opened at 74.71 against the American dollar but later dropped to a low of 74.99 against the greenback. The local unit was quoted at 74.84 at close, down 29 paise from the previous close.
[https://www.thehindubusinessline.com/markets/forex/rupee-drops-29-paise-as-crude-oil-spikes-nearly-4-per-cent/article65074265.ece#:~:text=\(The%20rupee%20depreciated%20by%2029,and%20decided%20to%20send%20soldiers.](https://www.thehindubusinessline.com/markets/forex/rupee-drops-29-paise-as-crude-oil-spikes-nearly-4-per-cent/article65074265.ece#:~:text=(The%20rupee%20depreciated%20by%2029,and%20decided%20to%20send%20soldiers.)
- **Gold prices today in India surge to near one-year high, silver rates jump:** Gold and silver prices today surged in Indian markets as the Ukraine crisis escalated after Russia ordered troops into breakaway regions of eastern Ukraine. On MCX, gold futures jumped 0.8% to near one-year high of ₹50,467 per 10 gram while silver rose 1% to ₹64,225 per kg. In global markets, gold prices hit a near nine month-high on Tuesday, boosting demand for the safe-haven metal. Spot gold was up 0.2% at \$1,909.54 per ounce.
<https://www.livemint.com/market/commodities/gold-prices-today-in-india-surge-to-near-one-year-high-silver-rates-jump-11645500920130.html>

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