



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

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- Banks are waiting to hear from the RBI on the revised structure for the bad bank proposed by the IBA. According to bankers in the know, the industry has offered to structure a principal- agent relationship between the National Asset Reconstruction Co (NARCL) and the India Debt Resolution Co (IDRCL) and the central bank's nod is expected any day now. The reason for planning a new structure is the RBI's objection to approving the dual-entity structure of the bad bank. The original plan put forward by the government involved the setting up of an ARC, which would aggregate NPAs worth Rs 500 crore or more and an asset management Co (AMC), which would work to resolve the bad assets for a fee.
<https://www.financialexpress.com/industry/banking-finance/bankers-await-rbi-nod-on-revised-bad-bank-structure/2412759/>
- The digital payment sector is seeking reintroduction of MDR (merchant discount rate) charges in the union budget as the absence of it is crippling the homegrown payment service providers while multinational companies benefit from levying those charges. The Payments Council of India (PCI), the industry body for the digital payments ecosystem in the country, has written to the Govt urging it to roll back the zero MDR regime for UPI and Rupay debit cards transactions. PCI in its request to the ministry of finance suggested either reinstating the MDR charges or incentivizing the industry with an amount of Rs 4000 crore. The payments industry hopes to have some relief which can then be used by them to further expand the digital payments infrastructure, it said.
<https://economictimes.indiatimes.com/industry/banking/finance/digital-payment-sector-wants-mdr-to-be-back/articleshow/89075478.cms>
- ICICI Bank on Saturday informed the stock exchanges of an inadvertent trade by its Independent Director Rama Bijapurkar. The Bank said in a stock exchange filing, adding that the Audit Committee of the Bank was notified of this incident. Based on Bijapurkar's submission, it is concluded that this was an inadvertent trade made without any intent to violate the Bank's Code on Prohibition of Insider Trading or the SEBI (Prohibition of Insider Trading) Regulations, 2015 (SEBI Regulations), it further said.
<https://www.thehindubusinessline.com/money-and-banking/icici-bank-informs-exchanges-of-inadvertent-trade-by-designated-person/article64930366.ece>
- HDFC Capital, a wholly -owned subsidiary of HDFC Ltd, has achieved the initial close of its third fund of \$1.88 billion (about Rs 13,500 cr) focused on affordable housing. HDFC Capital's target is to finance the development of one million affordable homes in India through a combination of innovative financing, partnerships and technology, whilst focusing on sustainability, the Co said in a statement.
<https://www.pressreader.com/india/the-hindu-business-line/20220124/282089165151304>



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- Foreign investors' stake in private sector banks have come down in the range of 2%-6% as they pulled out close to ₹35,000 crore from the banking sector in the first 3 quarters of the current fiscal. Amid concerns over credit growth due to the new Coronavirus variant and pricey valuations of the sectoral stocks, the foreign portfolio investors (FPIs) pulled out ₹34,406 crore from the banking sector equities between April-Dec 2021. A comparison between the FPI holding in the banking stocks at the end of March 2021 and December 2021 shows that the private banks bore the maximum brunt of this massive foreign fund outflow.
<https://www.thehindubusinessline.com/money-and-banking/fpis-cut-stake-in-private-sector-banks/article64929740.ece>
- The Indian economy has "some bright spots and a number of very dark stains" and the government should target its spending "carefully" so that there are no huge deficits, noted economist and former RBI Governor Raghuram Rajan said on January 23. Known for his frank views, Rajan also said the government needs to do more to prevent a K-shaped recovery of the economy hit by the coronavirus pandemic. Generally, a K-shaped recovery will reflect a situation where technology and large capital firms recover at a far faster rate than small businesses and industries that have been significantly impacted by the pandemic.
<https://timesofindia.indiatimes.com/business/india-business/indias-economy-has-some-bright-spots-a-number-of-very-dark-stains-raghuram-rajan/articleshow/89070897.cms>
- The top-10 most valued companies suffered a combined erosion of Rs 2.53 lakh crore in market valuation last week. Benchmark indices witnessed nearly a 4% cut last week as FPIs booked profits across large -caps and select mid-caps. On a weekly basis, the Sensex lost 3.57%, while the Nifty slumped 3.49%. HDFC Bank's valuation dipped by Rs 13,563.15 crore to Rs 8,42,876.13 crore. The m-cap of SBI tanked by Rs 4,863.91 crore to Rs 4,48,729.47 crore and that of ICICI Bank slumped by Rs 10,811.98 crore to reach Rs 5,58,699.39 crore. HDFC's valuation slipped by Rs 22,003.75 crore to Rs 4,69,422.38 crore and that of Bajaj Finance declined by Rs 27,653.67 crore to Rs 4,45,033.13 crore. In the ranking of top-10 firms, RIL was leading the chart, followed by TCS, HDFC Bank, Infosys, ICICI Bank, HUL, HDFC, SBI, Bajaj Finance and Bharti Airtel.
<https://www.republicworld.com/business-news/india-business/market-selloff-mcap-of-top-10-most-valued-companies-erodes-by-over-rs-2-dot-53-lakh-cr-articleshow.html#:~:text=The%20valuation%20of%20Hindustan%20Unilever,to%20Rs%204%2C45%2C033.13%20crore.&text=Telecom%20major%20Bharti%20airtel%20also,at%20Rs%203%2C81%2C723.36%20crore.>

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