



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
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## DAILY NEWS DIGEST BY BFSI BOARD, ICAI

December 24, 2021

- **Govt asks banks to share details of 'interest on interest' charged** : The finance ministry has asked banks to share details of their board-approved policy on refund or adjustment of 'interest on interest' charged to borrowers during the moratorium period March to August 2020. An official confirmed the development and said that information has been sought on the methodology used for calculating the amount to be refunded or adjusted for different facilities. "Banks are expected to provide details before the end of this quarter. ...We have asked if the Indian Banks Association (IBA) has formulated any policy in this regard in consultation with other industry participants," the official said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/govt-asks-banks-to-share-details-of-interest-on-interest-charged/articleshow/88461227.cms>

- **Co-lending with NBFCs to power Union Bank's portfolio** : Union Bank of India which expects its retail and MSME portfolio to grow by at least ₹7,000 crore next year under the co-lending tie-up with non-banking finance companies, has set up a dedicated branch to sanction the loans within 24 hours. "We are developing specific products suitable for the co-lending model...We have already have three tie-ups with NBFCs. We are looking at two-three more," said Rajkiran Rai G, MD & CEO, UBI, at the FICCI-IBA Banking Summit.

<https://www.thehindubusinessline.com/money-and-banking/co-lending-with-nbfc-to-power-union-banks-portfolio/article38023562.ece>

- **Govt seeks comments on proposed changes to IBC** : The Centre has proposed several changes to the Corporate Insolvency Framework so as to further its objective of achieving time-bound resolution of stressed assets while maximising its value and balancing the interests of all stakeholders. Towards this end, public comments have been invited by the Corporate Affairs Ministry (MCA) on as many as five proposed changes, including two crucial ones that seek to address delays in admission of application for initiation of corporate insolvency and also specify a fixed time period for approval of a resolution plan by the adjudicating authority (NCLT or DRT).

<https://www.thehindubusinessline.com/money-and-banking/govt-seeks-comments-on-proposed-changes-to-ibc/article38023215.ece>



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- **RBI extends card tokenisation deadline by 6 months** : The Reserve Bank of India extended the card-on-file (CoF) tokenisation deadline by 6 months to to June 30, 2022. The earlier deadline was December 31, 2021. "In light of various representations received in this regard, we advise as under: a) the timeline for storing of CoF data is extended by six months, i.e., till June 30, 2022; post this, such data shall be purged; and b) in addition to tokenisation, industry stakeholders may devise alternate mechanism(s) to handle any use case (including recurring e-mandates, EMI option, etc.) or posttransaction activity (including chargeback handling, dispute resolution, reward / loyalty programme, etc.) that currently involves / requires storage of CoF data by entities other than card issuers and card networks," the central bank said in a circular.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-extends-card-tokenisation-deadline-by-6-months/articleshow/88457670.cms>

- **SBI, Union Bank to go ahead with Swiss Challenge auction for KSK Mahanadi Power loans** : State Bank of India and Union Bank of India have decided to go ahead with the Swiss Challenge auction for the KSK Mahanadi Power loans next week despite observations by income tax officials last week that this method is opaque, implying an unholy nexus between the promoters and the asset reconstruction company, said people aware of the matter. In the Swiss auction process, lenders first hold an auction of the NPA, and the offer made by the highest bidder (also known as anchor bidder) is set at a reserve price. Subsequently, they hold yet another auction, inviting bids at higher than reserve price, but the anchor bidder will get an opportunity to match the best bid.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/sbi-union-bank-to-go-ahead-with-swiss-challenge-auction-for-ksk-mahanadi-power-loans/articleshow/88443194.cms>

- **HSBC Asset Management acquires L&T Investment Management Limited** : HSBC Asset Management (India) Private Ltd, an indirect wholly-owned subsidiary of HSBC Holdings plc (HSBC), has entered into an agreement with L&T Finance Holdings Limited (LTFH) to fully acquire L&T Investment Management Limited (LTIM) for \$425 million (Rs 3,200 crore). LTIM is a wholly-owned subsidiary of LTFH and the investment manager of the L&T Mutual Fund. Private equity firm Blackstone had also been in talks with L&T Mutual Fund, but the deal didn't come through due to differences in valuations and pending regulatory approval. L&T had been looking to exit several of its non-core or sub optimal businesses to deleverage its consolidated balance sheet.

<https://economictimes.indiatimes.com/markets/stocks/news/hsbc-asset-management-to-acquire-lt-mutual-fund-for-rs-3200-crore/articleshow/88458306.cms>



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- **RBI imposes monetary penalty on One Mobikwik Systems, Spice Money** : The Reserve Bank of India has imposed monetary penalty of ₹ 1 crore each on One Mobikwik Systems and Spice Money. “It was observed that the above entities had not complied with the directions issued by RBI on networth requirement for Bharat Bill Payment Operating Units,” the RBI said. As these were offences of the nature referred to in Section 26 (6) of the Payment and Settlement Systems Act, 2007, notices were issued to the entities, it further said.

<https://www.moneycontrol.com/news/business/rbi-imposes-monetary-penalty-on-payment-operators-one-mobikwik-spice-money-7858991.html>

- **IIFL fund to invest ₹300 crore in early-stage fintechs** : The IIFL Group on Thursday announced that IIFL Fintech Fund will be investing ₹300 crore in early-stage fintech start-ups in India over the next two years, to facilitate the creation of affordable products and technologies for financial inclusion. IIFL Fintech Fund is in advanced talks to make investments in 10 more fintech start-ups by the end of March 2022. This is the first fund from a corporate house in India that is focusing on the fintech startup ecosystem. R Venkataraman, co-promoter of IIFL Group, and Chairman, IIFL Securities, said, “There is always a need for early-stage funding to nurture the fintech start-up ecosystem. Fintechs play a big role in creating cost-effective delivery of various financial products to the underserved and unbanked customers and help in accelerating the financial inclusion process.”

<https://www.thehindubusinessline.com/money-and-banking/iifl-fund-to-invest-300-crore-in-early-stage-fintechs/article38020714.ece>

- **ICICI Home Finance to raise ₹685 crore via NCDs** : ICICI Home Finance Company Ltd (IHFCL) is planning to raise ₹685 crore via non-convertible debentures (NCDs) on private placement basis. The housing finance company’s committee of executives on Thursday approved the fourth tranche of allotment of 6,850 NCDs (secured, rated, redeemable senior bonds) of face value of ₹10 lakh each. The company, in a regulatory filing, said it will be raising the resources under options. IHFCL’s net profit had jumped to ₹46 crore in the second quarter ended September 30, 2021, against ₹2 crore in the year ago period. As at September-end 2021, the company’s loan portfolio stood at ₹13,706 crore against ₹13,758 crore as at March-end 2021.12.23

<https://www.thehindubusinessline.com/money-and-banking/icici-home-finance-to-raise-685-crore-via-ncds/article38019049.ece>



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- **Paytm Payments Bank, MoneyGram partner to offer international remittance directly to Paytm Wallet** : Paytm Payments Bank, an associate entity of Paytm, and Nasdaq-listed MoneyGram, a global leader in digital P2P payments, have entered into a partnership to enable MoneyGram customers globally to send money in real-time to a Paytm Wallet user in India. With this partnership, MoneyGram users abroad can now conveniently transfer money to full KYC Paytm wallet users in India from the comfort of their homes. This is MoneyGram's first mobile wallet partnership in India and is an important development as the country's evolution to digital receives is occurring rapidly.

<https://www.thehindubusinessline.com/money-and-banking/paytm-payments-bank-moneygram-partner-to-offer-international-remittance-directly-to-paytm-wallet/article38018984.ece>

- **Kerala Financial Corp aims to double its loan portfolio size to ₹10,000 crore** : State-owned Kerala Financial Corporation aims to double the size of its loan portfolio to ₹10,000 crore, according to State Finance Minister KN Balagopal under whose jurisdiction the company falls. Earlier this year, the Corporation had fixed a target of ₹5,000 crore in the loan portfolio against the ₹4,621.13 crore of the previous year (2020-21). The proposed doubling is despite the negative sentiments on business kicked up by the Covid-19 pandemic.

<https://www.thehindubusinessline.com/money-and-banking/kerala-financial-corp-aims-to-double-its-loan-portfolio-size-to-10000-crore/article38018476.ece>

- **Income Tax dept raids Xiaomi, OnePlus, Oppo offices for alleged tax evasion** : The income-tax department has been conducting search operations at premises of mobile phone manufacturers on charges of tax evasion, sources told CNBC TV-18. The raids are being carried out pan-India at premises of major phone manufacturers, including Oppo, Xiaomi, and OnePlus. "Major dealers of Oppo, Xiaomi, and OnePlus covered under search operations across the country," sources said. Reacting to the development, Oppo said will assist the agencies. "As an invested partner in India, we highly respect and abide by the law of the land. We will continue to fully cooperate with authorities concerned as per procedure," a company spokesperson said, as quoted in a PTI report.

<https://www.moneycontrol.com/news/business/income-tax-dept-raids-xiaomi-oneplus-oppo-offices-for-alleged-tax-evasion-7856851.html>



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- **Sensex extends gains by 385 points; Nifty ends above 17,000** : The BSE Sensex closed at 57,315.28, up 384.72 points or 0.68 per cent. It recorded an intraday high of 57,490.52 and a low of 57,146.28. The Nifty 50 closed at 17,072.60, up 117.15 points or 0.69 per cent. It recorded an intraday high of 17,118.65 and a low of 17,015.55. Powergrid, ONGC, IOC, ITC and Bajaj Finance were the top gainers on the Nifty 50 while Divi's Lab, JSW Steel, Bharti Airtel, Sun Pharma and Ultratech Cement were the top laggards.

<https://www.thehindubusinessline.com/markets/stock-markets/sensex-up-by-nearly-385-at-closing-nifty-ends-above-17000/article38020806.ece>

- **Indian rupee gains 12 paise to 75.42 against US dollar in early trade** : The rupee appreciated 12 paise to 75.42 against the US dollar in opening trade on Thursday, tracking a positive trend in domestic equities. Forex traders said firm crude prices and continued foreign fund outflows weighed on the local unit and restricted the up move. At the interbank foreign exchange, the rupee opened at 75.43 and inched further to quote 75.42 against the American dollar in early deals, a rise of 12 paise from the last close.

<https://www.moneycontrol.com/news/business/markets/indian-rupee-gains-12-paise-to-75-42-against-us-dollar-in-early-trade-7857211.html>

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