



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

November 25, 2021

- **SBI, Axis, Canara likely to raise Rs 7,500 crore via AT I bonds before 2022:** Three commercial banks, including State Bank of India (SBI), Canara Bank and Axis Bank, are likely to raise about Rs 7,500 crore in capital through additional tier I (AT I) bonds before the end of December 2021. They will benefit from being able to raise money at cheaper rates following one notch rating upgrade of the AT I at four public sector lenders on strengthening of their overall credit profile, bond dealers said. The instruments of Canara Bank and Indian Bank were upgraded from 'AA' to 'AA+'. Punjab National Bank and Union Bank's bonds were upgraded from 'AA-' to 'AA'. There is improvement in capital cushions over minimum regulatory requirement, improvement in both profitability as well as the distributable reserves position of these four PSBs, CARE said.
https://www.business-standard.com/article/finance/sbi-axis-canara-likely-to-raise-rs-7-500-crore-via-at-i-bonds-before-2022-121112500025_1.html
- **BSBDA customers need not pay any charges for digital transactions: SBI:** State Bank of India (SBI) on Tuesday emphasised that its Basic Savings Bank Deposit Account (BSBDA) customers do not pay any charges for digital transactions including transactions using Unified Payment Interface (UPI) and RuPay debit cards. India's largest bank stressed that it has made all digital transactions free to its customers with effect from January 1, 2020. Further, it has also waived fees on SMS services and on maintenance of minimum balance for all its Savings Bank account holders. This assertion comes in the wake of Professor Ashish Das, Department of Mathematics, IIT-Bombay, alleging in his technical report that there had been a systematic breach in the Reserve Bank of India (RBI) regulations when the Bank imposed charges on BSBDA customers who transacted digitally.
<https://www.thehindubusinessline.com/money-and-banking/bsbda-customers-need-not-pay-any-charges-for-digital-transactions-sbi/article37656499.ece>
- **BoB's arm launches credit card powered by mobile app:** BOB Financial Solutions Ltd (BFSL), a wholly owned subsidiary of Bank of Baroda (BoB), has partnered with OneCard, to launch a co-branded mobile-first credit card. The virtual credit card, powered by a mobile app, will be delivered in under three minutes and the metal card will be delivered in three to five days, BFSL and OneCard said in a joint statement.
<https://www.thehindubusinessline.com/money-and-banking/bobs-arm-launches-credit-card-powered-by-mobile-app/article37667093.ece>
- **Capri Global and Union Bank to co-lend to MSMEs:** Capri Global Capital Limited (CGCL) has entered into a co-lending agreement with Union Bank of India (UBI) to offer loans to micro, small and medium enterprises (MSMEs) across 100-plus touch points pan-India. Loan disbursement under this arrangement would commence from December 2021, Capri Global Capital Limited said in a statement.
<https://www.thehindubusinessline.com/money-and-banking/capri-global-and-union-bank-to-co-lend-to-msmes/article37667938.ece>
- **CARE Ratings revises ratings of AT I Bonds of 4 public banks:** CARE Ratings has revised the ratings of AT I Bonds of four public sector banks including Canara Bank, Indian Bank, Punjab National Bank and Union Bank of India. It considered the strengthening in the overall credit profile of the banks including improvement in capital cushions over the minimum regulatory requirement, improvement in both profitabilities as well as the distributable reserves position. While rating instruments are issued by public sector banks (PSB), CARE Ratings assigns high



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weightage to support from the Government of India (GoI) due to its majority shareholding and the systemic importance of these banks in the Indian financial system.

<https://www.thehindubusinessline.com/money-and-banking/care-ratings-revises-ratings-of-at-i-bonds-of-4-public-banks/article37658223.ece>

- **Central Bank of India, Indian Overseas Bank close sharply higher on disinvestment buzz, banks deny having knowledge on the matter:** Central Bank of India and Indian Overseas Bank closed Wednesday up to 13% higher following media reports that the government has shortlisted these banks for disinvestment. Both the banks denied having any information on the matter. Share prices of Indian Overseas Bank closed the day 13% higher at Rs 22.45 on BSE after touching an intra-day high of 23.80. Central Bank of India shares rose 10.5% at Rs 22.70 at the end of Wednesday's trade, off from intraday high of Rs 23.65. "We do not have any information on privatization of the bank as on date. There is no such negotiation/event taking place at the level of the Central Bank of India," the bank said in regulatory filing to the stock exchanges. Indian Overseas Bank also said that it had not received any communication regarding privatization from the government. "We are unaware of the reasons for the sudden movement in stock price. It may be due to speculation," the bank said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/central-bank-of-india-indian-overseas-bank-close-sharply-higher-on-disinvestment-buzz-banks-deny-having-knowledge-on-the-matter/articleshow/87892204.cms?from=mdr>
- **Trai proposes cutting USSD charges for mobile banking to zero:** The telecom regulator on Wednesday proposed reducing tariffs for USSD-based mobile banking and payment services to zero from 50 paise, in a bid to protect the interest of feature phone users and boost digital financial inclusion. "The Authority proposes to revise the framework for USSD-based mobile banking and payment services by prescribing a "nil" charge per session as rationalisation is a necessity to protect interests of target user groups and promote digital financial inclusion," the Telecom Regulatory Authority of India (Trai) said in its draft Telecommunication Tariff (66th Amendment) order, notified Wednesday.
<https://economictimes.indiatimes.com/industry/telecom/telecom-news/trai-proposes-cutting-ussd-charges-for-mobile-banking-to-zero/articleshow/87891235.cms>
- **Jan Dhan 3.0 to focus on digital, doorstep banking:** The government is working out a roadmap for the third round of financial inclusion, Jan Dhan 3.0, which will focus on doorstep banking, digital financial products and convergence with its flagship pension and insurance schemes. The government also aims to ensure availability of a banking touch point from any habitat within 5 km. "We are working with banks to develop a broad structure that will improve access, simplify digital loan applications, and ensure quicker response for retail, MSME and agricultural loans," said a government official aware of the plan.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/jan-dhan-3-0-to-focus-on-digital-doorstep-banking/articleshow/87878880.cms>
- **RBI imposes penalties on TCPSL, ATPL:** The Reserve Bank has imposed penalties on Tata Communications Payment Solutions Limited (TCPSL) and Appnit Technologies Private Limited (ATPL) for deficiencies in regulatory compliance. A penalty of Rs 2 crore has been imposed on TCPSL and Rs 54.93 lakh on ATPL, the central bank said in a statement on Wednesday. "It was observed that TCPSL was non-compliant with the directions issued by RBI on White Label ATM deployment targets and net-worth requirement. ATPL was non-compliant with the directions issued by RBI on maintenance of escrow account balance and net-worth requirement," it said.
<https://economictimes.indiatimes.com/industry/banking/finance/rbi-imposes-penalties-on-tcpsl-atpl/articleshow/87892228.cms>



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- **I-T refunds worth Rs 1.23 lakh cr issued to 1.11 cr taxpayers so far in FY22:** The Income Tax Department on Wednesday said it has issued refunds of over Rs 1.23 lakh crore so far this fiscal year. This includes 75.75 lakh refunds of Assessment Year (AY) 2021-22 amounting to Rs 15,998.31 crore. "CBDT issues refunds of over Rs. 1,23,667 crore to more than 1.11 crore taxpayers from 1st April, 2021 to 22nd November, 2021," the department tweeted. This includes personal income tax refunds of Rs 41,649 crore issued in 1.08 crore cases and corporate tax refunds of Rs 82,018 crore issued in 1,81,218 cases.
<https://economictimes.indiatimes.com/news/economy/finance/i-t-refunds-worth-rs-1-23-lakh-cr-issued-to-1-11-cr-taxpayers-so-far-in-fy22/articleshow/87891627.cms>
- **Amtek takeover: DVIL gets 24 hours to pay ₹500 crore in cash :** The Supreme Court has given US hedge fund Deccan Value Investors (DVIL) 24 hours to make its Rs 500 crore cash payment to complete its Rs 2700 crore takeover of bankrupt auto parts maker Amtek Auto. In an order today, a bench of Justices MR Shah and Sanjiv Khanna said DVIL has to transfer the amount into a State Bank of India account by November 24, bringing the more-than-4-year old resolution saga to its climax. In its submission to the court on November 18, DVIL said that Rs 500 crore is lying in a deposit account in India with their custodian Standard Chartered Bank and the money is ready for disbursement to lenders. However, the hedge fund argued that some steps of the resolution plan like documentation and taking regulatory approval is yet to be completed.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/amtek-takeover-dvil-gets-24-hours-to-pay-500-crore-in-cash/articleshow/87879081.cms>
- **World of phygital banking will be way forward: Bankers :** Even as there is a surge in adoption of digital banking, physical branches will continue to be relevant as a large percentage of customers are more comfortable doing transactions at branches, according to bankers. Banks should make efforts in educating customers about various aspects of digital banking so that they can conveniently use these channels. "I think branches, as a mode or a channel, will not be totally discounted. There is still a significant population who will be more comfortable in one-to-one dealings rather than only digital.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/world-of-phygital-banking-will-be-way-forward-bankers/articleshow/87887379.cms>
- **Only a handful of cryptocurrencies will survive: Former RBI governor Raghuram Rajan:** Former RBI governor Raghuram Rajan on Wednesday said only a "handful" of the 6,000-odd cryptocurrencies in existence today might survive going forward. Comparing the craze in cryptocurrency with that of the tulip mania in the Netherlands in the 17th century, Rajan said people hold cryptocurrencies for two reasons — store of value and an asset which might appreciate; and for use in payments. "Do we really need 6,000 cryptocurrencies to do payments? One or two, may be a handful, that is going to survive to be used for payments even if the technology is so useful that it is a substitute for cash and currency... "That would suggest that most cryptos are unlikely to survive with high values going forward," Rajan told CNBC-TV18.
<https://indianexpress.com/article/india/only-handful-of-cryptocurrencies-will-survive-raghuram-rajan-7639841/>
- **Crypto asset investors in the country should stay calm: CoinSwitch Kuber CEO:** Ashish Singhal, Founder & CEO, CoinSwitch Kuber said on Wednesday that crypto industry is hopeful that the government will involve the industry stakeholders while drafting the bill "At CoinSwitch Kuber, we shall follow the directions provided by the government. As of now, I urge all crypto asset investors in the country to remain calm, do their own research before arriving at a rushed conclusion. Investors should wait for a government statement on this matter and not rely on secondary sources of information," Singhal said.
<https://www.thehindubusinessline.com/money-and-banking/crypto-asset-investors-in-the-country-should-stay-calm-coinswitch-kuber-ceo/article37658299.ece>



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- **Sundaram Finance raises ₹200 cr in third tranche of High Yield Secured Real Estate Fund:** Buoyed by the earlier performance, Sundaram Finance has raised ₹200 crore in the third tranche of its High Yield Secured Real Estate Fund within a month of its launch and targets mopping up ₹700 crore in coming days. The fund will seek to use its focused and robust credit policy to create risk-adjusted returns and periodically distribute cash to reduce risks and provide a current income model for its investors.
<https://www.thehindubusinessline.com/money-and-banking/sundaram-finance-raises-200-cr-in-third-tranche-of-high-yield-secured-real-estate-fund/article37659276.ece>
- **Sahakar Bharati may seek tweaks in PMC Bank's draft merger scheme:** Sahakar Bharati may seek reworking of the draft scheme for the amalgamation of Punjab & Maharashtra Co-operative (PMC) Bank with Unity Small Finance Bank (SFB) — the transferee bank — for a more equitable deal for depositors. The clause that “no further interest will be payable on the interest-bearing deposits of the transferor bank for five years from the appointed date (of merger) is unfair. Also, depositors will have to wait a decade to be paid in full,” said a top official of the pan-Indian organisation.
https://www.business-standard.com/article/finance/sahakar-bharati-may-seek-tweaks-in-pmc-bank-s-draft-merger-scheme-121112401279_1.html
- **RBI puts curbs on Malkapur Urban Co-op Bank; caps withdrawals at Rs 10,000:** The RBI on Wednesday imposed several restrictions, including a Rs 10,000 cap on withdrawals, on Malkapur Urban Co-operative Bank in Maharashtra due to deterioration in its financial position. Malkapur Urban Co-operative Bank shall not without prior approval of the RBI renew any loans, make any investment, incur any liability, and disburse any payment, the Reserve Bank said in a statement. "In particular, a sum not exceeding Rs 10,000 of the total balance across all savings bank or current accounts or any other account of a depositor, may be allowed to be withdrawn...," it added. The restrictions would remain in force for six months from the close of business on Wednesday.
https://www.business-standard.com/article/finance/rbi-puts-curbs-on-malkapur-urban-co-op-bank-caps-withdrawals-at-rs-10-000-121112401112_1.html
- **NITI floats idea of full-stack digital banks, seeks comments by Dec 31:** Government think-tank Niti Aayog on Wednesday proposed setting up of full-stack 'digital banks', which would principally rely on the internet and other proximate channels to offer their services and not physical branches, to mitigate the financial deepening challenges being faced in the country. The Aayog, in a discussion paper titled 'Digital Banks: A Proposal for Licensing & Regulatory Regime for India', makes a case and offers a template and roadmap for a digital bank licensing and regulatory regime for the country. Digital banks or DBs are banks as defined in the Banking Regulation Act, 1949 (B R Act), the paper said.
https://www.business-standard.com/article/finance/niti-floats-idea-of-full-stack-digital-banks-seeks-comments-by-dec-31-121112401107_1.html
- **JM Financial floats digital investment platform for corporate bonds:** JM Financial group has floated digital investment platform for bonds called Bondskart.com, to enhance the participation of retail investors in the corporate securities market. The move comes close on the heels of Reserve Bank of India's Retail Direct Scheme that seeks to widen the investor base for g-secs. The platform aims to create an ecosystem whereby retail investors can easily participate in the securities market, which has so far been dominated by institutional investors. Ajay Manglunia, Managing Director & head institutional fixed income, JM Financial, said the prospective investor would have fixed income investment options across rating categories, yields and instrument types on Bondskart.com.
https://www.business-standard.com/article/finance/jm-finance-floats-digital-investment-platform-for-corporate-bonds-121112400798_1.html



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- **FIIs have net sold Rs 87,000 crore worth of shares in cash market since April:** Foreign institutional investors (FIIs) have been on a selling spree in India this financial year, with November seeing an outflow of over Rs 17,900 crore in the equity cash market, taking the net outflow in the segment since April to almost Rs 87,000 crore. This comes even as the Nifty50 has gained over 18 percent since April and markets, despite intermittent volatility, are much higher than they were eight months ago. Domestic investors have net bought shares worth over Rs 13,000 crore in November, so far, and more than Rs 69,000 crore since April.
<https://www.moneycontrol.com/news/business/markets/fiis-have-net-sold-rs-87000-crore-worth-of-shares-in-cash-market-since-april-7756661.html>
- **Credit growth of banks recovers; festivals help demand: Ratings agency:** The banking system's credit growth is recovering, helped by festival-time demand for retail loans, according to analysis by a rating agency. The year-on-year (y-o-y) bank credit grew by 180 basis points from the year-ago level of 5.1 per cent in the fortnight ended October 23, 2020. This is also a 40 basis points improvement from the previous fortnight. In absolute terms, credit offtake increased by Rs7.1 trillion over the last twelve months and by Rs.0.3 lakh crore as compared with the previous fortnight. The y-o-y increase reflects "the low base effect, festival season spending, and the easing of lockdown restrictions across regions in India," CARE Ratings said in a note.
https://www.business-standard.com/article/finance/credit-growth-of-banks-recovers-festivals-help-demand-ratings-agency-121112400431_1.html
- **Late hour selling drags Sensex by 323 points; Nifty below 17,500:** The BSE Sensex closed at 58,340.99, down 323.34 points or 0.55 per cent. It recorded an intraday high of 58,968.12 and a low of 58,143.44. The Nifty 50 closed at 17,415.05, down 88.30 points or 0.50 per cent. It touched the 17,600-mark briefly in the first half with an intraday high of 17,600.60. It recorded an intraday low of 17,354.00. The volatility index, which had dropped below 16 during the day, rose 5.10 per cent to close at 17.10. ONGC, Adani Ports, Coal India, NTPC and Kotak Bank were the top gainers on the Nifty 50 while Eicher Motor, Tata Consumer, Maruti, Grasim and Infosys were the top laggards.
<https://www.thehindubusinessline.com/markets/late-hour-selling-drags-sensex-323-points-nifty-below-17500/article37661246.ece>

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