



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

March 26, 2022

- **PNB acquires 6 per cent stake in public digital e-commerce platform:** Public sector lender Punjab National Bank on Thursday said it has acquired nearly 6 per cent stake in public digital e-commerce platform ONDC for Rs 10 crore. Open Network for Digital Commerce (ONDC) is an initiative of the Ministry of Commerce and Industry to promote open networks for all aspects of the exchange of goods and services over digital networks. It is based on open-source methodology, using open specifications and open network protocols, independent of any specific platform. "Board of Punjab National Bank (PNB) had approved investing in ONDC with an equity participation of 9.5 per cent. Accordingly, the Bank has invested Rs 10 crore for acquiring a 5.97 per cent stake of ONDC in its first tranche, as per the directives of its board," PNB said in a release.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/pnb-acquires-6-per-cent-stake-in-public-digital-e-commerce-platform/articleshow/90426721.cms>
- **Lok Sabha passes Finance Bill; completes budgetary exercise for FY23:** The Lok Sabha on Friday approved the Finance Bill, which gives effect to new taxation, thus completing the Budgetary exercise for 2022-23 fiscal. The Finance Bill was approved by the Lower House after accepting 39 official amendments moved by Finance Minister Nirmala Sitharaman and rejecting the amendments proposed by the opposition by voice vote. Replying to a discussion on the Finance Bill, Sitharaman said India was probably the only country that did not resort to new taxes to fund the recovery of the economy hit by the COVID pandemic. She said that according to an OECD report, as many as 32 countries have increased the tax rates after the pandemic.
<https://www.livemint.com/news/india/lok-sabha-passes-finance-bill-completes-budgetary-exercise-for-fy23-11648213118719.html>
- **SIDBI acquires stake in ONDC to facilitate market access to MSMEs:** Small Industries Development Bank of India (SIDBI) has acquired 7.84 percent stake in the open public digital infrastructure framework entity, Open Network for Digital Commerce (ONDC), through an investment of Rs 10 crore. ONDC had been incorporated in 2021 with an objective to create a first of its kind open public digital infrastructure to develop and transform the Indian digital commerce ecosystem for both goods and services. In a statement, S Ramann, CMD, SIDBI said "We are confident that our investment in ONDC will help develop digital infrastructure which aims to democratize the digital commerce in the country. The infrastructure created would serve as a public good by augmenting market access for MSMEs, particularly micro enterprises and retailers by lowering cost and effort for them to onboard the e-commerce market places. SIDBI, along with its network of Institutions, shall engage with ONDC to make this project a success."
<https://economictimes.indiatimes.com/small-biz/sme-sector/sidbi-acquires-stake-in-ondc-to-facilitate-market-access-to-msmes/articleshow/90439985.cms>
- **India's forex reserves fall by another \$2.6 billion:** India's foreign exchange reserves fell by another \$2.6 billion in the week to March 18, after nearly \$10 billion fall in the week prior to that, as the Reserve Bank of India sold dollars to prevent the rupee's slide amid geo-political turbulence between Russia and Ukraine and tightening of US monetary policy. The RBI interventions were aimed at mitigating the impact of dollar outflows on account of equity sales by overseas investors.
<https://economictimes.indiatimes.com/industry/banking/finance/indias-forex-reserves-fall-by-another-2-6-billion/articleshow/90445625.cms>



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- **IndusInd Bank to sell Future Retail loans to Edelweiss ARC:** Private lender IndusInd Bank this week agreed to sell its Rs 247 crore principal loans of Future Retail and Asian Hotels (North) Ltd to Edelweiss Asset Reconstruction Company at a consideration of Rs 195 crore, said two people aware of the development. IndusInd Bank invited offers for the Rs 142 crore secured principal loan given to Kishore Biyani promoted Future Retail and Rs 105 crore principal loan given to Asian Hotel Delhi under the 15:85 basis, the people said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/indusind-to-sell-future-retail-loans-to-edelweiss-arc/articleshow/90428110.cms>
- **RBI discusses trade payment option with Russian banks:** Days before the US sanctions on Russian banks come into effect on March 26, the Reserve Bank of India (RBI) this week held a meeting with officials of three large Russian financial institutions-VTB, Sberbank and Gazprombank-to explore a possible payment mechanism for trade between the two countries. One of the options, according to banking sources, is a deeper engagement of the Russian banks which have a presence in India - particularly VTB and Sberbank that run branch operations in India - in facilitating a possible rupee-rouble trade where local exporters and importers pay and receive payment respectively in the domestic currency.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-discusses-trade-payment-option-with-russian-banks/articleshow/90430337.cms>
- **Banks lose microloan market share:** Banks have lost significant market share to microfinance companies in small loans in the previous year. Commercial and small finance banks, which accounted for nearly 58% of microloans as of December 2020, now are down to 55.5% of the market as of December 2021. The slack has been picked up by non-banking financial companies - micro finance institutions (NBFC-MFIs), which have increased their share to 33.4% from 29.8%. The loss in market share took place even before the RBI liberalised rules on lending to this sector — lifting the cap on interest rates charged. The new rules are expected to enable NBFC-MFIs to be more competitive and gain market share.
<https://timesofindia.indiatimes.com/business/india-business/banks-lose-microloan-market-share/articleshow/90429099.cms>
- **RBI releases framework for geo-tagging of payment system touch points:** Reserve Bank of India (RBI) on Friday released the framework for geo-tagging of payment system touch points to ensure proper monitoring of the availability of payment acceptance infrastructure. Geo-tagging refers to capturing the geographical coordinates (latitude and longitude) of payment touch points deployed by merchants to receive payments from their customers. The payment acceptance infrastructure includes Point of Sale (PoS) terminals, and Quick Response (QR) codes. According to the Reserve Bank of India (RBI), it is focused on deepening of digital payments and providing inclusive access to all citizens of the country.
<https://www.livemint.com/news/india/rbi-unveils-framework-for-geo-tagging-of-payment-system-touch-points-11648314295799.html>
- **Franklin Templeton transfers distributors fees to investors in 6 suspended debt schemes:** Franklin Templeton has transferred ₹78 crore of distributors commission accrued in the six suspended debt schemes to the investors as per the directives of market regulator Securities and Exchange Board of India (SEBI). The distributors' commission between April 24, 2020 and March 17, 2021 was transferred to Supreme Court-appointed official liquidator SBI Funds Management and added net asset value of the regular plan of these debt schemes on Thursday as the direct plans do not charge any distributor commission, said sources.
<https://www.thehindubusinessline.com/markets/franklin-templeton-transfers-distributors-fees-to-investors-in-6-suspended-debt-schemes/article65259244.ece>



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- **BACC says disallowing offsetting crypto losses may impact tax collection:** Blockchain and Crypto Assets Council (BACC) said that the proposed section 115BBH of the Income Tax Act of 1961, which states that “loss from the transfer of VDA (Virtual Digital Assets) will not be allowed to be set off against the income arising from transfer of another VDA”, will have a negative impact on investor behaviour and tax collection. Ashish Singhal, Co-chair of BACC and Founder-CEO of CoinSwitch Kuber, said, “We fear the lack of provision to offset losses will drive away users from KYC-compliant exchanges and platforms to the peer-to-peer grey market, which would defeat the purpose of the new tax. The Budget recognised virtual digital assets (VDAs) as an emerging asset class. Therefore, a natural course of action would have been to progressively bring the regulations at par with other asset classes. Instead, yesterday, with this clarification in Parliament, we have taken a step backwards. If a regressive provision such as this would have been applicable in equities, it would have discouraged retail investors from participating.”
<https://www.thehindubusinessline.com/money-and-banking/cryptocurrency/bacc-says-disallowing-offsetting-crypto-losses-may-impact-tax-collection/article65255577.ece>
- **ICICI Bank customers face glitches on mobile, internet banking services:** Customers of ICICI Bank, on Friday, reported outages on the private sector lender’s mobile and Internet banking facilities. A number of customers took to social media to complain that they have been unable to log into the platforms and carry out transactions. According to their complaints, mobile and net banking services at the country’s second largest private sector lender were affected for a few hours in the afternoon, but the problem was resolved by evening.
<https://www.livemint.com/industry/banking/icici-bank-customers-face-glitches-as-net-banking-and-mobile-app-services-down-11648202519751.html>
- **NCLT declares Supertech insolvent over defaulting dues:** Insolvency proceedings were initiated against the Delhi-based real estate developer, Supertech, by the National Company Law Tribunal (NCLT) on Friday after it admitted a petition filed by the Union Bank of India for non-payment of dues. The NCLT also appointed Hitesh Goel as the insolvency resolution professional (IRP) for Supertech under the Insolvency and Bankruptcy Code (IBC). The IRP will supersede the board of the company.
<https://www.thehindubusinessline.com/companies/nclt-declares-supertech-insolvent-over-defaulting-dues/article65259539.ece>
- **Ola acquires Avail Finance, a company led by CEO’s brother:** Even as IPO-bound mobility major Ola announced on Thursday midnight that it has reached an agreement to acquire a 100 per cent stake in fintech firm Avail Finance, led by Ola CEO Bhavish Aggarwal’s brother, there were some questions regarding the deal. While the company did not disclose the deal size of the transaction, reports claimed it’s a share-swap deal valued at \$50 million. The acquisition is said to have raised concerns among investors because of it being a related party transaction.
<https://www.thehindubusinessline.com/companies/ola-acquires-avail-finance-a-company-led-by-ceos-brother/article65259801.ece>
- **India1 Payments gets perpetual WLA operator licence:** India1 Payments (formerly BTI Payments Private Ltd) has received a perpetual licence to set-up, own and operate White Label ATMs (WLAs) in India from the RBI. “The validity of the Certificate of Authorization (CoA) was renewed on a perpetual basis. “This is however subject to compliance with all regulatory guidelines and the terms and conditions of the original CoA,” according to the WLA operator’s statement.
[https://www.thehindubusinessline.com/money-and-banking/india1-payments-gets-perpetual-wla-operator-licene/article65259209.ece#:~:text=India1%20Payments%20gets%20perpetual%20WLA%20operator%20licence&text=India1%20Payments%20\(formerly%20BTI%20Payments,renewed%20on%20a%20perpetual%20basis.](https://www.thehindubusinessline.com/money-and-banking/india1-payments-gets-perpetual-wla-operator-licene/article65259209.ece#:~:text=India1%20Payments%20gets%20perpetual%20WLA%20operator%20licence&text=India1%20Payments%20(formerly%20BTI%20Payments,renewed%20on%20a%20perpetual%20basis.)



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- **Indiabulls Housing Finance to issue NCDs for upto ₹1,000 crore:** Indiabulls Housing Finance will issue non convertible debentures for upto ₹1,000 crore. "A meeting of the Securities Issuance Committee of the board of directors of Indiabulls Housing Finance was held on March 24, wherein the Committee inter alia considered and approved the public issue by the company of secured, redeemable, non-convertible debentures of face value of ₹1,000 each for an amount up to ₹100 crore with an option to retain over-subscription up to ₹900 crore, aggregating up to ₹1,000 crore," it said in a regulatory filing on Friday.
<https://www.thehindubusinessline.com/markets/indiabulls-housing-finance-to-issue-ncds-for-upto-1000-crore/article65259739.ece#:~:text=%E2%80%9CA%20meeting%20of%20the%20Securities,amount%20up%20to%20%E2%82%B9100>
- **HDFC Bank plans to raise up to Rs 5,000 cr in capital via AT1 bonds:** HDFC Bank will raise up to Rs 5,000 crore through additional tier I bonds for capital adequacy and business growth. Care Ratings has given "AA+" rating to the lender's Basel III compliant tier- I bonds. India's largest private bank will separately raise up to Rs 5,000 crore through infrastructure bonds carrying "AAA" rating. The capital raising ability and a healthy proportion of Tier-I capital provide the bank with headroom to raise additional Tier-II capital to maintain high growth, Care said.
https://www.business-standard.com/article/finance/hdfc-bank-plans-to-raise-up-to-rs-5-000-cr-in-capital-via-at1-bonds-122032500302_1.html#:~:text=India's%20largest%20private%20bank%20will,maintain%20high%20growth%2C%20Care%20said
- **CARE upgrades AU Small Finance Bank's long-term debt instrument rating to AA:** CARE Ratings has upgraded AU Small Finance Bank's long-term debt instruments (tier-II bonds) rating to AA/stable from AA-/stable assigned earlier. The rating agency has also restated the rating of AU Small Finance Bank's short-term instruments (certificate of deposits) at A1+. "The upgrade of ratings by CARE is a strong endorsement for the bank's growing banking franchise," the bank said in its statement.
<https://www.livemint.com/industry/banking/care-upgrades-au-small-finance-bank-s-long-term-debt-instrument-rating-to-aa-11648195462675.html>
- **Sensex closes 233 pts lower, Nifty ends below 17,300:** The BSE Sensex closed at 57,362.20, down 233.48 points or 0.41 per cent. It recorded an intraday high of 57,845.37 and a low of 57,100.24. The Nifty 50 closed at 17,153.00, down 69.75 points or 0.4 per cent. It recorded an intraday high of 17,294.90 and a low of 17,076.55. Bajaj Auto, Adani Ports, State Bank of India, Reliance and Asian Paints were the top gainers on the Nifty 50 while Titan, Tech Mahindra, Maruti, IOC and Eicher Motor were the top laggards.
<https://www.thehindubusinessline.com/markets/sensex-closes-233-pts-lower-nifty-ends-below-17300/article65258979.ece>
- **Rupee advances 9 paise to close at 76.24 against dollar:** The rupee rose further by 9 paise to close at 76.24 against the US dollar on Friday following a fall in crude oil prices and weakness in the American currency in the overseas markets. At the interbank forex market, the local unit opened at 76.15 against the greenback and witnessed an intra-day high of 76.12 and a low of 76.29. The rupee settled at 76.24, registering a rise of 9 paise over its previous close of 76.33.
<https://www.thehindubusinessline.com/markets/forex/rupee-advances-9-paise-to-close-at-7624-against-dollar/article65260145.ece>



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