



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

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- **SBI enters into co-lending arrangement with Capri Global Capita:** With an aim to boost MSME lending, the country's largest bank, the State Bank of India (SBI), has entered into a co-lending arrangement with Capri Global Capital (CGCL). This association will offer strategic and customised financing solutions to the underserved MSMEs of the country in line with RBI guidelines. Dinesh Khara, Chairman, SBI said, "Banks are the backbone of India's economic growth and as the country pivots to sustainable growth, the banking sector will have to accelerate MSME lending. To improve the credit to the underserved and unserved, we are happy to associate with Capri Global Capital. We believe this collaboration will provide the nimble footedness of NBFC and quality credit to the right set of the population which will further deepen lending to MSMEs through the last mile connect. We are also confident that, in days to come, co-lending can generate employment opportunities through MSMEs which can translate into the country's GDP growth."
<https://www.thehindubusinessline.com/money-and-banking/sbi-enters-into-co-lending-arrangement-with-capri-global-capital/article37747802.ece>
- **SBI signs MoU with Usha International for empowering women entrepreneurs:** State Bank of India (SBI) has signed an agreement with Usha International Limited (UIL) for empowering women entrepreneurs by providing financial assistance. The financial assistance will be provided under the Joint Liability Group model, SBI said in a statement. As per the Memorandum of Understanding (MoU) signed between SBI and UIL, branches of the bank in Uttarakhand, Delhi, Western UP, and NCR Haryana will be financing women entrepreneurs to Usha Silai School to purchase sewing machines for enhancement and upgradation of technical sewing skills or to purchase thread of clothes, etc. related to above for running their livelihood, it said.
<https://www.zeebiz.com/small-business/news-sbi-signs-mou-with-usha-international-for-empowering-women-entrepreneurs-171937>
- **RBI imposes Rs 1 crore penalty on Union Bank of India:** The Reserve Bank of India (RBI) today imposed a monetary penalty of Rs one crore on Union Bank of India for violating certain provisions related to sale of stressed assets and reporting of frauds. "This action is based on the deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers," read the statement from RBI. "The RBI inspection revealed non-compliance with rules on classification of an account as red flag account despite presence of early warning signals and also failure to disclose provisioning for Security Receipts (SRs) in its Annual Report," read the circular.
<https://www.moneycontrol.com/news/business/rbi-imposes-rs-1-crore-penalty-on-union-bank-of-india-773761.html>



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- **Branches added by banks in FY21 at a decade low** : Banks added only 1,383 branches in FY2021, the lowest in a decade, as banking via alternative channels such as digital and Business Correspondents (BCs) gained traction amid the Covid-19 pandemic. Banks had expanded their branch network by 7,728 in FY20, according to RBI data. Another reason for the fewer branch additions in FY21 was that five large public sector banks (PSBs) — Bank of Baroda, Punjab National Bank, Canara Bank, Union Bank of India and Indian Bank — went in for branch consolidation following amalgamation of select PSBs with them.
<https://www.thehindubusinessline.com/money-and-banking/branches-added-by-banks-in-fy21-at-a-decade-low/article37759648.ece>
- **Banks write off Rs 46,382 crore NPA in H1**: Banks have written off bad loans amounting to Rs 46,382 crore during the first six months of 2021-22, the finance ministry informed the Lok Sabha on Monday. As per the RBI guidelines and policy approved by bank boards, non-performing loans, including, inter alia, those in respect of which full provisioning has been made on completion of four years, are removed from the balance sheet of the bank concerned by way of the write-off. In a written reply, Minister of State for Finance Bhagwat Karad said banks evaluate/consider the impact of write-offs as part of their regular exercise to clean up their balance-sheet, avail of tax benefit and optimise capital, in accordance with the RBI guidelines and policy approved by their boards. "As per RBI data on global operations, scheduled commercial banks have written-off loans of Rs 46,382 crore during the first six months of the current financial year 2021-22," he said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-write-off-rs-46382-crore-npa-in-h1/articleshow/87987512.cms?from=mdr>
- **Hindujas ready \$1.1 billion to up stake in IndusInd Bank**: IndusInd International Holding Ltd, the Hinduja-led promoter entity of private sector lender IndusInd Bank, is readying a war chest of more than a billion dollars after the regulator last week allowed bank promoters to raise ownership to 26 per cent of total equity, Ashok Hinduja, chairman of the Hinduja Group of Companies (India), told ET. Hinduja said that once operational guidelines are in place, the promoters will raise the money in two to three months to enhance their stakes in multiple tranches to 26 per cent. At present, the promoters own 16.54 per cent in IndusInd Bank. Overseas funds collectively own more than 51 per cent. "We are waiting for the operational guidelines to come in; until then, we won't be able to infuse capital," Hinduja said. "At this stage, we will need more than \$1.1 billion to raise our stake to 26 per cent in IndusInd Bank. We won't like to put all the money at one go."
<https://economictimes.indiatimes.com/markets/stocks/news/hindujas-ready-1-1-bn-to-up-stake-in-indusind-bank/articleshow/87970466.cms>
- **RBI-backed digital currency coming soon in India**: The Centre has informed Lok Sabha on Monday that Reserve Bank of India (RBI) is working out a phased implementation strategy for introduction of Central Bank Digital Currency (CBDC) by examining use cases, to avoid any disruptions. It further said that the RBI moved a proposal in October seeking to amend the Reserve Bank of India Act, 1934 to enhance the scope of the definition of 'bank note' to include currency in digital form. On the very first day of the winter session of the Parliament, the government received questions regarding the looming ban of cryptocurrency and the RBI's plans to introduce an official digital currency.



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<https://economictimes.indiatimes.com/news/economy/policy/rbi-backed-digital-currency-soon/articleshow/87977223.cms>

- **LIC gets RBI's approval to increase stake in Kotak Mahindra Bank:** Kotak Mahindra Bank informed the exchanges on Monday that the Life Insurance Corporation of India has received the Reserve Bank of India's approval to increase its stake in the company up to 9.99%. Do note, as of September 30 this year, LIC held a 4.96% stake in Kotak Mahindra Bank. The RBI nod is valid for one year, the company said in its exchange filing. "We wish to inform you that Kotak Mahindra Bank Limited ("Bank") has received an intimation from Life Insurance Corporation of India ("LIC") stating that the Reserve Bank of India had granted its approval to UC, for increasing its holding in the Bank up to 9.99% of the paid up equity share capital of Bank," the company said. As of 2 pm, Kotak Mahindra Bank was up 2.96% on NSE. Sensex was up 0.8% while Nifty was up 0.7%.
https://www.business-standard.com/article/finance/lic-gets-rbi-s-nod-to-increase-stake-in-kotak-mahindra-bank-to-9-99-121112900646_1.html
- **No proposal to recognise Bitcoin as a currency: FM Sitharaman:** The government has no proposal to recognise Bitcoin as a currency in the country, Finance Minister Nirmala Sitharaman said in a reply to the Lok Sabha on Monday. She also informed the House that the government does not collect data on Bitcoin transactions. Whether the government has any proposal to recognise Bitcoin as a currency in the country, the Finance Minister said "No, sir". Bitcoin is a digital currency that allows people to buy goods and services and exchange money without involving banks, credit card issuers or other third parties.
<https://www.livemint.com/market/cryptocurrency/no-proposal-to-recognise-cryptocurrency-bitcoin-as-a-currency-fm-nirmala-sitharaman-in-parliament-11638171534186.html>
- **NBFCs AUM likely to grow 8-10% in FY'23: Report:** Non-banking financial companies' (NBFCs) asset under management (AUM) is likely to grow 8-10 per cent in the fiscal 2023, helped by improvement in economic activity and strengthened balance sheet buffers, according to a report by Crisil Ratings. The agency expects AUM growth to be at 6-8 per cent in fiscal 2022. The growth in the previous fiscal was 2 per cent. The gross non-performing assets (GNPAs) of non-bank lenders are expected to rise by 25-300 basis points based on asset class following recent clarification on income recognition, asset classification and provisioning (IRAC) norms, Crisil said in a report on Monday.
<https://www.livemint.com/industry/banking/nbfc-aum-likely-to-grow-8-10-in-fy-23-report-11638186304456.html>
- **IPO-bound India1 Payments installs 10,000 white-label ATMs:** The IPO-bound India1 Payments, promoted by the Banktech Group of Australia and formerly known as BTI Payments, has said that it has crossed a milestone of deploying 10,000-white-label ATMs which are labelled as India1ATMs, making it the largest player in the segment. The company has installed these machines mostly in semi urban and rural areas across 14 states and union territories, and this milestone makes India1 ATM the second largest white label ATM (WLA) brand in the semi-urban and rural areas. According to the latest data from the RBI as of September, there were 2.4 lakh ATMs in the country, of them around 28,00



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are white-label machines. The company has grown over 15 per cent over last year and account for more than 50 per cent of incremental ATMs deployed in this period.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/ipo-bound-india1-payments-installs-10000-white-label-atms/articleshow/87988263.cms>

- **Fedo launches “Health Savings Account” in partnership with neo bank Open:** AI driven Health- tech company Fedo has announced a announced ‘Health Savings Account’, called Fedo HSA, in collaboration with neo bank Open. Fedo HSA will be offering a combined account that helps customers meet their required spends through a combination of smart savings, insurance, line of credit all bundled in a powerful savings account that comes with a health Credit/ Debit cards with health benefit features and rewards. “There is a dire need of transformation on the healthcare sector to address the issues with the rising healthcare costs and the aftermath of the pandemic. We are happy to be a part of Fedo HSA journey that has the potential to transform the industry by taking a personalised approach towards healthcare finance clubbed with incredible customer innovation by technology,” Anish Achuthan, CEO, OPEN said in a statement.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/fedo-launches-health-savings-account-in-partnership-with-neo-bank-open/articleshow/87972110.cms>
- **NBFCs eyeing bank tag face a long wait, tighter regulations:** Large corporate-backed NBFCs, such as Bajaj Finance, L&T Financial Holdings, Aditya Birla Capital and Tata Capital, may have to deal with tighter bank-like regulations even as there is no clarity from the Reserve Bank of India (RBI) on their eventual transition into full-service banks. On Friday, the RBI listed out the recommendations it had accepted from the internal working group (IWG) to review ownership guidelines and corporate structure for private sector banks. Analysts say NBFCs face their own challenges in terms of the rising cost of funds and higher capital requirements and a bank licence is not on the horizon for the next few years.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/nbfc-yeing-bank-tag-face-a-long-wait-tighter-regulations/articleshow/87970785.cms>
- **RBI appoints additional director on board of Ujjivan SFB:** The Reserve Bank of India has appointed P.N. Raghunath, General Manager, Reserve Bank of India, as an Additional Director on the board of Ujjivan Small Finance Bank for a period of two years. “...we hereby inform you that the Reserve Bank of India vide its letter dated November 29, 2021, has appointed PN Raghunath, General Manager, Reserve Bank of India, Bengaluru, Regional Office, as an Additional Director on the board of the bank for a period of two years with effect from November 29, 2021 to November 28, 2023 or till further orders, whichever is earlier,” Ujjivan SFB said in a stock exchange filing on Monday.
<https://www.thehindubusinessline.com/money-and-banking/rbi-appoints-additional-director-on-board-of-ujjivan-sfb/article37757900.ece>
- **UP police files FIR against SREI promoters, directors:** The Uttar Pradesh police has registered a first information report (FIR) against crisis-ridden SREI Group’s promoters and directors of its certain companies for an alleged bank fraud. The FIR was registered at a police station at Kautwali Jaunpur, Uttar Pradesh on the basis of a complaint filed by one Bhupendra Nath. The Jaunpur police station has



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now forwarded the matter to the Economic Offences Wing (EOW). The Jaunpur Police has, in the FIR, named 22 directors and promoters of SREI Group under U/S-420/ 467/ 468/ 471/ 474/ 476/ 323/ 504/ 506/ 511 R/w-120-B of Indian Penal Code.

<https://www.thehindubusinessline.com/money-and-banking/up-police-files-fir-against-srei-promoters-directors/article37758718.ece>

- **Bharti AXA Life new business premium up 33% in H1:** Bharti AXA Life Insurance, a private life insurer, on Monday said that the company's weighted new business premium grew 33 per cent in the first half this fiscal to ₹285 crore (₹214 crore). The company recorded 8 per cent growth in its renewal premium to ₹645 crore (₹594 crore). Total premium income grew moderately to ₹1,024 crore in the April-September 2021 period from ₹912 crore in the first six months of the last financial year.
<https://www.thehindubusinessline.com/money-and-banking/bharti-axa-life-new-business-premium-up-33-in-h1/article37757303.ece>
- **IndusInd Bank board yet to decide on Shalabh Saxena, Ashish Damani's resignation from Bharat Financial Inclusion:** The top honchos of Bharat Financial Inclusion Ltd — Shalabh Saxena and Ashish Damani — have resigned from their positions but the board has decided to defer the consideration of the decision to relieve them until an ongoing review is completed, IndusInd Bank said on Monday. A review of disbursement of nearly 84,000 loans without customer consent due to a technical glitch at BFIL is at present going on at the microfinance company.
<https://www.thehindubusinessline.com/money-and-banking/indusind-bank-board-yet-to-decide-on-shalabh-saxena-ashish-damanis-resignation-from-bharat-financial-services/article37749307.ece>
- **PM SVANidhi: Loans disbursed see 9% QoQ growth; applications sanctioned jump 11%:** Credit and Finance for MSMEs: The number of loans disbursed under the micro-credit scheme PM SVANidhi for street vendors to recover from the Covid impact recorded 9 per cent growth during the second quarter (September-November) of the scheme launched on June 1, 2020, showed official data by Ministry of Housing and Urban Affairs. In comparison, the growth during its first quarter (June-August) was 18.5 per cent. As of November 28, 2021, 26.68 lakh loans involving Rs 2,668.52 crore were disbursed, up from 24.48 lakh loans worth Rs 2,426.47 crore as of August 29, 2021, and 20.65 lakh loans involving Rs 2,045 crore as of June 3, 2021.
<https://www.financialexpress.com/industry/sme/msme-fin-pm-svanidhi-loans-disbursed-see-9-qoq-growth-applications-sanctioned-jump-11/2377844/>
- **RBI supersedes board of Reliance Capital; appoints administrator:** The RBI on Monday superseded the board of Reliance Capital Ltd (RCL), promoted by Anil Ambani's Reliance Group, in view of the defaults in meeting payment obligations. The RBI said the board has been superseded "in view of the defaults by RCL in meeting the various payment obligations to its creditors and serious governance concerns which the Board has not been able to address effectively". It has also appointed Nageswar Rao Y (Ex-Executive Director, Bank of Maharashtra) as the administrator of the NBFC. "The Reserve Bank will shortly initiate the process of resolution of the company under the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019," the central bank said in a statement.



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<https://indianexpress.com/article/business/banking-and-finance/rbi-supersedes-reliance-capital-board-7647442/>

- **Paytm Payments Bank rolls out 'Paytm Transit card':** Paytm Payments Bank (PPBL) has rolled out a 'Paytm Transit Card', aiming to equip millions of Indians with one physical card for all their everyday needs — from travel in metro, railways, State-owned bus services, toll & parking charges to payments at offline merchant stores, online shopping and more. The first phase of rollout is being launched in collaboration with Hyderabad Metro Rail, Ahmedabad Metro and the Delhi Airport Express Line.
<https://www.livemint.com/companies/news/paytm-payments-bank-launches-paytm-transit-card-11638164069977.html>
- **Sensex ends up by 153 points, Nifty settles above 17,050 amid volatility:** The BSE Sensex closed at 57,260.58, up 153.43 points or 0.27 per cent. It recorded an intraday high of 57,626.51 and a low of 56,382.93. The Nifty 50 closed at 17,053.95, up 27.50 points or 0.16 per cent. It recorded an intraday high of 17,160.70 and a low of 16,782.40. Kotak Bank, HCL Tech, HDFC Life, Titan and TCS were the top gainers on the Nifty 50 while BPCL, Sun Pharma, Adani Ports, UPL and NTPC were the top laggards.
<https://www.thehindubusinessline.com/markets/sensex-ends-up-by-153-points-nifty-settles-above-17050-amid-volatility/article37749443.ece>
- **Rupee plunges by 23 paise, slips below 75 a dollar on new COVID variant worries:** The rupee on Monday plunged by 23 paise to close at 75.12 (provisional) against the US dollar, as investors turned cautious in view of a new variant of COVID-19. At the interbank foreign exchange market, the local currency opened at 74.84 and witnessed an intra-day high of 74.82 and a low of 75.16 against the US dollar in a highly volatile trading session. The local unit finally settled at 75.12 a dollar, down 23 paise over its previous close.
<https://www.thehindu.com/business/markets/rupee-plunges-by-23-paise-slips-below-75-a-dollar-on-new-covid-variant-worries/article37749416.ece>

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