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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

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- **Digitisation, innovative technologies creating unprecedented disruption in banking sector: SBI chairman Dinesh Khara:** Digitisation and innovative technologies are creating unprecedented disruption in the banking sector, and lenders need to be agile to meet the rising expectations of customers, State Bank of India's Chairman Dinesh Khara said on Friday. Banks have adopted the digital revolution, which has reduced their cost and widened the area of services they offer, he added. "Digital innovation is redefining industries and changing the way businesses function. Digitisation and innovative technologies are creating unprecedented disruption in the banking sector and the rate of change is accelerating," Khara said at a Dun & Bradstreet event. Today, digitisation and digital innovations have become a strategic priority for the banking industry, he noted. "Banks need to be agile and nimble as technology increases customer expectation and the regulatory landscape also evolves rapidly to keep pace with technological advancement," he said.
<https://www.moneycontrol.com/news/business/digitisation-innovative-technologies-creating-unprecedented-disruption-in-banking-sector-sbi-dinesh-khara-8222261.html>
- **Punjab & Sind Bank to buy 2 per cent stake in bad bank NARCL for Rs 55 crore:** Punjab & Sind Bank on Friday said it has entered into an agreement to buy 2 per cent stake in asset reconstruction company NARCL for Rs 55 crore. "Punjab & Sind Bank has entered into an agreement with National Asset Reconstruction Company on March 10, 2022 regarding investment in NARCL," the lender said in a regulatory filing. The bank said the equity investment would be done in tranches, with the first investment of Rs 28.18 crore expected to be completed by March 31, 2022. The financial investment is being done to ensure prompt resolution, including recovery of NPA (non-performing assets) accounts, the bank said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/punjab-sind-bank-to-buy-2-per-cent-stake-in-bad-bank-narcl-for-rs-55-crore/articleshow/90154034.cms>
- **ICICI Bank to acquire 5 per cent stake in NARCL:** Private sector lender ICICI Bank will acquire five per cent stake in National Asset Reconstruction Company Limited. "ICICI Bank has signed an agreement on March 10, 2022 for investment in the National Asset Reconstruction Company Limited (NARCL)," it said in a stock exchange filing on Friday. The transaction is for a total cash consideration of up to ₹ 1,37.5 crore in tranches, it further said. Equity investment would be in tranches with the first tranche of equity investment of ₹70.45 crore expected to be completed by March 31, 2022, the bank said.
<https://www.thehindubusinessline.com/money-and-banking/icici-bank-to-acquire-5-per-cent-stake-in-narcl/article65213829.ece>
- **ICICI Bank raises Rs 8,000 crore by issuing bonds:** ICICI Bank on Friday said it has raised Rs 8,000 crore by issuing debt securities on a private placement basis. The board of directors of the bank on April 24, 2021, had approved fund raising through issuance of debt securities. Pursuant to this, the bank has allotted 80,000 senior unsecured redeemable long-term bonds in the nature of debentures,



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aggregating to Rs 8,000 crore, on private placement basis, ICICI Bank said in a regulatory filing. The date of allotment is March 11, 2022, it added. The bonds are redeemable at the end of 10 years (redemption date March 11, 2032).

<https://www.moneycontrol.com/news/business/icici-bank-raises-rs-8000-crore-by-issuing-bonds-8223011.html>

- **IDBI Bank to invest over Rs 272 crore in bad bank NARCL:** IDBI Bank on Friday said it has become one of the stakeholders in the government-promoted bad bank National Asset Reconstruction Company Ltd (NARCL), and will invest over Rs 272 crore to acquire equity stake and subscribe to its bonds. “IDBI Bank has become one of the stakeholders of NARCL on March 10, 2022 by executing an investment agreement to participate in the equity share capital and NCDs (non-convertible debentures) proposed to be issued by NARCL,” IDBI Bank said in a regulatory filing.
<https://bfsi.economictimes.indiatimes.com/amp/news/banking/idbi-bank-to-invest-over-rs-272-cr-in-bad-bank-narcl/90162237>
- **NPCI asks banks to enable customer onboarding onto UPI through Aadhar, OTP:** To further deepen the adoption of digital payments in the country, National Payments Corporation of India (NPCI), the umbrella body for retail digital payments, has asked banks to enable onboarding of customers onto UPI by authentication through their Aadhar cards with a one-time password (OTP). Under the existing mechanism, customers who have debit cards can get onboarded onto UPI by simply keying in their phone numbers and the last six digits of their debit cards. A debit card is mandatory to set the UPI PIN under the current system, thus restricting access to the payments platform only to users who have a debit card. Now, by enabling onboarding through Aadhar, customers who do not have a debit card, or whose debit card is not active, can easily get onboarded to the platform and set or reset their UPI PIN.
[https://www.business-standard.com/article/finance/npci-asks-banks-to-enable-customer-onboarding-onto-upi-through-aadhar-otp-122031100471_1.html#:~:text=To%20further%20deepen%20the%20adoption,%2Dtime%20password%20\(OTP\).](https://www.business-standard.com/article/finance/npci-asks-banks-to-enable-customer-onboarding-onto-upi-through-aadhar-otp-122031100471_1.html#:~:text=To%20further%20deepen%20the%20adoption,%2Dtime%20password%20(OTP).)
- **RBI bans Paytm Bank from onboarding new customers:** The Reserve Bank of India (RBI) has banned SoftBank-backed Paytm Payments Bank from acquiring new customers dealing a severe blow to the fintech company whose investors are already questioning its ability to shore up earnings after selling shares in an IPO at astronomical valuations. Paytm Payments Bank joins a growing list of companies such as MasterCard, Diners Club, American Express and HDFC Bank which have been penalised for being weak links in the system for non compliance as the regulator wants to build a bullet proof payments system in a country where digital adoption is growing by leaps and bounds. Paytm Payments Bank has been directed to appoint an IT audit firm to conduct a comprehensive system audit of its IT system, RBI said in a short press release on its website.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-bans-paytm-bank-from-onboarding-new-customers/articleshow/90153572.cms>



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- **Dhanlaxmi Bank case: Kerala High Court says petition against board maintainable:** Issues related to Dhanlaxmi Bank are likely to drag further in the court, with the Kerala High Court on Wednesday ruling that the writ filed by a shareholder and two others against the board of the lender is maintainable. A shareholder and two others had approached the court against the board's decision to reject their candidature for the office of director, to be placed before the members during the annual general meeting to be held on September 29, 2021. The counsel for the bank opposed the prayer of the petitioners for an interim order, pointing out that the petitions are not maintainable because the bank being a private entity and not a statutory body or an instrumentality or an agency of the government is not amenable to the writ jurisdiction of the court. The counsel also said the bank is not one running on the government funding and its shares are held by private individuals.
<https://www.financialexpress.com/industry/banking-finance/dhanlaxmi-bank-case-kerala-high-court-says-petition-against-board-maintainable/2457126/>
- **Data localisation not the best solution; compliance to laws top priority, says Visa CEO:** The RBI mandate on data localisation is not the best solution to address concerns regarding information security, global cards major Visa said on Friday. However, the company's chief executive Alfred F Kelly Jr made it clear that it believes in compliance with the local laws. Its rivals Mastercard and American Express have been penalised for failing to comply with the data localisation requirement, which also included a temporary halt on issuing new cards. "So there are countries like India who have decided that one of the ways to protect data is to localise it. I don't necessarily think that is necessarily the best answer," Kelly said while speaking at the Global Business Summit here.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/data-localisation-not-the-best-solution-compliance-to-laws-top-priority-says-visa-ceo/articleshow/90155765.cms>
- **Ex-financial services secretary Debasish Panda appointed new IRDAI chief:** The government on Friday appointed former financial services secretary Debasish Panda as chairman of the Insurance Regulatory and Development Authority of India (IRDAI). The Appointments Committee of the Cabinet has approved Panda's appointment as chairperson of the insurance regulator initially for a period of three years from the assumption of charge, sources said. Panda, a 1987-batch IAS officer of the Uttar Pradesh cadre, retired as financial services secretary in January this year after a two-year stint. The appointment of IRDAI chairman comes nearly 9 months after the vacancy was created following Subhash Chandra Khuntia completing his term in May last year.
<https://www.financialexpress.com/money/insurance/govt-appoints-former-financial-services-secretary-debasish-panda-as-irdai-chief/2458659/>
- **LIC releases Q3 report card ahead of IPO, profit jumps to Rs 235 crore :** IPO-bound Life Insurance Corporation of India (LIC) on Friday said its December quarter profit stood at Rs 234.9 crore compared with Rs 90 lakh in the same quarter last year. The first year premium for the life insurer rose to Rs 8,748.55 crore from Rs 7,957.37 crore in the same quarter last year. Renewal premium came in at Rs 56,822.49 crore, up from Rs 54,986.72 crore in the year-ago quarter. LIC's total premium edged 0.78 per cent higher at Rs 97,761.20 compared with Rs 97,008.05 crore. The PSU had in February filed its draft papers with market regulator for its IPO and got the approval earlier this week. The government intends to sell 5 per cent stake in LIC. The move could fetch over Rs 60,000 crore to the exchequer.



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<https://economictimes.indiatimes.com/markets/stocks/earnings/lic-q3-results-profit-rises-to-rs-235-crore-on-change-in-fund-distribution-policy/articleshow/90147101.cms>

- **Forex reserves rise by USD 394 mn to USD 631.92 bn:** The country's foreign exchange reserves increased by USD 394 million to USD 631.92 billion in the week ended March 4, the RBI data showed. In the previous week ended February 25, the reserves had declined by USD 1.425 billion to USD 631.527 billion. It touched a lifetime high of USD 642.453 billion in the week ended September 3, 2021. During the reporting week, the gain in the reserves was due to a rise in the foreign currency assets (FCA), a major component of the overall reserves, the Reserve Bank of India's (RBI) weekly data released on Friday showed.
<https://economictimes.indiatimes.com/news/economy/indicators/forex-reserves-rise-by-usd-394-mn-to-usd-631-92-bn/articleshow/90153983.cms>
- **State-owned banks on course to book better profits next fiscal: Report:** Strengthening economic recovery and stable financial metrics will help state-owned banks have stable earnings during the next financial year, aided by the gradual unwinding of regulatory forbearance through the year, according to a report. Fitch Ratings in the report on Friday also said private sector banks are better placed to reap the benefits of recovery and will continue to increase their market share both in credit as well as deposits. Noting that regulatory forbearance has suppressed state-owned banks' immediate capital requirements by deferring recognition of stressed loans, the report said private banks are most competitive on this front, too.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/state-owned-banks-on-course-to-book-better-profits-next-fiscal-report/articleshow/90148425.cms>
- **FinMin invites applications for PFRDA Member posts:** The Finance Ministry has invited applications for filling the posts of Whole-Time Member (Law) and Whole-Time Member (Economics) at the Pension Fund Regulatory and Development Authority (PFRDA), which is the pension regulator. Both the posts are falling vacant on May 31 this year. The appointed Members can hold office for five years and would be eligible for reappointment. The only stipulation is that the Whole-Time Member cannot hold office after attaining the age of 62 years.
<https://www.thehindubusinessline.com/money-and-banking/finmin-invites-applications-for-pfrda-member-posts/article65214110.ece#:~:text=The%20Finance%20Ministry%20has%20invited,on%20May%2031%20this%20year.>
- **LivQuik, first to achieve RBI's PPI interoperability guidelines:** Prepaid Payment Instrument (PPI) issuer LivQuik on Friday said it has achieved full Interoperability as mandated by the Reserve Bank of India for their Prepaid payments Instruments. The company is also the first PPI issuer to have achieved full interoperability, it said in a statement. RBI guidelines mandate PPI Issuers to facilitate interoperability for full-KYC wallets by March 31, 2022. "With interoperability, customers of LivQuik will be able to optimise their payments and spending across wallets by attaching a card on Visa and RuPay networks and can also enable UPI," the company said.



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<https://www.thehindubusinessline.com/money-and-banking/livquik-first-to-achieve-rbis-ppi-interoperability-guidelines/article65213803.ece>

- **Indian fintechs' overall valuation set to surge to \$150 billion by 2025: FM:** Finance Minister Nirmala Sitharaman, on Friday, said that the valuation of India's fintech industry is expected to surge to \$150 billion by 2025 from the level of \$50-60 billion seen in 2020. The total fintech funding till date has been to the tune of \$27.6 billion, and this kind of funding has helped in better valuation of Indian fintech industry, said Sitharaman at a virtual fintech summit, organised by IIT-Bombay Alumni Association. "One out of every four start-up unicorns are from the fintech segment. Availability of funding has also helped fintech start-ups to really grow", she said. About 3 per cent of the recognised start-ups in the country are fintechs, and India has currently about 6,300 fintechs. Among all the fintech start-ups in India, 20 have reached unicorn status.
<https://www.thehindubusinessline.com/money-and-banking/indian-fintechs-overall-valuation-set-to-surge-to-150-billion-by-2025-fm/article65215264.ece#:~:text=Finance%20Minister%20Nirmala%20Sitharaman%2C%20on,60%20billion%20seen%20in%202020>.
- **50% customers ready to switch banks in next 12 months: Bain & Company:** With banks already facing a big challenge in retaining customers, they will not be pleased with the new data that shows 50 per cent of the customers are willing to switch banks in the next 12 months. A survey by Bain & Company based on its proprietary tool, Net Promoter Score Prism, which tracks changing customer experiences, found customers willing to switch if they were being offered a competitive product or service by another company, which includes fintech players, neo banks amongst others. The data, which has been made public for the first time, is based on responses from over 100,000 customers. Bain released the first customer data in mid-October but has refreshed it periodically.
https://www.business-standard.com/article/finance/50-customers-ready-to-switch-banks-in-next-12-months-bain-company-122031001631_1.html
- **Sensex ends flat at closing, Nifty above 16,600:** The BSE Sensex closed at 55,550.30, up 85.91 points or 0.15 per cent. It recorded an intraday high of 55,833.95 and a low of 55,049.95. The Nifty 50 closed at 16,630.45, up 35.55 points or 0.21 per cent. It recorded an intraday high of 16,694.40 and a low of 16,470.90. Cipla, BPCL, Sun Pharma, JSW Steel and IOC were the top gainers on the Nifty 50 while Nestle India, Maruti, Tata Consumer, Hindalco and NTPC were the top laggards.
<https://www.thehindubusinessline.com/markets/sensex-closes-flat-at-closing-nifty-above-16600/article65214189.ece>
- **Rupee surges 16 paise to 76.27 against US dollar in early trade:** The rupee advanced 16 paise to 76.27 against the US dollar in the opening trade on Friday, supported by positive domestic equities and a pullback in crude oil prices. At the interbank foreign exchange, the rupee opened at 76.34 against the US dollar, then gained momentum and touched 76.27, registering a gain of 16 paise from the previous close.
<https://www.thehindubusinessline.com/markets/forex/rupee-surges-16-paise-to-7627-against-us-dollar-in-early-trade/article65213733.ece>



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