



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

DAILY NEWS DIGEST BY BFSI BOARD, ICAI

July 13, 2021

- **PNB Scam: Court grants bail to the MD of three of the accused firms:** The trial court here granted bail to Dhanesh Vrajlal Sheth, managing director of three accused firms namely Nakshastra Brands Ltd, Gitanjali Gems Ltd., Gilli India Ltd in the case of multi-crore fraud caused to Punjab National Bank (PNB). Defence counsel, Vijay Aggarwal had sought bail on the ground that the Central Bureau of Investigation (CBI) has filed a charge sheet against the accused. "...investigation is completed in the present case and charge sheet has been filed without the arrest of the accused person, which depicts that there was no need for custodial interrogation of Sheth," Aggarwal argued. Bail was granted on a surety of one lakh rupees.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/pnb-scam-court-grants-bail-to-the-md-of-three-of-the-accused-firms/articleshow/84348889.cms?from=mdr>
- **PNB Housing Finance: 'Stake sale singled out':** PNB Housing Finance on Monday told the Securities Appellate Tribunal that the ₹4,000-crore stake sale to a clutch of investors, led by private equity firm Carlyle Group, was being singled out by SEBI when similar fund-raising by other entities have gone through without any objections. Senior advocate Janak Dwarkadas, arguing the case on behalf of PNB Housing, said that SEBI did not have jurisdiction on the issue. In June, the Securities and Exchange Board of India had asked PNB Housing Finance not to go ahead with the stake sale, until the housing finance company undertakes an independent valuation of its shares. The market regulator said the notice given by PNBHF on May 31 for an Extraordinary General Meeting to approve the stake sale is "ultra-vires of Article of Association (AoA) and shall not be acted upon until the company undertakes the valuation of shares."
<https://www.thehindubusinessline.com/money-and-banking/pnb-housing-finance-stake-sale-singled-out/article35284097.ece>
- **Amit Jhingran assumes charge as new CGM of SBI, Hyderabad circle:** Amit Jhingran has assumed charge as Chief General Manager, State Bank of India (SBI), Hyderabad Circle, on Monday. "Jhingran joined SBI as a probationary officer in 1991 in Lucknow Circle and has rich experience in all facets of commercial banking such as retail credit, deposit mobilization, international banking operations and branch management," SBI said in a release.
<https://www.thehindubusinessline.com/money-and-banking/amit-jhingran-assumes-charge-as-new-cgm-of-sbi-hyderabad-circle/article35282062.ece>
- **Supreme Court verdict: Banks explore option of invoking personal guarantee of promotion:** Armed with Supreme Court order, banks may invoke personal guarantees of tycoons ranging from Venugopal Dhoot to Kapil Wadhawan to recover unpaid loans from their delinquent firms, sources said Monday. According to an estimate, top 10 personal guarantors have guaranteed debt of over Rs 1.6 lakh crore. Among the big names, former promoters of Bhushan Steel and Power Sanjay Singhal and his wife Aarti Singhal had furnished personal guarantees worth up to Rs 24,550 crore to take loans from a consortium of bank led by State Bank of India (SBI). The former promoter of Reliance



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

Communications, Anil Ambani, has also given personal guarantee against the loan taken. Erstwhile promoter Wadhawan stands guarantee to loans taken by DHFL, which is sitting on debt of about Rs 90,000 crore, while Dhoot has also given personal guarantee to a portion of Rs 22,000 crore loan to Videocon.

https://economictimes.indiatimes.com/industry/banking/finance/banking/supreme-court-verdict-banks-explore-option-of-invoking-personal-guarantee-of-promotion/articleshow/84349392.cms?utm_source=Google_Newsstand&utm_campaign=RSS_Feed&utm_medium=Referral

- **Equitas, Ujjivan SFBs share surges on RBI directive :** Shares of Equitas Small Finance Bank and Ujjivan Small Finance Bank surged on BSE on Monday after the Reserve Bank of India permitted the SFBs and respective holding companies to apply for the scheme of amalgamation. The scrip of Equitas SFB closed 7.3 per cent higher at ₹69.85 apiece on BSE on Monday. Similarly, Ujjivan SFB shares ended at a gain of 1.48 per cent at ₹30.95 apiece on BSE. In a stock exchange filing on July 10, Equitas SFB had said it would be initiating steps to finalise the Scheme of Amalgamation, submit it to the Boards of the Bank and EHL for approval and take further action.

<https://www.thehindubusinessline.com/markets/stock-markets/equitas-ujjivan-sfbs-share-surges-on-rbi-directive/article35282412.ece>

- **₹16,600-cr Paytm IPO gets shareholders nod:** The digital financial services firm held its extraordinary general meeting Setting the stage for its listing, shareholders of One97 Communications, the parents of Paytm, are understood to have cleared the proposal for its initial public offering (IPO). The digital financial services firm held its extraordinary general meeting (EGM) on Monday. Sources said the IPO will include a fresh issue of shares to raise ₹12,000 crore as well as a secondary issue of shares of about ₹4,600 crore. The total issue size would be ₹16,600 crore. Paytm is expected to file its draft red herring prospectus soon and is likely to launch its IPO by end of November. Sources indicated the company may file its DRHP with SEBI as early as this week.

<https://www.thehindubusinessline.com/companies/paytm-shareholders-approve-ipo-plan/article35276653.ece>

- **Failure rate in debit transactions could mean economy not out of woods yet:** Failure rates in automated debit transactions have remained stubbornly high in June indicating that financial stress due to localized lockdowns to curb the spread of the Covid 19 pandemic has still not subsided. Data from the National Payments Corporation of India's (NPCI) National Automated Clearing House (NACH) platform shows that failure rates for debit transactions which are used for recurring debit payments like equated monthly installements (EMIs) and insurance remained high at 30.27% by value inline with the 30.73% failure rates reported in May, indicating that easing of restrictions last month has not had a major impact on curing stress in the broader economy.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/failure-rate-in-debit-transactions-could-mean-economy-not-out-of-woods-yet/articleshow/84347647.cms?from=mdr>



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

- **Given approval to set up small finance bank to take over PMC Bank: RBI to HC:** The Reserve Bank of India (RBI) Monday told the Delhi High Court that it has given in-principle approval for setting up a small finance bank which will take over the scam-hit PMC Bank soon. A bench of Justices D N Patel and Justice Jyoti Singh granted time to the RBI to file an affidavit on the development in the matter and listed the case for further hearing on August 20. Senior advocate Jayant Bhushan, representing the RBI, submitted that it has given in-principle approval to Centrum Finance Services to set up a small finance bank which will take over Punjab and Maharashtra Cooperative (PMC) Bank very soon as the process is near completion. He said this will ease the trouble faced by the bank's customers who are unable to withdraw their money.
<https://www.moneycontrol.com/news/business/given-approval-to-set-up-small-finance-bank-to-take-over-pmc-bank-rbi-to-delhi-hc-7159821.html>
- **Restructured loans of non-bank financials to double by March: ICRA:** The restructured loan books of non-bank financial entities are expected to double to 3.1-3.3 per cent by March 2022 from 1.6 per cent in March 2021 as the second wave of the pandemic hit borrowers. The pandemic and the curbs imposed to contain its spread have affected the cash flow of borrowers and prolonged the recovery process, according to rating agency ICRA. Non-bank financial entities cover finance companies and housing finance firms (HFCs). In view of the pandemic stress, the Reserve Bank of India (RBI) has allowed lenders to restructure their credit while maintaining the standard asset tag in FY21. In this, the RBI has included loans to small businesses, the key target segment for non-bank finance entities, and extended the MSME restructuring window to September 2021.
https://www.business-standard.com/article/finance/restructured-loans-of-non-bank-financials-to-double-by-march-icra-121071200011_1.html
- **Exim Bank lends \$35.26 mn for Senegal power project executed by Kalpataru:** The Export Import (Exim) Bank of India on Monday said it has extended a USD 35.26 million loan for a power transmission project being executed by Kalpataru Power Transmission in Senegal. The buyer's credit facility was extended under the National Export Insurance Account (NEIA) scheme, which provides a safe mode of financing option to Indian project exporters backed by cover from NEIA Trust, as per an official statement. The bank signed a credit agreement with the Ministry of Economy, Planning and Co-operation of the Republic of Senegal for the purpose of construction and installation of 225 kV overhead transmission line from Tanaff to Ziguinchor (approximate distance 92 km) and bay extensions in Tanaff and Ziguinchor in Senegal, it said.
https://www.business-standard.com/article/finance/exim-bank-lends-35-26-mn-for-senegal-power-project-executed-by-kalpataru-121071200297_1.html
- **Liquidity buffer of NBFCs has improved over last year, says Crisil:** Non-banking finance companies (NBFCs) are better placed currently on the liquidity front than they were a year ago, enabling them to service their near debt without much difficulty, despite a fall in collections because of the second wave of Covid-19, rating agency Crisil said in a note. However, the pace of improvement in collection efficiency, the third of the wave of the pandemic, and access to funds need to be closely monitored. "Collections have once again been affected in the current fiscal by the second wave. The decline has been more pronounced in May (sequentially) because containment measures in most parts of the



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

country kicked in only in the latter part of April. A gradual lifting of restrictions has resulted in an improvement in collections in June, but to a level still lower than March 2021,” the note added.

https://www.business-standard.com/article/finance/liquidity-buffer-of-nbfc-has-improved-over-last-year-says-crisil-121071200921_1.html

- **RBI offers hassle-free trading in govt bonds for retail investors:** The Reserve Bank of India (RBI) on Monday said retail investors can open an account with the central bank in few easy steps online to start trading in government bonds. The online portal for retail investors will give access to the bond trading platform available for institutional investors as well, and the retail investors can also bid for bonds in primary auctions just as large institutions do. The starting date for the ‘retail direct gilt’ (RDG) account has not been announced by the RBI yet, but other modalities were spelt out.
https://www.business-standard.com/article/finance/rbi-offers-hassle-free-trading-in-govt-bonds-for-retail-investors-121071201277_1.html
- **Telangana coop bank bags Nabard award:** Telangana State Cooperative Apex Bank (TSCAB) has been chosen the best state cooperative bank (SCB) in the country by National Bank for Agriculture and Rural Development (Nabard). The Karimnagar District Cooperative Credit Bank (DCCB), too, has been recognised as the best district cooperative credit bank (DCCB) in South India, as part of the awards announced by Nabard on its 49th foundation day celebrations. Of the 33 SCBs and 353 DCCBs in the country, Nabard had short-listed six SCBs and 45 DCCBs based on their performance for the last three years, TSCAB said in a release.
<https://www.thehindubusinessline.com/economy/telangana-coop-bank-bags-nabard-award/article35278343.ece>
- **Paytm Money offers a new “pre-open IPO applications” feature in its platform:** Paytm Money, a digital brokerage platform, has announced a new feature that allows users to apply for an IPO before its opening in the markets. Paytm Money is the first digital broker in India to offer this functionality, and expects it to significantly increase the participation of retail users in IPOs. Zomato is the first IPO launched with this feature on Paytm Money, and thousands have already used it to place orders over the last two days. A user can place an IPO order 24x7 on days when the “pre-open IPO application” feature is enabled. The order is recorded on Paytm Money’s system, and sent to the exchange for processing whenever the IPO opens. The user is continually notified of her application status, to ensure a seamless experience.
<https://www.thehindubusinessline.com/companies/paytm-money-offers-a-new-pre-open-ipo-applications-feature-in-its-platform/article35273868.ece>
- **Covid claims for life insurers to rise but sector well prepared: Sumit Rai:** The number of Covid related claims for life insurers in the second wave of the pandemic is likely to be three to four times of the first wave, believes Sumit Rai, Managing Director and CEO, Edelweiss Tokio Life Insurance. “Claims have increased significantly but typically they come with a lag,” Rai said, adding that most life insurers had anticipated it and are prepared for it. “I don’t expect the impact to be very adverse and don’t think it will set the industry back very significantly,” he said in an interaction with BusinessLine. The impact of the higher claims will be visible on aspects like term pricing, he added. Edelweiss Tokio



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

settled 487 Covid related claims amounting to ₹45.82 crore in 2020-21. In the first quarter of this fiscal, it has settled 153 such claims of ₹16.39 crore.

<https://www.thehindubusinessline.com/money-and-banking/covid-claims-for-life-insurers-to-rise-but-sector-well-prepared-sumit-rai/article35281945.ece>

- **Gold loan defaults within permissible limits, says Thomas John Muthoot:** Gold auction notices by private lenders in regional dailies spread across more than one full page are becoming regular which, to the uninitiated, may point to the pandemic-induced financial stress among not just the economically weak sections but also the salaried class. Leading NBFC Muthoot Fincorp recently ran a multi-page auction notice listing about 24,000 mortgage items for auctioning this July across its various branches since customers failed to pay up in time. But the lender would not attach significance to the advertisement and maintained that the “default cases continue to remain within acceptable limits”. This is a statutory advertisement, he told BusinessLine. The actual auctions amount to just less than one per cent and is not a matter of concern since 99 per cent of customers redeem or renew their loans.
<https://www.thehindubusinessline.com/money-and-banking/gold-loan-defaults-within-permissible-limits-says-thomas-john-muthoot/article35274111.ece>
- **Cryptocurrency bank Cashaa looks to start operations in India:** Cryptocurrency bank Cashaa is set to launch operations in India from August, which is expected to help investors and exchanges tide over the current banking problems that they are facing. “We will be coming to India next month. We will be launching personal bank accounts so that personal traders can do Peer to Peer trading. Cryptocurrency traders will be able to transact without fear of their bank accounts being frozen,” said Kumar Gaurav, CEO and Founder, Cashaa.
<https://www.thehindubusinessline.com/money-and-banking/cryptocurrency-bank-cashaa-looks-to-start-operations-in-india/article35273698.ece>
- **Benchmark indices surrender all gains to end flat:** The BSE Sensex closed at 52,372.69, down 13.50 points or 0.03 per cent. It hit an intraday high of 52,700.51 and a low of 52,208.96. The Nifty 50 closed at 15,692.60, up 2.80 points or 0.02 per cent. It hit an intraday high of 15,789.20 and a low of 15,644.75. The breadth of the market remained positive, with 2,062 stocks advancing, 1,262 declining and 171 remaining unchanged on the BSE. As many as 620 securities hit the upper circuit and 228 lower ; 510 hit their 52-week high while 30 touched a 52-week low. Ultratech Cement, Grasim, Shree Cement, JSW Steel and SBI Life were the top gainers on the Nifty 50 while Adani Ports, BPCL, Bharti Airtel, Tata Steel and Infosys were the top laggards.
<https://www.thehindubusinessline.com/markets/stock-markets/benchmark-indices-open-firm/article35273350.ece>
- **Rupee settles 6 paise higher at 74.58 against US dollar:** The rupee pared some of its initial gains to settle 6 paise higher at 74.58 against the US dollar on Monday, tracking gains in most regional currencies and possible inflows related to an upcoming IPO. At the interbank forex market, the rupee opened at 74.49, and hit an intra-day high of 74.40 and a low of 74.59. It finally finished at 74.58, higher by 6 paise over its last close.



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

<https://www.moneycontrol.com/news/business/markets/rupee-settles-6-paise-higher-at-74-58-against-us-dollar-7160171.html>

- **Gold prices flat at Rs 47,846/10 gm amid volatile trade, firm rupee; silver declines Rs 204 a kg:** Gold prices were steady at Rs 47,846 per 10 gram in the Mumbai retail market on rupee appreciation and weak global cues. The yellow metal traded in a narrow band amid volatility in the dollar, choppiness in the equity market and rising coronavirus cases caused by the Delta variant. The price of 10 gram 22-carat gold in Mumbai was Rs 43,827 plus 3 percent GST, while 24-carat 10 gram stood at Rs 47,846 plus GST. The 18-carat gold quoted at Rs 35,885 plus GST in the retail market. Silver prices dropped by Rs 204 to Rs 68,585 per kg against its closing price on July 9.

<https://www.moneycontrol.com/news/business/commodities/gold-prices-flat-at-rs-4784610-gm-amid-volatile-trade-firm-rupee-silver-declines-rs-204-a-kg-7160781.html>

Disclaimer

Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICAI.

*For Restricted Circulation only A Compilation of News in this regard from Secondary Sources.