



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

March 15, 2022

- **BoB, BNP Paribas join hands for MF venture:** Baroda Mutual Fund has joined hands with BNP Paribas MF, the asset management arm of the leading banking group in Europe, BNP Paribas, to form Baroda BNP Paribas Mutual Fund. The new entity will leverage on the strengths that each partner has developed to offer products specifically designed for retail and institutional clients in India. Bank of Baroda will have a 50.1 per cent stake in the AMC, while BNP Paribas Asset Management will hold the remaining stake. Suresh Soni has been appointed CEO of the merged entity.
<https://www.thehindubusinessline.com/money-and-banking/bob-bnp-paribas-join-hands-for-mf-venture/article65224404.ece#:~:text=Baroda%20Mutual%20Fund%20has%20joined,Baroda%20BNP%20Paribas%20Mutual%20Fund.>
- **DHFL Resolution: Top banks move Apex court against NCLAT order:** In a surprise move, several top banks forming part of the Committee of Creditors (CoC) in the erstwhile DHFL's resolution matter have knocked the doors of the Supreme Court in appeal against the recent NCLAT order that had given the entire set of financial creditors a seemingly better deal than what the CoC had agreed for in the resolution plan. The banks that went for an appeal against the NCLAT's January 2022 order include Union Bank of India (on behalf of itself), State Bank of India, Bank of India, Canara Bank, Punjab National Bank and the Central Bank of India, sources close to the development said. They have sought the Apex court's intervention to set aside the NCLAT order. The appeal's hearing is slated for March 21, they added.
<https://www.thehindubusinessline.com/money-and-banking/dhfl-resolution-top-banks-move-apex-court-against-nclat-order/article65223988.ece#:~:text=In%20a%20surprise%20move%2C%20several,what%20the%20CoC%20had%20agreed>
- **Ujjivan SFB launches digital on-boarding for its micro banking customers:** Ujjivan Small Finance Bank has launched digital on-boarding facility for its micro banking customers. This would enable over 60 lakh customers of the bank to update their mobile number for their individual banking transactions through a new Paperless, Real time and Secure, OTP-based authentication, followed by a Biometric Authentication process, instantly, via Ujjivan SFB Assisted App, it said in a statement on Monday.
<https://www.thehindubusinessline.com/money-and-banking/ujjivan-sfb-launches-digital-on-boarding-for-its-micro-banking-customers/article65224198.ece#:~:text=This%20would%20enable%20over%2060,in%20a%20statement%20on%20Monday.>
- **Equitas Small Finance Bank posts Q3 net profit of ₹108 crore:** Equitas Small Finance Bank on Monday posted a net profit of ₹108 crore for the quarter ended December 2021 against a net profit of ₹111 crore during the year-ago quarter. However, on a sequential basis, the bank's Q3 net profit was 162 per cent higher than ₹41 crore posted during the September 2021 quarter. Interest income of the



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bank, on a year-on-year basis, grew by 5 per cent to ₹901 crore (₹857 crore) in Q3FY22. Advances of the bank as of Q3FY22 stood at ₹19,687 crore, growing at 13 per cent year-on-year. Deposits (excluding Certificate of Deposits) at the end of third quarter stood at ₹17,884 crore. While savings account deposits accounted for ₹8,554 crore, low-cost CASA (current account, savings account) deposits stood at ₹9,085 crore.

<https://www.thehindubusinessline.com/money-and-banking/equitas-small-finance-bank-posts-q3-net-profit-of-108-crore/article65224764.ece#:~:text=Equitas%20Small%20Finance%20Bank%20on,during%20the%20September%202021%20quarter.>

- **RBI imposes penalty on these 8 co-operative banks:** The Reserve Bank of India has imposed a penalty of Rs 12.75 lakh on eight cooperative banks for deficiencies in regulatory compliances, the central bank said on Monday. The RBI has slapped a penalty of Rs 4 lakh on The Nabapalli Cooperative Bank Limited, Barasat, 24 Paraganas (N), West Bengal for non-adherence to directions issued under 'Exposure Norms and Statutory/Other Restrictions – UCBs'. A penalty of Rs 3 lakh has been imposed on The Baghat Urban Co-operative Bank Limited, Solan, HP for contravention of certain sections of the Banking Regulation Act, 1949 as it failed to adhere to specific directions issued to it by RBI under Supervisory Action Framework (SAF), the RBI said.
<https://www.moneycontrol.com/news/business/rbi-imposes-monetary-penalties-on-eight-co-operative-banks-8232611.html>
- **RBI removes lending rate cap on NBFC-MFIs, changes microfinance definition:** The Reserve Bank of India has removed the interest rate ceiling on loans offered by non-bank microfinance institutions (NBFC-MFIs) while making a few other sweeping changes to put all microfinance lenders including banks, small finance banks, NBFC and not-for-profit companies on a uniform regulatory platform. The RBI also raised the annual household income to Rs 3 lakh for a collateral-free loan to be classified as microfinance loan. So far, such loans given to households with an annual income of Rs 1.25 lakh in rural India and Rs 2 lakh in urban and semi-urban areas were classified as microfinance loans.
<https://economictimes.indiatimes.com/industry/banking/finance/rbi-removes-lending-rate-cap-on-nbfc-mfis-changes-microfinance-definition/articleshow/90199644.cms>
- **'Foreign' private banks need govt nod to back debt recast firm:** The private sector India Debt Resolution Co (IDRCL), which will help the public sector bad bank resolve non-performing assets (NPAs), will take some more time to get going as some shareholders are yet to get on board. This is because private-sector lenders HDFC Bank, ICICI Bank and Axis Bank, which plan to hold a big chunk of IDRCL's capital, are classified as foreign entities under the law and need to get permission from the government for the investment. The bad bank proposal, announced in the February 2021 Budget, envisaged a public sector National Asset Reconstruction Co (NARCL) that will acquire bad loans from banks. Once these loans were aggregated from multiple lenders, they would be resolved with private sector expertise from the IDRCL.
<https://timesofindia.indiatimes.com/business/india-business/foreign-pvt-banks-need-govt-nod-to-back-debt-recast-firm/articleshow/90191290.cms>



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- **Bank frauds fall drastically over last 5 years to Rs 648 cr in Apr-Dec FY22: Minister:** Bank frauds over the last five years have come down drastically to Rs 648 crore in first nine months of 2021-22, on the back of structural and procedural reforms to check such incidents, Parliament was informed on Monday. In 2016-17, bank frauds stood at Rs 61,229 crore, which declined to Rs 11,583 crore in 2020-21 and then to Rs 648 crore during April-December 2021-22, Minister of State for Finance Bhagwat Karad said in a written reply to the Lok Sabha. Improved detection and reporting along with comprehensive steps resulted in sharp decline of such frauds, he said.
<https://economictimes.indiatimes.com/news/india/bank-fraud-fall-dramatically-over-last-5-years-to-rs-648-cr-in-apr-dec-fy22-minister/articleshow/90203061.cms>
- **At 642, Kotak Mahindra Bank hit by highest number of bank frauds of Rs 1 lakh and more in Apr-Dec FY22:** Kotak Mahindra Bank has been hit by the highest number of frauds at 642, involving Rs 1 lakh and above, in first nine months of 2021-22, Parliament was informed on Monday. It was followed by ICICI Bank and IndusInd Bank at 518 and 377, respectively. Directions issued by the Reserve Bank of India to banks, and the government instituted wide-ranging structural and procedural reforms have helped check frauds in banks over the last five years and the amount involved has come down sharply, Minister of State for Finance Bhagwat Karad said in a written reply to the Lok Sabha.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/at-642-kotak-mahindra-bank-hit-by-highest-number-of-bank-fraud-of-rs-1-lakh-and-more-in-apr-dec-fy22/articleshow/90204053.cms>
- **Unemployment rate at 12.6 pc in April-June 2021: NSO survey:** Unemployment rate for persons of age 15 years and above in urban areas dipped to 12.6 per cent in April-June 2021 from 20.8 per cent in the same month of the previous year, showed a periodic labour force survey by the National Statistical Office (NSO). Joblessness or unemployment rate (UR) is defined as the percentage of unemployed persons in the labour force. The joblessness was high in April-June in 2020 mainly due to the impact of lockdown restrictions in the country which were imposed to curb the spread of deadly coronavirus.
<https://economictimes.indiatimes.com/news/economy/indicators/unemployment-rate-at-12-6-pc-in-april-june-2021-nso-survey/articleshow/90205261.cms>
- **CPI inflation rises to 8-month high of 6.07% in February 2022:** The retail inflation rate in India - measured by the Consumer Price Index (CPI)- came in at 6.07% in February 2022, as per data released by the National Statistical Office (NSO) on Friday. A Reuters poll of 36 economists had forecast that the reading had likely slipped to 5.93% in February on an annual basis. The retail inflation reading has once again breached the upper limit of the Reserve Bank of India's (RBI) Monetary Policy Committee (MPC), the second time since June 2021. In January 2022, the reading had risen to 6.01%.
<https://economictimes.indiatimes.com/news/economy/indicators/cpi-inflation-rises-to-6-07-in-february-2022/articleshow/90204239.cms>
- **Bitcoin, Ethereum, Dogecoin prices spike after Elon Musk tweets he is not selling:** Bitcoin, Ethereum, and Dogecoin got a quick boost on Monday after Elon Musk tweeted that he will not sell the digital tokens he owns. Chief of Tesla and SpaceX, Elon Musk, invited thoughts on the probable inflation rate



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over next few years on Twitter. In the same thread, he wrote, "As a general principle, for those looking for advice from this thread, it is generally better to own physical things like a home or stock in companies you think make good products than dollars when inflation is high. I still own & won't sell my Bitcoin, Ethereum, or Doge fwiw (for what it's worth)."

<https://www.moneycontrol.com/news/trends/bitcoin-ethereum-dogecoin-prices-spike-briefly-after-elon-musk-tweets-he-wont-sell-them-8229171.html>

- **Insurance broker Gallagher completes India acquisition:** Global insurance brokerage, risk management and consulting services firm Gallagher on Monday announced the rebranding of its India business to the Gallagher global brand. "The complete integration and rebranding will be in effect from March 14, 2022. The rebranded entity will be known as Gallagher Insurance Brokers," it said in a statement. Gallagher had acquired a 30 per cent stake in Edelweiss Insurance Brokers in 2019 and subsequently, in July 2021, it fully acquired the company. The Edelweiss Group in October last year had announced the divestment of its majority stake in Edelweiss Gallagher Insurance Brokers Ltd after approval from the Insurance Regulatory and Development Authority of India.
<https://www.thehindubusinessline.com/money-and-banking/insurance-broker-gallagher-completes-india-acquisition/article65223702.ece>
- **RBI unveils harmonised framework for microfinance lenders:** The Reserve Bank of India has asked regulated entities (REs) lending to the microfinance segment to ensure that loans are collateral-free and not linked with a lien on the borrower's deposit account, repayment obligations are capped, interest rates are not usurious, and there is no pre-payment penalty. These clauses are part of the central bank's harmonised regulatory framework for regulated lenders, including scheduled commercial banks, small finance banks, NBFC-MFIs and NBFC-Investment and Credit Companies. Following the harmonisation of the regulatory framework, the central bank has done away with the margin caps that were specifically applicable to non-banking finance company--microfinance institutions (NBFC-MFIs).
<https://www.thehindubusinessline.com/money-and-banking/rbi-unveils-harmonised-framework-for-microfinance-lenders/article65224172.ece>
- **Regulatory restrictions drag Paytm shares to all-time lows:** Paytm Payments Bank will have to appoint an IT auditor in consultation with the Reserve Bank of India (RBI), sources said. The terms of reference of the IT audit will also be decided by the RBI, they added. Shares of the company hit a lifetime low of ₹662.25 apiece on the BSE on Monday in intra-day trade before closing at ₹675.35. This follows the RBI action on March 11, directing Paytm Payments Bank to immediately stop the onboarding of new customers. The bank also has to appoint an IT audit firm to conduct a comprehensive system audit of its IT system. It can onboard new customers subject to specific permission by the RBI the after reviewing the audit report.
<https://www.thehindubusinessline.com/money-and-banking/lifting-of-rbi-restrictions-on-paytm-payments-bank-could-take-time-icici-securities-report/article65223529.ece>



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- **Debasish Panda assumes charge as IRDAI Chairman:** Retired Bureacurat, Debasish Panda, has assumed charge as Chairman of the Insurance Regulatory and Development Authority of India (IRDAI) on Monday. Prior to joining IRDAI, Panda served as the Secretary, Department of Financial Services, Ministry of Finance, Government of India where he superannuated December 31, 2021. He also served as the Joint Secretary (Health & Family Welfare), Additional Secretary and as a Special Secretary (Financial Services).
https://www.business-standard.com/article/finance/debasish-panda-takes-charge-as-irdai-chairman-for-a-three-year-period-122031401096_1.html
- **Sanctions on Russia an opportunity to internationalise rupee: SBI report:** Countries proposing rupee-rouble or yuan-rouble trade to bypass Western economic sanctions on Russia for invading Ukraine are an opportunity for the internationalisation of the Indian currency, according to a report by State Bank of India (SBI). Internationalisation means a currency can be freely transacted by both resident and non-residents, and be used as a reserve currency for global trade. "An interesting anecdote, the hegemony of US \$ appears likely to continue in next few decades, notwithstanding the alternate settlement mechanism being envisaged by select nations desirous of continuing inter-territorial trades of compulsory nature, circuiting around the western sanctions as backdoor talks gather momentum for rupee-rouble or yuan-rouble settlements globally, with some enthusiasts betting for gold settlements too!" said Soumya Kanti Ghosh, group chief economic adviser at SBI, in the report.
https://www.business-standard.com/article/finance/sanctions-on-russia-an-opportunity-to-internationalise-rupee-sbi-report-122031400619_1.html
- **Microfinance lenders cannot charge usurious interest rate: RBI:** Microfinance lenders cannot charge usurious rate of interest from borrowers, the Reserve Bank said on Monday, and also asked them to put in place a ceiling on pricing of loans and related fees. A microfinance loan is defined as a collateral-free loan given to a household having an annual income of up to Rs 3 lakh. Issuing 'Master Direction Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022', RBI said all regulated entities (REs) should put in place a board-approved policy regarding pricing of microfinance loans, covering, a ceiling on the interest rate and all other charges applicable to microfinance loans. "Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank," the framework said.
<https://www.financialexpress.com/industry/banking-finance/microfinance-lenders-cannot-charge-usurious-interest-rate-rbi/2460438/>
- **NBFC-retail's AUM likely to grow 5%-7% in FY22, 8%-10% in FY23: Report:** The asset under management (AUM) of non-banking financial companies (retail) is expected to grow 5-7 per cent in fiscal 2022 and 8-10 per cent in fiscal 2023, according to a report. Housing finance companies (HFCs) are likely to see their AUM expanding by 8-10 per cent in the current fiscal and 9-11 per cent in the next financial year, rating agency ICRA Ratings said in a report on Monday.
https://www.business-standard.com/article/finance/nbfc-retail-s-asset-under-management-likely-to-grow-8-10-in-fy23-report-122031400768_1.html



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- **Paytm Payments Bank allowed servers to share data with China-based firms, RBI inspections found:** Paytm Payments Bank, which processes transactions for India's digital payments giant Paytm, was barred from taking on new customers because it violated rules by allowing data to flow to servers abroad and didn't properly verify its customers, according to a person familiar with the matter. Annual inspections by the Reserve Bank of India found that the company's servers were sharing information with China-based entities that indirectly own a stake in Paytm Payments Bank, the person said, asking not to be identified as the details are private. Paytm Payments Bank Ltd is a joint venture between Paytm and its founder Vijay Shekhar Sharma. China's Alibaba Group Holding Ltd. and its affiliate, Jack Ma's Ant Group Co., own shares of Paytm, according to exchange filings.
<https://www.financialexpress.com/industry/banking-finance/paytm-payments-bank-allowed-servers-to-share-data-with-china-based-firms-rbi-inspections-found/2460310/>
- **BharatPe enters gold loan segment; eyes disbursements of Rs 500 crore this year:** Crisis-ridden fintech player BharatPe has entered the gold loan segment for its merchant partners, marking its entry into the secured credit category for a firm that hawks a slew of unsecured small ticket credit products. The Gurugram-based company has been mired in a lot of scandals, which led to one of its founders being thrown out of the firm recently. It is also under various probes by enforcement agencies. The company is also the co-promoter of Unity Small Finance Bank. For launching gold loans, BharatPe has partnered with a few NBFCs, and will be offering loans of up to Rs 20 lakh against gold pledge.
<https://www.businesstoday.in/latest/corporate/story/bharatpe-enters-gold-loan-segment-eyes-disbursements-of-rs-500-crore-this-year-325999-2022-03-14>
- **CBI files FIR in Rs 163 crore bank fraud case:** The CBI has filed an FIR against Cethar Limited and its Chairman K Subburaj and Managing Director N K Pothiraj for allegedly cheating Canara Bank to the tune of Rs 163 crore in loan defaults, officials said on Monday. The company started operating in 1981 in Tiruchirappalli, Tamil Nadu and is engaged in building industrial boilers, power sector equipment among others. It had availed credit facilities worth over Rs 1344.96 crore from a consortium of eight member banks led by Indian Bank, they said.
<https://www.financialexpress.com/industry/banking-finance/cbi-files-fir-in-rs-163-crore-bank-fraud-case/2460934/#:~:text=The%20CBI%20has%20filed%20an,defaults%2C%20officials%20said%20on%20Monday.>
- **Indian rupee slumps 18 paise to 76.62 against US dollar in early trade:** The rupee declined 18 paise to 76.62 against the US dollar in the opening trade on Monday as intensifying geopolitical risks due to the Russia-Ukraine conflict pushed investors towards safe-haven assets. Unabated foreign capital outflows and a strong American currency overseas also weighed on investor sentiment, forex traders said. However, higher domestic equities supported the local currency and restricted the loss, they added. At the interbank foreign exchange, the rupee opened weak at 76.63 against the US dollar. Later, it gained slightly to 76.62, registering a decline of 18 paise over the last close.
<https://www.thehindu.com/business/markets/rupee-slumps-18-paise-to-7662-against-us-dollar-in-early-trade/article65223606.ece#:~:text=Credit%3A%20stock.com->



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[,The%20rupee%20opened%20weak%20at%2076.63%20against%20the%20U.S.%20dollar,investors%20towards%20safe%20Dhaven%20assets.](#)

- **Sensex up over 900 points at closing, Nifty above 16,800:** The BSE Sensex closed at 56,486.02, up 935.72 points or 1.68 per cent. It recorded an intraday high of 56,545.83 and a low of 55,556.47. The Nifty 50 closed at 16,871.30, up 240.85 points or 1.45 per cent, near the day's high of 16,887.95. It recorded an intraday low of 16,606.50. Infosys, HDFC Bank, State Bank of India, Axis Bank and ICICI Bank were the top gainers on the Nifty 50 while IOC, ONGC, Hindustan Unilever, Tata Motors and HDFC Life were the top losers.
<https://www.thehindubusinessline.com/markets/sensex-up-over-900-points-at-closing-nifty-above-16800/article65224056.ece>
- **Gold prices today drop, down ₹3,000 per 10 gram in just 4 days:** Gold and silver prices fell today in Indian markets tracking softer global rates. On MCX, gold futures fell 0.3% to ₹52,712 per 10 gram while silver dropped 0.6% to ₹69970 per kg. Gold rates had jumped to ₹55,558 last week, closer to all-time highs of ₹56,200, hit in August 2020. In global markets, gold rates fell today as US Treasury yields rose on rate hike expectations. Another round of talks between Ukraine and Russia will be held today as international efforts to solve the crisis through diplomacy gathered momentum. Spot gold fell 0.7% to \$1,971.77 per ounce.
<https://www.livemint.com/market/commodities/gold-prices-today-drop-down-rs-3-000-per-10-gram-in-just-4-days-11647228499683.html>

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