



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

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- **BCIC's expert panel calls for efforts to link fintech firms & banks to step up support to MSMEs:** A five-member expert committee of the Bangalore Chamber of Industry and Commerce (BCIC), led by veteran investment banker PN Vijay, has called for efforts to sew up partnerships between fintech companies and banks to step up lending channels to the MSME sector. The pandemic and after-effects have left the sector, which has provided the largest number of jobs in the organised sector, in deep pains.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bcics-expert-panel-calls-for-efforts-to-link-fintech-firms-banks-to-step-up-support-to-msmes/articleshow/87855366.cms>
- **Co-operative societies can't use 'bank' in their names: RBI:** The RBI on Monday cautioned the public against co-operative societies using 'bank' in their names as well as accepting deposits from people who are not their members. After the amendment in the Banking Regulation Act, 1949, effective September 29, 2020, co-operative societies cannot use the words "bank", "banker" or "banking" as part of their names, except as permitted under the provisions or by the Reserve Bank of India (RBI). In a statement, RBI said it has come to notice that some cooperative societies are using the word 'bank' in their names in violation of the Banking Regulation Act.
https://www.business-standard.com/article/finance/co-operative-societies-can-t-use-bank-in-their-names-says-rbi-121112200702_1.html
- **Deposits parked with co-operative credit societies not eligible for insurance cover: RBI:** The Reserve Bank has cautioned the public against co-operative societies using words "bank", "banker" or "banking" as part of their names unless specifically permitted. It also clarified that deposits with these societies are not eligible for insurance cover. Some Co-operative Societies are using the word "Bank" in their names in violation of Section 7 of the Banking Regulation Act, 1949 which is applicable to co-operative societies under the Act, according to the Reserve Bank.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/deposits-parked-with-co-operative-credit-societies-not-eligible-for-insurance-cover-rbi/articleshow/87852219.cms>
- **RBI scheme says PMC depositors to be paid over a period of 3 to 10 yrs:** The Reserve Bank of India (RBI) has detailed a draft scheme of amalgamation to merge the sick Punjab and Maharashtra Co-operative (PMC) Bank with the newly formed Unity Small Finance Bank Ltd (USFB), more than two years after PMC was put under restrictions on account of fraud which led to steep deterioration in the net-worth of the bank. According to the scheme deposits upto Rs 5 lakhs can be claimed by depositors over a period of three to ten years. The scheme says that depositors can claim upto Rs 50,000 at the end of three years and further can claim Rs 1 lakh at the end of four years, Rs 3 lakh at the end of five years and Rs 5.50 lakh at the end 10 years.



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<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-scheme-says-pmc-depositors-to-be-paid-over-a-period-of-3-to-10-yrs/articleshow/87853386.cms>

- **Banks informing customers about crypto pitfalls:** Top private banks are reaching out to customers who invest in cryptocurrencies and informing them about the risks associated with the asset class, even as the government is working on legislation to regulate digital currencies. In the past two-three weeks, HDFC Bank, Axis and ICICI Bank have sent emails highlighting the risks to customers who are investing in crypto assets, at a time when crypto exchanges have gone on an advertising blitzkrieg with claims which, according to critics, are at times puffery and misleading.
<https://economictimes.indiatimes.com/tech/technology/banks-informing-customers-about-crypto-pitfalls/articleshow/87838467.cms>
- **New twist in Spandana founder and Kedaara Capital's public spat:** The public spat between Kedaara Capital and Spandana Sphoorty's founder Padmaja Reddy is taking a new twist with the private equity firm questioning Spandana's IT management and the functioning of the gold loan business of its subsidiary under her leadership. The new management at Spandana has also hired an independent agency to probe into issues concerning the IT system and operations of Criss Financial – the gold loan subsidiary, hinting that there is a suspicion of wrongdoings.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/new-twist-in-spandana-founder-and-kedaara-capitals-public-spat/articleshow/87850113.cms>
- **SBI, NPCI, NSE likely promoters of 'open' e-platform for retailers:** Top banks, stock exchanges as well as payments and settlement organisations have expressed interest in the government's plan to create a digital platform on an open network to enable a wide variety of local retailers to sell their products and services. National Payments Corporation of India (NPCI), State Bank of India, HDFC Bank, the National Stock Exchange, the BSE, NSDL, and National Bank for Agriculture and Rural Development, among others, have committed to be the promoters of the private sector-led non-profit company that is expected to launch Open Network for Digital Commerce (ONDC), a senior government official told Business Standard. The network aims to curb digital monopolies.
https://www.business-standard.com/article/economy-policy/sbi-npci-nse-likely-promoters-of-open-e-platform-for-retailers-121112200015_1.html
- **Bad-loan market may see a flurry of activity after lull of past few years:** Banks are set to sell dud-loans worth Rs 90,000 crore of 22 firms in the first tranche to the National Asset Reconstruction Company (NARCL). It's reason for cheer given that such sales to asset reconstruction companies (ARCs) have been poor in recent times. In fiscal 2020, their assets under management (AUM) contracted by 4 per cent; and in fiscal 2021, it fell by another 100 basis points to Rs 1.07 trillion. So, why are we where we are? "In FY21, we sold nine out of 10 assets for cash. This year (FY22) too, whatever we have sold (20-23 assets) if for cash. We have taken security receipts (SRs) only in 3-4 cases. Selling in cash entails higher haircuts, but we are okay with that," says Swaminathan J, managing director (risk, compliance & stressed assets resolution group) at the State Bank of India. Two other factors have also been in play.



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https://www.business-standard.com/article/finance/bad-loan-market-may-see-a-flurry-of-activity-after-lull-of-past-few-years-121112101008_1.html

- **No respite for Paytm investors, stock slumps another 13% on Monday:** The shares of One97 Communications, which operates Paytm, slumped further by 13 per cent on Monday even as the company reported a 131 per cent increase in its gross merchandise value (GMV) in October 2021 on a year-on-year basis. The stock had crashed 27.25 per cent on Thursday, the first day of listing, as high valuation impacted investor sentiments. The company's market cap is down by ₹50,000 crore in two days of trading. Shares of recently listed companies like Policybazaar (PB Fintech), Nykaa (FSN E-Commerce Ventures) and Zomato also came under pressure. Zomato was down by nearly 3 per cent while Policy Bazaar slumped 6.6 per cent on Monday on the BSE.
<https://www.thehindubusinessline.com/markets/stock-markets/no-respite-for-paytm-investors-stock-slumps-another-13-on-monday/article37630996.ece>
- **Fitch affirms SBI, PNB, BoB ratings at 'BBB-' with negative outlook:** Fitch Ratings has affirmed ratings for various public sector banks including Bank of Baroda (BoB), State Bank of India (SBI) and Punjab National Bank (PNB) at 'BBB-' with the outlook being negative. The operating environment OE outlook of Indian banks has been revised to stable from negative, reflecting a better recovery than Fitch expected in business and economic activity following the Covid-19 pandemic second wave.
<https://www.livemint.com/companies/news/fitch-affirms-sbi-pnb-bob-ratings-at-bbb-with-negative-outlook-11637574512633.html>
- **Paytm reports 131% rise in GMV to \$ 11.2 billion in October:** Driven by festive season spends, One 97 Communications (Paytm), which got listed in bourses last week, has recorded a 131 per cent increase in its gross merchandise value (GMV)—or payments made to merchants through its platform—in October 2021 on a year-on-year basis to ₹83,200 crore (\$11.2 billion) from a level of about ₹36,000 crore in same month last year. The number of monthly transacting users (MTUs) grew more than 35 per cent in October 2021 to 63 million as compared to 47 million in the same month last year, Paytm said in a regulatory filing on its operating performance for October on Sunday night.
<https://www.thehindubusinessline.com/companies/paytm-reports-131-rise-in-gmv-to-112-billion-in-october/article37619416.ece>
- **SBI dual lists \$650 million green bonds on India INX, Luxembourg Stock Exchange:** State Bank of India, the country's largest commercial bank, on Monday dual listed its \$650 million green bonds simultaneously on the India International Exchange (India INX) and Luxembourg Stock Exchange (LuxSE). This dual listing is in line with this year's topic of World Investor Week, 'Sustainable Finance', as indicated by the regulatory body International Financial Services Centres Authority (IFSCA). India INX, which is BSE's international arm, on Friday had announced its memorandum of understanding with Luxembourg Stock Exchange for co-operation in financial services industry, maintenance of orderly markets in securities respective country, ESG (environmental, social and governance) and green finance in the local market. This dual listing of green bonds is the first step towards this collaborated effort.



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<https://www.thehindubusinessline.com/money-and-banking/sbi-dual-lists-650-million-green-bonds-on-india-inx-luxembourg-stock-exchange/article37631306.ece>

- **No breach of systems and pilferage of any personal data: PNB:** Following several reports of vulnerability found in Punjab National Bank's internal server, exposing personal and financial information of customers, the bank on Monday denied any breach of system and possibility of data exposure. The bank has deployed data leak prevention solutions that stops any unauthorized data to be sent through emails, it said. "We have thoroughly checked our ICT systems those on Internet facing and operating in the background at PNB. There has been no breach of systems and pilferage of any personal data of any of our customers and account holders of PNB," the bank said in a statement.
<https://www.thehindubusinessline.com/money-and-banking/no-breach-of-systems-and-pilferage-of-any-personal-data-pnb/article37630975.ece>
- **Spandana Sphoorty appoints Shalabh Saxena as new MD and CEO:** The country's second-largest microfinance institution, Spandana Sphoorty, on Monday announced the appointment of Shalabh Saxena as its new Managing Director and CEO, and Ashish Damani as the President and Chief Financial Officer. While Saxena is currently serving as the MD and CEO of Bharat Financial Inclusion Ltd (BFIL), Damani has nearly two decades of experience at BFIL and is currently serving as its Chief Financial Officer, Spandana said in a statement.
<https://www.thehindubusinessline.com/companies/spandana-sphoorty-appoints-shalabh-saxena-as-new-md-and-ceo/article37627689.ece>
- **Asset quality pains for banks ease, focus on growth likely in H2:** Asset quality pains for banks have largely eased after the second quarter and they are now likely to focus on growth, believe analysts. A report by ICICI Securities noted that overall the quarter ended September 30, 2021 saw improvement in broad business parameters and management commentaries have been positive suggesting better traction in the second half of the fiscal. "We believe profitability should see a boost in coming quarters with better top-line growth and lower provisions. Loan growth is to be largely driven by retail and MSME segment while corporate segment should witness gradual pick up in working capital utilisation," it said.
<https://www.thehindubusinessline.com/money-and-banking/asset-quality-pains-for-banks-ease-focus-on-growth-likely-in-h2/article37620723.ece>
- **Sensex, Nifty down nearly 2% as bears tighten grip:** The BSE Sensex closed at 58,465.89, down 1170.12 points or 1.96 per cent. It recorded an intraday high of 59,778.37 and a low of 58,011.92. The Nifty 50 ended at 17,416.55, down 348.25 points or 1.96 per cent. It recorded an intraday high of 17,805.25 and a low of 17,280.45. The volatility index surged nearly 18 per cent to end at 17.52, signalling caution among investors. Bharti Airtel, JSW Steel, Asian Paints, Powergrid and Hindalco were the top gainers on the Nifty 50 while Bajaj Finance, Bajaj Finserv, Tata Motors, Reliance and NTPC were the top losers.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-tanks-over-400-points-ril-plunges-4/article37619486.ece>



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