



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

January 27, 2022

- **Government approves PMC Bank amalgamation plan:** The government Tuesday approved the plan for the amalgamation of the Punjab and Maharashtra Co-operative Bank (PMC Bank) with Unity Small Finance Bank (USFBL), a joint venture between Centrum Financial services and digital payments platform BharatPe. “The scheme of amalgamation envisages takeover of the assets and liabilities of PMC Bank, including deposits, by the USFBL in terms of the provisions of the scheme,” the Reserve Bank of India said citing the government's sanction on the amalgamation plan.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/government-approves-pmc-bank-amalgamation-plan/articleshow/89123343.cms>
- **Government, RBI urged to review scheme of amalgamation of PMC Bank and Unity SFB:** Sahakar Bharati on Wednesday said the Government of India (GoI) and the Reserve Bank of India (RBI) should review the Scheme of Amalgamation of Punjab and Maharashtra Co-operative (PMC) Bank with Unity Small Finance Bank (Unity SFB) to mitigate the hardships being faced by PMC Bank’s depositors, who are victims of fraud. GoI had sanctioned and notified the above scheme for the amalgamation on January 25, 2022, with RBI stating that all the branches of PMC Bank will function as branches of Unity SFB with effect from this date. Sahakar Bharati, which is an umbrella body of co-operative institutions, in a statement, said it will join forces with PMC Depositors/ Associations and will appeal to the Supreme Court to take Suo Moto cognizance of the hardships PMC Depositors are facing.  
<https://www.thehindubusinessline.com/money-and-banking/goi-and-rbi-should-review-scheme-of-amalgamation-of-pmc-bank-with-unity-sfb-sahakar-bharati/article64940458.ece>
- **PMC deposit holders to move courts against amalgamation plan:** Aggrieved deposit holders of Punjab and Maharashtra Co-operative Bank have decided to approach the courts against implementing the final scheme of amalgamation between PMC and Unity Small Finance Bank (SFB), approved by the government on Tuesday. PMC bank depositors led by Sahakar Bharati, an umbrella body for cooperative societies founded by Reserve Bank of India board member Satish Marathe, have decided to petition the Supreme Court against the scheme.  
<https://www.livemint.com/industry/banking/pmc-bank-depositors-to-move-courts-against-final-resolution-scheme-11643196237032.html>



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- **Stage set for reverse repo normalisation: SBI Ecowrap:** State Bank of India's economic research team believes the stage is set for a reverse repo normalisation, given that the Triparty Repo Dealing and Settlement (TREPS) and call money rates are ruling higher than the reverse repo rate. Normalisation means the reverse repo rate (the interest rate banks earn for parking surplus liquidity with RBI) of 3.35 per cent can be raised to 3.75 per cent in one or two stages. The RBI's revised liquidity management framework (February 2020) has retained the width of the liquidity management corridor at 50 basis points – the reverse repo rate being 25 basis points below the repo rate (of 4 per cent) and the Marginal Standing Facility rate 25 basis points above the repo rate.  
<https://www.thehindubusinessline.com/money-and-banking/state-set-for-reverse-repo-normalisation-sbi-ecowrap/article64940229.ece>
- **Can Fin Homes Q3FY22 net profit declines 12 per cent yoy:** Can Fin Homes reported a 12 per cent year-on-year (yoy) decline in third quarter net profit at ₹116 crore against ₹132 crore in the year ago quarter due to higher provisions for expected credit loss and write-offs. The housing finance company's (HFC) net interest income (difference between interest earned and interest expended) declined about 2 per cent yoy to ₹206 crore (₹210 crore in the year ago quarter).  
<https://www.thehindubusinessline.com/money-and-banking/can-fin-homes-q3fy22-net-profit-declines-12-per-cent-yoy/article64940233.ece>
- **Nagpur: 7 cheated of ₹4.68 crore by cryptocurrency fraudsters:** Seven persons have been cheated of ₹4.68 crore in a cryptocurrency fraud in Nagpur in Maharashtra, police said on Tuesday. The five accused who were running this racket, in which investors were promised high returns, have been identified as Mohd Habib Mohd Hanif (39) from Karnataka, Mohd Abbas Mohd Yusuf (34) from Punjab, Begum Junaidi Moahhad Sheikh, Ahmed Sheikh and Burhan Sheikh, a Sonegaon police station official said.  
<https://www.thehindubusinessline.com/money-and-banking/cryptocurrency/nagpur-7-cheated-of-rs-468-cr-by-cryptocurrency-fraudsters/article64940088.ece>
- **Karnataka Bank introduces mobile banking facility for NRIs:** Karnataka Bank Ltd has launched a mobile banking facility for its NRI customers through the existing mobile banking application - 'KBL MobilePlus'. According to the bank, NRI customers can access a whole range of banking facilities with this facility. These include fund transfer, bill payments, credit card payments, deposit opening and closing, and account statement.  
<https://www.thehindubusinessline.com/money-and-banking/karnataka-bank-introduces-nri-get-mobile-banking-facility/article64939301.ece>



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- **Banks' plea seeking time for borrowers to comply with new loan recast plan rejected:** The Reserve Bank of India (RBI) has turned down the request of banks seeking an extension for borrowers to comply with financial parameters prescribed by the Kamath Committee on restructuring of loans. A senior bank executive confirmed the development and said that the banking sector regulator has confirmed its stance to both banks and Indian Banks' Association (IBA). Banks individually and through IBA had reached out to the RBI seeking extension of the deadline till March 2023 on account of resurgence of the Covid-19 pandemic. "The regulator has informed us that while it continues to monitor the evolving situation, no additional regulatory accommodation is contemplated at present," the executive said on condition of anonymity, adding that a similar response was sent to IBA last month.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-plea-seeking-time-for-borrowers-to-comply-rejected/articleshow/89128152.cms>
- **Bankers reject Religare's debt rejig proposal:** Bankers have rejected a proposed restructuring plan by the troubled Religare Finvest because of the high loan component in the plan, instead asking the company to seek the central bank's approval before lenders give their consent. The plan proposed by Religare Finvest management needed an infusion of Rs 700 crore of fresh loans from lenders over a period of two and a half years. Bankers are reluctant because the account is classified as a non performing asset (NPA).  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bankers-reject-religares-debt-rejig-proposal/articleshow/89127848.cms>
- **TCS 2nd most valuable IT services brand globally, 5 others in top 25 tally: Brand Finance:** Tata Consultancy Services (TCS) has become the second most valuable brand in the IT services sector globally, while Infosys and four other Indian tech majors have firmly established their position among the top 25 IT services brands tally, according to Brand Finance. Following TCS and Infosys (third spot), there are four more Indian brands now firmly established among the global elite - Wipro (7th), HCL (8th), Tech Mahindra (15th) and LTI (22nd), as per the Brand Finance IT Services 25 2022 report.  
<https://economictimes.indiatimes.com/news/company/corporate-trends/tcs-2nd-most-valuable-it-services-brand-globally-5-others-in-top-25-tally-brand-finance/articleshow/89135280.cms?from=mdr>
- **Crypto industry's revised self-regulation norms to include NFT, tighten customer protection rules:** The cryptocurrency industry in India, which has been working on revising self-regulation rules, will include non-fungible token (NFT) start-ups under the purview. The ongoing work on code of conduct guidelines is also expected to expand on bringing uniform consumer protection safeguards, taxation and advertising rules, people familiar with the developments told BusinessLine.



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<https://www.thehindubusinessline.com/money-and-banking/crypto-industrys-revised-guidelines-might-add-nft-start-ups-and-expand-on-customer-protection-norms/article64940630.ece>

- **NPA borrowers paying back dues: Bandhan Bank CEO:** Bandhan Bank is witnessing an improvement in customer repayment behaviour, with a majority of even those whose loans have been recast restarting payments, chief executive Chandra Shekhar Ghosh said. According to Ghosh, the third wave has not materially altered the income stream of Bandhan's borrowers, and 66% of borrowers whose loans had turned non-performing are repaying some portion of their past dues, in a sign of improvement on the ground.  
<https://www.livemint.com/industry/banking/npa-borrowers-paying-back-dues-bandhan-bank-ceo-11643136991209.html>
- **Fintech companies, facing competition from mainstream banks, step up their offerings:** Fintech companies have established themselves as viable competitors in the financial-services business, but now they face a new challenge: Some mainstream banks have started to offer fintech-inspired services such as early paycheck access and no-fee overdrafts Fintechs, taking advantage of their technological prowess and lower costs, are offering more features that banks generally don't, such as analysis of customers' spending and saving patterns, credit-builder products and lending products designed specifically for consumers who banks don't typically target, like individuals with little or poor credit history. Fintechs also are placing bets on up-and-coming services such as helping consumers plan to reach their savings goals, cryptocurrency investing and crowdfunding.  
<https://www.livemint.com/industry/banking/fintech-companies-facing-competition-from-mainstream-banks-step-up-their-offerings-11643207165324.html>
- **DeFi increasingly popular tool for laundering money, study finds:** Decentralized finance protocols are playing an increasing role in money laundering, with the total value of cryptocurrency laundered rising year over year by 30% in 2021, according to blockchain data platform Chainalysis Inc. Cybercriminals laundered about \$8.6 billion in cryptocurrency in 2021, Chainalysis said in a partial release of its 2022 cryptocurrency crime report, the full version of which will be published in February. Chainalysis determined the figure by tracking cryptocurrency sent from illicit addresses to addresses hosted by cryptocurrency services such as centralized exchanges and peer-to-peer exchanges.  
<https://www.livemint.com/industry/banking/defi-increasingly-popular-tool-for-laundering-money-study-finds-11643209100975.html>
- **Insurers urge higher 80 C investment limit; reduction in GST on health products:** Insurance companies are seeking a separate deduction limit of Rs 1 lakh for insurance premium payment under Section 80 C of the Income Tax Act in the upcoming Union Budget to bring in



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more people under the ambit of insurance. The insurers also want reduction in the goods and services tax (GST) rate of 18 per cent currently applied on health insurance products to 5 per cent to make such products more affordable to common people. Finance Minister Nirmala Sitharaman will present the Union Budget for 2022-23 on February 1.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/budget-2022-insurers-urge-higher-80c-investment-limit-reduction-in-gst-on-health-products/articleshow/89133618.cms>

- LIC has exited its entire investment in Air India's debt instruments just before the airline is being handed over to the Tata group on Thursday as part of Govt's privatisation programme. As per a banking source, LIC sold its entire holding of Rs 3,800 Cr back to the airline after the latter offered to prepay debt worth Rs 12,900 Cr to the investors. "LIC, which has invested Rs 3,000 Cr, exited at a premium and will not invest in the airline in future as it will now be owned by a private limited Co," said a source close to the development.

[https://www.business-standard.com/article/companies/lic-exits-air-india-debt-at-a-profit-sells-back-entire-rs-3-800-cr-holding-122012600622\\_1.html#:~:text=Government%20Downed%20insurer%2C%20Life%20Insurance,part%20of%20government's%20privatisation%20programme.](https://www.business-standard.com/article/companies/lic-exits-air-india-debt-at-a-profit-sells-back-entire-rs-3-800-cr-holding-122012600622_1.html#:~:text=Government%20Downed%20insurer%2C%20Life%20Insurance,part%20of%20government's%20privatisation%20programme.)

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