



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

November 29, 2021

- **PNB puts up National Steel & Agro Industries for sale to recover Rs 200cr dues :** State-owned Punjab National Bank (PNB) has put up a Madhya Pradesh-based steel and agriculture company for sale to recover its outstanding of nearly Rs 200 crore. The National Steel and Agro Industries Ltd has a balance outstanding of Rs 199.90 crore to the bank. "We intend to place the account for sale to ARCs/NBFCs/other banks/FIs, on the terms and conditions stipulated in the bank's policy, in line with the regulatory guidelines," PNB said in an auction notification. The lender has set the reserve price (on cash basis) at Rs 95 crore for the sale process. For the prospective bidder to expedite the process of due diligence exercise and for verification purposes of the buyer, the bank said it will make all possible efforts to bring copies of documents at one place. However, the bank at its sole discretion may withdraw the account offered for sale, without assigning any reasons, it added.
https://www.business-standard.com/article/companies/pnb-puts-up-national-steel-agro-industries-for-sale-to-recover-rs-200cr-dues-121112800475_1.html
- **Corporate exclusion from banking shrinks buyer pool for PSBs:** The Reserve Bank of India's decision to keep corporates away from bank licences will help the government sidestep allegations that it is selling banks to big business. However, the number of prospective buyers for public sector banks (PSBs) will shrink. In the absence of any deep-pocketed corporate house, the bidders for PSU banks would have to be either private or multinational banks, or private equity investors who would be in a position to come up with a couple of billion dollars to buy a bank. The challenge in the case of private equity investors is that they would look for an exit after a few years, while multinational banks are increasingly reducing their retail exposure as retail banking is becoming a domestic activity because of compliance costs.
<https://timesofindia.indiatimes.com/business/india-business/corp-exclusion-from-banking-shrinks-buyer-pool-for-psbs/articleshow/87939051.cms>
- **Indusind Bank's Hindujas welcome RBI move to up promoter holding to 26%:** The Hindujas, who had earlier applied to RBI seeking to increase their holding in Indusind Bank, on Saturday welcomed the RBI move to allow promoter holding of up to 26 % in private sector lenders. IIHL Mauritius, the Hindujas' entity which is the promoter of IndusInd Bank, had applied to RBI to increase its holding to 26 % from the previous cap of 15 %, seeking parity after promoters of rival Kotak Mahindra Bank were given the permission to have their holding at 26 % after dragging the RBI to courts. "We believe this measure of increased promoter holding will be of benefit to all stakeholders: the regulator, the banking institution and its clients, particularly at this time when Indian economy is poised for exponential growth," Ashok Hinduja, the chairman of IIHL, said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/indusind-banks-hindujas-welcome-rbi-move-to-up-promoter-holding-to-26/articleshow/87946422.cms>



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- **WhatsApp wins approval to double payments offering to 40 million users in India:** The National Payments Corporation of India (NPCI) has permitted WhatsApp to roll out its payment services to 40 million Indian users, double of its current cap of 20 million users, a source in the know confirmed BusinessLine. Earlier, WhatsApp had requested that there should be no cap on the number of users for its payment services in India, especially in a scenario where the messaging app commands a user base of over 400 million in India. Emails sent to WhatsApp and NPCI went unanswered at the time of publishing.
<https://www.thehindu.com/business/Industry/whatsapp-wins-approval-to-double-payments-offering-to-40-million-users-in-india-source/article37715765.ece>
- **Most cryptocurrency firms say no plan B as of now:** Cryptocurrency companies in India are closely following developments around the proposed legislation on cyptocurrency but at present, most of them don't have a plan B in case of a complete ban on trading. "As an industry, we are in sync with the fact that INR is the only legal tender in India and crypto is an asset or utility which people buy and sell. "If tabled in the Parliament, there will be discussions and deliberations around this bill. The process of crypto regulation is in the works, and we need to have faith in our lawmakers," said Nischal Shetty, Founder, WazirX.
<https://www.thehindubusinessline.com/money-and-banking/cryptocurrency-firms-say-no-plan-b-as-of-now/article37717689.ece>
- **Draft amalgamation scheme insensitive and a cruel joke: PMC depositors:** The PMC Depositors Association, which represents more than 500 depositors of the troubled The Punjab and Maharashtra Cooperative (PMC) Bank, has termed the Reserve Bank of India's draft scheme of amalgamation with Unity Small Finance Bank as shamefully insensitive, and said the scheme is no less than a cruel joke played on the depositors. The draft scheme, announced last week, proposed depositors of the troubled lender with deposits of more than Rs 5 lakh have to wait 5 to 10 years to get their principal amount back. In addition, interest will not be accrued on such deposits for the first 5 years, after which interest rate of 2.75 per cent will be paid, which is less than savings account deposits offered by most banks in the country.
https://www.business-standard.com/article/current-affairs/draft-amalgamation-scheme-insensitive-and-a-cruel-joke-pmc-depositors-121112800536_1.html
- **RBI stance signals easier framework for setting up banks, say experts:** The Reserve Bank of India's (RBI's) position on promoter holding and redressal of issues on holding companies will pave the way for a more conducive regulatory framework to set up banks, experts said. However, the regulator's silence on the issue of corporate ownership evoked "surprise". The RBI is yet to clearly spell out its position on conversion of non-banking finance companies into banks, he said. Ashvin Parekh, managing partner, Ashvin Parekh Advisory Services (APAS), said, "To my mind, 26 per cent is a good benchmark, as (the issue of) fear about promoters losing control has been dealt with. The other stakeholders can't pass a special resolution."
<https://www.business-standard.com/article/finance/rbi-stance-signals-easier-framework-for-setting-up-banks-say-experts->



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[121112700019_1.html#:~:text=RBI%20stance%20signals%20easier%20framework%20for%20setting%20up%20banks%2C%20say%20experts,-Abhijit%20Lele%20%7C%20Mumbai&text=The%20Reserve%20Bank%20of%20India's,set%20up%20banks%2C%20experts%20said.](#)

- **Depositors of 16 stressed cooperative banks to get up to Rs 5 lakh on Monday:** Customers of 16 stressed cooperative banks will get up to Rs 5 lakh deposit insurance cover on Monday by Reserve Bank of India's subsidiary DICGC as part of its mandate under a new law. The Deposit Insurance and Credit Guarantee Corporation (DICGC) had earlier prepared a list of 21 banks but five, including Punjab & Maharashtra Co-Operative Bank (PMC Bank), are out of the list as they are either in merger process or out of the moratorium. Parliament in August passed the Deposit Insurance and Credit Guarantee Corporation (Amendment) Bill, 2021 ensuring that account holders get up to Rs 5 lakh within 90 days of the RBI imposing a moratorium on the banks. Following enactment, the government has notified September 1, 2021 as the date on which the provisions of the Act would come into force. The mandated 90 days from the notified date comes to an end on November 29, 2021.
<https://www.livemint.com/industry/banking/depositors-of-16-stressed-cooperative-banks-to-receive-up-to-rs-5-lakh-on-monday-11638112606476.html>
- **RBI norms: No bank licences for large corporates yet:** Reserve Bank of India (RBI) has refrained from permitting corporate ownership of banks, putting on hold a working group recommendation that said large corporate and industrial houses may be allowed to promote banks post amendments to the Banking Regulations Act, 1949. The central bank has also not accepted a recommendation to allow well-run, large NBFCs, including those owned by a corporate house, to become banks. Both suggestions, it said, on Friday, are "under examination".
<https://www.financialexpress.com/industry/banking-finance/rbi-norms-no-bank-licences-for-large-corporates-yet/2376999/>
- **PSB privatisation: New Bill may provide for 26% minimum govt holding:** The Banking Laws (Amendment) Bill, 2021, which will be introduced in the Winter Session of Parliament starting November 29, will likely propose that the minimum government holding in public sector banks (PSBs) be trimmed to 26% from 51%, an official source said. The move is aimed at facilitating the privatisation of two PSBs, in sync with the announcement in the Budget for 2021-22. On Wednesday, shares of Indian Overseas Bank (IOB) and Central Bank of India rallied, amid speculations that the government had made a decision to privatise these two lenders, as suggested by the Niti Aayog. However, the Centre is yet to formally name the privatisation candidates.
<https://www.financialexpress.com/industry/banking-finance/psb-privatisation-new-bill-may-provide-for-26-minimum-govt-holding/2376966/>
- **Indusind Bank's Hinduja's welcome RBI move to up promoter holding to 26%:** The Hinduja's, who had earlier applied to RBI seeking to increase their holding in Indusind Bank, on Saturday welcomed the RBI move to allow promoter holding of up to 26 per cent in private sector lenders. IHL Mauritius, the Hinduja's' entity which is the promoter of IndusInd Bank, had applied to RBI to increase its holding to 26 per cent from the previous cap of 15 per cent, seeking parity after promoters of rival Kotak



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Mahindra Bank were given the permission to have their holding at 26 per cent after dragging the RBI to courts.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/indusind-banks-hindujas-welcome-rbi-move-to-up-promoter-holding-to-26/articleshow/87946422.cms>

- **Paytm says large merchants of competitors now switching to its platform:** Digital payments and financial services firm Paytm has claimed that large merchants of its competitors are now switching to its platform and it is seeing a big opportunity in capturing mid-level market and start-up community with its payment products, a top official said during earnings call of the company. Paytm Chairman and Managing Director Vijay Shekhar Sharma said the company is one of the largest "acquiring side partners" for all payment networks be it Visa, Master and PCI, Amex, UPI etc and that is the reason large corporates including Flipkart and others are using Paytm payments solution.
<https://www.moneycontrol.com/news/business/paytm-says-large-merchants-of-competitors-now-switching-to-its-platform-7770501.html>
- Yes Bank's legal dispute with Dish TV India over voting rights in the Supreme Court will not only decide the fate of the Co but also impact several other cases where the banks are fighting with defaulters over control over collateral. Yes Bank acquired 24.5% stake in Dish TV after the promoters failed to repay their debt and banks invoked the pledged shares. In September last year, the founder of Essel group, Subhash Chandra filed a police complaint against the bank and its former management led by Rana Kapoor accusing them of fraud while brokering a merger transaction between Videocon D2H and Dish TV India. The matter is under investigation by the police.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/nclt-allows-yes-bank-time-to-file-a-reply-in-dish-tv-matter-adjourns-the-case-for-december-22/articleshow/87869837.cms?from=mdr>
- **FPIs net buyers in November; invest Rs 5,319 crore:** Foreign portfolio investors (FPI) have pumped in a net sum of Rs 5,319 crore in Indian capital markets despite a massive correction seen in equities over the last fortnight. In October, they were net sellers to the tune of Rs 12,437 crore. As per depositories data, overseas investors put in a net Rs 1,400 crore into equities and Rs 3,919 crore into the debt segment between November 1-26. This translated into total net investment of Rs 5,319 crore. "Since FPIs have been holding large quantity of banking stocks, they have been major sellers in this segment. Sustained selling has made banking stocks attractive from the valuation perspective," said VK Vijayakumar, Chief Investment Strategist at Geojit Financial Services.
<https://economictimes.indiatimes.com/markets/stocks/news/fpis-net-buyers-in-november-invest-rs-5319-crore/articleshow/87960625.cms>
- **Visa complains to U.S. govt about India backing for local rival RuPay:** Visa Inc has complained to the U.S. government that India's "informal and formal" promotion of domestic payments rival RuPay hurts the U.S. giant in a key market, memos seen by Reuters show. In public Visa has downplayed concerns about the rise of RuPay, which has been supported by public lobbying from Prime Minister Narendra Modi that has included likening the use of local cards to national service.



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<https://www.thehindu.com/business/Industry/visa-complains-to-us-govt-about-india-backing-for-local-rival-rupay/article37733331.ece>

- **LIC Mutual Fund looks to take cumulative AUM to Rs 25,000 cr by March:** LIC Mutual Fund, which is heavily dependent on debt schemes with over 90 per cent of its schemes in that segment, hopes to double its recently launched equity fund to Rs 2,000 crore by the end of December and close the fiscal year with a cumulative AUM of Rs 25,000 crore, adding a quarter more to the present asset base. Having begun operations in 1989, LIC AMC is one of the oldest fund houses but has been a passive player all this while keeping the parent LIC's risk-averse investing culture. As a result, its AUM is only a low Rs 20,000 crore (as of October-end and is ranked 20th among 43 players) because more than 90 per cent of its schemes and over 70 per cent of its AUM are debt funds, even after so many years of operations and despite the strong parental brand support.

https://www.business-standard.com/article/companies/lic-mutual-fund-looks-to-take-cumulative-aum-to-rs-25-000-cr-by-march-121112800476_1.html

- **M-cap of nine of top-10 most valued firms erode by over Rs 2.62 lakh cr:** The market valuation of nine of the top-10 most valued companies eroded by Rs 2,62,146.32 crore last week in tandem with an overall weak broader market, where Bajaj Finance and Reliance Industries took the biggest hit. During the last week, the BSE benchmark Sensex plunged by 2,528.86 points or 4.24 per cent. Bharti Airtel was the only gainer from the top-10 companies' list. The valuation of Bajaj Finance tumbled by Rs 41,518.24 crore to Rs 4,10,670.50 crore. Reliance Industries (RIL) saw its market worth tank by Rs 38,440.66 crore to Rs 15,30,109.51 crore. The valuation of Infosys took a hit of Rs 37,950.03 crore to reach Rs 7,10,925.34 crore and that of HDFC plummeted by Rs 33,067.68 crore to Rs 4,96,168.98 crore. State Bank of India's market capital dropped by Rs 29,852.83 crore to Rs 4,19,902.97 crore and ICICI Bank lost Rs 28,567.03 crore to Rs 5,01,039.91 crore.

<https://economictimes.indiatimes.com/markets/stocks/news/mcap-of-nine-of-top-10-most-valued-firms-erode-by-over-rs-2-62-lakh-cr/articleshow/87961896.cms>

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