



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

June 3, 2021

- **RBI's MPC begins deliberations amidst expectations of status-quo in policy rate:** The Reserve Bank's rate-setting panel, Monetary Policy Committee (MPC), began its three-day deliberations on Wednesday amid expectations of a status quo on benchmark rate mainly on account of uncertainty over the impact of the second wave of COVID-19 pandemic. Moreover, the fears of firming inflation may also refrain the MPC from tinkering with the interest rate in its bi-monthly monetary policy outcome to be announced on Friday. The RBI had kept key interest rates unchanged at the last MPC meeting held in April. The key lending rate, the repo rate, was kept at 4 per cent and the reverse repo rate or the central bank's borrowing rate at 3.35 per cent. M Govinda Rao, Chief Economic Advisor, Brickwork Ratings said the better-than-expected GDP numbers provide the much-needed comfort to the MPC on the growth outlook.
<https://economictimes.indiatimes.com/news/economy/indicators/rbis-mpc-begins-deliberations-amidst-expectations-of-status-quo-in-policy-rate/articleshow/83169817.cms?from=mdr>
- **Union Bank of India appoints A K Vinod as chief compliance officer:** State-owned Union Bank of India on Tuesday said it has nominated A K Vinod as its chief compliance officer. A K Vinod, chief general manager, has been nominated as the chief compliance officer with effect from June 1, 2021 in place of K L Raju, general manager, the lender said in a regulatory filing. Vinod, 50, who was handling MSME and small corporate vertical of the bank, has been nominated as the CCO for a minimum period of three years.
https://www.business-standard.com/article/finance/union-bank-of-india-appoints-a-k-vinod-as-chief-compliance-officer-121060101464_1.html
- **ICICI Bank offers instant facility for cross-border inward remittances:** ICICI Bank today announced that it has tied up with SWIFT to offer a facility that helps overseas partner banks to send instant remittances on behalf of their customers to the beneficiary in India. The beneficiary gets the credit to the bank account instantly. This makes ICICI Bank the first bank in Asia-Pacific and the second globally to offer the facility, called 'SWIFT gpi Instant', for cross border inward payments. Speaking on the initiative, Sriram H. Iyer, Head - International Banking Group, ICICI Bank said, "ICICI Bank has been a dominant player in inward remittances to India. We are delighted to be the first bank in Asia-Pacific to go live with the 'SWIFT gpi Instant' solution. . With this new service, we continue to live up to our commitment to offering customer-centric solutions enabling quick and hassle-free money transfers."
<https://www.livemint.com/industry/banking/icici-bank-offers-instant-facility-for-cross-border-inward-remittances-key-benefits-11622617443629.html>
- **PhonePe touches 300 million lifetime registered users milestone:** Digital payments network PhonePe has said it crossed 300 million lifetime registered users, surpassing its earlier milestone achievement 250 million users which it reached in November of 2020. PhonePe reported 125 million monthly active users (MAU) and an annualized TPV run-rate of over USD \$390 billion in May this year, it said in a release. Speaking on this achievement, Sameer Nigam Co-Founder and Chief Executive Officer (CEO) of



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PhonePe said, "We will strive to build even simpler, more localized and more intuitive payment solutions to address the needs of every Indian consumer in order to achieve our mission of getting 500Mn Indians to adopt digital payments by 2023,"

<https://www.moneycontrol.com/news/business/phonepe-touches-300-million-lifetime-registered-users-milestone-6979051.html>

- **UPI transactions in May fall for second straight month:** Amid the second Covid-19 wave that has led to lockdowns in many States, digital payments continued to fall for a second consecutive month in May. Exception was payments through Bharat BillPay and Aadhaar Enabled Payment System (AePS). Transactions through the Unified Payments Interface (UPI) fell to a three-month low, according to data released by the National Payments Corporation of India. The number of transactions on BHIM UPI fell to 253 crore in May amounting to ₹4.9 lakh crore as against 264 crore transactions worth ₹4.93 lakh crore in April. UPI transactions had crossed the ₹5-lakh crore in March, but has been falling since then due to the lockdowns.
<https://www.thehindubusinessline.com/money-and-banking/upi-transactions-in-may-fall-for-second-straight-month/article34702559.ece>
- **KVGB conducts vaccination camp for bankers:** A Covid vaccination camp for bankers was conducted at the head office of Karnataka Vikas Grameen Bank (KVGB) in Dharwad on Wednesday. Inaugurating the camp, P Gopi Krishna, Chairman of KVGB, said the bank employees and officers have done commendable job during the period arising out of Covid by extending uninterrupted service to the customers in general and villagers in particular. "The vaccine would boost their self-confidence and immunity," he said. More than 200 bank employees aged between 18 and 45 were vaccinated on Wednesday. The camp was organised in association with the Dharwad district administration and the Dharwad district health office.
<https://www.thehindubusinessline.com/money-and-banking/kvgb-conducts-vaccination-camp-for-bankers/article34706978.ece>
- **Revised ECLGS will help hotels, aviation sector, tour operators: Crisil:** Businesses like hotels, civil aviation and tour operators, which are the hardest hit by the second wave of COVID-19, will get help through the expanded Emergency Credit Line Guarantee Scheme (ECLGS), a report said on Wednesday. It will also support build-up of healthcare infrastructure, mainly oxygen availability, in tier-2 and beyond cities and the hinterland, the report by leading credit ratings agency Crisil said. The scheme was first announced in May last year, when the deep economic impact of the pandemic was becoming evident. The latest version of the scheme is valid till end September 2021 or till the Rs 3 lakh crore outlay gets exhausted.
<https://economictimes.indiatimes.com/news/economy/policy/revised-eclgs-will-help-hotels-aviation-sector-tour-operators-crisil/articleshow/83175182.cms>
- **Banks, asset managers want RBI to allow sale of fraud loans to ARC:** Increasing instances of fraud have led top banks and asset managers to seek central bank nod to allow the sale of such accounts to asset reconstruction companies (ARCs), something the banking regulator currently prohibits. These stakeholders also want ARCs to be granted indemnity from any prosecution arising out of a fraudulent



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account. “During the central bank consultation process, some stakeholders flagged off this issue with the committee and sought a review to allow the sale of fraudulent accounts and give ARCs the legal immunity against further prosecution by any investigating agency,” an official involved in the consultative process with the Reserve Bank of India (RBI) told ET.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-asset-managers-want-rbi-to-allow-sale-of-fraud-loans-to-arc/articleshow/83176692.cms?from=mdr>

- **Coinbase to allow users to use card via Apple, Google wallets:** Coinbase Global Inc launched a tie-up with Apple and Alphabet Inc's Google on Tuesday that will allow users to add cards from their accounts to the payment apps run by the two tech giants. The Coinbase card added to the wallets can be used to buy everyday goods with digital currencies, the biggest US cryptocurrency exchange said in a blog post. The company said it will automatically convert all cryptocurrency to US dollars and transfer the funds to a customer's Coinbase Card for use in purchases and ATM withdrawals. It also said users can earn crypto rewards on their shopping when a Coinbase Card is used with Apple Pay or Google Pay.
<https://www.moneycontrol.com/news/business/cryptocurrency/coinbase-to-allow-users-to-use-card-via-apple-google-wallets-2-6975571.html>
- **Fintech start-up Boxop ties up with Mahindra Insurance for Covid treatment:** Boxop, a Kerala-based start-up has tied up with Mahindra Insurance Brokers Ltd (MIBL) to provide low-cost insurance protection for the Covid-19 treatment. Boxop is providing this comprehensive service across the State through Akshaya Kendras and support from MIBL. The company has introduced a Group Covid plan in which individual who is tested Covid positive will get a lumpsum benefit plan of ₹25,000, in which 24 hour of hospitalization is mandatory. Individuals can also avail other products like cashless treatment plans for all illnesses including Covid-19, at select hospitals (reimbursement plans at other hospitals) and an income replacement plan for in-patient hospitalisation for an amount of ₹1,000 per day (for maximum 30days in a year) across all Akshaya Kendras.
<https://www.thehindubusinessline.com/news/fintech-start-up-boxop-ties-up-with-mahindra-insurance-for-covid-treatment/article34705208.ece>
- **Indian banks shrink overseas wholesale loan book amid surfeit of global liquidity:** Indian banks with international operations seem relatively better off lending to corporates in the home market as compared to overseas markets. The contraction in their overseas loan portfolio suggests that they have embarked on this path. The overseas loan books of banks such as State Bank of India (SBI), Bank of Baroda (BoB) and ICICI Bank shrank by varying degrees in FY21. This came amid global central banks flooding financial markets with liquidity to support their respective economies in the wake of the Covid-19 pandemic. As of March end, 2021, the overseas loan book of SBI declined a tad (0.13 per cent year-on-year/yoy) to ₹3,56,877 crore; BoB's portfolio shrank 13 per cent yoy to ₹1,10,514 crore and ICICI Bank's portfolio contracted 30 per cent yoy to ₹37,590 crore. Bank of India's overseas loan book was down 3 per cent year-to-date to ₹1,27,686 crore as of December end, 2020.
<https://www.thehindubusinessline.com/money-and-banking/indian-banks-shrink-overseas-wholesale-loan-book-amid-surfeit-of-global-liquidity/article34706497.ece>



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- **Delay in insolvency resolution continues to be cause for concern:** Insolvency and Bankruptcy Code is gaining ground as an effective recovery tool, the inordinate delay in resolution process still remains a worrying factor. Of the 1,723 ongoing insolvency cases as of March-end, 79 per cent or over 1,361 cases have breached the outer limit of 270 days for resolution set out by IBC. Gautam Bhatikar, Partner at Phoenix Legal said the delay in resolution was due to the fact that NCLTs have been functioning via virtual hearings since the lockdown last year. Moreover, he added a large number of vacancies across tribunals has been a major hindrance and the Supreme Court has already directed the government to fill up vacancies in two months. Following the strict timeline of 120 days is the only way to reduce the statutory delays in resolution processes, he added.
<https://www.thehindubusinessline.com/money-and-banking/delay-in-insolvency-resolution-continues-to-be-cause-for-concern/article34702597.ece>
- **Banks need to beef up on the ground security at ATMs : AIBOC :** The All India Bank Officers' Confederation (AIBOC) has requested the Department of Financial Services (DFS) to take up with Banks as well as State Governments the need to beef up on the ground security at ATM sites as criminals are increasingly manipulating bank software to siphon cash out of unguarded ATMs. The Association expressed deep concern over the spate of ingenious ATM frauds -- Man in the Middle (MiTM) model ATM hackings -- that have surfaced in several cities of the country by accessing the server of the bank. MiTM ATM hacking involves bypassing of systems, whereby cyber fraudsters secretly intercept the two-way encrypted messaging and data transfer between an ATM and its bank servers, and manipulate it to prompt ATMs to spew cash from unguarded ATMs, AIBOC said in a statement.
<https://www.thehindubusinessline.com/money-and-banking/banks-need-to-beef-up-on-the-ground-security-at-atms-aiboc/article34709694.ece>
- **Gold price eases marginally to Rs 49,218/10 gm on softer rupee, increased risk appetite:** Gold prices dipped by Rs 101 to Rs 49,218 per 10 gram at Mumbai retail market on continued weakness in the rupee and lacklustre global trend. The yellow metal retreated on better-than-expected US economic data, steady Treasury yield, firm dollar and increased risk appetite. The rate of 10 gram 22-carat gold in Mumbai was Rs 45,084 plus 3 percent GST, while 24-carat 10 gram was Rs 49,218 plus GST. The 18-carat gold quoted at Rs 36,914 plus GST in the retail market. Silver prices tumbled by Rs 1,062 to Rs 71,351 per kg against its closing price on June 1.
<https://www.moneycontrol.com/news/business/commodities/gold-price-eases-marginally-to-rs-4921810-gm-on-softer-rupee-increased-risk-appetite-6979231.html>
- **Sensex, Nifty close flat; Metal, PSU bank stocks shine:** The BSE Sensex closed at 51,849.48, down 85.40 points or 0.16 per cent. It hit an intraday high of 51,913.92 and a low of 51,450.58. Nifty 50 closed at 15,576.20, up 1.35 points or 0.01 per cent near the day's high of 15,597.45. It hit an intraday low of 15,459.85. UPL, Tata Steel, Hindalco. JSW Steel and Reliance were the top gainers on the Nifty 50 while ITC, Tech Mahindra, Axis Bank, Asian Paints and HDFC were the top laggards.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-nifty-close-flat-metal-psu-bank-stocks-shine/article34707774.ece>



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- **Rupee ends lower at 73.08 per dollar:** Indian rupee ended lower at 73.08 per dollar, amid volatile trade saw in the domestic equity market. It opened 18 paise lower at 73.08 per dollar against Tuesday's close of 72.90 and traded in the range of 73.04-73.31. At close, the Sensex was down 85.40 points or 0.16% at 51849.48, and the Nifty was up 1.30 points or 0.01% at 15576.20.
<https://www.moneycontrol.com/news/business/markets/rupee-opens-at-73-08-per-dollar-6975691.html>

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