



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

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- **Monetary policy highlights: RBI hikes rates by 50 bps:** The Reserve Bank of India (RBI) on Wednesday raised the key policy interest rate by 50 basis points owing to intensifying inflationary pressures, slowing growth, persisting geopolitical tensions and sanctions, and lingering COVID-19 related supply chain bottlenecks. An ET poll suggested the policy repo rate could be increased by 25-50 basis points with nearly half the 23 market participants forecasting a 50-basis-point, or half-a-percentage point, increase. The others said the policy rate could increase between 25 and 40 basis points.
<https://economictimes.indiatimes.com/news/economy/policy/rbi-hikes-rates-by-50-bps-here-are-the-top-10-takeaways/articleshow/92074773.cms>
- **Bankers hail RBI's monetary policy focus on taming inflation:** Bankers hailed the Reserve Bank's monetary policy focus on taming inflation and said the move reflects the central bank's continued effort towards non-disruptive trade-off between price stability and growth in a calibrated manner. State Bank of India chairman Dinesh Khara said the policy statement is a comprehensive assessment of the growing uncertainties and is also an affirmation of the coordinated policy action by the government and the central bank to thwart the dangers of inflation. The chairman of the nation's largest lender also said that enabling more headroom for urban and rural cooperative banks to finance the housing sector will bring about a level-playing field in the cooperatives space, while linking Rupay credit cards to UPI will add more avenues for growth and financial inclusion and convenience to customers. National bankers lobby IBA chairman A K Goel, who also heads Punjab National Bank, said the policy is on expected lines given the hardening inflation.
https://www.business-standard.com/article/finance/bankers-hail-rbi-s-monetary-policy-focus-on-taming-inflation-rate-122060801114_1.html
- **Banks need to adopt customer-centric approach: Finance Minister:** Finance Minister Nirmala Sitharaman on Wednesday said banks need to adopt customer-centric approach by understanding their needs and expectations. After the soft launch of Enhanced Access and Service Excellence-EASE 5.0, the minister said technology initiatives and robust security mechanisms should be developed. 'EASENext' reforms should bring ease for customers as well as employees, she added.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-need-to-adopt-customer-centric-approach-finance-minister/articleshow/92089727.cms>
- **Deadline to submit Reliance Capital resolution plans likely to be extended:** Lenders to Reliance Capital may extend the last date for submission of bids for acquiring the debt-ridden financial services company till August 10 after key bidders made such a request, sources said. This will be the second extension in the deadline for submission of the resolution plan for Reliance Capital. Previously, the Committee of Creditors (CoC) had extended the bid deadline from May 26 to June 20. Piramal Enterprises has written to the administrator to extend the deadline to August 10, sources aware of the matter said. Another bidder IndusInd Bank has also sought more time for resolution plan submission. It is understood that it has also written to the administrator of Reliance Capital (RCap) to extend the date to July 15. The CoC, they said, in all likelihood is expected to extend the deadline to August 10.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/deadline-to-submit-reliance-capital-resolution-plans-likely-to-be-extended/articleshow/92085149.cms>



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- **RBI cancels licence of Mudhol Co-op Bank, Bagalkot, Karnataka:** The Reserve Bank has cancelled the licence of The Mudhol Co-operative Bank Limited, Bagalkot (Karnataka), thus restricting it from repayment of deposits and acceptance of fresh funds. The bank does not have adequate capital and earning prospects, the Reserve Bank of India (RBI) said on Wednesday while announcing the cancellation of licence. "Consequent to the cancellation of its licence, The Mudhol Co-operative Bank Limited ... is prohibited from conducting the business of 'banking' which includes, among other things, acceptance of deposits and repayment of deposits," it said. RBI also said that bank with its present financial position would be unable to pay its present depositors in full.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-cancels-licence-of-mudhol-co-op-bank-bagalkot-karnataka/articleshow/92089417.cms>
- **Public sector bank unions plan strike on June 27 over pension, govt policy:** Employees of public sector banks on Wednesday threatened to go on strike on June 27 to press for issues related to pension and the demand for five-days-a-week work. The United Forum of Bank Union (UFBU), an umbrella body of nine bank unions including All India Bank Officers' Confederation (AIBOC), All India Bank Employees Association (AIBEA) and National Organisation of Bank Workers (NOBW), decided to go on strike. Their demands included updation and revision of pension for all pensioners and doing away with the national pension scheme and restore old pension scheme for all bank employees, AIBEA general secretary C H Venkatachalam said after the meeting of UFBU.
https://www.business-standard.com/article/finance/public-sector-bank-unions-plan-strike-on-june-27-over-pension-govt-policy-122060801167_1.html
- **Yes Bank to seek another term for CEO, rejig board:** State Bank of India (SBI) controlled Yes Bank will seek shareholder approval for another three year term for CEO Prashant Kumar and reconstitute the board with the addition of five new members, the bank said in a statement. Three board members, including chairman and former AIG executive Sunil Mehta will leave the bank according to the bank's statement. Mahesh Krishnamurti, former India MD of consultancy firm RGP and chartered accountant Atul Bheda will also leave the bank's board. All three were appointed by a government notification under a special scheme of restructuring after the bank nearly collapsed due to the failure to raise capital in March 2020.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/yes-bank-to-seek-another-term-for-ceo-rejig-board/articleshow/92083119.cms>
- **Co-operative Banks permitted more activities on par with commercial banks:** Co-operative banks will be eligible for more services on par with commercial banks. Besides, enhances limits on housing loans, some will now be allowed to lend to commercial real estate. Besides, urban cooperative banks will also be allowed to offer door-step banking services to their customers. "Taking into account the increase in housing prices, it has been decided to increase the existing limits on individual housing loans by cooperative banks" the Reserve Bank said in its statement on regulatory and developmental policies.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/co-operative-banks-permitted-more-activities-on-par-with-commercial-banks/articleshow/92078848.cms>
- **RBI announces measures for cooperative banks to enhance credit flow for housing sector:** The RBI today made announcements for cooperative banks in order to deepen credit flow to the housing sector. While announcing the monetary policy, governor Shaktikanta Das said that the cooperative banks will now be able to lend more for individual home loans. This will ensure better credit flow in the residential housing sector. The governor said that the move comes in the wake of rising residential housing prices. "Limits for individual housing loans extended by urban & rural cooperative banks, are being revised upwards by over 100%, considering increase in house prices," the governor outlined during the monetary policy announcement. "Accordingly, the limits for Tier I /Tier II UCBs shall stand revised from Rs 30 lakh/ Rs 70 lakh to Rs 60 lakh/ Rs 140 lakh, respectively. As regards



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RCBs, the limits shall increase from Rs 20 lakh to Rs 50 lakh for RCBs with assessed net worth less than Rs 100 crore; and from Rs 30 lakh to Rs 75 lakh for other RCBs," the statement added.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-announces-measures-for-cooperative-banks-to-enhance-credit-flow-for-housing-sector/articleshow/92074025.cms>

- **PNB board okays Rs 500 crore infusion in PNB Housing Finance:** Punjab National Bank is ready to infuse Rs 500 crore into PNB Housing Finance, which is planning to raise capital through rights issue of shares. The public sector bank board has approved the bank's participation in the proposed rights issue for an amount up to 500 crore in order to retain the bank's shareholding in the mortgage lender at 30% or below but above 26%. An above 26% holding would help PNB to retain its status as promoter in PNB Housing Finance.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/pnb-board-okays-rs-500-crore-infusion-in-pnb-housing-finance/articleshow/92072323.cms>
- **IBA expert panel to vet loan recast proposals:** Banks will jointly set up an expert committee to vet loan restructuring proposals involving amounts of Rs 500 crore and above to shield officials from any subsequent scrutiny by investigative agencies, said people with knowledge of the matter. The committee, which will be set up by the Indian Banks' Association, will comprise financial services experts and persons of eminence from the industry, they said. It will conduct process validation of the restructuring without interfering in the commercial judgment of the lenders. For loans below ₹500 crore, individual banks can set up similar committees of their own, said a senior banker who did not want to be identified.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/iba-expert-panel-to-vet-loan-recast-proposals/articleshow/92069454.cms>
- **FM launches EASE 5.0 public sector banks common reform agenda:** Finance and Corporate Affairs Minister Nirmala Sitharaman, on Wednesday, launched the fifth edition of Enhanced Access and Service Excellence-EASE 5.0, which spells out the common reforms agenda for public sector banks (PSBs) under the EASENext program. The launch event was attended virtually by Managing Directors and CEOs and other senior executives of PSBs. Under EASE 5.0, PSBs will continue to invest in new-age capabilities and deepen the ongoing reforms to respond to evolving customer needs, changing competition and the technology environment. EASE 5.0 will focus on digital customer experience, and integrated and inclusive banking, with emphasis on supporting small businesses and agriculture. Simultaneously, all PSBs will also create a bank-specific three-year strategic roadmap. It will entail strategic initiatives beyond EASE 5.0. The initiatives will be across diverse themes — business growth, profitability, risk, customer service, operations, and capability building.
<https://www.thehindubusinessline.com/money-and-banking/fm-launches-ease-50-public-sector-banks-common-reform-agenda/article65507944.ece#:~:text=EASE%205.0%20will%20focus%20on,strategic%20initiatives%20beyond%20EASE%205.0.>
- **RBI Gov asks people to approach local police for issues against unregistered digital lending apps:** Customers borrowing from unregistered digital lending apps should approach the local police in case of any issue, Reserve Bank Governor Shaktikanta Das said on Wednesday, making it clear that the central bank will only act against entities registered with it. In remarks that came in the wake of a spate of alleged suicides abetted by harassment by agents or officials of lending apps, Das said most of the digital lending apps are not registered with the central bank and operate by themselves. Das said whenever it gets a complaint from any customer, the central bank directs customers of such unregistered apps to approach the local police, which will conduct an investigation and take necessary action on the issue. The RBI website has a list of apps that are registered with it on the website, the governor said, adding that the police in many states have acted against the wrongdoers as per the provisions of the law.



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<https://www.thehindubusinessline.com/money-and-banking/approach-local-police-for-issues-against-unregistered-digital-lending-apps-rbi-governor/article65506987.ece>

- **Sensex closes 215 pts lower, Nifty below 16,400:** The BSE Sensex closed at 54,892.49, down 214.85 points or 0.39 per cent. It recorded an intraday high of 55,423.97 and a low of 54,683.30. The Nifty 50 closed at 16,356.25, down 60.10 points or 0.37 per cent. It recorded an intraday high of 16,514.30 and a low of 16,293.35. Tata Steel, State Bank of India, Titan, Dr Reddy and BPCL were the top gainers on the Nifty 50, while Bharti Airtel, ITC, Reliance, UPL and Aisan Paints were the top losers.
<https://www.thehindubusinessline.com/markets/sensex-nifty-close-marginally-lower-on-rbi-rate-hike/article65507035.ece>
- **Rupee gains 3 paise to close at 77.75 against US dollar:** The rupee appreciated by 3 paise to settle at 77.75 (provisional) against the US dollar on Wednesday after the RBI raised the interest rate by 50 basis points to 4.9 per cent. However, weak domestic markets, rising oil prices and persistent foreign capital outflows restricted the rupee's gain, forex dealers said. The Reserve Bank of India on Wednesday raised the key interest rate by 50 basis points, the second increase in five weeks, to rein in the rise in prices that it saw continuing to hurt consumers in the near term.
<https://www.thehindu.com/business/rupee-gains-3-paise-to-close-at-7775-against-us-dollar/article65507228.ece>

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