



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

DAILY NEWS DIGEST BY BFSI BOARD, ICAI

August 12, 2021

- **Global banks unwind lucrative India trades after RBI warning:** Foreign banks have been forced to unwind billions of dollars worth of profitable currency trades at the behest of India's central bank, according to people with knowledge of the matter. The issue in focus is a flurry of currency swap trades that involved the banks converting rupee-denominated deposits into dollars that were then used to buy foreign sovereign debt including US Treasuries, which are unlisted in India. The Reserve Bank of India warned the banks of a regulatory breach last week, saying they must limit their holdings of such unlisted securities to no more than 10% of investments classified as the non-statutory liquidity ratio portfolio.
<https://bfsi.economictimes.indiatimes.com/news/banking/global-banks-unwind-lucrative-india-trades-after-rbi-warning/85262057>
- **A new phishing attack lurking to scam banking customers: Advisory:** Scammers are targeting banking customers in India using a novel phishing attack to collect sensitive information such as internet banking credentials, mobile number and OTP to carry out fraudulent transactions, the country's cyber security agency has warned in its latest advisory. The malicious activity is being carried out using the ngrok platform, a unique web application, it said. "It has been observed that Indian banking customers are being targeted by a new type of phishing attack using ngrok platform." "The malicious actors have abused the ngrok platform to host phishing websites impersonating internet banking portals of Indian banks," according to the advisory issued by CERT-In on Tuesday.
<https://www.thehindu.com/sci-tech/technology/a-new-phishing-attack-lurking-to-scam-banking-customers-cert-in/article35852322.ece>
- **KVB contributes Rs 10 lakh under CSR to hold free vaccination drive:** Private sector Karur Vysya Bank on Wednesday said it handed over Rs 10 lakh to the Tamil Nadu government towards conducting free vaccination drive in private health care facilities. The Tamil Nadu-based bank handed over a cheque for the amount to Health minister Ma Subramanian in the presence of his cabinet colleague, electricity minister V Senthilbalaji and Karur district collector Prabhushankar at a function, a press release said. The state government has appealed to corporate and financial institutions towards contributing under the corporate social responsibility for holding free vaccination drive at private health care facilities.
<https://www.newindianexpress.com/business/2021/aug/11/karur-vysya-bank-contributes-rs-10-lakh-under-csr-to-hold-free-covid-vaccination-drive-2343351.html>
- **Yes Bank to float asset reconstruction company, invites bids from investors:** Yes Bank has proposed to set up an asset reconstruction company (ARC) and invited interest from prospective investors to be a part of the company as the lead investor. The prospective investor should have a strong financial capability and should have substantial experience in the distressed asset space, Ernst & Young (EY) said in an expression of interest (EOI) floated on behalf of Yes Bank. "The prospective investor would be the lead partner/sponsor of the ARC, with the bank as the other significant partner/sponsor, for



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

conducting the business of asset reconstruction," as per the EOI. EY is the process advisor to Yes Bank for floating the ARC.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/yes-bank-to-float-asset-reconstruction-company-invites-bids-from-investors/articleshow/85243812.cms?from=mdr>

- **Festive season to push credit demand: Au Small Finance Bank CEO:** With the onset of the festive season, Au Small Finance Bank expects credit demand to pick in the coming quarters, its Managing Director and CEO Sanjay Agarwal said. The lender also believes its recovery, as measured by collection efficiency, will remain upward of 100 per cent in the next few months. "Credit demand (at present) is not up to the mark because we are still coming out of that (COVID) phase, and I believe that the festive season should give us a lot of energy and boost," Agarwal said. He said the long term prospects look very good as the Capex cycle is about to begin. "We are seeing green shoots in the corporate cycle and the SME segment," Agarwal said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/festive-season-to-push-credit-demand-au-small-finance-bank-ceo/articleshow/85247254.cms?from=mdr#:~:text=With%20the%20onset%20of%20the,in%20the%20next%20few%20months>
- **Indian Bank signs Memorandum of Understanding with Paralympic Committee:** Public sector Indian Bank on Wednesday said it has signed a memorandum of understanding (MoU) with Paralympic Committee of India (PCI) as one of the banking partners of the Paralympic Games scheduled to commence from August 24 in Tokyo, Japan. "The bank, through its year-long association with PCI, will provide financial assistance to support the paralympic athletes to prepare for the sports events in domestic as well as global platforms for a year," a press release said. The resources from the bank would be used to meet the requirements of the para athletes ranging from their training, nutrition and equipment, among others, PCI president Deepa Malik said. Timely financial aid for the sportspersons would encourage them to focus on their efforts to win for the country, Malik said.
<https://www.livemint.com/sports/olympics-news/indian-bank-signs-mou-with-paralympic-committee-to-support-athletes-11628701172473.html>
- **India has 136 'billionaire' individual taxpayers:** The Finance Ministry on Tuesday informed the Rajya Sabha that the number of individual taxpayers with incomes of ₹1 billion or more nearly doubled in the Assessment Year 2019-20 (Fiscal Year 2018-19) but dipped in AY20-21 (FY 2019-20). In her written reply to a question on the number of billionaires, Finance Minister Nirmala Sitharaman clarified that there is no legislative or administrative definition of the term billionaire under direct taxes. With wealth tax abolished, the CBDT no longer captures information about the complete wealth of an individual taxpayer. She said the number of individuals disclosing a gross total income of more than ₹100 crore during AY2018-19 was 77, which rose to 141 the next year but dipped to 136 in AY 2020-21.
<https://www.thehindubusinessline.com/money-and-banking/government-does-not-recognise-cryptocurrency-as-legal-tender/article35833842.ece?homepage=true>



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

- **RBL Bank empanelled as Agency Bank by RBI:** Private sector lender RBL Bank has been empanelled by the Reserve Bank of India (RBI) as an 'Agency Bank' to conduct banking business for the Central and State Governments. "The authorisation will enable RBL Bank, to handle a broad range of transactions related to government business, such as distributing subsidies, pension payments, collecting Central and State taxes including income tax, excise duties, customs, GST, stamp duty, registration, value added tax and professional tax, in both online and offline modes," it said in a statement on Wednesday. The accreditation comes on the heels of the RBI's guideline authorising scheduled private sector banks as Agency Banks to carry out specific government-related business transactions.
<https://www.thehindubusinessline.com/money-and-banking/rbi-bank-empanelled-as-agency-bank-by-rbi/article35852359.ece>
- **Franklin accumulates ₹1,111 crore more from sale of six debt scheme assets:** Franklin Templeton, which is in the eye of storm for abruptly closing six of its debt schemes, accumulated ₹1,111 crore from the sale of assets and income from investments as of July-end. The amount may be disbursed in the third week of this month by SBI Funds Management, the official liquidator appointed by the Supreme Court. The six debt funds had assets under management (AUM) of about ₹25,000 crore when they were abruptly closed last April. So far, the suspended funds have disbursed ₹21,080 crore to investors, about 84 per cent of the AUM. The average net asset value (NAV) at which five tranches have been disbursed for each of the six schemes is higher than the NAV as of April 23, said Sanjay Sapre, President, Franklin Templeton Asset Management.
<https://www.thehindubusinessline.com/news/franklin-gets-1111-crore-more-from-sale-of-six-debt-scheme-assets/article35858254.ece>
- **At 11 lakh, LIC sees surge in death claims in FY21:** Amid the Covid-19 pandemic, the number of death claims reported to Life Insurance Corporation of India (LIC) in FY21 surged to its highest-ever level in at least five years at over 11 lakh. State-run LIC received 11.42 lakh death claims in 2020-21 and settled 11.47 lakh claims, including the pending ones from the previous year. It paid a total of ₹24,195.01 crore for death claims in FY21. The data, however, does not specify how many death claims were related to the pandemic. This was a 17.1 per cent jump in the number of death claims reported to LIC in FY20 at 9.75 lakh. In all, it had settled 9.32 lakh death claims in FY20, and paid out ₹17,419.57 crore.
<https://www.thehindubusinessline.com/money-and-banking/at-11-lakh-lic-sees-surge-in-death-claims-in-fy21/article35858793.ece>
- **Track up to 29-day dues in micro-loans to contain slippages: Sidbi:** Lenders need to keep close watch on micro loans with delays upto 29 days to avoid further deterioration in asset quality amid easing of stress. The Covid-19 pandemic, which broke out in March 2020, has severely impacted the Microfinance sector owing to disruption it caused in supply chain & business operations, especially to the low-income group. As the collection efficiency of the industry improved, the active-loan delinquency buckets are showing improvement in March 2021 compared to December 2020, according to Sidbi.
https://www.business-standard.com/article/finance/track-up-to-29-day-dues-in-micro-loans-to-contain-slippages-sidbi-121081100928_1.html



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

- **AU Small Bank eyes Universal banking status in 2-3 yrs, says MD-CEO:** Jaipur-based private lender AU Small Finance Bank is looking to morph into a universal banking entity in two or three years to enhance capacity for more business and offer additional services. The bank has already finished four years as a small finance bank. It needs to be functional for five years to be eligible for becoming a universal banking entity. It will complete five years as an SFB next April, the lender's managing director and chief executive Sanjay Agarwal said. Asked if the transition to a universal bank could happen in two-three years, Agarwal said "it should be". Its stock closed 1.2 per cent lower at Rs 1,288.2 per share on BSE.
https://www.business-standard.com/article/finance/au-small-bank-eyes-universal-banking-status-in-2-3-yrs-says-md-ceo-121081101667_1.html
- **Non-life insurers' premium up 19.46% at Rs 20,000 crore in July:** Non-life insurers, which include general, standalone, and specialised public-sector, have recorded 19.46-per cent year-on-year (YoY) growth in premiums in July. In July, non-life insurers — 33 in total — earned premiums to the tune of Rs 20,171.15 crore, against Rs 16,885 crore in the same month last year. On a year-to-date (YTD) basis (April-July), insurers saw their premiums go up 15.49 per cent to Rs 64,607.25 crore, against Rs 55,939.85 crore in the same period last year.
https://www.business-standard.com/article/finance/non-life-insurers-premium-up-19-46-at-rs-20-000-crore-in-july-121081200024_1.html
- **PSBs conducted 72% financial transactions via digital channels: Centre tells Rajya Sabha:** The government on Tuesday said nearly 72 per cent of financial transactions of public sector banks (PSBs) are now done through digital channels, with customers active on digital channels having doubled from 3.4 crore in 2019-20 to 7.6 crore in 2020-21. The Reserve Bank of India (RBI) has informed that it is not considering a separate licensing category for digital banks at present, Minister of State for Finance Bhagwat K Karad said in a written reply to the Rajya Sabha.
<https://www.livemint.com/industry/banking/psbs-conducted-72-financial-transactions-via-digital-channels-centre-tells-rajya-sabha-11628612160795.html>
- **SLMA launched to help secondary loan market:** Ten major banks including state bank of india and icici bank on Wednesday came together to set up a secondary loan market association for promoting growth of secondary market for loans in india, and also unveil an online platform. SLMA is a self-regulatory body and has been formed as per the recommendation of the Reserve Bank of India's Task Force on the Development of secondary market for corporate loans. The other members of SLMA are canra bank, Standard Chartered Bank, Kotak Mahindra Bank, Deutsche Bank, Bank of Baroda, Punjab National Bank, Axis Bank and HDFC Bank.
<https://www.livemint.com/industry/banking/banks-set-up-secondary-loan-market-association-11628689998479.html>
- **323 frauds in UCBs, 482 in state co-op banks in FY21: FM:** The number of frauds in urban and state cooperative banks dropped in FY21 from a year ago with tighter oversight by the central bank, Parliament was informed on Tuesday. Finance minister Nirmala Sitharaman said urban cooperative



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

banks reported 323 frauds in FY21 as against 568 in the previous year and 1,193 in FY19. Similarly, state cooperative banks witnessed 482 frauds in FY21, down from 508 in the previous fiscal but much higher than the FY19 level of 290, she said in a written reply to a question. While Maharashtra, home to the highest number of cooperatives, accounted for 67% of the fraud cases in urban cooperative banks in FY21, Kerala made up for 44% of the frauds in state cooperative banks. The finances of cooperative banks came under heightened scrutiny recently after the government carved out the department of cooperation from the agriculture ministry to make it a full-fledged ministry under Amit Shah.

<https://www.financialexpress.com/industry/banking-finance/323-frauds-in-ucbs-482-in-state-co-op-banks-in-fy21-fm/2308257/>

- **Shriram City, STFC raise record retail FDs worth Rs 2,000 crore in July:** Shriram City Union Finance (Shriram City), a Chennai-based two-wheeler financing non-banking financial company (NBFC), and Shriram Transport Finance Company (STFC), one of the country's largest asset financing NBFC, have raised record retail fixed deposits (FDs) worth Rs 2,000 crore in July 2021. Attractive interest rates, large customer base of 6.4 million, proven track record of over 20 years of issuing FDs and digitally enabled systems along with the Covid-induced need for security led to the record FDs raised by Shriram City and STFC, both part of the Shriram Group.
<https://www.financialexpress.com/industry/banking-finance/shriram-city-stfc-raise-record-retail-fds-worth-rs-2000-crore-in-july/2308317/>
- **High stress: PSBs set aside over 60% of operating profit as provisions:** Public sector banks (PSBs) have set aside more than 60% of their aggregate operating profits in the June quarter as provisions, the bulk of which is for loan losses and restructured assets. This is an indication the stress on lenders' books remains fairly high. For the private sector, the share of operating profits that was allocated for total provisions was almost 50%. Bankers say the first quarter saw stress mounting in the retail and small business segments as a result of the second Covid wave. Moreover, the demand from borrowers, asking for a recast of loans, was higher than last year. While Punjab National Bank's provisions accounted for a whopping 77% of its operating profit, in the case of Bank of Baroda (BoB) the share was over 72%.
<https://www.financialexpress.com/industry/banking-finance/high-stress-psbs-set-aside-over-60-of-operating-profit-as-provisions/2308300/>
- **Parliament Monsoon Session: Rajya Sabha passes bill that amends general insurance law:** The General Insurance Business (Nationalisation) Amendment Bill, 2021 was passed by Rajya Sabha on August 11 without discussion amid protests by the Opposition MPs. The bill aims to provide greater private participation in the public sector insurance companies. Opposition parties in the Parliament demanded that the bill be referred to a select committee of the House. It had been passed in the Lok Sabha on August 3. The bill was moved for consideration and passing by Finance Minister Nirmala Sitharaman. Protesting opposition members came to the well of the House and some of them were seen tearing papers. They accused the government of not following parliamentary norms and "bulldozing" the legislation.



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

<https://www.moneycontrol.com/news/business/parliament-monsoon-session-general-insurance-amendment-bill-passed-7318351.html>

- **Sensex, Nifty rebound at closing hours to end flat; led by metals:** The BSE Sensex, recovering from day's low of 54,167.20, closed at 54,525.93, down 28.73 points or 0.05 per cent. It hit an intraday high of 54,758.74. The Nifty 50 closed at 16,282.25, up 2.15 points or 0.01 per cent. It hit an intraday high of 16,338.75 and a low of 16,162.55. The breadth of the market remained in favour of the decliners on the BSE. As many as 2,142 stocks declined in heavy selling, as compared to 1,063 stocks that advanced, while 127 remained unchanged. Furthermore, 526 stocks hit the lower circuit as compared to the 215 stocks that were locked in the upper circuit. Besides, 190 stocks touched 52-week high level and 44 touched a 52-week low. Tata Steel, JSW Steel, IOC, NTPC and Hindalco were the top gainers on the Nifty 50 while Shree Cements, Kotak Bank, Sun Pharma, Bajaj Auto and ICICI Bank were the top laggards.

<https://www.thehindubusinessline.com/markets/stock-markets/sensex-nifty-rebound-at-closing-hours-to-end-flat-led-by-metals/article35855182.ece>

- **Rupee settles on flat note against US dollar:** The Indian rupee settled just 1 paisa lower at 74.44 (provisional) against the US dollar on Wednesday amid a muted trend in the domestic equity market. At the interbank forex market, the local unit opened at 74.43 against the greenback and witnessed an intra-day high of 74.37 and a low of 74.48. It finally ended at 74.44 against the American currency, registering a fall of just 1 paisa over its previous close.

<https://www.thehindu.com/business/markets/rupee-settles-on-flat-note-down-1-paisa-against-us-dollar/article35855949.ece>

Disclaimer

Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICAI.

*For Restricted Circulation only A Compilation of News in this regard from Secondary Sources.