



**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

July 15, 2021

- **PNB moves court seeking restoration of assets of Nirav Modi's firms confiscated by ED:** The Punjab National Bank (PNB) on Wednesday moved multiple applications before a special PMLA court here, seeking restoration of the assets of two firms owned by fugitive diamond merchant Nirav Modi, who is accused of duping the bank. The bank submitted the applications before special judge V C Barde under the relevant provisions of the Prevention of Money Laundering Act (PMLA). The Enforcement Directorate (ED) had earlier confiscated assets worth over Rs 329.66 crore of Nirav Modi under the fugitive economic offenders law. The confiscated property includes assets of Firestar Diamond International Private Limited and Firestar International Limited, firms owned by Modi.
<https://www.moneycontrol.com/news/business/pnb-moves-court-seeking-restoration-of-assets-of-nirav-modis-firms-confiscated-by-ed-7174361.html>
- **Banks get time till March 2022 to implement lockable cassettes swap system for ATMs:** The Reserve Bank has extended the deadline till March 2022 for banks to use only lockable cassettes for replenishing cash in ATMs. Currently, most of the ATMs (Automated Teller Machines) are replenished by way of open cash top-up or by loading cash in the machines on the spot. To do away with the current system, the Reserve Bank of India (RBI) had asked banks to ensure that lockable cassettes are swapped at the time of cash replenishment in the ATMs. Following representations received from banks citing difficulties in moving towards the lockable cassettes system, RBI has decided to extend the deadline for its implementation till March next year, according to a notification issued on Wednesday.
<https://www.moneycontrol.com/news/business/banks-get-time-till-march-2022-to-implement-lockable-cassettes-swap-system-for-atms-7174091.html>
- **‘Opening no-frill bank a/cs first step towards financial inclusion’:** Opening no-frill bank accounts is just the first step towards achieving inclusive growth and the authorities need to ensure that new account holders access financial services in every turn of their life, says Jayshree Vyas, managing director of Sewa Bank, which has been at the forefront of this movement over the past five decades. “Achieving financial inclusion in its broader sense would be the real financial reform at the grassroots. That’s what I call the financial revolution.” Vyas says in an interview with ET.India has opened 43 crore of basic bank accounts since 2014 under Prime Minister Narendra Modi’s flagship financial inclusion scheme — Jan Dhan Yojana — giving the country’s inclusive growth agenda a massive push. Every account holder under this programme gets a bouquet of products — overdraft of ₹10,000, accidental death cum disability insurance cover, term-life cover and old age pension. The focus has shifted to opening accounts for every adult from account for every household under Jan Dhan. “The financial inclusion goal can be achieved when it is meaningful and sustainable, especially because financial services are only tools to achieve the objective of poverty reduction. We need to go in depth to understand the excluded population’s profile, their financial behaviour and provide needed financial literacy and digital literacy,” she said.



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<https://economictimes.indiatimes.com/markets/stocks/news/opening-no-frill-bank-a/cs-first-step-towards-financial-inclusion/articleshow/84388709.cms>

- **IL&FS expects to recover Rs 58,000 crore by March next year:** Debt-laden Infrastructure Leasing and Financial Services (IL&FS) on Wednesday said it expects to address Rs 58,000 crore or 95 per cent of its estimated debt recovery target by March 2022. In April this year, the group had revised its estimates for aggregate debt recovery to Rs 61,000 crore beyond September 2021. The group's overall debt stood at Rs 99,000 crore, as of October 2018. In a presentation released on Wednesday, the group said a significant portion or Rs 50,000 crore of estimated recovery will be addressed by September 2021. "95 per cent (Rs 58,000 crore) of estimated recovery (to be addressed) by March 2022," it said. As of May 31, 2021, Rs 43,600 crore or 44 per cent of estimated recovery have been addressed, the group said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/ilfs-expects-to-recover-rs-58000-crore-by-march-next-year/articleshow/84403595.cms?from=mdr>
- **Chanda Kochhar matter: SAT asks Sebi's Adjudicating Officer not to proceed till Sept 15:** The Securities Appellate Tribunal (SAT) has restrained Sebi's Adjudicating Officer from proceeding till September 15 in a matter related to former ICICI Bank chief Chanda Kochhar. The matter pertains to a show-cause notice issued by the regulator to Kochhar on the basis of an analysis of a report by retired Justice B N Srikrishna. The Srikrishna committee, which was tasked to probe the allegations of quid-pro-quo transactions in ICICI Bank, submitted its report to the lender in January 2019. The committee, in its report, observed that Kochhar violated bank policies and other rules and regulations. The board of the bank based on the report had decided to treat her resignation as 'Termination for Cause' under the bank's internal policies. Kochhar, who was Managing Director and CEO of ICICI Bank, had quit the bank in October 2018.
https://www.business-standard.com/article/markets/chanda-kochhar-matter-sat-asks-sebi-officer-not-to-proceed-till-sep-15-121071400892_1.html
- **Bandhan Bank rejigs portfolio, hires new retail and commercial banking head:** Bandhan Bank has rejigged its core management responsibilities to increase focus on retail lending as the lender is looking to diversify its business to reduce dependence on the unsecured microfinance portfolio. To this end, the Kolkata-based lender has hired IndusInd Bank executive Kamal Batra to drive its retail loan assets and commercial banking. As executive president, Batra will spearhead retail businesses such as gold loans, personal loans and auto loans. His responsibilities also include lending to small and medium enterprise (SME) units as well as to other non-bank lenders. Sanjeev Naryani, who was earlier heading the retail asset as well as commercial banking verticals, will now only focus on housing loan business while the other retail loans will now be look after by Batra. Naryani, on the other hand, will continue with his other responsibilities such as liability businesses and treasury.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bandhan-bank-rejigs-portfolio-hires-new-retail-and-commercial-banking-head/articleshow/84410364.cms?from=mdr>



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- **RBI cancels licence of Dr Shivajirao Patil Nilangekar Urban Co-op Bank, Latur:** The Reserve Bank of India (RBI) on Wednesday said it has cancelled the licence of Dr Shivajirao Patil Nilangekar Urban Co-operative Bank Ltd, Nilanga, Latur, as it does not have adequate capital and earning prospects. Also, the Maharashtra-based bank with its current financial position would be unable to pay its depositors in full, the central bank said while announcing cancellation of its licence. The bank ceases to carry on banking business, with effect from the close of business on Wednesday. Further, the Commissioner for Cooperation and Registrar of Cooperative Societies, Maharashtra, has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank.
<https://www.moneycontrol.com/news/business/rbi-cancels-licence-of-dr-shivajirao-patil-nilangekar-urban-co-op-bank-latur-7172851.html>
- **Karnataka plans common software for PACS, DCC banks in State:** The Karnataka Government is planning to implement common software for all the PACS (primary agricultural credit societies), DCC (district central cooperative) banks and the Karnataka State Cooperative Apex Bank Ltd, according to Karnataka Cooperation Minister, ST Somashekhar. Addressing mediapersons during his visit to Mangaluru on Wednesday, he said the Karnataka Budget for 2021-22 had proposed the implementation of a common software for PACS, DCC banks and the Apex cooperative bank in the state. The State has around 5400 PACS and 21 DCC banks. The implementation of a common software would help in the smooth functioning of the activities of all these institutions, he said, adding it will aid in the effortless disbursement and recovery of loans to farmers.
<https://www.thehindubusinessline.com/news/karnataka-plans-common-software-for-pacs-dcc-banks-in-state/article35318467.ece>
- **Longevity finance: Gift-City regulator IFSCA sets up expert committee:** Gift-City regulator IFSCA has set up an expert committee to recommend approach towards development of Longevity Finance Hub in the Gift-City in Gujarat and provide a road map for the same. The expert committee is being co-chaired by Kaku Nakhate, President and Country Head (India), Bank of America, and Gopalan Srinivasan, Ex-CMD, New India Assurance Company Limited. The committee members comprise leaders from the entire longevity finance ecosystem including from areas such as banking, insurance, wealth management, fintech, legal, compliance and management consultancy, an official release said.
<https://www.thehindubusinessline.com/news/national/longevity-finance-gift-city-regulator-ifscA-sets-up-expert-committee/article35325438.ece>
- **Growth expectations of NBFCs moderated in Q1 FY22:** Growth expectations of Non-Banking Financial Companies (NBFCs) have moderated vis-à-vis the expectations six months earlier in view of the possible impact of Covid 2.0 on business in Q1 (April-June) FY2022, according to an ICRA survey. The survey expects the asset quality related pain to persist in the current fiscal as well. As per the survey across NBFCs, covering over 65 non-banks, constituting about 60 per cent of the industry assets under management (AUM), 42 per cent of the issuers now expect growth of more than 15 per cent in the AUM in FY2022, much lower than 56 per cent earlier.
<https://www.thehindubusinessline.com/money-and-banking/growth-expectations-of-nbfcS-moderated-in-q1-fy22/article35315857.ece>



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- **Debt market development an unfinished agenda, says Finance Secretary Somanathan:** The Finance Ministry is fully conscious that the debt market in India is not as well developed as it should be, according to T.V. Somanathan, Finance Secretary. He said that government's 'Aatmanirbhar' campaign should not be seen as India turning "protectionist" and highlighted that incremental protectionism maybe needed as a "transitional measure" in a few sectors to support "an infant that must grow up". Addressing the NCAER organised India Policy Forum 2021, Somanathan noted that the development of the debt market continues to be "somewhat handicapped" by two regulators who look at things very differently.
<https://www.thehindubusinessline.com/economy/debt-market-development-an-unfinished-agenda-says-finance-secretary-somanathan/article35314393.ece>
- **HDFC Bank considers its first offshore bond to boost its buffers:** HDFC Bank Ltd., India's biggest lender by market capitalization, is considering to sell its first-ever offshore bonds that qualify as capital as it boosts buffers. The Mumbai-based lender's board on Saturday will mull a plan to issue perpetual Additional Tier 1 notes that comply with Basel III capital norms, according to a filing late Tuesday. It would be only the second such offshore offering from an Indian bank after the nation's largest lender State Bank of India sold such securities in 2016.
https://www.business-standard.com/article/companies/hdfc-bank-considers-its-first-offshore-bond-to-boost-its-buffers-121071400266_1.html
- **SBI, Axis, HDFC Bank top go-to lenders for Indian Inc during Covid: Report:** Large and mid-sized Indian corporates relied upon the big lenders in the Indian banking space for their funding needs during the pandemic, thereby accelerating the consolidation in the corporate banking space. In a report published by "Coalition Greenwich", a part of rating agency Crisil, large and mid-sized Indian companies both said the country's largest lender State Bank of India (SBI) has done the best job in helping them mitigate the impact of the pandemic. And among private sector players, Axis Bank and HDFC Bank provided funding support to them, Citi and HSBC were their top funding sources among foreign banks. "The fact that India's biggest banks were able to quickly marshal the financial, operational, and technological capabilities required to provide that assistance is strengthening their relationships with Indian companies and widening the divide between themselves and their competitors", the report noted.
https://www.business-standard.com/article/finance/sbi-axis-hdfc-bank-top-go-to-lenders-for-indian-inc-during-covid-report-121071400609_1.html
- **Ujjivan, Equitas promoter holdings to fall to zero post mergers with SFBs:** The reverse merger of Ujjivan Small Finance Bank (SFB) and Equitas SFB with their respective holding companies will bring down promoter shareholding to zero, thereby helping the entities comply with the Reserve Bank of India (RBI) guidelines and reap rich rewards for the shareholders of the holding entities. Predictably, the share prices of Ujjivan Financial Services, and Equitas Holdings jumped 20 per cent each after the two entities received the nod to reverse merge with their small finance bank entities. When the central bank issued guidelines on SFBs, it had said the holding company structure could be allowed to merge back with the bank after five years, subject to regulatory approvals.



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https://www.business-standard.com/article/finance/ujjivan-equitas-promoter-holdings-to-fall-to-zero-post-mergers-with-sfbs-121071400621_1.html

- **RBI bars Mastercard from onboarding new customers in India from July 22:** The Reserve Bank of India (RBI) on Wednesday barred global card player Mastercard Asia/ Pacific Pte Ltd from onboarding new domestic customers on its network from July 22, due to non-compliance with guidelines on local data storage, despite ample time and adequate opportunities given to it. In a statement, the RBI said, notwithstanding the lapse of considerable time and adequate opportunities being given, the entity has been found to be non-compliant with the directions on storage of payment system data. The ban is only on adding new domestic customers to its network hence there will be no impact on its existing customers. Also, all the banks who work with Mastercard for issuance of debit, credit, or prepaid cards, will have to adhere to these regulations of the RBI. "The supervisory action has been taken in exercise of powers vested in RBI under Section 17 of the Payment and Settlement Systems Act, 2007 (PSS Act)", the RBI said. Along with Mastercard, Visa and RuPay are the three big players in the card issuance market.

https://www.business-standard.com/article/finance/rbi-bars-mastercard-from-onboarding-new-customers-in-india-from-july-22-121071401040_1.html

- **IL&FS expects to recover Rs 58,000 cr by March 2022:** Debt-laden Infrastructure Leasing and Financial Services (IL&FS) on Wednesday said it expects to address Rs 58,000 crore or 95 per cent of its estimated debt recovery target by March 2022. In April this year, the group had revised its estimates for aggregate debt recovery to Rs 61,000 crore beyond September 2021. The group's overall debt stood at Rs 99,000 crore, as of October 2018. In a presentation released on Wednesday, the group said a significant portion or Rs 50,000 crore of estimated recovery will be addressed by September 2021. "95 per cent (Rs 58,000 crore) of estimated recovery (to be addressed) by March 2022," it said.

<https://www.moneycontrol.com/news/business/ilfs-expects-to-recover-rs-58000-crore-by-march-2022-7170791.html>

- **RBI's current account circular helps large lenders gain corporate banking market share: Report:** The Reserve Bank of India's (RBI) insistence on companies opening current accounts with banks is among the factors that has helped large lenders such as HDFC Bank, ICICI Bank and SBI raise their shares of the competitive corporate banking market in 2020, according to a report. Apart from the RBI rules, the government's mega merger to reduce the number of state-owned banks has also helped in the trend, rating agency Crisil said on Wednesday in the report. In mid-2020, the RBI had come up with the circular that specified which bank can open a current account for a borrower, in order to check any misuse through multiple current accounts. A fourth of the large and medium corporates said they were banking with at least one among ICICI Bank, Axis Bank and HDFC Bank as against 17 per cent in 2016, it said adding that the private sector banks have grown at over 25 per cent per year.

<https://economictimes.indiatimes.com/news/economy/policy/rbis-current-account-circular-helps-large-lenders-gain-corporate-banking-market-share-report/articleshow/84407750.cms>

- **Gold prices rise above Rs 48,000/10 gm on safe-haven appeal, weak rupee; silver up by Rs 215 a kg:** Gold prices soared by Rs 206 at Rs 48,155 per 10 gram in the Mumbai retail market on rupee



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depreciation and positive global cues. The yellow metal rose on safe-haven appeal owing to inflation concerns and the rise in coronavirus caused by Delta variant. The price of 10 gram 22-carat gold in Mumbai was Rs 44,110 plus 3 percent GST, while 24-carat 10 gram stood at Rs 48,155 plus GST. The 18-carat gold quoted at Rs 36,116 plus GST in the retail market. Silver prices jumped by Rs 215 to Rs 69,120 per kg against its closing price on July 13.

<https://www.moneycontrol.com/news/business/commodities/gold-prices-rise-above-rs-4800010-gm-on-safe-haven-appeal-weak-rupee-silver-up-by-rs-215-a-kg-7172561.html>

- **Sensex up 134 pts, Nifty above 15,800, as IT stocks rally:** The BSE Sensex closed at 52,904.05, up 134.32 points or 0.25 per cent. It hit an intraday high of 52,978.58 and a low of 52,611.97. The Nifty 50 closed at 15,853.95, up 41.60 points or 0.26 per cent. It hit an intraday high of 15,877.35 and a low of 15,764.20. The breadth of the market remained positive with 1,797 stocks advancing, 1,444 declining and 137 remaining unchanged on the BSE. As many as 536 securities hit the upper circuit and 210 the lower circuit; 492 hit their 52-week high while 18 touched a 52-week low. Wipro, Tech Mahindra, Infosys, HCL Tech and L&T were the top gainers on the Nifty 50, while Maruti, Adani Ports, Hindustan Unilever, Nestle India and Titan were the top laggards.

<https://www.thehindubusinessline.com/economy/sensex-up-134-pts-nifty-above-15800-as-it-stocks-rally/article35320356.ece>

- **Rupee snaps 3-day winning streak, drops 10 paise to 74.59 against dollar:** Halting its three-day winning run, the rupee on Wednesday declined by 10 paise to close at 74.59 (provisional) against the US dollar. At the interbank foreign exchange market, the domestic currency opened at 74.57 against the American currency, and slipped further to close at 74.59, registering a decline of 10 paise over its previous close. On Tuesday, the rupee had closed at 74.49 against the US dollar. Meanwhile, the dollar index, which gauges the greenback's strength against a basket of six currencies, fell 0.05 per cent to 92.70.

https://www.business-standard.com/article/markets/rupee-snaps-3-day-winning-streak-drops-10-paise-to-74-59-against-dollar-121071400729_1.html

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