



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

June 18, 2022

- **PNB customers must give details of high-value cheques before clearance:** To sensitise its customers against high-value cheque frauds, Punjab National Bank on Friday urged them to submit the details about such cheques at least a day before clearance under Positive Pay System (PPS) framework. The National Payments Corporation of India (NPCI) has developed the PPS under which a customer issuing a high-value cheque is required to reconfirm some essential details such as cheque number, cheque amount, date and beneficiary name. These details are then cross-checked while presenting the cheque for payment. Punjab National Bank (PNB) implemented the Positive Pay Confirmation from April 4, 2022 under the PPS framework mandatory for cheques of Rs 10 lakh and above. "As per bank's guidelines, customers are required to submit the details of their cheques at least one working day prior to clearance to enable a smooth verification process and avoid cheque returns," PNB said in a release.
<https://www.businesstoday.in/industry/banks/story/pnb-urges-customers-to-submit-details-of-high-value-cheques-before-clearance-338154-2022-06-17>
- **RBI shoots down proposal on "digital only banks":** The Reserve Bank of India has shot down the idea of full-stack "digital only banks" as they pose risks to the system, governor Shaktikanta Das hinted on Friday. Das who was speaking at an event in the financial capital also said that there was no proposal at the moment to regulate neo-banks and called for existing banks and non-banks to use technology for financial service delivery. "We had received suggestions on digital bank, but we felt that the idea came with certain risks with it. So we have therefore, not accepted it at the moment," Das said. "There is no proposal on neo-banks or digital banks because we feel that the existing banks and NBFCs can adopt more and more technology for delivery of banking services."
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-shoots-down-proposal-on-digital-only-banks/articleshow/92278453.cms>
- **FM Nirmala Sitharaman to review NPA above Rs 100 crore on June 20:** Finance minister Nirmala Sitharaman will review bad loans of Rs 100 crore or more in a meeting with state run lenders on June 20. A senior finance ministry official confirmed the development and said that the assessment of asset quality and recovery is a part of the performance review of state run lenders. "Besides the performance review, the government will also take stock of credit growth, capital raising plans of banks and their business performance," the above quoted official said. Another executive said that banks will also share details on progress in financial inclusion and related government schemes. "Progress in schemes announced under Aatmanirbhar Bharat and details on the saturation drive in Kisan Credit Card or KCC will also be shared," he added.
<https://economictimes.indiatimes.com/news/economy/policy/fm-nirmala-sitharaman-to-review-npa-above-rs-100-crore-on-june-20/articleshow/92277874.cms>
- **RBI raises limit of e-mandates for transactions up to Rs 15,000:** The Reserve Bank on Thursday raised the Additional Factor of Authentication (AFA) limit from Rs 5,000 to Rs 15,000 per transaction for e-mandates on cards, Prepaid Payment Instruments (PPIs) and UPI for recurring transactions. It implies, additional authentication will not be need for payment of Rs 15,000 per transaction. "On a review of implementation of the e-mandate framework and the protection available to customers, it has been decided to increase the...AFA limit from Rs 5,000 to Rs 15,000 per transaction," the Reserve Bank said in a circular. The Reserve Bank of India (RBI)



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has, over the past decade, put in place various safety and security measures for card payments, including the requirement of AFA, especially for 'card-not-present' transactions.

[https://www.thehindu.com/business/rbi-raises-limit-of-e-mandates-for-transactions-up-to-15000/article65534388.ece#:~:text=The%20Reserve%20Bank%20\(RBI\)%20on,and%20UPI%20for%20recurring%20transactions.](https://www.thehindu.com/business/rbi-raises-limit-of-e-mandates-for-transactions-up-to-15000/article65534388.ece#:~:text=The%20Reserve%20Bank%20(RBI)%20on,and%20UPI%20for%20recurring%20transactions.)

- **Tokenisation to catalyze India's rapidly growing digital payment landscape:** There has been tremendous growth in the acceptance of digital payments with the emergence of the pandemic. Demand for digital services skyrocketed during the pandemic across the world. Data shows that digital payments in India increased five-fold by 33% year-on-year (YoY) growth during the financial year 2021-2022. A recent study by ACI Worldwide and YouGov highlights that digital payments continue to govern the payment space in India, with 41% of consumers opting for it as a preferred transaction system, way ahead of cash which is 26%. Another study reiterates that this surge in digital payments can largely be attributed to increased spending in e-commerce, which is projected to grow by 84% to \$111 billion by 2024.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/tokenisation-to-catalyze-indias-rapidly-growing-digital-payment-landscape/articleshow/92283769.cms>
- **LIC seeks buyers for Rs 3,400 crore RCap bonds:** Life Insurance Corporation of India (LIC) is seeking buyers for secured bonds worth ₹3,400 crore issued by Reliance Capital, currently undergoing insolvency proceedings, in an effort to present a clean book to an investor base that has widened since its recent IPO, said two people aware of the development. IDBI Capital Markets (IDBI Caps), the insurance company's process advisor for the sale of the bonds, has invited expressions of interest (EoIs) from asset reconstruction companies (ARCs) by the evening of July 11. The EoIs will be followed by an auction, although IDBI Caps has not specified any details of this in the notice inviting EoIs. LIC didn't respond to queries.
<https://economictimes.indiatimes.com/markets/bonds/lic-seeks-buyers-for-rs-3400-crore-rcap-bonds/articleshow/92267347.cms>
- **HDFC Bank hikes FD interest rates for the second time this week:** Talk about good times, HDFC Bank has, for the second time this week, increased fixed deposit (FD) interest rates. The bank has hiked FD rates by up to 25 basis points, and the new interest rates are effective from June 17, 2022. These rates are applicable for FD amounts less than Rs 2 crore. According to the HDFC Bank website, from 7 days to 29 days FD will now earn 2.75 percent, up from 2.50 percent. For tenor 30 days to 90 days, the bank will now offer 3.25 percent, up from 3 percent. For tenure 91 days to 6 months FDs will earn 3.75 percent, up from 3.50 percent, and 1 year to 2 years FDs will earn 5.35 percent, up from 5.10 percent.
<https://economictimes.indiatimes.com/wealth/invest/hdfc-bank-hikes-fd-interest-rates-for-the-second-time-this-week/articleshow/92281244.cms>
- **Forex reserves down by \$4.599 billion to \$596.458 billion:** The country's foreign exchange reserves declined by USD 4.599 billion to USD 596.458 billion in the week ended June 10, RBI data showed on Friday. In the previous week, the reserves had decreased by USD 306 million to USD 601.057 billion. During the week ended June 10, the fall in the forex reserves was on account of a dip in Foreign Current Assets (FCAs), a major component of the overall reserves. FCAs declined by USD 4.535 billion to USD 532.244 billion in the reporting week, according to the Weekly Statistical Supplement, released by the Reserve Bank of India (RBI) on Friday.
<https://economictimes.indiatimes.com/news/economy/indicators/forex-reserves-down-by-4-599-billion-to-596-458-billion/articleshow/92285086.cms>



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- **Das refutes perception that RBI has fallen behind the curve:** Reserve Bank of India Governor Shaktikanta Das, on Friday, refuted the perception in certain quarters that the central bank has fallen behind the curve when it comes to monetary policy action, stating that had the rates been hiked three or four months earlier, it would have impacted growth in FY22. The Monetary Policy Committee (MPC) had upped the policy repo rate in an offcycle meeting in early May from 4 per cent to 4.40 per cent. Subsequently, earlier this month, the rate was increased from 4.40 per cent to 4.90 per cent. "I truly and sincerely believe that the RBI is in sync with the requirements of the economy; that the RBI is in sync with the trend of economic developments and the process of recovery and whatever you call 'the curve'. We are very much in sync with the requirements," said Das at a BFSI summit.
<https://www.thehindubusinessline.com/money-and-banking/das-refutes-perception-that-rbi-has-fallen-behind-the-curve/article65536891.ece>
- **FPIs utilised less than 25% of investment limit in G-secs, corporate bonds:** Foreign portfolio investors (FPIs) have been dumping Indian stocks since the mid of last fiscal. However, the equity market is not the only one facing the onslaught of foreign fund outflow. The FPIs have not been bonding well with the Indian debt market as well. As per latest depositories data, the foreign investors have utilised only 23 per cent of their investment limit in central government securities (G-secs). As of June 15, 2022, the FPI investment in G-Secs (under both general and long-term categories) was ₹89,297 crore against an upper limit of ₹3,90,188 crore.
<https://www.thehindubusinessline.com/data-stories/data-focus/fpis-have-utilised-less-than-25-of-investment-limit-in-g-secs-corporate-bonds/article65536703.ece>
- **Agnipath scheme: DFS brainstorms with PSBs, insurers to support Agniveers :** Public sector banks, public sector insurance firms and financial institutions will explore employment opportunities for 'Agniveers' (post completion of their tenure of duty) in suitable capacities based on their educational qualifications and skills through suitable benefits, relaxations, etc. The decision was made at a meeting convened by the Department of Financial Services of the Ministry of Finance in the national capital on Thursday.
<https://www.thehindubusinessline.com/money-and-banking/agnipath-scheme-dfs-brainstorms-with-psbs-insurers-to-support-agniveers/article65534099.ece>
- **Equitas Small Finance Bank to launch exclusive savings account for kids:** Equitas Small Finance Bank on Thursday announced that it is all set to launch an exclusive savings account for kids named 'ENJOI'. The savings account is aimed at introducing young kids to the financial world and encourage them to develop the saving habit early. The account will be launched on June 19 to coincide with Father's Day.
<https://www.thehindubusinessline.com/money-and-banking/equitas-small-finance-bank-to-launch-exclusive-savings-account-for-kids/article65533863.ece>
- **Vijay Shekhar Sharma buys 1.7 lakh shares of One97 Communications for ₹11 crore:** Paytm's Managing Director & Chief Executive Officer Vijay Shekhar Sharma has recently purchased 1.7 lakh shares in One97 Communications, the listed digital financial services firm that owns Paytm brand. The shares were purchased directly from stock exchanges on May 30-31, information available with bourses showed.
<https://www.thehindubusinessline.com/markets/stock-markets/vijay-shekhar-sharma-buys-17-lakh-shares-of-one97-communications-for-11-crore/article65537181.ece#:~:text=MD%20%26%20CEO%20Vijay%20Shekhar%20Sharma,firm%20that%20owns%20Paytm%20brand.>
- **Stock market plunges to new lows: Sensex down 212 pts intraday, Nifty below 15,300:** At 1 pm, the BSE Sensex was trading at 51,283.56, down 212.23 points or 0.41 per cent. It recorded a fresh year low of 50,921.22 and an intraday high of 51,634.15. The Nifty 50 slipped below the 15,200 mark, recording a fresh 52-week low of



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15,183.40. It was trading at 15,282.15, down 78.45 points or 0.51 per cent. It recorded an intraday low of 15,400.40. Bajaj Finserv, Coal India, JSW Steel, ICICI Bank and Reliance were the top gainers on the Nifty 50, while Titan, Wipro, HDFC Life, TCS and Dr Reddy's were the top losers. The volatility index rose 2.36 per cent to 23.41.

<https://www.thehindubusinessline.com/markets/stock-market-plunges-to-new-lows-sensex-down-212-pts-intraday-nifty-below-15300/article65536234.ece>

- **AI, ML to play huge role in fraud detection, compliance for banks:** At a time banks are adapting to technology at a rapid pace and making strides in improving speed of transactions, a clutch of technology officials believe that artificial intelligence (AI) and machine learning (ML) have a huge role to play when it comes to fraud detection and enabling banks to fulfill their compliance needs. However, as of now banks are not equipped with the necessary know-how to deploy such solutions, they added. At present, the treatment given by the banking sector to frauds is reactive such that any action taken to provide relief to the customer is done after the fraud has already been committed. Banks can benefit from patterns that emerge with the use of AI and ML to prevent frauds even before they happen.
<https://www.financialexpress.com/industry/banking-finance/ai-ml-to-play-huge-role-in-fraud-detection-compliance-for-banks/2564318/>
- **Digital transformation aiding SFB's customer acquisition, employee retention in cost effective manner:** Digital transformation in the banking space is not only helpful in customer acquisition in a cost-effective manner, but is also going to aid customer and employee retention, said R Baskar Babu, Managing Director & CEO, Suryoday Small Finance Bank in the FE Modern BFSI Summit. The digital revolution in microlending space and in the micro liability space has been immense and Small Finance Banks and their customers have been very big beneficiaries of this transformation, stated Rajeev Yadav, Managing Director & CEO, Fincare Small Finance Bank.
<https://www.financialexpress.com/industry/banking-finance/digital-transformation-aiding-sfbs-customer-acquisition-employee-retention-in-cost-effective-manner/2564624/>
- **Big Techs in financial services pose risks to competition, data protection: Das:** The growing presence of large technology companies, or BigTech, in the financial services space poses risks around competition and data protection, Reserve Bank of India (RBI) governor Shaktikanta Das said on Friday. The regulator is, therefore, working to evolve an appropriate approach to regulating fintechs, which could be activity-based, entity-based, outcome-based or a mix of all three, Das said, speaking at [financialexpress.com](https://www.financialexpress.com)'s Modern BFSI Summit.
<https://www.financialexpress.com/industry/banking-finance/big-techs-in-financial-services-pose-risks-to-competition-data-protection-das/2564313/>
- **FE Modern BFSI Summit: Digital lenders must be brought under purview of RBI to protect end consumers:** As fintechs have entered the lending space in the country, digital lending norms have become necessary to protect end consumers. The digital norms should clearly lay out what digital lenders can and can not do. There should also be a clear mention of customer's privacy as digital lending norms in isolation without related privacy norms is not going to help at all, said Ravi Subramanian, Managing Director & CEO, Shriram Housing Finance at the FE BFSI Summit. Like RBI manages NBFCs and HFCs, digital lenders should also be brought under the purview of RBI so they can be audited as well, he added.
<https://www.financialexpress.com/industry/banking-finance/fe-modern-bfsi-summit-digital-lenders-must-be-brought-under-purview-of-rbi-to-protect-end-consumers/2564443/>



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- **Rupee settles flat at 78.09 against US dollar:** The rupee pared initial gains to settle just 1 paisa higher at 78.09 (provisional) against the US dollar on Friday amid a muted trend in domestic equities and unabated foreign capital outflows. A strong dollar overseas and higher crude prices also kept the domestic unit under pressure, forex dealers said. At the interbank forex market, the rupee opened strong at 78.03 against the greenback and witnessed an intra-day high of 78.02 and a low of 78.09.
<https://www.moneycontrol.com/news/business/economy/rupee-settles-flat-at-78-09-against-us-dollar-8701291.html>

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