



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

August 21, 2021

- **RBI against dropping card storage clause in new rules for making payments online:** The Reserve Bank of India (RBI) is said to be against acceding to a demand by India's payment gateways for exemptions on select new regulatory norms that are set to prohibit merchants from storing card details and payment operators from offering one-click checkout service to consumers from January 2022, three sources aware of the matter told ET. Under the new norms, millions of card holders – both debit and credit – making payments online in 2022 may have to enter their 16-digit card numbers every time they make a payment online as opposed to just authenticating these transactions through the CVV (card verification value) and the one-time password (OTP) as is the current norm.  
<https://economictimes.indiatimes.com/tech/technology/rbi-against-dropping-card-data-storage-clause-in-new-rules/articleshow/85466147.cms>
- **SBI big gift for locals and tourists in Srinagar: A floating ATM on Houseboat:** State Bank of India (SBI) has opened an ATM on a Houseboat at Dal Lake, Srinagar for the convenience of locals and tourists. The floating ATM was inaugurated by the SBI Chairman Dinesh Khare on 16 August. Besides, fulfilling a long-standing need of the area, the floating ATM will also add to the charm of Srinagar. "SBI opened an ATM on a Houseboat at #DalLake, Srinagar for the convenience of locals & tourists. It was inaugurated by the Chairman, SBI, on 16th August. The #FloatingATM in the popular Dal Lake fulfils a long-standing need & will be an added attraction to the charm of Srinagar, the country's top lender said in a tweet.  
<https://www.livemint.com/industry/banking/sbi-big-gift-for-locals-and-tourists-in-srinagar-a-floating-atm-on-houseboat-11629428528281.html>
- **Carol Furtado emerges as top candidate for Ujjivan Bank's interim CEO:** Ujjivan Small Finance Bank is likely to select Carol Furtado, an old timer at the organisation, as the interim chief executive officer after Nitin Chugh's exit and till the bank finds a new incumbent for the position. She would initially be designated as an officer on special duty to manage day-to-day affairs of the bank as Chugh will be out of regular action following his resignation citing personal reasons. Chugh will officially remain the CEO till September 30."We are trying to identify a candidate internally who can manage the day to day operation till Nitin leaves. Carol Furtado is the top candidate," Ujjivan founder Samit Ghosh told investors on Friday morning. The bank board will meet on August 25 to decide on the same.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/carol-furtado-emerges-as-top-candidate-for-ujjivan-banks-interim-ceo/articleshow/85478462.cms?from=mdr>
- **Bank of Maharashtra waives loan processing fees under special offer:** State-owned Bank of Maharashtra (BoM) has announced a slew of offers, including concessional interest rates and a 100 per cent waiver on processing fees on retail loans. The bank under 'Retail Bonanza-Monsoon Dhamaka' waived the processing fee for its gold, housing and car loan and the offer is valid till September 30, 2021, BoM said in a statement on Friday. The bank offers housing and car loans with interest rates starting from 6.90 per cent and 7.30 per cent, respectively. The retail products are



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backed by several lucrative features like two free EMIs on regular repayment in the home loan; loan facility up to 90 per cent in the car and housing loans; and no pre-payment/pre-closure/part payment charges etc., it said.

[https://www.business-standard.com/article/finance/bank-of-maharashtra-waives-loan-processing-fees-under-special-offer-121082001151\\_1.html](https://www.business-standard.com/article/finance/bank-of-maharashtra-waives-loan-processing-fees-under-special-offer-121082001151_1.html)

- **Forex reserves decline \$2.10 bn to \$619.36 bn:** India's foreign exchange reserves decreased by USD 2.099 billion to stand at USD 619.365 billion for the week ended August 13 due to a fall in core currency assets and gold, RBI data showed on Friday. The forex kitty had increased by USD 889 million to a lifetime high of USD 621.464 billion in the previous reporting week. Foreign currency assets (FCAs), a major component of the overall reserves, decreased by USD 1.358 billion to USD 576.374 billion in the reporting week, as per the weekly data by the Reserve Bank of India (RBI).  
<https://www.thehindubusinessline.com/markets/forex/forex-reserves-decline-210-bn-to-61936-bn/article36018049.ece>
- **AGS Transact Technologies plans IPO of up to ₹800 crore through OFS:** AGS Transact Technologies Ltd (AGSTTL) is planning an initial public offer (IPO) of up to ₹800 crore through an offer for sale (OFS) by the selling shareholders. The OFS will be made by the promoter selling shareholder -- Ravi B Goyal -- aggregating up to ₹792 crore and other selling shareholders -- VC Gupte, Shailesh Shetty, Rakesh Kumar, Nikhil Patiyat and Rajesh Harshedrai Shah -- aggregating up to ₹8 crore. The selling shareholders collectively hold 55.33 per cent of the pre-offer share capital of the company.  
<https://www.thehindubusinessline.com/markets/stock-markets/ags-transact-technologies-plans-ipo-of-up-to-800-crore-through-ofs/article36011781.ece>
- **HUL surpasses ₹6-lakh crore m-cap:** Hindustan Unilever Ltd recorded fresh highs on Friday, amid the rally in FMCG stocks, surpassing market capitalisation of ₹6 lakh crore. Hindustan Unilever closed at ₹2617.55 on the BSE, up ₹133.45 or 5.37 per cent. It recorded a fresh 52-week high of ₹2628.85, while the company's M-cap at closing stood at ₹6,15,016.63 crore. It had opened at ₹2,490 as against the previous close of ₹2484.10. With Nifty FMCG closing over 2 per cent higher in a weak market, HUL was the top gainer on the NSE, closing at ₹2,606.90, up ₹120.85 or 4.86 per cent. It recorded a fresh 52-week high of ₹2,630.00. In the past seven trading session, the stock of the company rallied 7 per cent.  
<https://www.thehindubusinessline.com/markets/stock-markets/hul-surpasses-6-lakh-crore-m-cap/article36016138.ece>
- **Government notifies law to shed holding in public sector general insurance company:** President Ram Nath Kovind has given his assent to a bill to amend the General Insurance Business (Nationalisation) Act. This will facilitate bringing down government's equity below 51 per cent in a public sector general insurance company. Titled, the 'General Insurance Business (Nationalisation) Amendment Act, 2021', the new law has brought in three amendments. First one aims "to omit the proviso to section 10B of the Act so as to remove the requirement that the Central Government holds not less than 51 per cent. of the equity capital in a specified insurer". The second one will insert a new section 24B "providing for cessation of application of the Act to such specified insurer on and from the date on which the Central Government ceases to have control over it." And the third one will insert "a new section 31A



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providing for liability of a director of specified insurer, who is not a whole-time director, in respect of such acts of omission or commission of the specified insurer which has been committed with his knowledge and with his consent.”

<https://www.thehindubusinessline.com/economy/policy/government-notifies-law-to-shed-holding-in-public-sector-general-insurance-company/article36011058.ece>

- **Ujjivan SFB board to meet on Aug 25 to appoint OSD :** The board of Ujjivan Small Finance Bank is scheduled to meet on August 25 to appoint an Officer on Special Duty (OSD) after its Managing Director and CEO Nitin Chugh tendered his resignation. “The bank is going through a rough time due to the Covid-19 pandemic, just like all other small finance banks and micro finance institutions. Financially, the bank remains very strong and is well capitalised,” said Samit Ghosh, founder, Ujjivan Financial Services. Expressing surprise over Chugh’s decision to resign, Ghosh said that it was for personal reasons.  
<https://www.thehindubusinessline.com/money-and-banking/ujjivan-sfb-board-to-meet-on-aug-25-to-appoint-osd/article36018249.ece>
- **CRED launches new peer-to-peer lending feature, CRED Mint:** Fintech platform CRED, on Friday, announced the launch of a new peer-to-peer lending feature called CRED Mint. CRED Mint is the platform’s first community-driven product that enables members to earn interest on idle money by lending to other high-trust members. The product is being launched in partnership with Liquiloans, an RBI-registered P2P NBFC. Members who participate in CRED Mint can earn inflation-beating interest rates of up to 9 per cent per annum, CRED said in an official release. The platform started out as a credit-card repayment platform, rewarding users with points for paying their credit card bills. It then expanded its offerings, including rent payments and personal loans.  
<https://www.thehindubusinessline.com/companies/cred-launches-new-peer-to-peer-lending-feature-cred-mint/article36012209.ece>
- **PhonePe to use \$50 million Tencent funding for overseas acquisition:** PhonePe plans to use the \$50 million funding received from Chinese conglomerate Tencent for its overseas acquisition and to support its Singapore office operations, according to a source close to the development. While all PhonePe employees are based in India, the company has a small team in Singapore looking after legal and M&A proceedings, the source added. Tencent has acquired a minority (1.8 per cent) stake in PhonePe as part of the company’s \$700 million funding round which was announced in December 2020. PhonePe has been in talks to acquire content and app discovery platform Indus OS (registered name - OSLabs) for \$60 million since May 2021. However, the deal could not be completed because of the objection raised by existing investors, Affle Global and Ventureast. The existing investors value Indus OS at \$90 million, while PhonePe had offered to acquire about 90 per cent stake in the company for \$60 million. Since then the deal has been in a legal tussle.  
<https://www.thehindubusinessline.com/money-and-banking/phonepe-to-use-50-million-tencent-funding-for-overseas-acquisition/article36003735.ece>



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- **Religare Finvest: Lenders likely to give the final approval for debt restructuring soon:** The much-anticipated ₹4,000-crore debt restructuring plan (DRP) of Religare Finvest Limited, the NBFC arm of Religare Enterprises, has moved a step closer towards lenders' final approval, with two credit rating agencies giving investment grade rating for it. This has significantly bolstered the chances of DRP getting final approval from the sanctioning committee of the banks led by State Bank of India (SBI), said sources close to the development.  
<https://www.thehindubusinessline.com/money-and-banking/religare-finvest-lenders-likely-to-give-the-final-approval-for-debt-restructuring-soon/article36019578.ece>
- **Mashreq Bank, NPCI International partner to offer UPI in the UAE:** NPCI International Payments Ltd (NIPL) has partnered with Mashreq to offer acceptance of its mobile-based real-time payment system, Unified Payments Interface (UPI), in the UAE. "This partnership will enable over two million Indians who travel to UAE for business or leisure purposes every year to pay for their purchases seamlessly using UPI-based mobile applications across shops and merchant stores in the UAE," said a joint statement on Friday.  
<https://www.thehindubusinessline.com/money-and-banking/mashreq-bank-npci-international-partner-to-offer-upi-in-the-uae/article36014648.ece>
- **Govt notifies changes to FEMA:** The Finance Ministry has made changes to the Foreign Exchange Management Act (FEMA) regulations to ensure that private banks having joint venture or subsidiary in the insurance sector do not breach the 74 per cent cap on FDI. Earlier this year, the government enacted a legislation to allow foreign investment limit to 74 from 49 per cent, along with foreign ownership and control with safeguards. Similarly, private banks have foreign investment limit of 74 per cent, but with a condition that no shareholder, irrespective of the shareholding, will have more than 15 per cent of the total voting right.  
<https://www.thehindubusinessline.com/economy/govt-notifies-changes-to-fema/article36020114.ece>
- **Ujjivan SFB: Working on smooth transition in consultation with RBI:** Ujjivan Small Finance Bank said the transition post resignation of Nitin Chugh as Managing Director and CEO is being smoothly managed in consultation with the Reserve Bank of India. "The bank has been working for several months to strengthen the board," it said in a statement. Noting that the bank has recently witnessed several challenges on the business front, coupled with several resignations both at the board level and senior management, Ujjivan SFB further said, "The immediate task of bank board in close collaboration with the holding company would be to bring back stability and achieve its desired goals and growth, complete the reverse merger and see that shareholders' interest is duly taken care of." "The bank looks at the future with optimism," it stressed.  
<https://www.thehindubusinessline.com/money-and-banking/ujjivan-sfb-working-on-smooth-transition-in-consultation-with-rbi/article36010788.ece>



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- **PSU banks post higher profitability on better margins, treasury gains in Q1:** Public sector banks reported higher profitability in the June quarter, aided by better margins, one-off gains from the United Breweries (UB) stake sale, healthy treasury gains, and lower operating expenses, as the bulk of wage arrears and pension-related provisions are largely behind, analysts said. "Q1FY22 was marked by tepid growth and slightly worse-than-expected asset quality deterioration in the secured retail, small and medium enterprise (SME) segments, which led to elevated provisions and hurt profitability. Most banks preferred to build and carry forward covid-19 provisions, but for select banks such as ICICI Bank," analysts at Emkay Global said in a report on 20 August. Among state-owned banks, State Bank of India (SBI), Bank of Baroda (BoB), Indian Bank, and Canara Bank were clear outliers, and among private banks, ICICI Bank was a clear outlier in terms of growth, asset quality and profitability, and it carries a strong provision cover. The report said that Federal and Karur Vysya banks were outperformers among small- and mid-sized banks.  
<https://www.livemint.com/industry/banking/psu-banks-post-higher-profitability-on-better-margins-treasury-gains-in-q1-11629453831542.html>
- **Banks form task forces to tackle current a/c closure challenges:** Banks have formed internal task forces to navigate the maze of issues triggered by the Reserve Bank of India (RBI) order to close non-compliant current accounts, a person aware of the development said. Lenders have set up individual task forces for the zones they operate in and one in their respective head offices. These committees will compile the list of problems they or their customers face in complying with the new norms. In a circular in August 2020, RBI had said banks with little or no loan exposure cannot open a current account for borrowers, and existing non-compliant accounts had to be frozen. The directive was aimed at cracking down on attempts by borrowers using current accounts at non-lending banks to siphon off funds. RBI said banks with less than 10% of the banking system exposure to a particular borrower cannot open a current account.  
<https://www.livemint.com/industry/banking/banks-form-task-forces-to-tackle-current-a-c-closure-challenges-1629402310210.html>
- **RBI penalty may deter banks from installing more ATMs:** The Reserve Bank of India's (RBI's) decision to penalize banks ₹10,000 if ATMs run dry for over 10 hours is likely to increase the expenses for all lenders to ₹125-200 crore, according to initial estimates by ATM operators and cash logistics companies. "The guidelines will sound the death knell for the ATM industry. We are shocked at the timing of this circular. When lockdowns have been put in place because of the covid-19 pandemic, how do they expect us to implement the guidelines? These guidelines were not thought through and have been introduced without any consultation. If this is implemented, there would be no option but to shut down existing ATMs," said a director of the Confederation of ATM Industry (CATMi).  
<https://www.livemint.com/industry/banking/rbi-penalty-may-deter-banks-from-installing-more-atms-11629395016163.html>
- **EPFO added 12.83 lakh net subscribers in June:** Retirement fund body Employees Provident Fund Organisation (EPFO) on August 20 said it added 12.83 lakh net subscribers during June 2021. "With respect to payroll data, the impact of second wave of COVID-19 pandemic waned during June 2021, leading to tremendous growth in net payroll additions as compared to April and May 2021. Month-on-





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month analysis reveals an increase of 5.09 lakh additions in net subscribers during June 2021 as compared to the previous month of May 2021," the labour ministry said in a statement. According to the provisional payroll data issued of EPFO, around 8.11 lakh new members joined the EPFO in June while roughly, 4.73 lakh net subscribers exited and then rejoined the EPFO.

<https://www.moneycontrol.com/news/business/economy/epfo-added-12-83-lakh-net-subscribers-in-june-7367441.html>

- **Gold prices rise to Rs 47,329 per 10 gm on rupee depreciation; silver slips by Rs 1,108 a kg:** Gold prices rose by Rs 53 to Rs 47,329 per 10 gram in the Mumbai retail market on rupee weakness and subdued global cues but a stronger dollar capped upside. The yellow metal surged Rs 627 or 1.34 percent this week in the domestic market. The price of 10 gram, 22-carat gold in Mumbai was Rs 43,353 plus 3 percent GST, while 24-carat 10 gram stood at Rs 47,329 plus GST. The 18-carat gold is quoted at Rs 35,497 plus GST in the retail market. Silver prices tumbled by Rs 1,108 to Rs 62,233 per kg against its closing price on August 18.  
<https://www.moneycontrol.com/news/business/commodities/gold-prices-rise-to-rs-47329-per-10-gm-on-rupee-depreciation-silver-tanks-rs-1108-a-kg-7367271.html>
- **Nifty to correct to 15,000 in short-term: BofA Securities:** BofA Securities India expects Nifty to correct to 15,000 in near term, after a strong rally in the last one-and-half years. "Our analysis of past market rallies suggests the current rally (+118 per cent over 73 weeks) could have limited further runway. We see risk of estimate cuts and with valuations at a peak, we expect markets to correct 9 per cent near term with our Nifty target at 15K," said Amish Shah, Research Analyst, BofA Securities India, in a release.  
<https://www.thehindubusinessline.com/markets/stock-markets/nifty-to-correct-to-15000-in-short-term-bofa-securities/article36012024.ece>
- **RepcHome Finance's net profit declines 50% in June quarter:** Repco Home Finance has registered a 49.8% decline in its net profit at Rs 32.1 crore for the first quarter of FY22 as against Rs 64 crore in the corresponding quarter last fiscal. Total income of the Chennai-based company stood lower at Rs 322.4 crore as against Rs 341.9 crore. The company said the bottom line took a beating mainly due to higher provision of Rs 78.3 crore. Net interest income stood at Rs 144.8 crore while loans sanctions were at Rs 201.2 crore, registering a growth of 25%. The overall loan book was at Rs 11,985.5 crore at the end of June 2021.  
<https://www.financialexpress.com/industry/banking-finance/repc-home-finances-net-profit-declines-50-in-june-quarter/2314112/>
- **Sensex down 325 points intraday, Nifty below 16,500:** At 1 pm, the BSE Sensex was trading at 55,304.15, down 325.34 points or 0.58 per cent. It hit an intraday high of 55,495.60 and a low of 55,013.98. The Nifty 50 was trading at 16,435.95, down 132.90 points or 0.8 per cent. It hit an intraday high of 16,509.55 and a low of 16,376.05. Hindustan Unilever, Asian Paints, Bajaj Finance, Britannia and Nestle India were the top gainers on the Nifty 50 while Tata Steel, JSW Steel, UPL, Hindalco and Tata Motors were the top laggards.



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<https://www.thehindubusinessline.com/markets/stock-markets/sensex-down-325-points-intraday-nifty-below-16500/article36012846.ece>

- **Rupee declines 15 paise to 74.39 on heavy dollar demand:** The rupee on Friday declined by 15 paise to close at 74.39 against the US currency, tracking a lacklustre trend in the domestic equities and strengthening of the American currency in the overseas market. At the interbank foreign exchange market, the domestic currency opened lower at 74.38 against the American currency and finally settled at 74.39. During the session, the local unit touched an intra-day high of 74.38 and a low of 74.47 against the US currency.

<https://www.cnbctv18.com/market/currency/rupee-declines-by-15-paise-to-7439-on-heavy-dollar-demand-10438881.htm>

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