



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

July 26, 2021

- **Finance Ministry suggests extending terms of CEOs, EDs at state-owned banks:** The finance ministry has recommended extending the tenure of three chief executive officers and 11 executive directors (ED) of public sector banks, looking to ensure stability and continuity at the lenders during the coronavirus pandemic. The Department of Financial Services (DFS) has written to the Department of Personnel and Training (DoPT) recommending extension of existing PSB chiefs' terms before the Banks Board Bureau (BBB) identifies new candidates for the top job. The letter, written earlier this month, recommended an extension for S S Mallikarjuna Rao, MD and CEO of Punjab National Bank till January 31, 2022, when he will be due for superannuation. Rao's term as MD and CEO was coming to an end on 18 September this year. Atul Kumar Goel's term as MD and CEO of UCO Bank has been recommended for a two-year extension beyond November 1 this year. A.S. Rajeev, MD and CEO of Bank of Maharashtra, has been recommended for an extension of two years beyond December 1. EDs have also been recommended for extensions for two years, or the age of 60, whichever is earlier. Shanti Lal Jain, and Ajay K. Khurana, both EDs at Bank of Baroda, have been recommended for two years of extension each. A Manimekhalai, ED at Canara Bank, and P R Rajagopal, ED at Bank of India, are likely to get a two-year extension. Sanjay Kumar, and Vijay Dube, EDs of Punjab National Bank, Gopal Singh Gusain, and Manas Ranjan Biswal, both EDs of Union Bank of India, Vikramaditya Singh Khichi, ED of Bank of Baroda, Shenoy Vishwanath Vittal, ED of Indian Bank, Alok Srivastava, ED of Central Bank of India were recommended for extension till their age of superannuation. The DFS sent these proposals to the Department of Personnel and Training (DoPT), and noted that the proposal "has been approved by the Finance Minister."
https://www.business-standard.com/article/finance/finance-ministry-suggests-extending-terms-of-ceos-eds-at-state-owned-banks-121072500330_1.html
- **HDFC Bank's Puri top earner among bankers in FY21; ICICI Bank's Bakhshi forgoes salary in COVID year:** HDFC Bank's Aditya Puri emerged as the highest grossing banker among the top three private sector lenders in his retirement year with total emoluments of Rs 13.82 crore. His successor Sashidhar Jagdishan, who took over as the chief executive and managing director of the largest private sector lender on October 27, 2020 grossed a salary of Rs 4.77 crore for the fiscal year, which included payments as a group head till his elevation. Puri's overall payments included Rs 3.5 crore as post-retirement benefits. Its immediate rival ICICI Bank's MD and CEO Sandeep Bakhshi "voluntarily relinquished" his fixed compensation of basic and supplementary allowances for FY21, which had seen wide-scale impact of the COVID pandemic, as per the second largest lender's annual report.
<https://www.financialexpress.com/industry/banking-finance/hdfc-banks-puri-top-earner-among-bankers-in-fy21-icici-banks-bakhshi-forgoes-salary-in-covid-year/2297319/>
- **SBI opens new branch in Delhi:** State Bank of India (SBI) on Saturday opened a new branch at the President's Estate in New Delhi. The branch, which was inaugurated by President Ram Nath Kovind, will provide all types of banking services to the residents of President's Estate, India's largest bank said in a statement. The branch will offer safe deposit lockers and is also equipped with ATM, cash deposit



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machine and self-service passbook printer, it added. Dinesh Khara, Chairman, SBI, said, “The branch will offer a convenient and seamless banking experience to all the customers. This branch at President’s Estate is a jewel in the crown for SBI.”

<https://www.thehindubusinessline.com/money-and-banking/sbi-opens-new-branch-in-delhi/article35515136.ece>

- **IFC lends USD 250 mn to HDFC to promote affordable green housing finance:** International Finance Corporation (IFC), a private sector investment arm of the World Bank Group, has decided to provide loan of USD 250 million (about Rs 1,875 crore) to promote affordable green housing finance for low-income borrowers. Low and middle-income borrowers will be able to own homes with improved access to finance, thanks to a new investment aiming to boost affordable housing finance in India, a joint statement said. Aligned with the government of India’s goal to provide ‘Housing for All,’ the funding will also help generate jobs, it said. At least 25 per cent of the financing has been earmarked for green affordable housing, which is likely to encourage this market in India, it said. “Green housing is largely regarded as a luxury market in the country, but given its climate benefits, IFC intends to challenge that perception and help boost green affordable housing by partnering with HDFC, with its deep penetration in the Indian housing market and significant commitment to promoting green,” it said. “This partnership with IFC covering both themes Affordable & Green housing, we hope, will materially further our outreach,” HDFC Ltd managing director Renu Sud Karnad said.
https://www.business-standard.com/article/companies/ifc-lends-usd-250-mn-to-hdfc-to-promote-affordable-green-housing-finance-121072500210_1.html
- **Need for relaunch of PMAY scheme with in-built credit-linked insurance:** CII: Industry chamber CII on Sunday called for relaunch of the Pradhan Mantri Awas Yojana (PMAY) scheme with mandatory life insurance for all borrowers to ensure that the intent of providing 'Housing for All' does not take a hit due to death or disability of the primary borrower. The PMAY is the ambitious mission of the government aimed at 'Housing for All' as India completes 75 years of Independence by the year 2022. The scheme, however, falls short of covering the risk of death or disability of the borrower as the loans sanctioned under the scheme do not have an in-built insurance provision, the chamber said in a statement. Addition of insurance component will ensure that in all circumstances, the intended benefit of the scheme of 'Housing for All' is fulfilled, and the families are able to retain their home, it said.
https://www.business-standard.com/article/economy-policy/need-for-relaunch-of-pmay-scheme-with-in-built-credit-linked-insurance-cii-121072500315_1.html
- **Reserve Bank of India's central board short of 9 non-official directors:** The central board of the Reserve Bank of India (RBI) is facing shortage of nine non-official directors, including seven from the category of people of eminence from various fields. The central board is the highest decision making body of the apex bank headed by the RBI governor. According to the RBI Act, the government nominates 10 eminent persons from various fields to the central board of the RBI, besides four directors (one from each of the four local boards). The government is yet to appoint seven non-official directors from the category of people of eminence from various fields while representations from local board from western and southern areas are missing.



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https://www.business-standard.com/article/economy-policy/reserve-bank-of-india-s-central-board-short-of-9-non-official-directors-121072500303_1.html

- **Salary, pension and EMI payment rules to change from August:** People will no longer have to wait for a working day for their salary to be credited into their accounts. From August 1, all important banking transactions such as salary, pension and Equated Monthly Installment (EMI) payments will take place 24x7, according to a report by Livemint on Sunday. At times, the first day of a month falls on a weekend and people have to wait for Monday to see the message on their phones that their salary has been credited into their accounts. And hence, the above provision was introduced. Reserve Bank of India (RBI) governor Shaktikanta Das, during the bi-monthly monetary policy review last month, said with a view to further enhance customer convenience and to leverage the 24x7 availability of real-time gross settlement (RTGS), the National Automated Clearing House (NACH) will be available on all days of the week from August 1. Till now, NACH is only available on bank working days, which is usually from Monday to Friday.

<https://www.hindustantimes.com/business/salary-pension-and-emi-payment-rules-to-change-from-august-101627188303862.html>

- **M-cap of 6 of top-10 firms erode by Rs 76,640.54 cr; HDFC Bank biggest laggard:** Six of the 10 most valued companies witnessed a combined erosion of Rs 76,640.54 crore in market valuation last week, with HDFC Bank emerging as the biggest laggard. During the last week, the 30-share BSE benchmark dipped 164.26 points or 0.30 per cent. From the top-10 list, Reliance Industries Limited, HDFC Bank, Hindustan Unilever Limited, HDFC, State Bank of India and Kotak Mahindra Bank witnessed erosion in their market capitalisation. The market valuation of HDFC Bank tumbled Rs 43,578.18 crore to reach Rs 7,97,422.67 crore.

<https://www.financialexpress.com/market/mcap-of-6-of-top-10-firms-erode-by-rs-76640-54-cr-hdfc-bank-biggest-laggard/2297233/>

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