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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

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- **FM Nirmala Sitharaman launches next gen banking reforms to drive digital growth among PSBs:** The finance minister Nirmala Sitharaman on Wednesday launched the fourth edition of the Public Sector Bank Reforms Agenda 'Enhanced Access and Service Excellence (EASE) - 4.0'. The reforms agenda is focussed towards imbuing tech-enabled, simplified, and collaborative banking. The first edition of EASE 1.0 was launched in January 2018. Under EASE 4.0, PSBs would offer new age 24x7 banking with resilient technology has been introduced to ensure uninterrupted availability of banking services, improving the reliability of technology platforms, and aligning internal processes in the state-run banks to deliver such services. "The next edition of EASE reforms aims to further the agenda of customer-centric digital transformation and deeply embed digital and data into PSBs' ways of working," a report on the features released by the press information bureau stated. The EASE reforms also aim to bring in collaborative banking through tie-ups between PSBs and with broader financial services ecosystem such as NBFCs for the coordinated handling of co-originated loans.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/fm-nirmala-sitharaman-launches-next-gen-banking-reforms-to-drive-digital-growth-among-psbs/articleshow/85625373.cms>
- **FM Nirmala Sitharaman asks banks to conduct credit outreach programme across India:** The finance minister Nirmala Sitharaman on Wednesday announced that she has asked state-run banks to step up lending and hold outreach programmes or loans melas across India from October to lend to desirable borrowers, in order to give momentum to the stimulus package. Sitharaman said that it was too early say that there is lack of credit demand in the economy. "This year too sometime in October, there will be a credit outreach in every district of the country," the finance minister said. "In order to keep up the momentum of stimulus that we are periodically giving we have also asked banks to go out and give credit." The outreach programme or loan melas that was mooted in 2019, are aimed at meeting the demand of borrowers during the festival season. Last year, in a period of four days agriculture, vehicle, home, education and personal loans were sanctioned. At the end of March 2021, almost Rs 4.94 lakh crore was distributed under the credit outreach programme (between October 2019 and March 2021).
https://www.business-standard.com/article/economy-policy/fm-sitharaman-asks-psbs-to-conduct-credit-outreach-programme-across-india-121082600054_1.html
- **FM asks banks to work with state govts to push 'one district, one product' agenda:** Finance Minister Nirmala Sitharaman on Wednesday said she has requested banks to work with all state governments to push the 'one district, one product' agenda. Banks have also been requested to interact with export promotion agencies, chambers of commerce and industry to understand and address the requirement of exporters on time, Sitharaman said while addressing media here on Wednesday.
<https://www.thehindubusinessline.com/economy/fm-asks-banks-to-work-with-state-govts-to-push-one-district-one-product-agenda/article36095692.ece>



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- **Nirmala Sitharaman sets the agenda for state banks. Ease 4.0 reform highlights:** Finance minister Nirmala Sitharaman detailed the way ahead for India's public sector banks as part of her government's EASE 4.0 policy. EASE 4.0 or Enhanced Access and Service Excellence is the Centre's reform agenda public banks aimed at institutionalising clean and smart banking. Sitharaman met heads of PSBs to review financial performance of the lenders and progress made by them to support the economy battered by COVID-19 pandemic. At the presser post launch in Mumbai, Finance Secretary Debashish Panda announced changes to the pension payouts of Public Sector Banks. The changes instituted are set to increase the pension payout to bank employees, with all of them set to get an even 30% of their pay. The Centre has also asked banks to increase the employer contribution to the pension corpus to 14%, from the current 10%. "Pension payouts to bank employees could increase to Rs 30,000-Rs 35,000 from the earlier cap of Rs 9284," Panda said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-employees-pension-payout-hiked-to-30-of-last-drawn-pay-employer-contribution-rises-to-14/articleshow/85619610.cms?from=mdr>
- **Bank of India approves Rs 3,000 cr QIP, sets floor price at Rs 66.19 per share:** State-owned Bank of India on Wednesday approved the launch of QIP, aimed at raising Rs 3,000 crore equity capital to fund business growth and meet regulatory compliance. The capital issue committee of the bank at its meeting approved and adopted the preliminary placement document cum application form for the issue and authorised the opening of the issue on Wednesday (August 25, 2021), Bank of India said in a regulatory filing.
<https://economictimes.indiatimes.com/markets/companies/bank-of-india-approves-rs-3000-cr-qip-sets-floor-price-at-rs-66-19-per-share/articleshow/85631568.cms>
- **ICICI Bank files cheating case against Karvy Stock Broking Ltd:** A case has been registered against Karvy Stock Broking Ltd promoter C. Parthasarathy and others for allegedly cheating ICICI Bank to the tune of Rs 563 crore. According to a press release issued by the police on Tuesday night, the case was booked under Sections 406 (criminal breach of trust), 420, r/w 34 (cheating) of IPC against the accused. Funds raised by KSBL by pledging shares of its six bankers were transferred to the firm's own bank accounts, and not into 'Stock Broker Client Account', which is in contravention with the SEBI guidelines, the police said. "Further, all pledges on securities were closed without approval... and securities were transferred to end clients of KSBL thereby severely impacting security of all lenders including ICICI Bank," it said.
https://www.business-standard.com/article/finance/icici-bank-files-cheating-case-against-karvy-stock-broking-ltd-121082500247_1.html
- **Carol Furtado appointed as OSD of Ujjivan SFB; to take over as interim CEO from Oct:** Ujjivan Small Finance Bank (SFB) on Wednesday announced the appointment of Carol Furtado as an 'officer on special duty' till September 30, and said she will take charge as the interim CEO from October. The move follows the resignation of the lender's MD and CEO Nitin Chugh last week, who will stay with the bank till September 30. Ujjivan SFB held a board meeting on Wednesday and unanimously approved the appointment of Carol Furtado as the 'Officer on Special Duty (OSD)', the bank said in a statement.



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She will lead the charge of handling the day-to-day operations of the bank from Thursday and will serve the bank as OSD until Chugh is in office.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/carol-furtado-appointed-as-osd-of-ujjivan-sfb-to-take-over-as-interim-ceo-from-oct/articleshow/85627452.cms?from=mdr>

- **RBI imposes Rs 15 lakh penalty on Baghat Urban Co-operative Bank, Solan:** The RBI on Wednesday said it has imposed a penalty of Rs 15 lakh on The Baghat Urban Co-operative Bank Limited, Solan, for violation of certain norms, including, those related to NPA classification. In another statement, the RBI said it has imposed a penalty of Rs 1 lakh on Delhi Nagrik Sehkari Bank Limited, New Delhi, for non-compliance with certain directions issued by the central bank. The RBI said inspection report of The Baghat Urban Co-operative Bank, based on its financial position as on March 31, 2019, revealed non-adherence with/violation of directions, including non-identification of NPAs, wrong classification of assets, inadequate provisions made due to wrong classification of assets and non-adherence to exposure norms for housing, real estate and commercial real estate (CRE).
<https://www.businesstoday.in/latest/economy/story/rbi-imposes-rs-15-lakh-penalty-on-baghat-urban-co-operative-bank-solan-305205-2021-08-25>
- **Ujjivan Small Finance bank to do portfolio quality & process audit:** Ujjivan Small Finance Bank has decided to do an independent portfolio quality & process audit as it is facing stress on asset quality following the disruptions caused by the pandemic. It will also review its provisioning policy to create an adequate buffer against credit risk. The holding company of the bank, Ujjivan Financial Services, had earlier expressed concerns over asset classification, bad loan recognition and the ad-hoc bad loan provisioning under chief executive Nitin Chugh, who resigned last week. The bank on Wednesday appointed Carol Furtado as office on special duty to manage day-to-day operations in the bank till Chugh's official exit on September 30.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/ujjivan-small-finance-bank-to-do-portfolio-quality-process-audit/articleshow/85626278.cms?from=mdr#:~:text=Ujjivan%20Small%20Finance%20Bank%20has,adequate%20buffer%20against%20credit%20risk.>
- **Karnataka Bank launches KBL FASTag:** Mangaluru-headquartered private sector lender Karnataka Bank on Wednesday launched its “KBL FASTag”, a pre-loaded payment instrument to facilitate seamless movement of vehicles at the toll plazas across the country, in association with National Payment Corporation of India (NPCI) and FASTag processor Worldline. Bank’s MD & CEO Mahabaleshwara MS said customers could buy the FASTag through online from the bank’s website or by visiting its branch. “FASTag can be pre-loaded digitally for the required amount and can be recharged online through Credit Card/Debit Card/Net Banking/IMPS etc. The applicable toll amount gets automatically debited through the sensors at the toll plaza.”
<https://www.thehindubusinessline.com/money-and-banking/karnataka-bank-launches-kbl-fastag/article36098741.ece>



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- **Special court lets Enforcement Directorate quiz Rana Kapoor:** A special court has permitted Enforcement Directorate (ED) to question banker Rana Kapoor who was arrested in a money laundering case. The case pertains to a loan taken by Oyster Buildwell, a holding company of Avantha Realty, from Yes Bank, and its alleged misappropriation between 2017 and 2019. The ED had registered a money laundering case based on the predicate offence registered by the Central Bureau of Investigation (CBI) against Kapoor, his wife Bindu Kapoor, and Avantha Group promoter Gautam Thapar for “illegal gratification in lieu of favours extended in connection with official work”.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/special-court-lets-ed-quiz-rana-kapoor/articleshow/85603859.cms>
- **RBI extends scope of tokenisation to laptops, wearable devices:** The Reserve Bank on Wednesday extended the scope of 'tokenisation' to several consumer devices, including laptops, desktops, wearables like wristwatches and bands, as well as Internet of Things (IoT) devices. Tokenisation, which aims at improving the safety and security of the payment system, refers to the replacement of actual card details with a unique alternate code called the 'token', which is unique for a combination of card, token requestor and identified device. The RBI had earlier permitted 'tokenisation' services, under which a unique alternate code is generated for transaction purposes, on mobile phones and tablets of cardholders. "On a review of the framework and keeping in view stakeholder feedback, it has been decided to extend the scope of tokenisation to include consumer devices -- laptops, desktops, wearables (wristwatches, bands, etc.), Internet of Things (IoT) devices, etc," the RBI said in a circular. The initiative is expected to make card transactions more safe, secure and convenient for the users, it added.
<https://economictimes.indiatimes.com/news/economy/policy/rbi-extends-scope-of-tokenisation-to-laptops-wearable-devices/articleshow/85629233.cms>
- **Family pension for bank staff hiked to 30%:** Family pension for bank employees is set to increase with a uniform payout of 30 per cent of the last salary, Debasish Panda, Secretary, Department of Financial Services, said on Wednesday. “In continuation of the 11th bi-partite settlement on wage revision of public sector bank employees, which was signed by the Indian Banks’ Association with the unions on November 11, 2020, there was a proposal for enhancement of family pension and also the employers’ contribution under the NPS. This has been approved by the Finance Minister,” Panda, who was accompanying Finance Minister Nirmala Sitharaman, said.
<https://www.thehindubusinessline.com/money-and-banking/family-pension-hiked-for-bank-employees/article36096967.ece>
- **India considers allowing foreign direct investment in Life Insurance Corp:** India is considering allowing foreign direct investment in Life Insurance Corporation, according to a person familiar with the matter, which could enable a single overseas investor to buy a large stake in the firm that’s headed for a mega-IPO. Any strategic investment would be subject to a cap, though it’s unclear at what level that would be set, the person said, asking not to be identified as the deliberations are private. Participants at a meeting earlier this month noted a 20 per cent FDI limit on State-run banks, the person said.



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<https://www.thehindubusinessline.com/economy/policy/india-considers-allowing-foreign-direct-investment-in-life-insurance-corp/article36092313.ece>

- **RBI okays Hitendra Dave as HSBC India head for three years starting Aug 24:** HSBC India on Wednesday said the Reserve Bank of India (RBI) has approved the appointment of Hitendra Dave as the country head for three years, effective August 24. Dave is a General Manager within the HSBC Group and a member of the Asia Pacific Executive Committee of HSBC, "underlining the importance of the India business to HSBC," the bank said in a statement.
https://www.business-standard.com/article/finance/rbi-okays-hitendra-dave-as-hsbc-india-head-for-three-years-starting-aug-24-121082501237_1.html
- **Sensex, Nifty rule flat after hitting record highs:** Sensex, Nifty hit record highs in early trade, tracking global markets such as S&P 500 and Nasdaq that hit all-time highs. Asian stocks were trading mixed. Market remained volatile ahead of the F&O expiry on Thursday on the NSE. The BSE Sensex, after recording a lifetime high of 56,198.13, was trading at 56,000.07, up 41.09 points or 0.07 per cent. It hit an intraday low of 55,920.53. The Nifty 50 which recorded a fresh all-time high of 16,712.45, was trading at 16,658.40, up 33.80 points or 0.2 per cent. It recorded an intraday low of 16,629.80. Adani Ports, ONGC, HDFC Life, Tata Motors and Hindalco were the top gainers on the Nifty 50 while Bajaj Finserv, Titan, Bharti Airtel, Axis Bank and Cipla were the top losers.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-nifty-rule-flat-after-hitting-record-highs/article36094575.ece>
- **Rupee edges 3 paise higher to close at 74.19 against US dollar:** The rupee appreciated by 3 paise to close at 74.19 (provisional) against the US dollar on Tuesday, supported by a strong rally in the domestic equity market. However, a strong dollar in the overseas markets and rising crude prices weighed on investor sentiment, forex traders said. At the interbank forex market, the local unit opened strong at 74.12 against the greenback and moved in a range of 74.11 to 74.20 in day trade. It finally ended at 74.19 against the American currency, registering a rise of 3 paise over its previous close of 74.22.
<https://www.thehindu.com/business/markets/rupee-edges-3-paise-higher-to-close-at-7419-against-us-dollar/article36077775.ece>
- **Gold prices dip to Rs 47,448 per 10 gram on risk appetite, dollar uptick; silver slips by Rs 977 a kg:** Gold prices weakened by Rs 262 to Rs 47,448 per 10 gram in the Mumbai retail market on increased risk appetite, dollar uptick and negative global cues. The yellow metal eased as investors look forward to the Federal Reserve's direction on asset tapering and interest rate hikes. The price of 10 gram, 22-carat gold in Mumbai was Rs 43,462 plus 3 percent GST, while 24-carat 10 gram stood at Rs 47,448 plus GST. The 18-carat gold is quoted at Rs 35,586 plus GST in the retail market. The gold-silver ratio currently stands at 75.94 to 1, which means 75.94 ounces of silver is required to buy an ounce of gold. Silver prices tumbled by Rs 977 to Rs 62,473 per kg against its closing price on August 24.
<https://www.moneycontrol.com/news/business/commodities/gold-prices-dip-to-rs-47448-per-10-gram-on-increased-risk-appetite-dollar-uptick-silver-slips-by-rs-977-a-kg-7388581.html>



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