



**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

August 28, 2021

- **Bank credit grows by 6.55%; deposits by 10.58%:** Bank credit grew by 6.55 per cent to Rs 108.89 lakh crore and deposits by 10.58 per cent to Rs 155.70 lakh crore in the fortnight ended August 13, 2021, RBI data showed. In the year-ago fortnight ended at August 14, 2020, bank advances had stood at Rs 102.19 lakh crore and deposits at Rs 140.80 lakh crore, according to RBI's Scheduled Banks' Statement of Position in India as of July 30, 2021, released on Friday. - economic times
<https://www.businesstoday.in/latest/economy/story/bank-credit-grows-by-655-deposits-by-1058-rbi-305385-2021-08-27>
- **10 banks selected to manage LIC IPO:** The central government has selected 10 investment banks to handle the initial public offering of Life Insurance Corp of India planned for this fiscal year. They include Goldman Sachs, Citigroup, Kotak Mahindra and SBI Caps, Reuters quoted government sources as saying. Sixteen banks, including seven global banks and nine domestic bank, were in the race.
<https://economictimes.indiatimes.com/industry/banking/finance/insure/10-banks-selected-to-manage-lic-ipo/articleshow/85686351.cms?from=mdr>
- **IDBI Bank board approves divesting entire 19% stake in ARCIL:** IDBI Bank on Friday said its board has okayed a proposal to divest its entire stake of over 19 per cent in ARCIL. The decision was taken at a meeting of the board of directors on Friday. The board has approved the proposal for sale of IDBI Bank's entire holding of 6,23,23,800 fully paid-up equity shares constituting 19.18 per cent of the total equity share capital of Asset Reconstruction Company (India) Ltd (ARCIL), IDBI Bank said in a regulatory filing.
https://www.business-standard.com/article/finance/idbi-bank-board-approves-divesting-entire-19-stake-in-arcil-121082701201_1.html
- **Companies under liquidation can be sold as a 'going concern', rules NCLAT:** A company can run usual operations or as a "going concern" even if it is in the process of being wound up in an administered sale, said a recent order by a bankruptcy appeals court, boosting recovery prospects for lenders seeking to maximise value on soured loans. The principal bench of the National Company Law Appellate Tribunal (NCLAT) in New Delhi comprising two judges — Anant Bijay Singh and Shreesha Merla — shot down an order by the National Company Law Tribunal (NCLT).
<https://economictimes.indiatimes.com/industry/banking/finance/banking/cos-under-liquidation-can-be-sold-as-a-going-concern-rules-nclat/articleshow/85667747.cms?from=mdr>
- **Govt extends tenure of 4 public sector banks' top officials:** Four state-owned banks on Friday said the government has extended tenures of their top officials, including managing director and chief executive officers (MD and CEOs) of Punjab National Bank and Bank of Maharashtra. Besides, the government has extended the tenures of executive directors of Punjab National Bank (PNB), Union Bank of India and Central Bank of India.



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<https://bfsi.economictimes.indiatimes.com/news/banking/govt-extends-tenure-of-4-public-sector-banks-top-officials/85694830>

- **RBI increases incentives for banks for distribution of coins:** The Reserve Bank on Friday increased incentives for banks for distribution of coins to the general public to Rs 65 from Rs 25 per bag. This has been done keeping in view the overall objectives of clean note policy and to ensure that all bank branches provide better customer service to people with regard to exchange of notes and distribution of coins, the central bank added. The banks will also be provided an additional incentive of Rs 10 per bag for coin distribution in rural and semi-urban areas, the RBI said in a notification. - economic times
<https://bfsi.economictimes.indiatimes.com/news/banking/rbi-increases-incentives-for-banks-for-distribution-of-coins/85695111>
- **PNB scam: Properties worth Rs 500 cr of Nirav Modi firms restored to bank:** A special court here on Friday allowed 'restoration' of properties worth Rs 500 crore of fugitive jeweler Nirav Modi 's firms to Punjab National Bank (PNB). This is the third such order in a span of about two weeks, with the total value of properties owned by Nirav Modi's companies being restored in this manner now standing at approximately Rs 1,000 crore. Nirav Modi, who was declared a 'fugitive economic offender' in December, 2019, and his uncle Mehul Choksi are accused of committing a Rs 14,000 crore scam by obtaining credit facilities fraudulently from the PNB, and several of the former's properties as well as that of his kin were attached by the Enforcement Directorate.
<https://economictimes.indiatimes.com/news/india/pnb-scam-properties-worth-rs-500-cr-of-nirav-modi-firms-restored-to-bank/articleshow/85691573.cms>
- **LIC launches Ananda mobile app for agents, intermediaries:** Life Insurance Corporation of India (LIC) has launched Ananda mobile app. "Atma Nirbhar Agents New Business Digital Application, the digital paperless solution for new business processes in LIC has now been provided a new dimension with the launch of Ananda mobile app," LIC said in a statement.
<https://www.thehindubusinessline.com/money-and-banking/lic-launches-ananda-mobile-app-for-agents-intermediaries/article36139532.ece>
- **indiagold to raise \$12 mn round from PayU, Alpha Wave Incubation fund :** indiagold, a gold-focused alternative credit platform, is planning to raise \$12 million funding from PayU and Alpha Wave Incubation (AWI) fund. Other investors such as Better Tomorrow Ventures, 3one4 Capital, RainmatterCapital, and Leo Capital will also be participating in this round. Launched in 2020 by Deepak Abbot and Nitin Misra, indiagold offers gold-backed loans, gold savings, and gold locker services to over a million consumers in India. Both the founders have worked as Senior Vice President of Paytm in the past.
<https://www.thehindubusinessline.com/money-and-banking/indiagold-to-raise-12-mn-round-from-payu-alpha-wave-incubation-fund/article36137407.ece>
- **RBI issues Master Directions on Prepaid Payment Instruments:** The Reserve Bank of India on Friday issued Master Directions on Prepaid Payment Instruments (PPIs) with fresh classification of the instruments. "Keeping in view the recent updates to PPI guidelines, it has been decided to issue the



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Master Directions afresh,” the RBI said.No entity can set up and operate payment systems for PPIs without prior approval or authorisation of the RBI, it stated. The master directions classify PPIs in two categories – small PPIs and full KYC PPIs. They were earlier classified as closed systems, semi-closed systems and open system PPIs.

<https://www.thehindubusinessline.com/money-and-banking/rbi-issues-master-directions-on-prepaid-payment-instruments/article36140945.ece>

- **Indo-Nepal Remittance: RBI enhances per transaction ceiling 4-fold to ₹2 lakh:** The Reserve Bank of India has made enhancements to the Indo-Nepal Remittance Facility Scheme, whereby the ceiling per transaction has been increased four-fold to ₹2 lakh and the cap of 12 remittances in a year per remitter has been removed. The aforementioned enhancements, which come into effect from October 1, have been announced to boost trade payments between the two countries, as also to facilitate person-to-person remittances electronically to Nepal, RBI said in a circular to all Banks participating in the National Electronic Funds Transfer facility.
<https://www.thehindubusinessline.com/money-and-banking/indo-nepal-remittance-facility-rbi-enhances-transaction-ceiling-4-fold-to-2-lakh/article36143606.ece>
- **Eye on retail, SME credit as public sector banks prepare for festivals:** Public sector banks (PSBs) are fine-tuning plans for the upcoming festive season instead of waiting for an outreach programme to scale up credit off-take across the country. Besides retail and farm sectors, thrust will also be on export credit, in tune with global recovery, bankers said. Saloni Narayan, deputy managing director (retail business) State Bank of India (SBI), said the festive season has started in the south with Onam and Ganesh Chaturthi set to be celebrated in the west next month.
https://www.business-standard.com/article/finance/eye-on-retail-sme-credit-as-public-sector-banks-prepare-for-festivals-121082601616_1.html
- **Processing about 1.5 bn transactions a month: PhonePe CEO Sameer Nigam:** Walmart-owned digital payments firm is processing 1.5 billion transactions a month and now about 80 per cent of all these users are from tier-2 and beyond cities, said Sameer Nigam, founder and chief executive officer at PhonePe. “So, I know payments for a fact have started solving the financial inclusion problem,” said Nigam during a fireside chat with YourStory Founder Shradha Sharma at Converge@Walmart, the flagship event of Walmart Global Tech India, along with PhonePe founder and CTO Rahul Chari.
https://www.business-standard.com/article/companies/processing-about-1-5-bn-transactions-a-month-phonepe-ceo-sameer-nigam-121082700103_1.html
- **Sebi bars Kotak AMC from launching FMPs for six months, imposes fine:** Securities and Exchange Board of India (Sebi) on Friday restrained Kotak Mahindra Asset Management Company Limited from launching any new fixed maturity plan (FMPs) for the period of six months. Market regulator also imposed a monetary penalty of Rs 50 lakh for violation of the provisions of Sebi Act, MF Regulations, 1996.
https://www.business-standard.com/article/finance/sebi-bars-kotak-amc-from-launching-fmps-for-six-months-slaps-fine-121082701082_1.html



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- **RBI fines five payment system cos for breach of escrow, KYC and other norms:** The Reserve Bank of India (RBI) on Friday imposed monetary penalties on five payment system operators for non-complying with certain provisions of the central bank. A penalty of Rs 3 crore was levied on Transaction Analysts (India) Pvt Ltd. The RBI said on-site inspection of Transaction Analysts (India) revealed non-compliance with directions issued by the RBI on escrow account balances, limits prescribed for certain transactions, and KYC. BTI Payments and Hitachi Payment Services were levied with monetary penalties of Rs 2 crore each and Tata Communications Payment Solutions, as well as Vakrangee, have been served penalties to the tune of Rs 1 crore each. “Off-site review of the operations of the white label ATM operators had revealed non-compliance with directions issued by the RBI on ATM deployment and maintenance of net-worth”, the RBI said.
https://www.business-standard.com/article/finance/rbi-fines-five-payment-system-cos-for-breach-of-escrow-kyc-and-other-norms-121082701186_1.html
- **RBI imposes monetary penalty on New India Co-operative Bank, Jalgaon People’s Co-operative Bank :** The Reserve Bank of India on August 27 imposed a monetary penalty of Rs 25 lakh on Mumbai-based New India Co-operative Bank Ltd and Rs 20 lakh on Jalgaon-based The Jalgaon People’s Co-operative Bank. The monetary penalty on New India Co-operative Bank was imposed over non-compliance of RBI directions on ‘Frauds in UCBs: Changes in monitoring and reporting mechanism’ and the penalty on The Jalgaon People’s Co-operative Bank was imposed non-compliance with direction issued by RBI on ‘Placement of Deposits with Other Banks by Primary (Urban) Co-operative Banks (UCBs)’.
<https://www.moneycontrol.com/news/business/companies/rbi-imposes-monetary-penalty-on-new-india-co-operative-bank-jalgaon-peoples-co-operative-bank-7398541.html>
- **Mid Cap of BSE-listed companies rises to record Rs 243.73 lakh crore:** The market capitalisation of BSE-listed companies jumped to an all-time high of Rs 2,43,73,800.36 crore on Friday, driven by an upbeat sentiment in equities. The BSE benchmark Sensex climbed 175.62 points to close above the 56,000-mark for the first time on Friday. During the day, it gained 239.13 points to 56,188.23. At close of trade, the market capitalisation of BSE-listed companies stood at Rs 2,43,73,800.36 crore. Investors have gained Rs 2,20,292.05 crore in two days of market rally.
<https://www.livemint.com/market/stock-market-news/mcap-of-bse-listed-companies-rises-to-record-rs-243-73-lakh-cr-11630072641197.html>
- **RBI deputy governors meet MD & CEOs of SFBs to discuss board oversight, compliance:** Deputy governors of Reserve Bank of India (RBI), M K Jain and M Rajeshwar Rao on August 27 held discussion with MD & CEOs of eleven Small Finance Banks (SFBs) over video conference, the central bank said in a release. The discussion was started by deputy governors acknowledging the contribution of SFBs towards financial inclusion and extending credit to the underserved segments.
<https://www.moneycontrol.com/news/business/rbi-deputy-governors-meet-md-ceos-of-sfbs-to-discuss-board-oversight-compliance-7398931.html>
- **Sensex, Nifty close at fresh highs:** The 30-share index settled 175.62 points or 0.31 per cent higher at 56,124.72. Similarly, the broader NSE Nifty gained 68.30 points or 0.41 per cent to finish at a record 16,705.20. UltraTech Cement was the top gainer in the Sensex pack, surging over 3 per cent, followed



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by L&T, Dr Reddy's, Bajaj Finserv, Sun Pharma, TCS and Kotak Bank. On the other hand, Infosys, IndusInd Bank, M&M, Nestle India and HCL Tech were among the laggards.

<https://www.thehindu.com/business/markets/sensex-nifty-close-at-fresh-highs/article36136431.ece>

- **Gold prices fall for third day on sharp rally in rupee; silver corrects by Rs 292/kg:** Gold prices dropped for the third straight day by 201 to Rs 47,149 per 10 gram in the Mumbai retail market on sharp appreciation in the rupee. The yellow metal traded in a narrow band in the international market as investors await Fed chief Powell's speech later in the day for further direction. The bullion metal shed Rs 232, or 0.49 percent this week in the domestic market. Silver prices fell by Rs 292 to Rs 62,938 per kg against its closing price on August 26.

<https://www.moneycontrol.com/news/business/commodities/gold-prices-fall-for-third-day-on-sharp-rally-in-rupee-silver-corrects-by-rs-292kg-7398121.html>

- **Rupee rallies 53 paise to close at 73.69 against US dollar:** The rupee surged 53 paise to close at 73.69 (provisional) against the US dollar on Friday, supported by a firm trend in domestic equities ahead of the key speech from US Federal Reserve Chair Jerome Powell. At the interbank forex market, the local unit opened strong at 74.17 against the greenback, then gained strength and settled for the day at 73.69, higher by 53 paise over its previous close of 74.22. The local unit moved in a range of 73.69 to 74.20 in the day trade.

<https://www.moneycontrol.com/news/business/markets/rupee-rallies-53-paise-to-close-at-73-69-against-us-dollar-7397961.html>

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