



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
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## DAILY UPDATES BY BFSI COMMITTEE, ICAI

May 19, 2021

- **Bank of Baroda mulls hiring digital marketing agencies to strengthen brand, customer outreach:** Bank of Baroda is looking to hire three digital marketing agencies to strengthen its brand, aiming to be a preferred choice of customers with innovative banking models. Bank of Baroda requires services of marketing agencies for overall digital marketing strategy, improving effectiveness of digital eco system, suggesting ideas as per requirement of the bank and well as doing analytics in the digital space among others, the bank said."Bank proposes to empanel three digital marketing agencies and these digital marketing agencies shall be responsible for digital marketing communication across various media," the lender said in a tender document inviting bids from eligible agencies. Bank of Baroda is one the largest PSU banks with over 8,400 branches and 12,000 plus ATM network across the country. -economic times
- **Canara Bank Q4 profit rises to Rs 1,011 crore, NII surges 68.4%:** Public sector lender Canara Bank on May 18 reported a standalone profit of Rs 1,010.87 crore for the March 2021 quarter (Q4 FY21). The profitability beat analysts' expectations on the back of a dip in loan loss provisions, higher net interest income and other income. The loss in the year-ago quarter stood at Rs 3,259.3 crore. The results for the quarter and year ended March 2021 included operations of erstwhile Syndicate Bank that merged with Canara Bank with effect from April 2020. Hence, the quarterly and yearly results for the current year are not comparable with the corresponding quarter and yearly results of the previous financial year.Net interest income, the difference between interest earned and interest expended, surged 68.4 percent year-on-year to Rs 5,589.2 crore in Q4 FY21, missing analysts' estimates. - moneycontrol.
- **RBI imposes monetary penalty on Priyadarshini Mahila Nagari Sahakari Bank for rule violations:** The Reserve Bank of India (RBI) on May 18 imposed a monetary penalty of Rs 1 lakh on Priyadarshini Mahila Nagari Sahakari Bank in Maharashtra for violation of certain directions. The bank has been penalised for non-adherence/ violation of specific directions issued under Supervisory Action Framework (SAF), the RBI said in a release. "This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47 A (1) (c) read with Section 46 (4) (i) and Section 56 of the Banking Regulation Act, 1949, taking into account the failure of the bank to adhere to the aforesaid directions issued by RBI," the RBI said. - moneycontrol.
- **Standard Chartered announces COVID relief measures for 25,000 employees in India:** Foreign lender Standard Chartered Bank on Tuesday announced a slew of COVID-19 relief measures to help its over 25,000 employees in the country amid the second wave of



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coronavirus infections in the country. The facilities, which also cover personnel handling global back office work, include reimbursements of up to Rs 2.5 lakh if an employee were to be admitted in an intensive care unit, interest free salary advance of up to six months' gross pay to cover medical expenses, and also paying four-times annual salary to the next of kin of a deceased employee, a statement said. A slew of companies, especially the multinational ones, have introduced similar facilities for employees after the emergence of the second wave of coronavirus infections in India. "...the second wave of the pandemic has seen an increase in the number of cases. We are doing everything possible to support our colleagues in these difficult times and we hope that our new initiatives, including timely financial support, will support our colleagues through what is a really challenging period," the bank's cluster chief executive for India and South Asia, Zarin Daruwala, said. - economic times

- **Paytm empowers users in Kerala to pay their electricity bills 24x7:** Digital financial services platform Paytm has announced that users in Kerala can now pay their electricity bill 24x7 on the platform. The company has also announced an assured reward on every bill payment. Users paying the electricity bill for the first time on the platform will get a guaranteed cash back of up to ₹50. A company spokesman said Paytm is a pioneer in electricity bill payments and has partnered with over 70 electricity boards across the country to serve millions of users in this segment. To bring more convenience to its users, it has recently enhanced its UI for electricity bill payments that takes less than a minute to complete a transaction. Users need to simply choose their State and service provider, enter their bill number or customer account number and then make that payment. The payment is instant, and users get a receipt on completion of bill payment. Paytm also reminds about the due date for payments through SMS and in-app notifications. - Business Line
- **Vijay Mallya loses bankruptcy petition amendment High Court battle in UK:** A consortium of Indian banks led by the State Bank of India (SBI) on Tuesday moved a step closer in their attempt to recover debt from loans paid out to Vijay Mallya's now-defunct Kingfisher Airlines after the High Court in London upheld an application to amend their bankruptcy petition, in favour of waiving their security over the embattled businessman's assets in India. Chief Insolvencies and Companies Court (ICC) Judge Michael Briggs handed down his judgment in favour of the banks to declare there is no public policy that prevents a waiver of security rights, as argued by Mallya's lawyers. At a virtual hearing, July 26 was set as the date for final arguments for and against granting a bankruptcy order against the 65-year-old Mallya after the banks accused him of trying to "kick matters into the long grass" and called on the "bankruptcy petition to be brought to its inevitable end". - Business Line
- **PayPoint partners with Digit General Insurance for health insurance to rural areas:** PayPoint India has partnered with Digit General Insurance to offer health insurance to customers in underserved and rural areas and help cushion themselves against any major financial losses



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due to the surging COVID-19. The partnership is being flagged off with the launch of a coronavirus hospitalisation insurance policy that covers treatments up to Rs 2 lakh at a premium of ₹799. “While Digit General Insurance focuses on selling this master policy online, PayPoint will provide offline access and assistance to its customers, guiding them to make an informed financial decision,” it said in a statement on Tuesday. - Business Line

- **Credit Suisse to hire 1,000 techies in India:** This is part of its vision to establish India as a centre for technology innovation across the bank globally. The hires will comprise developers and engineers who have capabilities in emerging technologies such as cybersecurity, data analytics, cloud, API development, Machine Learning and Artificial Intelligence that are anchored in Agile and DevOps delivery methods, to support the bank’s digital aspirations. This is a continuation of Credit Suisse’s India growth strategy that has seen the bank hire 2,000 IT employees in the last three years. Credit Suisse’s goal is to leverage the large pool of skilled technology talent available in India, to further enhance its in-house core capabilities. India now accounts for nearly 25 per cent of the bank’s global IT staff, the largest footprint of any Credit Suisse location globally. - Business Line
- **In ‘no rush’ to become an small finance bank: Fino Payments Bank:** Fino Payments Bank (FPBL) is focusing on making itself bigger and has “no rush” to convert itself into a small finance bank (SFB), as it does not want to get into the high-risk lending business right now amid the Covid pandemic. The bank will decide on converting itself into an SFB after the Reserve Bank of India comes up with the specific guidelines and the overall banking ecosystem, especially the asset side, stabilises. “Right now, if you ask me, lending businesses are going through their own pain. Especially, small finance banks are facing challenges because of the microfinance portfolio. So, we will have to see how the lending business changes post pandemic. And, as a payment bank, we are doing quite well. There is no lending risk as such, which is good,” Rishi Gupta, MD & CEO, told FE. - financial express
- **Ex-Navy Official working in Canara Bank conducted Rs.8 crore fraud:** Recently an 8 crore fraud came into light in which a clerk in Canara Bank transferred the amount from fixed deposits of customers to the accounts of his wife and relatives. The name of the accused is Vijeesh Varghese. He is 36 years of age. He is an ex-navy official who worked as a clerk in Canara Bank in Pathanamthitta, Kerala. With his good performance, he gained the trust of his fellow employees and the customers. Nobody had any doubt about him. He closed the fixed deposit account of a bank staff’s wife without knowing that that customer was the wife of the bank’s employee. The staff noticed that his wife’s fixed deposit account was closed and soon he alerted the senior officials. Then the senior officials of the bank soon checked it and found the financial fraud made by the accused - hellobanker.



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- **NBFCs seek Rs25,000 crore liquidity support:** With an aim to support small and medium NBFCs, Finance Industry Development Council (FIDC) have appealed to RBI to provide liquidity support to those NBFCs with an asset size of upto ₹500 crore. The association has said that a liquidity window of ₹25,000 crore should be made available to medium and small NBFCs for a period of 3 years. The new liquidity window announced by RBI during the April policy is open only to microfinance companies, it said. "Liquidity situation for these companies would be further aggravated since they have to restructure loans given by them, without any support on their liability side. It is an established fact that the only mode and source of borrowing for these small NBFCs is term loans from banks and financial institutions," said FIDC in its letter to RBI on Tuesday. - Live Mint
- **Federal Bank to infuse ₹148 cr in FFSL:** Federal Bank has received approval from its board for a ₹148 crore capital investment into its subsidiary Fedbank Financial Services (FFSL) through a rights issue. "Objective of the rights issue is to infuse regulatory capital in the firm. This is more than five per cent of the post issue paid-up capital of FFSL," Federal Bank said in a regulatory filing on Tuesday. At present, Federal Bank holds 74 per cent stake in FFSL. The lender will complete the subscription at ₹70 a share within two months. FFSL is a non deposit taking systemically important NBFC which acquired a license from RBI in 2010. It has an asset size of ₹5,466.30 crore as on March 31, 2021, with a turnover of ₹697.72 crore last fiscal. - Business Line
- **Income Taxes: ICAI issues exposure draft of revised Accounting Standard:** The CA Institute has come up with an exposure draft for a revised accounting standard on income taxes, to be applicable on entities that are not required to adopt the Indian Accounting Standards (Ind AS) notified by the Corporate Affairs Ministry. Currently, all listed companies and unlisted companies – with a networth of ₹250 crore and above – are required to adopt the Ind AS. For other corporate and non-company entities, the accounting standards specified by the CA Institute are applicable. The latest move follows the decision of the various standard setting forums – the Accounting Standards Board (ASB) of ICAI, the NFRA and the Ministry of Corporate Affairs (MCA) – to revise accounting standards. - Business Line
- **Federal Bank gets board nod for Rs 148 cr rights issue subscription:** Private sector Federal Bank on Tuesday said its board has cleared Rs 148 crore-capital investment into subsidiary Fedbank Financial Services (FFSL) through a rights issue. FFSL is a non-deposit-taking systemically important NBFC, which was set up in 1995 by the bank."We wish to inform that the board has approved an investment of Rs 148 crore in subsidiary- Fedbank Financial Services Limited (FFSL) through rights issue," Federal Bank said in a regulatory filing. Objective of the rights issue is to infuse regulatory capital in the firm. This is more than 5 per cent of the post issue paid up capital of FFSL, Federal Bank said. In 2020-21, the turnover of FFSL stood at Rs 698 crore. Asset size of the company stood at Rs 5,466.30 crore as on March 31, 2021. The



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lender said it will complete the subscription under the rights issue at Rs 70 per share for a cash consideration within two months. Federal Bank holds 74 per cent stake in the subsidiary.  
- Business Line

- **Govt to sell nearly 2% SUUTI stake in Axis Bank, may get Rs 3,969 cr:** The government will sell nearly 2 per cent stake in Axis Bank Ltd. held through Specified Undertaking of the Unit Trust of India (SUUTI), a move that's expected to fetch around Rs 3,969 crore to the exchequer in divestment receipts. The government will sell its 1.21 per cent stake or 36 million shares in Axis Bank with the floor price set at Rs 680 a share. It has also kept the option to additionally sell its 0.74 per cent or 22 million shares in the private sector lender. In February, Business Standard had reported that the government plans to sell its 1-2 per cent stake in Axis Bank. The sale of 1.95 per cent stake in India's third largest private sector bank could help the government mop up around Rs 3,949 crore in divestment receipts. Post the sale, the government would continue to hold a 1.5 per cent stake in Axis Bank through SUUTI.  
- Business Line
- **Sensex closes above 50,000, Nifty moves past 15,000:** The BSE Sensex breaching the psychological 50,000-mark closed at 50,193.33, up 612.60 points or 1.24 per cent. It hit an intra-day high of 50,313.25 and a low of 49,959.20. The Nifty 50 index also closed above the 15,000-mark at 15,108.10, up 184.95 points or 1.24 per cent. During the day, the index touched a high of 15,137.25 and a low of 15,043.70. The breadth of the market remained positive with 1,946 stocks advancing, 1,144 declining and 164 remaining unchanged on the BSE. As many as 435 securities hit the upper circuit and 165 the lower circuit; 312 hit their 52-week high while 22 touched 52-week low. Mahindra & Mahindra, Bajaj Auto, Titan, Bajaj Finance and Adani Ports were the top gainers on the Nifty 50 while Bharti Airtel, ITC, Coal India, Dr Reddy and Divi's Lab were the top laggards.
- **Rupee rises 17 paise to 73.05 against dollar:** The rupee strengthened for the third straight session on Tuesday and closed 17 paise higher at 73.05 (provisional) against the US dollar tracking positive domestic equities and weakening of the American currency in the overseas market. At the interbank forex market, the rupee opened at 73.18 and hit an intra-day high of 72.95 and a low of 73.18 during the session. The local unit finally settled at 73.05, registering a gain of 17 paise over its previous close. On Monday, the rupee had closed at 73.22 against the US dollar. The domestic unit has appreciated 37 paise in the last three trading sessions.