



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

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- **Finance Ministry issues uniform norms for accountability to protect bonafide decision of bankers:** To protect the people taking bonafide business decisions, the finance ministry has issued a uniform staff accountability framework for NPA accounts up to Rs 50 crore. These guidelines shall be implemented with effect from April 1, 2022, for accounts turning non-performing assets (NPAs) beginning next financial year. The Department of Financial Services (DFS), under the finance ministry, "vide its order dated October 29 advised broad guidelines to be adopted by all public sector banks (PSBs) on 'Staff Accountability Framework for NPA Accounts up to Rs 50 crore' (Other than Fraud Cases)", the Indian Banks' Association (IBA) said in a statement. Banks have been advised to revise their staff accountability policies based on these broad guidelines and frame the procedures with approval of the respective boards, it said.
<https://timesofindia.indiatimes.com/business/india-business/finance-ministry-issues-uniform-norms-for-accountability-to-protect-bonafide-decision-of-bankers/articleshow/87428994.cms>
- **IBA welcomes proposed staff accountability norms:** Our Bureau The Finance ministry's decision to ask Public Sector Banks (PSBs) to complete staff accountability exercise within six months from the date of classification of an account as a non-performing asset (NPA), will boost the morale of employees, according to the Indian Banks' Association (IBA). PSBs have been asked to implement the directives with effect from April 1, 2022 for accounts turning NPA on or after this date. Banks have been advised to revise their Staff Accountability Policies based on these broad guidelines and frame the procedures with approval of the respective boards. At present, different Banks are following different procedures for conducting staff accountability exercise. Also, staff accountability exercise is being carried out in respect of all accounts which turn NPA.
<https://www.thehindubusinessline.com/money-and-banking/iba-welcomes-proposed-staff-accountability-norms/article37271151.ece>
- **Indian Bank reports frauds of over Rs 266 crore in three accounts to RBI:** Indian Bank on Saturday said it has reported over Rs 266 crore worth of fraud to the Reserve Bank, relating to three NPA accounts. These non-performing accounts have been declared as fraud and reported to RBI as per regulatory requirement, the public sector lender said in a regulatory filing. It has declared M P Border Checkpost Development Co Ltd as fraud with an outstanding of Rs 166.89 crore; Pune Sholapur Road Development (Rs 72.76 crore) and SONAC (Rs 27.08 crore). The frauds have been categorised as diversion of funds in all the three cases.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/indian-bank-reports-frauds-of-over-rs-266-crore-in-three-accounts-to-rbi/articleshow/87402032.cms>
- **Bank ownership in hands of corporates not desirable: ex-SBI chairman Rajnish Kumar:** Allowing corporates to own banks in the country is not desirable due to the likely risks of related party transactions, former State Bank of India (SBI) chairman Rajnish Kumar said. Kumar headed the country's largest lender for three years (October 2017 to October 2020). "To me, in a country like India, allowing corporate houses to own banks is fraught with great risks. I believe that the licence of bank or bank ownership in the hands of corporates is not a desirable thing to do. "We should have rightly-owned and professionally managed banks," he said at a webinar organised by the Centre for Financial Studies (CFS) of Bhawan's SPJIMR.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-ownership-in-hands-of-corporates-not-desirable-ex-sbi-chairman-rajnish-kumar/articleshow/87403225.cms>



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- **Ujjivan Financial Service okays amalgamation with Ujjivan SFB:** The board of Ujjivan Financial Services has approved the amalgamation of the company with its subsidiary, Ujjivan Small Finance Bank, to meet the minimum public shareholding norms of SEBI. Ujjivan Finance Services currently holds 83.32 per cent of the total paid-up equity share capital of Ujjivan SFB. “Accordingly, the scheme, if implemented, will result in increase in shareholding of public shareholders of the Transferee Company from 16.68 per cent to 100 per cent, subject to receipt of requisite approvals,” said Ujjivan Financial Services in a stock exchange filing.
https://www.business-standard.com/article/companies/ujjivan-financial-services-board-okays-amalgamation-with-ujjivan-sfb-121103001211_1.html
- **DCB Bank Q2 net profit down 21%:** DCB Bank reported a 21.08 per cent drop in its standalone net profit to ₹64.94 crore in the second quarter of the fiscal compared to ₹82.29 crore in the corresponding quarter a year ago. The board of directors on Saturday also gave its in-principle approval to the lender to invest up to ₹2.04 crore to acquire 9.9 per cent shares in Svakarma Finance. Svakarma Finance is an NBFC engaged in lending to micro, small and medium enterprises to meet their business requirements and to other financial institutions engaged in lending to these enterprises. In a stock exchange filing, the bank said it expects to complete the acquisition by December 31, 2021.
<https://www.thehindubusinessline.com/money-and-banking/dcb-bank-q2-net-profit-down-21/article37257777.ece>
- **Stressed PMC Bank customers not to get Rs 5 lakh deposit cover in first lot: RBI:** Customers of stressed Punjab & Maharashtra Co-Operative Bank (PMC Bank) will not get up to Rs 5 lakh insurance cover in the first lot as the multi-state co-operative bank is under the resolution process. Deposit Insurance and Credit Guarantee Corporation (DICGC) in the first lot will pay customers of 20 stressed banks except PMC Bank. For the first lot, the mandatory 90 days period concludes on November 30. It is to be noted that RBI had in June given in-principle approval to a consortium of Centrum Financial Services and fintech startup BharatPe to acquire the stressed PMC Bank. Clearing decks for the takeover, the RBI earlier this month gave licence for small finance bank to the consortium. Recently, the DICGC said there may be a need to invoke the provisions of Section 18 A (7) (a) of the Deposit Insurance and Credit Guarantee Corporation (Amendment) Act, 2021
<https://economictimes.indiatimes.com/industry/banking/finance/banking/stressed-pmc-bank-customers-not-to-get-rs-5-lakh-deposit-cover-in-first-lot-rbi/articleshow/87424164.cms>
- **60 per cent of Indian shoppers used digital payments multiple times each week during festive season: Report:** A majority of consumers in India are leveraging digital payments more frequently during the festive season, according to a new study conducted by YouGov and ACI Worldwide. As per the report, frequent usage (2-3 times per week) of digital payments has increased from 57 per cent last year, while 6 per cent of respondents have no intention of using digital payments this festive season, declining from 9 per cent a year ago. The research highlighted that digital payments continued to be the payment method of choice for festive season spending, with 60 per cent of consumers having used digital payments (including eWallets and UPI) multiple times per week for festive season purchases.
<https://www.thehindubusinessline.com/money-and-banking/60-per-cent-of-indian-shoppers-used-digital-payments-multiple-times-each-week-during-festive-season-report/article37264613.ece>
- **IDFC First Bank Q2 net profit surges 50%:** Private sector lender IDFC First Bank reported a near 50 per cent jump in its standalone net profit in the second quarter of this fiscal year, driven by growth in core operating income and lower net credit losses. The bank’s standalone net profit rose by 49.6 per cent to ₹152 crore in the second quarter of the fiscal from ₹101 crore in the second quarter of last fiscal. Net interest income grew by 27 per cent year on year to ₹2,272 crore in the quarter ended September 30, up from ₹1,784 crore in the second quarter of



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last fiscal. Net interest margin improved to 5.76 per cent for the second quarter of the fiscal from 4.91 per cent as on September 30, 2020, and 5.51 per cent as on June 30, 2021.

<https://www.thehindubusinessline.com/money-and-banking/idfc-first-bank-q2-net-profit-surges-50/article37257568.ece#:~:text=Private%20sector%20lender%20IDFC%20First,and%20lower%20net%20credit%20losses.>

- **Confident that NPAs will reduce ‘substantially’ in next few months: Bandhan Bank:** Private sector lender Bandhan Bank, which witnessed a massive 10-fold year-on-year rise in its non-performing assets (NPAs) for the second quarter this fiscal, has said it is confident that the NPA level will reduce “substantially” in the next few months as there is clear visibility of improving asset quality day-by-day. The bank on Friday reported a whopping net loss of Rs3,008.59 crore for the second quarter on the back of Rs5,577.92 crore provisions as the lender saw a huge surge in bad loans. In absolute terms, NPAs of the bank soared to Rs8,763.60 crore from Rs873.97 crore for the corresponding period last fiscal. On a quarter-on-quarter basis, NPAs grew 36% from Rs 6,440.38 crore in the first quarter this fiscal.
<https://www.financialexpress.com/industry/banking-finance/confident-that-npas-will-reduce-substantially-in-next-few-months-bandhan-bank/2360259/>
- **FPIs turn net sellers in October; pull out Rs 12,278 crore:** After two months of buying, foreign portfolio investors (FPIs) have turned net sellers in October by pulling out Rs 12,278 crore from Indian markets. As per depositories data, FPIs took out Rs 13,550 crore from equities but invested Rs 1,272 crore in the debt segment during October 1-29. The total net outflow stood at Rs 12,278 crore during the period under review. FPIs were net buyers in August and September. "Foreign brokerages like Merrill Lynch, UBS and Nomura have downgraded India due to excessive valuations. This might have prompted FPIs to sell on a sustained basis," said V K Vijayakumar, chief investment strategist at Geojit Financial Services. FPIs have been sellers in software during the first half of October. This is profit-booking since they are sitting on big profits.
<https://www.moneycontrol.com/news/business/markets/fpis-turn-net-sellers-in-october-pull-out-rs-12278-crore-7657721.html>
- **Market capitalisation of 9 from top 10 most valued firms tumbles by over Rs 2.48 lakh crore:** The combined market valuation of nine of the top-10 most valued companies fell by Rs 2,48,542.3 crore last week in line with a weak broader market trend, with Reliance Industries (RIL) and HDFC Bank emerging as the biggest laggards. Last week, the BSE benchmark Sensex tumbled by 1,514.69 points or 2.49 per cent. On the top-10 list, ICICI Bank was the only gainer. The market valuation of RIL declined by Rs 56,741.2 crore to reach Rs 16,09,686.75 crore. HDFC Bank's valuation came down by Rs 54,843.3 crore to Rs 8,76,528.42 crore and Tata Consultancy Services (TCS) saw an erosion of Rs 37,452.9 crore in its worth at Rs 12,57,233.58 crore. The valuation of Infosys plunged by Rs 27,678.78 crore to Rs 7,01,731.59 crore and that of Kotak Mahindra Bank was down by Rs 27,545.09 crore at Rs 4,03,013 crore.
<https://www.moneycontrol.com/news/business/markets/market-capitalisation-of-9-from-top-10-most-valued-firms-tumbles-by-over-rs-2-48-lakh-crore-7656881.html>

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