



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

November 2, 2021

- **SBI launches video call life certificate submission facility for pensioners:** State Bank of India (SBI) has launched a Video Life Certificate (VLC) facility for pensioners. With this facility, pensioners can schedule a video call with SBI staff at their convenience and complete the process of life certificate submission without having to visit the bank branch, India's largest bank said in a statement. Pensioners have to log on to www.pensionseva.sbi, click on 'Video LC' and enter their SBI pension account number. They will have to submit the OTP received on their registered mobile numbers. After reading the terms and conditions, pensioners can click on 'Start Journey'. "Pensioners will have to keep their original PAN card in place, click on 'I am ready' and grant permission to start the video call," the Bank said.
<https://www.thehindubusinessline.com/money-and-banking/sbi-launches-video-call-life-certificate-submission-facility-for-pensioners/article37286800.ece>
- **Bank of Baroda to raise up to Rs 3,000 crore via Basel III bonds:** State-owned Bank of Baroda on Monday said it will raise up to Rs 3,000 crore by issuing Basel III compliant bonds in one or more tranches. The capital raising committee of the bank in a meeting on November 1, 2021 approved the issuance of Basel III compliant additional tier I/II bonds. The bonds are to be issued for aggregate total issue size of Rs 3,000 crore in single or multiple tranches, the bank said in a regulatory filing.
https://www.business-standard.com/article/markets/bank-of-baroda-to-raise-up-to-rs-3-000-crore-via-basel-iii-bonds-121110100739_1.html
- **HDFC Q2 results: Net profit rises 32% YoY, beats Street's estimate:** Housing Development Finance Corporation (HDFC) on Monday reported a 32 per cent year-on-year (YoY) rise in net profit at Rs 3,780.5 crore, which was sharply higher than analysts' expectations. The non-bank lender's total revenue from operations rose 4.1 per cent on-year to Rs 12, 215.95 crore in the quarter. HDFC said its assets under management stood at Rs 5.97 lakh crore at the end of the September quarter as against Rs 5.40 lakh crore in the year ago quarter. The housing finance company posted a 17 per cent YOY growth in net interest income in the quarter. "The demand for home loans continues to remain strong. Growth in home loans was seen in both, the affordable housing segment as well as in high end properties. The increasing sales momentum and new project launches augurs well for the housing sector," HDFC said.
<https://economictimes.indiatimes.com/markets/stocks/earnings/hdfc-q2-results-net-profit-rises-32-yoy-beats-streets-estimate/articleshow/87460903.cms>



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- **Yes Bank appoints Sharad Sharma as non-executive director:** Yes Bank on Monday said it has appointed Sharad Sharma as a non-executive director with effect from November 1, 2021. "Sharad Sharma has been co-opted as non-executive director of the board of the bank with effect from November 1, 2021, to broad base the board," Yes Bank said in a release. The decision comes vide a notification from the Finance Ministry under the 'Yes Bank Ltd Reconstruction Scheme 2020'.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/yes-bank-appoints-sharad-sharma-as-non-executive-director/articleshow/87471405.cms>
- **Judicial, police high handedness shock bankers:** Bankers have been jolted by the arrest of former SBI chairman Pratip Chaudhuri without any notice or summons in NPA case that was concluded only after he retired. The police and judicial high handedness has shocked bankers who now fear that such crude actions by authorities will lead to delays in decision making and impact clean up of bank loan books. Bankers say arresting the former chief of the largest bank without any proper inquiry sends the wrong message and is detrimental to the system. Former SBI chairman Rajnish Kumar called it extremely unfortunate and an extreme case of high handedness.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/judicial-police-high-handedness-shock-bankers/articleshow/87470687.cms?from=mdr>
- **Government issues norms to protect bankers when bonafide decisions go wrong:** Seeking to protect honest bank employees, the government has come out with the 'staff accountability framework' under which officers concerned will not be hauled up in case bonafide decisions involving loans up to Rs 50 crore go wrong. The framework will cover only genuine decisions and not those involving malfeasance or malafide intentions, according to the norms issued by the finance ministry. It specifies details and the procedures to be followed for scrutinising such acts of omission and commission on the part of bank officials concerned. To save them from unnecessary hassle, the framework also provides for resolution of such cases against bankers.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/government-issues-norms-to-protect-bankers-when-bonafide-decisions-go-wrong/articleshow/87469774.cms>
- **Bandhan Bank now an Agency Bank of RBI, to conduct govt business:** The Reserve Bank of India has now appointed Bandhan Bank as an Agency Bank of the RBI to conduct government business. Bandhan Bank now joins several other private banks that have been empanelled as an Agency Bank of the RBI. Bandhan Bank will now be authorised to handle transactions related to GST, VAT and the collection of state taxes. Aside from that it can also look after collection of stamp duty and pension payments on behalf of central and state governments, among others. The bank's products, services and digital banking capabilities will help it to carry out its new role.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bandhan-bank-now-an-agency-bank-of-rbi-to-conduct-govt-business/articleshow/87458749.cms>
- **Unity Bank begins operations, paving way for merging PMC:** Unity Small Finance Bank, the 51:49 joint venture between Centrum Group and payments app Bharatpe, on Monday launched their first branch that will go a long way in resolving the crippled cooperative PMC Bank by merging it with the new entity. Early evening, the Reserve Bank said Unity SFB began operations with the first branch



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going operational in the city. The 12th small finance bank begins operations with over Rs 1,100 crore of equity capital, over 2 lakh customers and an asset base of over Rs 2,400 crore which comes from the existing MSME and MFI credit business of the Centrum Group, Jaspal Bindra, group executive chairman and also the non-executive chairman of Unity Bank, told PTI on Monday.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/unity-bank-begins-operations-paving-way-for-merging-pmc/articleshow/87472556.cms>

- **SBI research sees higher job formalisation rate this fiscal:** An SBI Research report said that almost 3.66 million jobs were formalised till August 2021 since 2017-18 and pegged the size of the informal economy at 15-20% of formal GDP. It asked the government to ensure that the existing tax structure is favourable to the taxpaying population, which constituted 8.5% of the total population and cross-subsidised 91.5% of the population. The report said that out of the 114 million taxpaying households, 8.5% of the total population contributed ₹75 lakh crore or 65% of the private final consumption expenditure. It said "it is important and ethical that even as we formalise, we must support honest taxpaying households through a better designed tax structure, particularly indirect taxes on items like fuel".
<https://economictimes.indiatimes.com/industry/banking/finance/banking/sbi-research-sees-higher-job-formalisation-rate-this-fiscal/articleshow/87441952.cms>
- **SBI issues clarification on Pratip Chaudhuri case, points to 'factual inaccuracies in complainant's version':** In response to multiple reports of former Chairman Pratip Chaudhuri being arrested in a loan scam case, the company on Monday issued a clarification, saying the assets were sold with due process in March 2014, after Chaudhuri retired from the bank in September 2013. Times of India reported that Chaudhuri was arrested from his Delhi residence in an alleged loan scam involving a hotel in Jaisalmer. "Garh Rajwada was a hotel project in Jaisalmer, financed by the Bank in 2007. The project remained incomplete for over three years and the key promoter passed away in April 2010," SBI said. Further, SBI says that the account slipped into an NPA in June 2010 and various steps taken by the bank to complete the project did not yield results.
<https://www.livemint.com/companies/news/factual-inaccuracies-in-complainant-s-version-sbi-clarifies-on-pratip-chaudhuri-s-case-11635767025928.html>
- **Banks face pressure on NIM as they lower rates to outsmart rivals:** An intense price war in retail loans ahead of the festive season has led to a pronounced fall in interest income for banks, putting pressure on their key profitability parameter: Net interest margins (NIM). Five of the seven state-owned banks that have announced their quarterly earnings so far have reported lower NIM for the September quarter. These banks, however, managed to report a rise in net profit largely on account of bad loan recovery and write-back of provision made in earlier quarters.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-face-pressure-on-nim-as-they-lower-rates-to-outsmart-rivals/articleshow/87469034.cms>
- **Banks attract more home loan customers during this festival season:** Banks seem to be showing a distinct preference for growing their home loans within retail loans during the ongoing festive season, going by the recent interest rate cuts effected by them. Most of the banks have announced reduction



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in home loans interest rates, which are now at an all time low, but interest rates on other loans such as vehicle loans and unsecured personal loans have been left more or less unchanged. Among the banks that have announced home loan rate cuts during the ongoing festive season include Kotak Mahindra Bank (from 6.65 per cent to 6.50 per cent), State Bank of India (from 6.80 per cent to 6.70 per cent), Bank of Baroda (from 6.75 per cent to 6.50 per cent), Punjab National Bank (from 7.10 per cent to 6.60 per cent on home loans above ₹50 lakh), and Union Bank of India (from 6.80 per cent to 6.40 per cent).

<https://www.thehindubusinessline.com/money-and-banking/banks-look-to-attract-more-home-loan-customers-during-festive-season/article37280434.ece>

- **UPI hits new record with ₹7.71-lakh crore worth of transactions in October:** Amidst festival season sales and opening up of the economy, UPI transactions touched a record high at ₹7.71 lakh crore in value terms in October. This was a new record for UPI, which is fast becoming the most popular choice for digital payments. It was a 56 per cent jump from ₹6.54 lakh crore in transaction value recorded in September. According to data released by National Payments Corporation of India on Monday, the number of transactions on the Unified Payments Interface platform amounted to 421 crore in October, compared to 365 crore in September. Daily payments through UPI were averaging between ₹25,000 crore to ₹30,000 crore in October.
<https://www.thehindubusinessline.com/money-and-banking/upi-hits-new-record-with-771-lakh-crore-worth-of-transactions-in-october/article37279526.ece>
- **Aditya Birla Capital reports 43% jump in Q2 net profit:** Aditya Birla Capital reported a 42.6 per cent surge in its consolidated net profit to ₹376.9 crore in the second quarter of the fiscal, led by robust growth in revenue. Its net profit was ₹264.34 crore in the corresponding quarter of last fiscal. This was its highest ever consolidated quarterly profit. For the quarter ended September 30, total revenue from operations rose by 21.7 per cent to ₹5,593.22 crore from ₹4,595.17 crore in the same period last year.
<https://www.thehindubusinessline.com/money-and-banking/aditya-birla-capital-reports-43-jump-in-q2-net-profit/article37282783.ece>
- **Surge in non-Covid health cover claims, average ticket size: ICICI Lombard CEO:** In a breather to non-life insurance companies, Covid-related health insurance claims have dropped with the ebbing of the second wave of the pandemic. However, there has been a rise in non-Covid-related health claims and their average ticket size has risen significantly, said Bhargav Dasgupta, Managing Director and CEO, ICICI Lombard General Insurance. If this trend continues, it could impact health insurance premium.
<https://www.thehindubusinessline.com/money-and-banking/surge-in-non-covid-health-cover-claims-average-ticket-size-icici-lombard-ceo/article37277894.ece>
- **RBI extends validity of Kapol Co-operative Bank:** The Reserve Bank of India (RBI) has extended the validity of its Directions for Mumbai-based Kapol Co-operative Bank by six months up to April 30, 2022. The central bank had placed the aforementioned Bank under Directions with effect from from the close of business on March 30, 2017 for six months. The validity of the directions was extended from time-to-time, the last being up to October 31, 2021.



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<https://www.thehindubusinessline.com/money-and-banking/rbi-extends-validity-of-kapol-co-operative-bank/article37278670.ece>

- **Capri Global Capital Q2 standalone net dips 21% to ₹41 crore;** Capri Global Capital Ltd (CGCL) reported a 21 per cent year-on-year (yoy) drop in second quarter standalone net profit at ₹41 crore against ₹52 crore in the year ago period as growth in total expenses outstripped growth in total income. While total income was up 16 per cent yoy at ₹171 crore (₹147 crore in the year ago quarter), total expenses rose 48 per cent yoy at ₹114 crore (₹77 crore). The non-banking finance company's loan portfolio (standalone) increased 21 per cent to ₹3,797 crore and investment portfolio was up 33 per cent to ₹553 crore.
<https://www.thehindubusinessline.com/money-and-banking/capri-global-capital-q2-standalone-net-dips-21-to-41-crore/article37279181.ece>
- **Centrum-BharatPe backed Unity SFB commences operations:** The Reserve Bank of India on Monday said Unity Small Finance Bank (Unity SFB) Ltd has commenced operations as a small finance bank (SFB) with effect from November 1. Unity SFB, which has been jointly established by the Centrum Financial Services Ltd (CFSL) and Resilient Innovations Private Limited (BharatPe) to carry on SFB business in India, was granted banking licence by RBI on October 13.
https://www.business-standard.com/article/finance/centrum-bharatpe-backed-unity-small-finance-bank-commences-operations-121110200034_1.html#:~:text=With%20all%20regulatory%20approval%20in,base%20of%20Rs%201%2C100%20crore.
- **Insurance claim liable to be rejected if lapsed on account of non-payment of premium: SC:** An insurance claim can be rejected if the policy has lapsed on account of non-payment of premium, said the Supreme Court which stressed that the terms of an insurance policy have to be strictly interpreted. The apex court observation came while setting aside an order of the National Consumer Disputes Redressal Commission (NCDRC) that ordered additional compensation in a road accident case. A bench of Justices Sanjiv Khanna and Bela M Trivedi said it is a well-settled legal position that in a contract of insurance there is a requirement of Uberrima fides i.e. good faith on the part of the insured.
<https://economictimes.indiatimes.com/industry/banking/finance/insure/insurance-claim-liable-to-be-rejected-if-lapsed-on-account-of-non-payment-of-premium-sc/articleshow/87466686.cms>
- **ICICI Lombard ties up with Vega Helmets to increase road safety awareness:** ICICI Lombard partners with Vega to offer personal accident insurance cover. Customers will get access to a personal accidental policy on every online purchase of Vega Helmet. The personal accident insurance policy will provide individuals with the benefit of Accidental Death with Sum insured of 1 Lakh INR. As the pandemic induced lockdowns are slowly being lifted and the masses are en route to the new normal, people are still hesitant to go back to public transport as their preferred medium of commute.
<https://www.livemint.com/industry/banking/icici-lombard-ties-up-with-vega-helmets-to-increase-road-safety-awareness-11635768952510.html>



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- **RBI cancels CoA to Muthoot Finance for White-label ATMs:** The Reserve Bank of India (RBI) on Monday said the Certificate of Authorisation (CoA) of Muthoot Finance Limited of owning and operating White Label ATMs has been cancelled as the company voluntarily surrendered it. The central bank has also cancelled the CoAs of three Payment System Operators (PSOs). In a statement, it said following the cancellation of the CoA, Muthoot Finance Limited "cannot transact the business of setting up, owning and operating White Label ATMs".
<https://www.livemint.com/industry/banking/rbi-cancels-coa-to-muthoot-finance-for-white-label-atms-11635773022962.html>
- **Axis Bank signs MoU with Indian Navy for salary accounts:** Private sector lender Axis Bank on Monday signed a memorandum of understanding (MoU) with the Indian Navy, offering a defence service salary package. Through the exclusive defence service salary package--Power Salute--Axis Bank will offer numerous benefits to all ranks of the Indian Navy, veterans and cadets. The benefits include a personal accidental cover of up to ₹56 lakh to all navy personnel, veterans and cadets; additional up to ₹8 lakh children education grant; total permanent disability cover benefit up to ₹46 lakh; partial permanent disability cover of up to ₹46 lakh; air accident cover of ₹1 crore.
<https://www.livemint.com/industry/banking/axis-bank-signs-mou-with-indian-navy-for-salary-accounts-11635749960567.html>
- **Punjab & Sind Bank posts Rs 218cr profit in Jul-Sept:** Public sector Punjab & Sind Bank (P&SB) on Monday reported a net profit of Rs 218.28 crore in the quarter ended in September 2021. The bank had reported a net loss of Rs 401.27 crore in the year-ago period but had a net profit of Rs 173.85 crore in the April-June 2021 quarter. Total income of the bank during the July-September quarter of FY22 was down at Rs 1,945.12 crore against Rs 1,974.78 crore in the corresponding period of FY21, P&SB said in a regulatory filing.
<https://www.financialexpress.com/industry/banking-finance/punjab-sind-bank-posts-rs-218cr-profit-in-jul-sept/2361216/>
- **Bandhan Bank gets empanelled as agency bank of RBI:** Bandhan Bank said on Monday that it has been empanelled by the Reserve Bank of India (RBI) to act as an agency bank to facilitate transactions related to government businesses. The RBI's decision will help Bandhan Bank in contributing to nation-building, its MD and CEO Chandra Sekhar Ghosh said. The announcement comes months after a RBI guideline that authorised scheduled private sector banks as agency banks of the regulator for the conduct of government business.
https://www.business-standard.com/article/companies/bandhan-bank-gets-empanelled-as-agency-bank-of-reserve-bank-of-india-121110100559_1.html#:~:text=Bandhan%20Bank%20said%20on%20Monday,CEO%20Chandra%20Sekhar%20Ghosh%20said.
- **Sensex up 830 points, Nifty ends near 17,900:** The BSE Sensex closed at 60,138.46, up 831.53 points or 1.40 per cent. It recorded an intraday high of 60,220.21 and a low of 59,355.12. The Nifty 50 closed at 17,929.65, up 258.00 points or 1.46 per cent. It recorded an intraday high of 17,954.10 and a low of



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17,697.10. IndusInd Bank, Hindalco, Bharti Airtel, HCL Tech and Grasim were the top gainers on the Nifty 50. Only four stocks, UPL, Bajaj Finserv, Mahindra & Mahindra and Nestle India closed in the red among the Nifty 50.

<https://www.thehindubusinessline.com/markets/stock-markets/sensex-up-830-points-nifty-ends-near-17900/article37281632.ece>

- **Rupee closes flat at 74.87 against dollar:** The rupee pared its initial losses to settle marginally up by 1 paisa at 74.87 (provisional) against the US dollar on Monday following a firm trend in the domestic equities. At the interbank foreign exchange market, the domestic unit opened on a weak note and slipped below the 75 per dollar mark. The rupee touched a low of 75.04 and a high of 74.84 during the day before closing at 74.87, up 1 paisa from its last close.

<https://www.thehindubusinessline.com/markets/forex/rupee-slips-16-paise-to-7504-against-us-dollar-in-early-trade/article37279647.ece>

- **Gold prices today remain weak, silver rates drop for 5th day ahead of Dhanteras:** Gold and silver prices today struggled in Indian markets amid weak global cues. On MCX, gold futures edged higher 0.1% to ₹47695 after a sharp fall in the previous session. Gold prices had tumbled 0.75% on Friday. Silver futures dipped to ₹64,439 per kg ahead of Dhanteras, extending losses to the fifth day. Amid a pick-up in retail gold buying ahead of Dhanteras and Diwali, physical gold was sold at a premium in India last week, according to new agency Reuters.

<https://www.livemint.com/market/commodities/gold-prices-today-remain-weak-silver-rates-drop-for-5th-day-ahead-of-dhanteras-11635736854644.html>

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