



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

November 3, 2021

- **RBI Governor meets MDs & CEOs of PSU banks and certain private banks:** The Reserve Bank of India's (RBI) Governor Shaktikanta Das met MDs & CEOs of public sector banks and certain private sector banks over a video conference on November 2, RBI said in a release. The meeting was attended by Deputy Governors M K Jain, M Rajeshwar Rao and T Rabi Sankar. The governor acknowledged the improvement in financial and operational resilience of the banking sector.  
<https://www.moneycontrol.com/news/business/companies/rbi-governor-meets-mds-ceos-of-psu-banks-and-certain-private-banks-7670071.html>
- **RBI chief Shaktikanta Das asks bank heads to remain vigilant:** Reserve Bank of India Governor Shaktikanta Das has told captains of the banking industry to remain vigilant to any signs of vulnerabilities amid the process of economic recovery. He also urged them to continue providing necessary support as the revival is still fragile. Timely remedial measures against vulnerabilities mitigate the risks and maintain the stability of not only the institutions themselves but also of the overall financial system, Das said. The Governor on Tuesday held separate meetings with the chiefs of public sector banks and certain private sector banks through video conference. The meetings were attended by deputy governors MK Jain, M Rajeshwar Rao and T Rabi Sankar.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-chief-shaktikanta-das-asks-bank-heads-to-remain-vigilant/articleshow/87492260.cms>
- **SBI launches pre-approved two-wheeler loan scheme 'SBI Easy Ride':** State Bank of India (SBI) has launched a pre-approved two-wheeler loan scheme 'SBI Easy Ride' through its digital banking platform YONO. Eligible SBI customers can avail of two-wheeler loans, up to 85 per cent of on-road price subject to eligibility, through the YONO app without visiting the bank branch. Customers can apply for the Easy Ride loan for an amount up to ₹3 lakh at an interest rate of 10.5 per cent per annum onwards for a maximum tenure of four years, the Bank said in a statement. The minimum loan amount has been fixed at ₹20,000. The Bank emphasised that the EMI is as low as ₹2,560 per lakh. The loan availed will be disbursed directly into the dealer's account.  
<https://www.livemint.com/industry/banking/sbi-launches-pre-approved-2-wheeler-loan-sbi-easy-ride-on-yono-details-here-11635841466053.html>
- **Union Bank of India's consolidated net profit jumps 183% to Rs 1,510 cr in Sept quarter:** State-owned Union Bank of India on Tuesday reported a 183 per cent jump in its consolidated net profit to Rs 1,510 crore for the September 2021 quarter, primarily driven by recovery from the DHFL account that was written off earlier. The lender's net profit had stood at Rs 533.87 crore in the corresponding quarter last year, according to a BSE filing. The bank's core net interest income grew 8.52 per cent to Rs 6,829 crore on a loan growth of about three per cent and an expansion in net interest margin to 2.95 per cent as against 2.78 per cent in the year-ago period.



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<https://www.financialexpress.com/industry/banking-finance/union-bank-of-indias-consolidated-net-profit-jumps-183-to-rs-1510-cr-in-sept-quarter/2362135/>

- **Bank of India standalone net profit almost doubles to ₹1,051 cr in Q2:** Bank of India's standalone net profit almost doubled to ₹1,051 crore in the second quarter against ₹526 crore in the year ago period on the back of robust growth in other income and a steep decline in loan loss provisions. During the reporting quarter, there was a reduction in gross non-performing assets (GNPAs) aggregating ₹5,771.50 crore. The Mumbai-headquartered public sector bank's net interest income (difference between interest earned and interest expended) declined 14 per cent year-on-year (yoy) to ₹3,523 crore (₹4,113 crore in the year ago quarter).  
<https://www.thehindubusinessline.com/money-and-banking/bank-of-india-standalone-net-profit-almost-doubles-to-1051-cr-in-q2/article37299008.ece>
- **Bank of Baroda signs MoU with NCDEX e-Markets:** Bank of Baroda has signed a Memorandum of Understanding (MoU) with NCDEX e Markets Ltd (NEML) to become a "clearing bank" for handling financial transactions in the NeML market place and procurement/auction platform. NEML, a wholly-owned subsidiary of agricultural commodity exchange, NCDEX, is an online commodities spot market and services company.  
<https://www.thehindubusinessline.com/money-and-banking/bank-of-baroda-signs-mou-with-ncdex-e-markets/article37299111.ece>
- **RBI spells out rules for a bank to exit prompt corrective action framework:** The Reserve Bank of India has modified the prompt corrective action plans for weaker banks with it laying down criteria for a bank to exit the framework once its financial metrics improve. It has also removed the profitability parameter for invoking the regulatory action. The revised framework will be effective from January next year. The existing one has been in vogue since April 1, 2017. Under the existing rules, as many as 12 banks were placed under restrictions after they crossed the tolerance threshold. Barring one, all banks have exited the framework over the last two years but no uniform policy was applied for their exit. For example, RBI removed PCA from Bank of India and Bank of Maharashtra in January 2019 after their net non-performing assets ratio fell below the risk threshold of 6%.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-spells-out-rules-for-a-bank-to-exit-prompt-corrective-action-framework/articleshow/87492012.cms>
- **Banks need to design appropriate governance standards to be worthy of public trust:** RBI Deputy Governor M K Jain : Asserting that banks are repository of public resources, Reserve Bank Deputy Governor M K Jain on Tuesday said lenders need to design appropriate governance standards and implement internal controls to be worthy of the public trust. Corporate governance is the cornerstone for any enterprise and it assumes a distinctly different undertone and importance for banks, he emphasised.  
<https://newslogic.in/business-news/banks-need-to-design-appropriate-governance-standards-to-be-worthy-of-public-trust-rbi-deputy-governor/>



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- **NPA position of Indian Banks indicates gradual improvement: CARE Ratings:** The non-performing assets (NPA) situation of the Indian banking system as represented by 23 banks — nine public sector banks (PSBs) and 14 private sector banks (PvBs) — that have declared results so far indicates a gradual improvement in the NPA ratio in September 2021, according to an assessment by CARE Ratings. The Gross NPA (GNPA) ratio of the aforementioned banks has improved to 6.97 per cent as at September-end 2021 against 7.32 per cent as at June-end 2021 and 7.36 per cent as at September-end 2020, the credit rating agency said.  
<https://www.thehindubusinessline.com/money-and-banking/npa-position-of-indian-banks-indicates-gradual-improvement-care-ratings/article37297894.ece>
- **Stressed asset sales should take place earlier: RBI report:** The sale of stressed assets by lenders must be done at an earlier stage to allow for optimal recovery by asset reconstruction companies, a committee appointed by the Reserve Bank of India (RBI) said in a report published on Tuesday. The committee also recommended that if 66% of lenders by value decide to accept an offer made by an asset reconstruction company (ARC), it should be binding on the remaining lenders and it must be implemented within 60 days of approval. The RBI in April set up the committee to examine the role of ARCs in stressed debt resolution and to review their business model. "As a measure to incentivise lenders to sell their financial assets to ARCs at an early stage of stress, the committee recommends a dispensation to lenders, on an ongoing basis, to amortise the loss on sale, if any, over a period of two years," the report said.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/stressed-asset-sales-should-take-place-earlier-rbi-committee-report/articleshow/87492225.cms>
- **RBI gearing up to fintech challenge, asks banks to be vigilant too:** RBI will soon launch a web-based supervisory system that will enable off-site and on-site supervision of modern functions like digital banking, cyber security, said RBI deputy governor MK Jain. At the same time Banks need to be careful in complying with rules and invest in technologies to meet the supervisory challenges as they experiment with new services in the post COVID world though ultimately its governance standards, business model, risk culture, and assurance functions will decide how well it fares in the long run, he said.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-gearing-up-to-fintech-challenge-asks-banks-to-be-vigilant-too/articleshow/87491262.cms>
- **Banks sanction Rs 63,574 cr under credit outreach initiative: Finance Ministry:** Banks have sanctioned loans worth Rs 63,574 crore to about 13.84 lakh borrowers in a fortnight under the credit outreach programme, Finance Minister Nirmala Sitharaman said on Tuesday. Under this programme, banks have been holding special camps across various parts of the country to sanction loans to eligible borrowers as per the prudential norms. Most of the banks have announced festival offers at concessional rates of interest and waived processing charges.  
<https://www.financialexpress.com/economy/banks-sanction-rs-63574-crore-under-credit-outreach-initiative-finance-ministry/2361893/>



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- **Former SBI chairman Pratip Chaudhuri's arrest: Bankers shocked over 'high-handed' move:** Former State Bank of India (SBI) chairman Pratip Chaudhuri was arrested by the Rajasthan police on Monday on complaints from a loan defaulter sending shock waves in the banking industry that was just limping back to normalcy after years of fear of being implicated criminally on trumped up charges. There was reportedly no notice or formal summons in a decade-old soured-loan case which has shaken the banking sector, stoking concerns the incident could delay decision making in multi-billion-dollar recovery initiatives of several lenders.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/former-sbi-chairman-pratip-chaudhuri-arrest-bankers-shocked-shock-over-high-handed-move/articleshow/87476302.cms>
- **Deutsche Bank ready to be NPS custodian for just Rs 100 per year:** In an ultra-aggressive bid, Deutsche Bank is willing to accept a fee of just ₹100 a year for being the custodian of India's pension fund which has total assets under custody of more than ₹6 lakh crore across various schemes. The existing custodian, Stock Holding Corporation of India, a large depository participant owned by public financial institutions, charges close to ₹19 crore for the job. Other institutions in the race for the custody mandate of the National Pension Scheme (NPS) include Citi, SBI-SG Global Securities Services (a joint venture between SBI and Societe Generale Securities Services), and ICICI. The fees quoted by these organisations are more than ₹1crore.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/deutsche-bank-ready-to-be-nps-custodian-for-just-rs-100-per-year/articleshow/87476164.cms>
- **Kerala Financial Corporation announces special loans for MSMEs:** Kerala Financial Corporation (KFC), a leading State-level financial institution, has launched a special loan product to the Micro, Small and Medium Enterprise (MSME) sector, aiming to assist them execute work orders and also discount pending bills. Under the scheme, 75 per cent of the cost of work received from government departments/agencies/PSUs will be provided as a loan, a spokesman for the corporation said.  
<https://www.thehindubusinessline.com/money-and-banking/kerala-financial-corporation-announces-special-loans-for-msmes/article37296793.ece>
- **PhonePe launches tokenisation solution:** Digital payments major PhonePe on Tuesday announced the launch of PhonePe SafeCard, which is a tokenisation solution for online debit and credit card transactions. "This solution will enable both PhonePe users and merchant partners to continue experiencing the convenience of saved card transactions with increased security, and in compliance with the new Reserve Bank of India guidelines," it said in a statement, adding that the solution supports all major card networks such as Mastercard, Rupay and Visa.  
<https://www.thehindubusinessline.com/money-and-banking/phonepe-launches-tokenisation-solution/article37298080.ece>
- **Finacle's digital banking solution suite to be available on Red Hat OpenShift and IBM Cloud:** Infosys's Finacle division and IBM have announced that Finacle's digital banking solution suite will be available on Red Hat OpenShift and IBM Cloud for financial services. This collaboration will help banks scale business transformation, become more agile, and power their growth with an on-demand portfolio of



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products and services, the companies said. It will also help banks achieve seamless ecosystem connectivity and provide a world-class banking experience for their customers, and enable them to meet required compliance and security requirements, they stated in a press release.

<https://www.thehindubusinessline.com/companies/finacles-digital-banking-solution-suite-to-be-available-on-red-hat-openshift-and-ibm-cloud/article37301785.ece>

- **Sundaram Finance Holdings seeks to consolidate foundry business:** Sundaram Finance Holdings Ltd (SF Holdings) said it has taken steps to consolidate investments in the foundry business. The company has increased its shareholding in Flometallic India. Flometallic has, in turn, filed a scheme of arrangement with the NCLT to merge its operations with those of Brakes India. Along with Dunes Oman (a subsidiary of Brakes India), the merger will create a combined foundry capacity of 1,75,000 tonnes operating at four locations — Sholingur, Naidupeta, Jagadia and the Sultanate of Oman.  
<https://www.thehindubusinessline.com/money-and-banking/sundaram-finance-holdings-seeks-to-consolidate-foundry-business/article37303961.ece>
- **New management of IL&FS addresses ₹52,200 cr of debt:** The new board and management of Infrastructure Leasing and Financial Services (IL&FS) has addressed debt of ₹52,200 crore, and has maintained its earlier estimate of resolving debt of ₹61,000 crore. This will represent resolution of 62 per cent of the overall fund-based and non-fund based debt of over ₹99,000 crore as of October 2018. “The debt of ₹52,200 crore addressed till date represents 86 per cent of the overall estimated resolution value of ₹61,000 crore and 53 per cent of total debt,” it said on Tuesday. It expects to resolve around ₹57,000 crore debt by March 2022, it further said.  
<https://www.thehindubusinessline.com/money-and-banking/new-management-of-ilfs-addresses-52200-cr-of-debt/article37308513.ece>
- **Dhanteras brings back glitter; gold sales set to touch pre-COVID levels:** Regaining the lost sheen, sales of gold jewellery and coins are set to touch pre-COVID levels in volume terms on the auspicious Dhanteras as easing pandemic concerns and pent up demand saw consumers flocking to stores to buy the precious metal. Increased footfall at stores and brisk sales online as well as relatively softer gold prices compared to record ₹57,000 per 10 grams level in August spurred increased buying, especially light weight offerings, on Tuesday. Dhanteras is considered to be auspicious for buying precious metals and other valuable items. On Tuesday, gold prices were ruling lower in the range of ₹47,644 per 10 grams, excluding taxes, in the national capital, compared to a record level of over ₹57,000 in August. However, the rates are much higher compared to ₹39,240 per 10 grams on Dhanteras day in 2020.  
<https://www.livemint.com/market/commodities/dhanteras-brings-back-glitter-gold-sales-set-to-touch-pre-covid-levels-11635866735397.html>
- **Sensex, Nifty end marginally weak amid volatility:** The BSE Sensex closed at 60,029.06, down 109.40 points or 0.18 per cent. It recorded an intraday high of 60,421.14 and a low of 59,881.75. The Nifty 50 closed at 17,888.95, down 40.70 points or 0.23 per cent. It recorded an intraday high of 18,012.25 and a low of 17,847.60. Maruti, NTPC, Titan, State Bank of India and L&T were the top gainers on the Nifty 50, while Tata Steel, Grasim, Hindalco, JSW Steel and HCL Tech were the top laggards.



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<https://www.thehindubusinessline.com/markets/stock-markets/sensex-nifty-trade-flat-amid-volatility/article37299203.ece>

- **Rupee gains 19 paise to close at 74.68:** The rupee gained 19 paise to close at 74.68 (provisional) against the US dollar on Tuesday, as IPO related inflows supported the local unit amid a lacklustre trend in the domestic equity market. At the interbank forex market, the domestic unit opened at 74.83 against the greenback and witnessed an intra-day high of 74.66 and a low of 74.86 during the day's trade. It finally ended at 74.68 a dollar. On Monday, the rupee had settled at 74.87 against the US dollar.

<https://www.thehindubusinessline.com/markets/forex/rupee-gains-19-paise-to-end-at-7468/article37301231.ece>

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