



**THE INSTITUTE OF
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(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

October 5, 2021

- **RBI grants licence to NARCL: IBA CEO:** The Reserve Bank on Monday gave licence to the Rs 6,000 crore National Asset Reconstruction Company Ltd (NARCL), a move that will help kickstart operations of the bad bank. NARCL was incorporated in July in Mumbai following registration with the Registrar of Companies (RoC). "Happy to share #RBI has given License to #NARCL on 4.10.2021. The approval has been accorded under Section 3 of #SARFAESI Act 2002," Indian Banks' Association (IBA) CEO Sunil Mehta tweeted. IBA, entrusted with the task of setting up the bad bank, has put a preliminary board for NARCL in place.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-grants-licence-to-narcl-iba-ceo/articleshow/86760904.cms>
- **SBI, Indian Navy launch NAV-eCash card:** State Bank of India and Indian Navy on Monday launched SBI's NAV-eCash card onboard the country's largest naval aircraft carrier INS Vikramaditya. The card will obviate the difficulties faced by personnel onboard in handling physical cash during deployment of the ship at high seas, the bank said in a release. The infrastructure at naval ships inhibits traditional payment solutions particularly when the ship is in high seas where there is no connectivity. NAV-eCash card, with its dual-chip technology, will facilitate both online as well as offline transactions, the release said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/sbi-indian-navy-launch-nav-ecash-card/articleshow/86752865.cms>
- **Bank of Baroda to anchor its app, bob World, as the main bank:** Bank of Baroda is planning to position its digital platform bob World centrally as the main bank, added to which all the other banking channels will function. The public sector lender is taking up a strategy similar to what SBI has been trying to do by integrating all its services on its YONO platform. MD & CEO Sanjiv Chadha told TOI that post the pandemic the bank had seen a spike in digital transactions, and that almost twice the number of branch visits were happening on the app.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-of-baroda-to-anchor-its-app-bob-world-as-the-main-bank/articleshow/86747411.cms?from=mdr>
- **HSBC executes blockchain-enabled trade transaction for AMNS and UAE's Universal Tube:** Foreign lender HSBC on Monday said it has successfully executed a blockchain-enabled live trade finance transaction between ArcelorMittal Nippon Steel India and UAE's Universal Tube and Plastic Industries. Benefits of executing such a transaction include enhancing transparency and security for all parties, and reducing document negotiation cycle time to around one day from a week, it said. The transaction reinforces the commercial and operational viability of blockchain as an alternative to conventional exchanges for paper-based documentation, as per a statement from HSBC.



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<https://economictimes.indiatimes.com/industry/banking/finance/banking/hsbc-executes-blockchain-enabled-trade-transaction-for-amns-and-uaes-universal-tube/articleshow/86755226.cms>

- **Reserve Bank supersedes boards of Srei Infrastructure, Srei Equipment Finance;** Atmadip Ray The Reserve Bank of India said on Monday it has superseded the board of directors of non-banking financial companies Srei Infrastructure Finance Ltd and Srei Equipment Finance Limited due to governance concerns and defaults, adding that it will initiate bankruptcy proceedings against them. Rajneesh Sharma, the former Chief General Manager of the Bank of Baroda, has been appointed the administrator. Last week, a consortium of lenders led by UCO Bank sought central bank directions on pursuing recovery of dues from the Srei Group after loans worth about Rs 30,000 crore to the Kolkata-based financier officially qualified to be moved to the list of non-performing assets (NPA) this quarter. <https://www.livemint.com/companies/news/rbi-supersedes-boards-of-srei-companies-to-initiate-insolvency-proceedings-soon-11633345313407.html>
- **KVG Bank bags two PFRDA awards:** Karnataka Vikas Grameena Bank (KVGB) sponsored by Canara Bank Bank has bagged two awards from Pension Fund Regulatory and Development Authority (PFRDA) for significant enrolment under Atal Pension Yojana (APY). P Gopi Krishna, Chairman of KVGB, who received the awards from Supratim Bandopadhyay, Chairman of PFRDA in a summit at Chennai on Monday, said so far the bank has enrolled (cumulative) 2.30 lakh accounts under APY. During 2020-21, the bank enrolled 68,961 accounts against the target of 38,160, he said. <https://www.thehindubusinessline.com/money-and-banking/kvg-bank-bags-two-pfrda-awards/article36823315.ece>
- **FIDC seeks refinance mechanism for NBFCs:** Finance Industry Development Council (FIDC) has sought a refinancing mechanism for non-banking finance companies and other measures to further credit flow to MSMEs through these shadow banks. In a letter to SIDBI Chairman and Managing Director S Ramann, FIDC has said there is a dire need for an effective refinance mechanism on similar lines as the NHB refinance to ensure diversity and greater regularity in sources of funds to NBFCs. <https://www.thehindubusinessline.com/money-and-banking/fidc-seeks-refinance-mechanism-for-nbfc/article36817715.ece>
- **YES Bank advances edge up 3.6 per cent, deposits rise 30 per cent:** Private sector lender YES Bank posted a 3.6 per cent increase in its loans and advances as on September 30, 2021, to Rs 1.72 lakh crore from Rs 1.66 lakh crore a year ago. Of this, gross retail disbursements expanded at a much faster pace and jumped up by 126.6 per cent to Rs 8,531 crore as on September 30, 2021, compared to Rs 3,764 crore a year ago. <https://www.thehindubusinessline.com/money-and-banking/yes-bank-advances-edge-up-36-per-cent-deposits-rise-30-per-cent/article36819431.ece>
- **Retail and MSMEs likely to see rise in slippages, say bankers:** Asset quality of lenders did not see a sharp uptick despite severe economic disruptions due to Covid-19 in 2020 and 2021 on timely regulatory steps like restructuring and liquidity support. Now, owing to the present economic recovery phase, households and micro, small and medium enterprises (MSMEs) saw a rise in defaults due to the



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end of payment moratorium and delayed business payments, said bankers. Rating agency CRISIL has estimated that stressed assets — non-performing assets and restructured loans — in banks' portfolios could touch 11 per cent by March 2022, up from 9 per cent in March 2021.

https://www.business-standard.com/article/finance/retail-and-msmes-likely-to-see-rise-in-slippages-say-bankers-121100400022_1.html

- **Axis Bank offers 10-15% cashback on Flipkart, Amazon to new customers:** Axis Bank has announced mega offers for its new customers of its recently launched ASAP Digital Savings Accounts. Over and above the offers by the bank for e-commerce platforms, customers will get flat 10 per cent to 15 per cent cashback at Flipkart and Amazon and up to 45 per cent cashback on more than 30 major brands. The announcement comes as both e-commerce majors are hosting their flagship festive sales - The Big Billion Days and Great Indian Festival.
<https://www.livemint.com/industry/banking/axis-bank-offers-10-15-cashback-on-flipkart-amazon-to-new-customers-11633351754843.html>
- **Banks launch credit card blitz to target festive spends:** Banks are turning upbeat about credit cards as the festival season nears, launching several new cards and dangling offers at a time customers traditionally loosen their purse strings. While lenders remain cautious on unsecured loans, they are making calculated bets on credit cards. Apart from market leaders such as SBI Card and HDFC Bank, which are launching new cards, banks that did not offer credit cards so far are also entering this extremely competitive market. Many lenders are zooming in on their existing customers about whom they have enough historical data.
<https://www.livemint.com/industry/banking/banks-launch-credit-card-blitz-to-target-festive-spends-11633285726385.html>
- **Fino Payments Bank gets Sebi nod to float IPO, likely to raise Rs 1,300 crore:** Fintech firm Fino Payments Bank has received approval from the capital markets regulator Sebi to go ahead with its initial public offering (IPO). The company had filed its draft papers in July-end this year. The public issue comprises a fresh issue of Rs 300 crore and an offer for sale (OFS) of up to 1,56,02,999 equity shares by promoter Fino Paytech Limited. The offer includes a reservation of Rs 3 crore of shares for the company's employees. The company is expected to raise Rs 1,300 crore through IPO, say the market sources.
<https://www.thehindubusinessline.com/money-and-banking/fino-payments-bank-gets-sebi-nod-to-float-ipo/article36834839.ece>
- **Karur Vysya Bank share price rises 2% on improved operational numbers:** Karur Vysya Bank share price rose 2 percent intraday on October 4 after the bank reported a 6.8 percent jump in its advances at Rs 53,851 crore in the quarter ended September against Rs 50,408 crore in a year ago period. Its deposits were up 7 percent at Rs 65,410 crore versus Rs 61,122 crore and CASA was up 11.9 percent at Rs 23,159 crore versus Rs 20,697 crore, YoY.
<https://www.moneycontrol.com/news/business/stocks/karur-vysya-bank-share-price-rises-2-on-improved-operational-numbers-7540211.html>



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- **CSB Bank share price surges over 14% on higher deposits, advances:** The share price of CSB Bank, formerly Catholic Syrian Bank Limited, surged more than 14 percent intraday on October 4 after the private lender posted a 9.12 percent jump in its September quarter deposits at Rs 19,061.62 crore against Rs 17,468.44 in the year-ago period. The bank's gross advance rose 12.09 percent at Rs 14,304.14 crore against Rs 12,761.80 crore in the same quarter in 2020.
<https://www.moneycontrol.com/news/business/stocks/csb-bank-share-price-surges-over-14-on-higher-deposits-advances-7540261.html>
- **Gold prices slightly dip to Rs 46,394/10 gm on global cues, ETF outflow; silver up Rs 416 a kg:** Gold prices marginally eased by Rs 40 to Rs 46,394 per 10 gram in the Mumbai bullion market tracking weak global cues, ETF outflows, firm equity markets and rising treasury yields. However, the downside in the precious metal was capped by rupee depreciation and weakness in the dollar index. The price of 10 gram, 22-carat gold in Mumbai was Rs 42,497 plus 3 percent GST, while 24-carat 10 gram stood at Rs 46,394 plus GST. The 18-carat gold is quoted at Rs 34,796 plus GST in the retail market. Silver prices rose by Rs 416 to Rs 59,997 per kg against its closing price on October 1.
<https://www.moneycontrol.com/news/business/commodities/gold-prices-slightly-dip-to-rs-4639410-gm-on-global-cues-etf-outflow-silver-up-rs-416-a-kg-7541701.html>
- **Rupee falls 19 paise to close at 74.31 against US dollar:** The rupee tumbled 19 paise to close at 74.31 against the US dollar on Monday as a stronger greenback against key rivals and rising crude oil prices weighed on investor sentiment. At the interbank foreign exchange market, the local currency opened at 74.16 and witnessed an intra-day high of 74.13 and a low of 74.41 against the US dollar in day trade. The local unit finally settled at 74.31 a dollar, down 19 paise over its previous close. On Friday, the rupee had settled at 74.12 against the US dollar.
https://www.business-standard.com/article/finance/indian-rupee-falls-19-paise-to-close-at-74-31-against-us-dollar-121100400816_1.html
- **Sensex, Nifty jump 1% as RIL, pharma, metal stocks shine:** The BSE Sensex closed at 59,299.32, up 533.74 points or 0.91 per cent. It hit an intraday high of 59,548.82 and a low of 58,952.11. The Nifty 50 closed at 17,691.25, up 159.20 points or 0.91 per cent. It hit an intraday high of 17,750.90 and a low of 17,581.35. Amidst the broader rally, the BSE Smallcap index touched a fresh all-time high of 28715.93 on Monday. Divi's Lab, Hindalco, NTPC, Bajaj Finsrv and Tata Motors were the top gainers on the Nifty 50 while Cipla, Grasim, UPL, IOC and Eicher Motor were the top laggards.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-nifty-jump-1-as-ril-pharma-metal-stocks-shine/article36821243.ece>

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