



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

October 9, 2021

- **RBI maintains FY22 growth forecast at 9.5%, but scales it down for FY23:** The Reserve Bank of India has retained its growth forecast at 9.5% for FY22 while revising down its inflation forecast to 5.3% (from 5.7% earlier) given the lower than expected food inflation momentum. RBI's in-house model expects it to ease further in FY'22-23 to 4.5-5.2 per cent. But real GDP growth may be lower at 7.8 per cent in the next fiscal. Inflation pressures are expected to ease in the current quarter. Consumer price indices (CPI) inflation is seen at 5.1% in Q2, 4.5% in Q3 and 5.8% in Q4 of FY22 with risks broadly balanced. It is pegged at 5.3 per cent from 5.7 per cent earlier for FY'22 as a whole. "The CPI headline momentum is moderating with the easing of food prices which, combined with favourable base effects, could bring about a substantial softening in inflation in the near-term," RBI governor Shaktikanta Das said.
<https://economictimes.indiatimes.com/news/economy/indicators/rbi-maintains-fy22-growth-forecast-at-9-5-but-scales-it-down-for-fy23/articleshow/86865316.cms>
- **RBI increases IMPS limit to Rs 5 lakh from Rs 2 lakh earlier:** The Reserve Bank of India has increased the limit of IMPS transaction to Rs 5 lakh from Rs 2 lakh earlier for convenience of the consumers. RBI Governor Shaktikanta Das announced that the increased limit for the digital payment mode used for making immediate transfer of money will make it convenient for consumers to transfer higher sums. The RBI has been taking steps to make it easier for consumers to make digital transfers. It had made the RTGS transfers, used for higher value transaction, 24x7.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-increases-imps-limit-to-rs-5-lakh-from-rs-2-lakh-earlier/articleshow/86859564.cms>
- **RBI moves NCLT against SREI Equipment Finance and SREI Infra:** The Reserve Bank of India has taken the Srei Infrastructure Finance and Srei Equipment Finance to the National Company Law Tribunal's Kolkata bench on Friday, a day after the Bombay High Court rejected a writ petition by Srei group promoter Hemant Kanoria against the central bank move to supersede the boards of the company. This is on expected line as the central bank had announced on October 4 that it would take steps to refer the Srei case to the bankruptcy court.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-moves-nclt-against-srei-equipment-finance-and-srei-infra/articleshow/86862620.cms>
- **RBI Guv responds to SBI note about excess liquidity; says banks must do own risk assessment:** Two-and-a-half weeks after the country's largest bank, State Bank of India, flagged risks to banks' margins from excess liquidity and pricing of credit products, Reserve Bank of India Governor Shaktikanta Das said the lenders have to conduct own risk assessments and price loans accordingly. "I don't think SBI has flagged this as a complaint. I think SBI has flagged this issue as a concern... which is for banks to take note of. Whatever be the liquidity situation, in any case banks have enough liquidity and RBI has the reverse repo windows open. It is for banks to do their own risk assessment and price their loans



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accordingly,” Das said at a press conference following RBI’s fourth bimonthly money policy statement for 2021-22.

<https://economictimes.indiatimes.com/markets/stocks/news/guv-das-responds-to-sbi-note-about-excess-liquidity-says-banks-must-do-own-risk-assessment/articleshow/86863302.cms>

- **RBI says reviewing ATM outage circular after bank’s feedback:** The Reserve Bank of India on Friday said that it was reviewing its recent scheme on ATM replenishment whereby the regulator put in place mechanisms to penalise lenders. The central bank deputy governor T Rabi Shankar said that they had received inputs from banks and were in the process of reviewing it. “The idea behind the penalty on outages in ATMs was to ensure that these services are available as much as possible in areas where the attention to ATMs is less, which is largely rural and semi-urban areas,” Shankar said. “We have received various feedback, some positive while some raise concerns. There are issues specific to location (of ATMs). We are trying to take all the feedback and have a review and see how best it can be implemented.”
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-says-reviewing-atm-outage-circular-after-banks-feedback/articleshow/86864185.cms?from=mdr>
- **CBI files charge sheet against Rana Kapoor and associates in Rs 1,700 crore scam:** Rana Kapoor, formerly the Managing Director of Yes Bank, and his wife - Bindu Rana Kapoor - have been named in a chargesheet filed by the Central Bureau of Investigation in the Court of Special Judge for CBI Cases, Mumbai. The charges against Kapoor include allegations of abuse of power while he was the head of Yes Bank, a case in that matter was registered in March 2020. Kapoor is alleged to have acquired a premium property - mortgaged with the bank - at below market prices. The property was collateral for a Rs 400 crore loan. Reports suggest that Kapoor and his wife bought the place for Rs 378 crore (whose market value was closer to Rs 500 crore) and did not use the proceeds to liquidate the existing loan.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/cbi-files-charge-sheet-against-rana-kapoor-gautam-thapar-avantha-group-and-bindu-rana-kapoor/articleshow/86871436.cms>
- **Bank of Maharashtra launches digital lending platform for home, car loans:** State-owned Bank of Maharashtra on Friday said it has launched a digital lending platform for its home and car loan customers. The platform will enable prospective retail loan seekers to get loans digitally through a paperless process at the convenience of their place and time of choice, the bank said in a release. The platform is capable of validating KYC, CIBIL and financials of the applicant and provide in-principle approval in hassle free manner, it said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-of-maharashtra-launches-digital-lending-platform-for-home-car-loans/articleshow/86871678.cms>
- **Gradual unwinding of liquidity measures to support growth, keep inflation under control: Bankers:** Terming the Reserve Bank's Friday monetary policy announcement as balanced, bankers said the gradual unwinding of liquidity measures will support growth while keeping inflation under control.



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The six-member monetary policy committee (MPC) kept the repo rate unchanged at 4 per cent and maintained an accommodative policy stance. The RBI also suspended the G-Sec Acquisition Programme (G-SAP) and is proposed to undertake five 14-day variable rate reverse repo (VRRR) auctions on a fortnightly basis between today and December 3, 2021.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/gradual-unwinding-of-liquidity-measures-to-support-growth-keep-inflation-under-control-bankers/articleshow/86871681.cms>

- **Bandhan Bank's collection efficiency improves sharply:** Private sector lender Bandhan Bank said its collection efficiency improved to 90% at the end September from 80% three months back with the easing of lockdowns and fall in number of Covid-19 active cases that offered relief and room for economic recovery. The bank's repayment collection from microfinance vertical, which contributes about a third of its loan portfolio, also improved to 86% from 72% over the same period, the bank said in a regulatory filing to stock exchanges.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bandhan-banks-collection-efficiency-improves-sharply/articleshow/86871813.cms>
- **Forex reserves down by USD 1.169 billion to USD 637.477 billion:** The country's foreign exchange reserves dipped by USD 1.169 billion to stand at USD 637.477 billion in the week ended October 1, RBI data showed on Friday. In the previous week ended September 24, 2021, the reserves had declined by USD 997 million to USD 638.646 billion. The reserves had surged by USD 8.895 billion to a lifetime high of USD 642.453 billion in the week ended September 3, 2021. During the reporting week ended October 1, 2021, the dip in the forex kitty was on account of a fall in the foreign currency assets (FCAs), a major component of the overall reserves.
<https://economictimes.indiatimes.com/news/economy/finance/forex-reserves-down-by-usd-1-169-billion-to-usd-637-477-billion/articleshow/86871533.cms>
- **RBI maintains status quo on rates:** Amidst uneven growth recovery and concerns over a spike in inflation, the Monetary Policy Committee of the Reserve Bank of India chose to maintain a status quo on key rates. It also continued with its accommodative stance to support growth. "The MPC voted unanimously to maintain status-quo about policy repo rate and by a majority of 5:1 to maintain the accommodative stance," said RBI Governor Shaktikanta Das, who chairs the MPC, adding that the stance remains accommodative to revive and maintain growth.
<https://www.thehindubusinessline.com/money-and-banking/rbi-maintains-status-quo-on-rates/article36890963.ece>
- **Maintaining status quo on rates will help further revive economy: Bankers:** The Reserve Bank of India's decision to maintain the status quo on rates would help in a full-fledged economic revival but bankers and market participants are awaiting clear signals on liquidity normalisation. Raj Kiran Rai G, Chairman, Indian Banks' Association, and Managing Director and CEO, Union Bank, said, "Today's policy is announced against the back drop of nascent signals of recovery of the domestic economy and mixed cues from the global economy."



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<https://www.thehindubusinessline.com/money-and-banking/maintaining-status-quo-on-rates-will-help-further-revive-economy-bankers/article36903560.ece>

- **Select NBFCs to now have internal ombudsman on lines of banks: Das:** With the objective of upping customer experience, the Reserve Bank on Friday announced an internal ombudsman scheme (IOS) to redress grievances at select non-banking finance companies (NBFCs). The IOS will be on the lines of a similar system adopted at banks and will redress grievances related to deficiencies in service, Governor Shaktikanta Das said, announcing the new measure in the statement on regulatory policies along with the bi-monthly review of the monetary policy. “The increased significance, strength and reach of NBFCs across the country have necessitated having in place better customer experience including grievance redress practices,” he said.
<https://www.thehindubusinessline.com/money-and-banking/select-nbfc-to-now-have-internal-ombudsman-on-lines-of-banks-das/article36892161.ece>
- **RBI extends three-year SLTRO facility to SFBs:** The Reserve Bank of India has extended the three-year special long-term repo operations facility for Small Finance Banks by two months till December-end 2021. This facility, which is available at the repo rate of 4 per cent, aggregating ₹10,000 crore was announced by the central bank in May 2021 to help SFBs provide last mile credit to individuals and small businesses.
<https://www.thehindubusinessline.com/money-and-banking/rbi-extends-three-year-sltro-facility-to-sfbs/article36892731.ece>
- **Monetary Policy Committee revises FY22 retail inflation projection to 5.3%:** The Monetary Policy Committee (MPC) revised its retail inflation projection for FY22 downwards to 5.3 per cent against the earlier 5.7 per cent even as it retained its projection for real GDP growth at 9.5 per cent. If the downward revision in retail inflation projection materialises “and growth gathers further momentum”, it could set the stage for a hike in the policy repo rate, say economists.
<https://www.thehindubusinessline.com/money-and-banking/monetary-policy-committee-revises-fy22-retail-inflation-projection-to-53/article36891832.ece>
- **RBI empanells Dhanlaxmi Bank as Agency Bank:** Thrissur-based Dhanlaxmi Bank has been empanelled as ‘Agency Bank’ by the Reserve Bank of India to undertake general banking businesses of Central and State governments on behalf of the RBI. Dhanlaxmi Bank entered into agreement with the RBI at the Department of Government and Bank Accounts (DGBA), Reserve Bank of India, Mumbai.
<https://www.thehindubusinessline.com/money-and-banking/rbi-empanells-dhanlaxmi-bank-as-agency-bank/article36895830.ece#:~:text=Thrissur%2Dbased%20Dhanlaxmi%20Bank%20has,on%20behalf%20of%20the%20RBI.>
- **PMC Bank at an advanced stage of resolution, says RBI deputy governor:** The Reserve Bank of India (RBI) is examining an application filed by Centrum Financial Services and fintech startup BharatPe for a licence to set up a small finance bank and take over Punjab and Maharashtra Cooperative (PMC) Bank, a senior RBI official said on Friday. “I think Centrum and its partner BharatPe have submitted their



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application for licence and is at an advanced stage of consideration. Once that final licence is approved, we will very shortly be proceeding ahead with the draft scheme and getting the requisite approvals. So, it is in an advanced stage," said Rajeshwar Rao, deputy governor, RBI.

<https://www.livemint.com/industry/banking/pmc-bank-at-an-advanced-stage-of-resolution-says-rbi-deputy-governor-11633692478197.html>

- **Pendency of proceedings in cheque bounce cases dampened ease of doing business in India: Supreme Court:** The pendency of proceedings in cheque bounce cases and the multiplicity of complaints, in which a cause of action arising from one transaction is litigated, has “dampened” the ease of doing business in India and hindered investments, the Supreme Court said on Friday. The apex court said that the nature of offence under section 138 of the Negotiable Instruments (NI) Act, which relates to the dishonour of cheque, is quasi-criminal and the purpose of the enactment is to “provide security” to creditors and instill confidence in the banking system of the country.
<https://economictimes.indiatimes.com/news/india/pendency-of-proceedings-in-cheque-bounce-cases-dampened-ease-of-doing-business-in-india-sc/articleshow/86872460.cms>
- **Sensex closes above 60k, Nifty tops 17,800:** After recording an intraday high of 60,212.3, the BSE Sensex at closed 60,059.06, up 381.23 points or 0.64 per cent. It recorded an intraday low of 59,830.93. The Nifty 50 which narrowly missed the 18,000-mark with an intraday high of 17,941.85, closed at 17,895.20, up 104.85 points or 0.59 per cent. It hit an intraday low of 17,840.35 Reliance, Wipro, Infosys, Tata Motors and Tech Mahindra were the top gainers on the Nifty 50 while Coal India, SBI Life, NTPC, Maruti and Shree Cement were the top losers.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-closes-above-60k-nifty-tops-17800/article36895938.ece>
- **Rupee slips below 75/USD level:** The rupee opened on a weak note and fell below the 75 per US dollar level in early trade on Friday as rising crude prices and strength of the American currency in the overseas market weighed on investor sentiments. At the interbank foreign exchange, the rupee opened on a weak note at 75, then fell further to 75.15, registering a decline of 36 paise from its last close.
<https://www.thehindubusinessline.com/markets/forex/rupee-slips-below-75usd-level/article36891286.ece>

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