



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

November 9, 2021

- **Karur Vysya Bank posts ₹165-cr net in Sept quarter, highest in last 17 quarters:** Old private sector lender Karur Vysya Bank has reported a 43.5 per cent rise in its net profit at ₹165 crore for the quarter ended September 30, 2021 when compared with ₹115 crore in the same period previous fiscal. “The net profit of ₹165 crore is the highest in the last 17 quarters,” B Ramesh Babu, Managing Director & CEO of KVB, told BusinessLine. He said the KVB’s posted net profit on account of a well-crafted strategy amid some challenges. “With deeper focus, recoveries were higher than slippages during this September quarter. So interest reversals have come down, thereby improving our net interest margin at 3.75 per cent for the quarter,” he added.
<https://www.thehindubusinessline.com/money-and-banking/karur-vysya-bank-posts-165-cr-net-in-sept-quarter-highest-in-last-17-quarters/article37383064.ece>
- **Kotak Mahindra Bank announces new home loan interest rate at 6.55%:** Kotak Mahindra Bank on Monday announced a new home loan interest rate of 6.55 per cent per annum. The new rate is valid from November 9 to December 10, it said in a statement, adding that it is applicable for both fresh home loans and balance transfers. The lender had kick-started the festive season by introducing home loan interest rates beginning at 6.5 per cent per annum, which was a limited period festive season offer that ends on Monday. “Further, applicants who have received a home loan sanction letter from Kotak Mahindra Bank by November 8 can lock in the earlier rate starting at 6.5 per cent per annum if the loan is disbursed in the next seven days - by November 15,” the bank further said.
<https://www.thehindubusinessline.com/money-and-banking/kotak-mahindra-bank-announces-new-home-loan-interest-rate-at-655/article37377604.ece>
- **IndusInd Bank’s ‘technical glitch’: RBI examining portfolio as part of an ongoing audit:** The Reserve Bank of India (RBI) is already examining issues around the technical glitch at IndusInd Bank’s subsidiary that led to 84,000 loans being disbursed without the customers’ consent. The lender will also undertake an external audit of the issue if required. This was informed by IndusInd Bank’s Managing Director and CEO, Sumant Kathpalia, at an analyst call on November 6. He also denied allegations of evergreening of loans and stressed that there is strong risk management and a control framework in place – both within the bank and its microfinance
<https://www.thehindubusinessline.com/money-and-banking/indusind-banks-technical-glitch-rbi-examining-portfolio-as-part-of-an-ongoing-audit/article37378674.ece>
- **Padmaja Reddy alleges exorbitant salary for new Spandana CEO, wants curb on salary for MFI chiefs** : Former Spandana Sphoorty Financial managing director Padmaja Reddy, who stepped down last week, has alleged lack of process in deciding the remuneration for the next incumbent and that the salary offered is exorbitant even as the microfinance industry is yet to recover fully from the pandemic-led stress. Reddy has called for regulatory curbs on remuneration for MFI chief executives



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and sitting fees for board members. She alleged that the new CEO has been hired at an annual cost to the company of Rs 6 crore, which is as high as the remuneration of the CEO at big private banks. She used to draw Rs 3 crore a year plus a variable pay which was linked to company profit.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/padmaja-reddy-alleges-exorbitant-salary-for-new-spandana-ceo-wants-curb-on-salary-for-mfi-chiefs/articleshow/87587959.cms>

- **Amazon Pay India's loss narrows by 18.8% in FY21:** Amazon Pay India, the digital payments arm of US-based e-commerce giant Amazon, narrowed its losses by 18.8% in the financial year 2020-21 to Rs 1,516.4 crore against Rs 1,868 crore in FY20, according to its annual regulatory filings with the Registrar of Companies (RoC). The firm's revenue from operations grew 30% in FY21 to Rs 1,716 crore, up from Rs 1,315 crore, even as expenses at Rs 3,295 crore remained flat against Rs 3,234 crore recorded in FY20, the filings accessed by ET through business intelligence firm Tofler showed.
<https://economictimes.indiatimes.com/tech/technology/amazon-pay-indias-loss-narrows-by-18-8-in-fy21/articleshow/87589762.cms>
- **GDP likely to grow at 10-10.5% in FY2022: Report :** Domestic rating agency Brickwork Ratings on Monday revised its growth estimate for the country's gross domestic product (GDP) to 10-10.5 per cent in the current financial year from an earlier expectation of a 9 per cent growth. Many economic growth indicators are suggesting a faster-than-expected revival in economic activities, it said. "We revise our GDP estimates for FY22 to 10-10.5 per cent from 9 per cent estimated earlier," the credit rating agency said in a report released on Monday.
<https://economictimes.indiatimes.com/news/economy/indicators/gdp-likely-to-grow-at-10-10-5-in-fy2022-report/articleshow/87589892.cms>
- **Towards a level playing field in 'Business Correspondent' model of banks ;** The Reserve Bank of India (RBI) should rationalise the interchange fees for Aadhaar Enabled Payments System (AePS) transactions and also disincentivise Business Correspondents (BCs) for unfair business activities to generate commission, according to State Bank of India's economic research report Ecowrap. This can ensure a level playing field in the BC model followed by public sector banks (PSBs) and other banks. AePS is a bank-led model that allows online interoperable financial inclusion transactions at point of sale/PoS (micro ATM) through the BC of any bank using Aadhaar authentication. BCs are retail agents engaged by banks to provide banking services at locations other than a bank branch/ATM.
<https://www.thehindubusinessline.com/money-and-banking/towards-a-level-playing-field-in-business-correspondent-model-of-banks/article37377405.ece>
- **States with higher PMJDY a/c balances see significant fall in crime: SBI Ecowrap :** States with higher Pradhan Mantri Jan Dhan Yojana (PMJDY) account balances have seen a perceptible decline in crime, as per an assessment by the State Bank of India's economic research department. The department also observed that there is both statistically significant and economically meaningful drop in consumption of intoxicants such as alcohol and tobacco products in States where more PMJDY accounts are opened. "This could be because of Jan Dhan-Aadhaar-Mobile (JAM) Trinity which has helped in better channelising of government subsidies and helped in curbing the unproductive



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expenditure such as alcohol and tobacco expenses in rural areas,” said Soumya Kanti Ghosh, Group Chief Economic Advisor, SBI, in the Bank’s economic research report “Ecowrap”.

<https://www.thehindubusinessline.com/money-and-banking/states-with-higher-pmjdya-balances-see-significant-fall-in-crime-sbi-ecowrap/article37377365.ece>

- **India ahead of China in financial inclusion metrics: Report:** India is now ahead of China in financial inclusion metrics according to a report authored by Soumya Kanti Ghosh, Group Chief Economic Advisor, State Bank of India. Sound financial inclusion policies have a multiplier effect on economic growth, reducing poverty and income inequality, while also being conducive for financial stability. India has stolen a march in financial inclusion with the initiation of PMJDY accounts since 2014, enabled by a robust digital infrastructure and also careful recalibration of bank branches and thereby using the BC model judiciously for furthering financial inclusion. Such financial inclusion has also been enabled by use of digital payments as between 2015 and 2020, mobile and internet banking transactions per 1,000 adults have increased to 13,615 in 2019 from 183 in 2015.
https://www.business-standard.com/article/economy-policy/india-ahead-of-china-in-financial-inclusion-metrics-now-sbi-report-121110801290_1.html
- **Junio ties up with RuPay for debit card for pre-teens, teenagers:** Children-focused fintech, Junio, has launched a smart multipurpose card for pre-teens and teenagers on the RuPay platform. The Junio RuPay Card is designed for kids and can function as a debit card for both their online and offline purchases, it said in a statement on Monday. Kids and parents can sign up on the Junio app, and use virtual Junio smart cards with zero annual charges. In addition, children can enjoy up to seven per cent cashback and other reward benefits on Junio payments.
<https://www.thehindubusinessline.com/money-and-banking/junio-ties-up-with-rupay-for-debit-card-for-pre-teens-teenagers/article37381263.ece>
- **PhonePe on-boards Liberty General Insurance to offer motor insurance:** Liberty General Insurance Ltd on Monday announced that it has partnered with PhonePe to offer motor insurance digitally and provide easy accessibility. In 2020, PhonePe ventured into the distribution of insurance and has become one of India’s fastest-growing digital distributors, with the sale of over 5 lakh policies in five months. Roopam Asthana, CEO & Whole Time Director, Liberty General Insurance said, “With this partnership, Liberty General Insurance strengthens its tie-up with PhonePe to empower their customers with the best protection cover in today’s digital era. Liberty General Insurance has a comprehensive bouquet of insurance products that distinguishes itself from the existing gamut of motor insurance products in the market.
<https://www.thehindubusinessline.com/money-and-banking/phonepe-onboards-liberty-general-insurance-to-offer-motor-insurance/article37379718.ece>
- **HFCs’ AUM to grow 8-10 per cent in FY22 against 6 per cent in FY21: ICRA:** Housing Finance Companies’ (HFCs) growth is expected to pick up in the rest of FY2022 despite headwinds in the first quarter (Q1) of FY2022, but weak asset quality is likely to keep their profitability subdued, according to ICRA. The credit rating agency estimated that HFCs’ portfolio is likely to grow by 8-10 per cent in FY2022 against 6 per cent in FY2021.



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<https://www.thehindubusinessline.com/money-and-banking/hfcs-aum-to-grow-8-10-per-cent-in-fy22-against-6-per-cent-in-fy21-icra/article37377650.ece>

- **Credit card spends seen to be rising sharply in Oct, Nov:** Credit card spends are seen to have risen sharply in October and the first week of November on the back of festive spends. "Credit card spends have grown 34 per cent quarter-on-quarter in the second quarter of 2021-22 and trends of October and November first week remain very strong," said a report by ICICI Securities. October 2021 is likely to be 15-18 per cent better than September 2021 and the run rate for the first week of November has been better than October 2021, it further said.
<https://www.thehindubusinessline.com/money-and-banking/credit-card-spends-seen-to-be-rising-sharply-in-oct-nov/article37377438.ece>
- **SBI Card to raise Rs 2,000 cr by issuing bonds on private placement basis:** SBI Cards and Payment Services (SBI Card) on Monday said it will raise Rs 2,000 crore by issuing bonds on a private placement basis. "The board of directors of the company has approved, raising of funds by way of issuance of non-convertible debentures (NCDs), aggregating to Rs 2,000 crore," SBI Card said in a regulatory filing.
https://www.business-standard.com/article/finance/sbi-card-to-raise-rs-2-000-cr-by-issuing-bonds-private-placement-basis-121110801156_1.html
- **Reserve Bank's new current account rules put bankers, customers in a spot:** After two extensions and revisions, the Reserve Bank of India's (RBI's) new norms on current account opening have once again left bankers and customers confused as many banks have already complied with the earlier deadline of 31 October, according to bankers. RBI's original guidelines had asked banks not to open current accounts for borrowers with little or no loan exposure. This led to banks closing many accounts especially those with exposure below ₹5 crore or freezing the accounts. However, under the new guidelines released last week, RBI has removed these restrictions and allowed banks to open current accounts with any borrower, where the exposure of the banking system is less than ₹5 crore.
<https://www.livemint.com/industry/banking/reserve-bank-s-new-current-account-rules-put-bankers-customers-in-a-spot-11636312183287.html>
- **Japan's SoftBank sinks into losses over China investments:** SoftBank Group Corp. sank into red ink for the July-September period, dragged down by losses on its investments in China, the Japanese technology conglomerate said Monday. SoftBank reported a 397.9 billion yen (USD 3.5 billion) loss for the fiscal second quarter, compared to a 627 billion yen profit recorded the same period the previous year.
<https://www.financialexpress.com/industry/banking-finance/japans-softbank-sinks-into-losses-over-china-investments/2364987/>
- **RBI imposes curbs on Babaji Date Mahila Sahakari Bank; caps withdrawals at Rs 5,000:** The RBI on Monday imposed several restrictions on Maharashtra-based Babaji Date Mahila Sahakari Bank, including capping withdrawals at Rs 5,000 for customers, amid deterioration in the lender's financial position. The restrictions under the Banking Regulation Act 1949, will remain in force for six months



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from the close of business on November 8, 2021, and are subject to review, the Reserve Bank of India (RBI) said in a statement.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-imposes-curbs-on-babaji-date-mahila-sahakari-bank-caps-withdrawals-at-rs-5000/articleshow/87591414.cms>

- **IndusInd Bank denies whistle-blower allegations, share price still dips 12%:** IndusInd Bank share price declined 12.3 percent to Rs 1,042.10 in the early trade on November 8 following whistleblower allegations of loan evergreening. The private lender has denied the accusations.
<https://www.moneycontrol.com/news/business/stocks/indusind-bank-denies-whistle-blower-allegations-share-price-still-dips-12-7688811.html>
- **Amazon Pay India receives Rs 1,000 crore funding from parent company:** Amazon's payments processing arm in India, Amazon Pay India, has received Rs 1,000 crore funding from its holding company Amazon Corporate Holdings. A regulatory filing by Amazon Pay India said that Singapore-based Amazon Corporate Holdings has been allotted 100 crore shares of Rs 10 each. The overall funding also includes a nominal investment coming from Amazon.com.incs which is based out of Mauritius.
<https://www.moneycontrol.com/news/business/amazon-pay-india-receives-rs-1000-crore-funding-from-parent-company-7691101.html>
- **UPI leaders PhonePe, Google Pay and Paytm see record transactions in October:** In what was a record-breaking month for Unified Payments Interface (UPI) transactions, market leaders PhonePe, Google Pay and Paytm Payments Bank, all clocked in all-time-high transactions and transaction values. Overall October saw the total value of transactions at Rs 7.71 lakh crore and 421 crore transactions executed in the month, both at all-time highs. Of that, PhonePe reported 193 crore transactions, up 19 percent from 165 crore in September. The value of transactions on PhonePe grew to Rs 3.65 lakh crore from Rs 3.06 lakh crore in September. The digital payments company maintained its 47 percent market share in monthly UPI transactions and 45 percent share in the overall value of transactions. Google Pay saw 145 crore transactions in October valued at Rs 2.87 lakh crore, a month-on-month (MoM) rise of 12 percent in transactions and 15 percent in transacted values. Google Pay's volume market share too remained stable for the month at 34 percent and value market share at 37 percent.
<https://www.moneycontrol.com/news/business/upi-leaders-phonepe-google-pay-and-paytm-see-record-transactions-in-october-7691531.html>
- **ESAF join hands with NABARD for local economic development in Kerala;** ESAF Small Finance Bank has launched State Level Local Sustainable Economic Development Training Programme in Kerala in collaboration with NABARD. Initially, this project will benefit 300 panchayats across Kerala, the Bank said, adding that it was aimed at bringing financial empowerment and economic independence at the local level.
https://www.business-standard.com/article/companies/esaf-join-hands-with-nabard-for-local-economic-development-in-kerala-121110801788_1.html



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- **CDSL undermining the data exposure issue: Himanshu Pathak:** Central Depository Services Ltd is undermining the vulnerability in its subsidiary, CDSL Ventures Ltd, which has allegedly exposed personal and financial data of over 4 crore Indian investors twice in a period of 10 days, according to start-up CyberX9. Himanshu Pathak, Managing Director, CyberX9 told BusinessLine, "The KYC data gathered is from 2005 till date. CDSL is just trying to undermine the issue. We contacted CERT-In, NCIIPC, National Cyber Coordination Centre and all of these bodies confirmed in the email that CDSL is responsible for the managing repository, but CDSL argued with us that the vulnerability was with CVL." <https://www.thehindubusinessline.com/markets/stock-markets/cdsl-undermining-the-data-exposure-issue-himanshu-pathak/article37379449.ece>
- **Sensex ends 478 points higher, Nifty above 18,000:** After hitting a low of 59,779.19, the BSE Sensex recovered sharply to close at 60,545.61, up 477.99 points or 0.80 per cent. It recorded an intraday high of 60,609.16 and a low of 59,779.19. The Nifty 50 closed at 18,068.55, up 151.75 points or 0.85 per cent. It hit an intraday high of 18,087.80 and a low of 17,836.10. Titan, IOC, Bajaj Finserv, Ultratech Cement and Tech Mahindra were the top gainers on the Nifty 50 while IndusInd Bank, Divi's Lab, Mahindra & Mahindra, State Bank of India and Hindalco were the top laggards. <https://www.thehindubusinessline.com/markets/stock-markets/sensex-ends-478-points-higher-nifty-above-18000/article37379482.ece>
- **Rupee sprints up 43 paise to close at 74.03 against US dollar:** The rupee spurted by 43 paise to close at a more than one-month high of 74.03 against the US dollar on Monday as positive domestic equities and a dovish outlook from the US Federal Reserve helped the local unit extend its winning run for a sixth straight session. At the interbank forex market, the domestic unit opened at 74.25 against the greenback and witnessed an intra-day high of 73.98 and a low of 74.25 during the day's trade. It finally ended at 74.03 a dollar, the highest closing level since September 27. <https://www.thehindubusinessline.com/money-and-banking/rupee-surges-27-paise-to-7419-against-us-dollar-in-early-trade/article37376246.ece>

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