



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

September 10, 2021

- **Festival season offer: Kotak Mahindra Bank reduces home loan rates by 15 bps to 6.5%** : With the festival season starting, Kotak Mahindra Bank on Thursday announced a 15 basis point reduction in home loan rates from 6.65 per cent to 6.5 per cent. “This special rate of 6.50 per cent per annum is a limited period festive season offer beginning September 10 and ending November 8, 2021. With this, Kotak Mahindra Bank continues to offer one of the most competitive rates in the home loan industry,” it said in a statement.
<https://www.thehindubusinessline.com/money-and-banking/festival-season-offer-kotak-mahindra-bank-reduces-home-loan-rates-by-15-bps-to-65/article36377526.ece>
- **Banks urge RBI to relax rules on ATM cash-outs:** Banks have requested the Reserve Bank of India to give relaxation on its recent guidelines on ATM cash replenishment whereby the regulator put in place a mechanism to penalise lenders for delay in refilling cash in teller machines. Banks have submitted that constantly replenishing ATMs in rural geographies will require significantly higher investments, making the business unviable. “Representations have been made to the regulator to relax some rules on cash-outs and down time,” an industry insider said.
<https://economictimes.indiatimes.com/markets/stocks/news/banks-urge-rbi-to-relax-rules-on-atm-cash-outs/articleshow/86049808.cms#:~:text=Banks%20have%20requested%20the%20Reserve,refilling%20cash%20in%20teller%20machines.>
- **Auto debit payment failures ease in August, shows NPCI data:** Auto debit payment bounces decreased further in August, but only just, indicating a gradual return to normalcy after the second wave of the pandemic. Data released by the National Payments Corporation of India (NPCI) shows that of the 87.68 million transactions initiated in August, 32.98 per cent or 28.92 million transactions failed. In value terms, 26.82 per cent of the transactions were declined in August, the lowest since the pandemic’s outbreak.
https://www.business-standard.com/article/finance/auto-debit-payment-failures-ease-in-august-shows-npci-data-121090900013_1.html
- **ADB and GoI sign \$300 million additional financing for Maharashtra Rural Connectivity Improvement Project:** The Asian Development Bank (ADB) and the Government of India today signed a \$300 million loan as additional financing to scale up improvement of rural connectivity in the state of Maharashtra. The additional financing for the ongoing Maharashtra Rural Connectivity Improvement Project will help improve an additional 1,100 rural roads and 230 bridges for a total length of 2,900 kilometers (km) in 34 districts. “The ongoing project with \$200 million financing, approved in August 2019, is already improving and maintaining the condition and safety of 2,100 km of rural roads across Maharashtra,” said government in a release.



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<https://economictimes.indiatimes.com/industry/banking/finance/banking/adb-and-goi-sign-300-million-additional-financing-for-maharashtra-rural-connectivity-improvement-project/articleshow/86043262.cms?from=mdr>

- **Banks use personal insolvency to chase dues from guarantors:** Banks have taken the initiative to implement personal insolvency against defaulting promoters buoyed by the Supreme Court's endorsement of the law in May. The latest data released by the Insolvency and Bankruptcy Board of India (IBBI) show that 56 new cases were filed in the first quarter ended June, almost half of the total 128 cases filed in the whole of fiscal 2021, as banks stepped up their recovery efforts from personal guarantors.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-use-personal-insolvency-to-chase-dues-from-guarantors/articleshow/86049486.cms?from=mdr>
- **Indian banks bounce rates lowest since Covid began:** In signs that the asset quality situation of Indian banks is turning for the better, the bounce rates at the end of last month have been the lowest since the pandemic began. Bounce rates tracked by NPCIs e-NACH platform came in at 33.0% and 26.8% by volume and value respectively for the month of August. In July these figures were at 33.2% and 27.4% by volume and value. This was down from a high of 35.9% and 30.7% in volume and value, registered in the month of May.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/indian-banks-bounce-rates-lowest-in-covid-pandemic-period/articleshow/86062038.cms#:~:text=In%20signs%20that%20the%20asset,for%20the%20month%20of%20August.>
- **Bitcoin may hit \$100,000 by early next year: Standard Chartered:** A new cryptocurrency research team at Standard Chartered has predicted bitcoin will double in value and hit \$100,000 by early next year and that it could be worth as much as \$175,000 longer-term. The bank also said it "structurally" valued Ethereum, the second-most traded crypto asset, at \$26,000-\$35,000 although to reach that level bitcoin would have to be near \$175,000. "As a medium of exchange, bitcoin may become the dominant peer-to-peer payment method for the global unbanked in a future cashless world," Standard Chartered's new crypto research unit headed by Geoffrey Kendrick who is also the global head of its emerging market currency research said in a note sent to clients on Tuesday.
<https://economictimes.indiatimes.com/markets/cryptocurrency/bitcoin-may-100000-by-early-next-year-standard-chartered/articleshow/86061084.cms>
- **Supreme Court stays NCDRC order on payment of Rs 30 lakh by HDFC bank to customer:** The Supreme Court on Thursday stayed the decision of National Consumer Dispute Redressal Commission (NCDRC) upholding an order of state consumer forum directing the HDFC Bank for payment of Rs 30 lakh to a man, who had claimed that the amount was fraudulently withdrawn from his account. A bench of Justices DY Chandrachud, Vikram Nath and Hima Kohli said that there shall be stay on the orders of NCDRC and State Consumer Disputes Redressal Commission, Punjab and sought reply from the man, who has filed the complaint alleging fraud. Senior advocate Meenakshi Arora, appearing for



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the HDFC bank, said that the man had opened his account with the bank and he was given a net banking facility with the kit provided to him.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/supreme-court-stays-ncdrc-order-on-payment-of-rs-30-lakh-by-hdfc-bank-to-customer/articleshow/86070021.cms?from=mdr>

- **RBI develops escalation matrix for redressal of complaints of SGB investors:** The Reserve Bank of India (RBI) has drawn up an escalation matrix for redressal of customer complaints of investors of Sovereign Gold Bond (SGB). The central bank said nodal officer/s of the Receiving Office (RO), which include public sector banks and some private sector banks, will be the first point of contact for attending to the queries/complaints of their customers.
<https://www.thehindubusinessline.com/money-and-banking/rbi-develops-escalation-matrix-for-redressal-of-complaints-of-sgb-investors/article36387961.ece>
- **Axis Bank lists \$600 million Sustainable \$AT1 notes on India INX and NSE IFSC at GIFT City:** Axis Bank on Thursday announced the listing of its \$600 million Sustainable Additional Tier 1(AT1) notes on India INX and NSE IFSC exchanges. “The AT1 notes are now being listed on Singapore, London and India INX and NSE IFSC exchanges,” it said in a statement.
<https://www.thehindubusinessline.com/money-and-banking/axis-bank-lists-600-million-sustainable-at1-notes-on-india-inx-and-nse-ifsc-at-gift-city/article36380643.ece>
- **LIC Housing Fin raises over Rs 2,335 cr by issuing preference shares to LIC:** LIC Housing Finance on Thursday said it has allotted over 4.5 crore preference shares to promoter LIC for over Rs 2,335.5 crore. The company has allotted 4,54,00,000 equity shares on a preferential basis to Life Insurance Corporation of India (LIC), the housing finance firm said in a regulatory filing. LIC has subscribed the shares for Rs 23,35,51,22,000, it added. The shares were allotted at Rs 514.43 per piece on September 8, 2021, it added. Shares of LIC Housing Finance closed flat at Rs 418.50 a piece on BSE.
<https://economictimes.indiatimes.com/markets/stocks/news/lic-housing-fin-raises-over-rs-2335-cr-by-issuing-preference-shares-to-lic/articleshow/86081383.cms>
- **Securitisation volumes to jump 50% to Rs 1.3 trillion in FY22: Report :** Domestic ratings agency Icra on Thursday said domestic securitisation volumes are expected to be higher in the second half of the fiscal, which will result in a 40 per cent jump in overall volumes to Rs 1.3 lakh crore in FY22. Monthly collection efficiency across asset classes improved materially from the lows of May 2021, the agency said, adding that incremental repayments overdue for over 90 days have also declined across asset classes.
https://www.business-standard.com/article/finance/securitisation-volumes-to-jump-50-to-rs-1-3-trillion-in-fy22-report-121090901387_1.html
- **Ujjivan Financial Services appoints Sanjeev Barnwal as CEO:** Ujjivan Financial Services Ltd, the holding company of Ujjivan Small Finance Bank on Thursday appointed its company secretary Sanjeev Barnwal as the chief executive, effective 10 September. This move comes after its erstwhile head Carol Furtado took up the role of the officer on special duty at Ujjivan Small Finance Bank. Furtado was tasked with



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managing day-to-day operations of the bank from 26 August till outgoing CEO Nitin Chugh is in office. After that she will take charge as the interim CEO, subject to approval from the Reserve Bank of India (RBI). Chugh resigned last month citing personal reasons.

<https://www.livemint.com/industry/banking/ujjivan-financial-services-appoints-sanjeev-barnwal-as-ceo-11631194223094.html>

- **South Indian Bank launches credit card with fintech company OneCard:** South Indian Bank (SIB), in association with fintech company OneCard, launched its credit card SIB – OneCard on Wednesday. The internationally valid credit card on the Visa Signature platform can be fully controlled through the powerful OneCard app. “Digital banking being one of the focus areas for South Indian Bank, this next generation credit card is the best product to offer to India’s young population. More tie-ups with fintech companies are on the anvil and we are happy to associate with OneCard to launch a truly next generation credit card”, said Murali Ramakrishnan, MD & CEO of South Indian Bank.
<https://www.financialexpress.com/industry/banking-finance/south-indian-bank-launches-credit-card-with-fintech-company-onecard/2326745/>
- **Govt to immediately release Rs 56,000 crore of pending tax refund dues to exporters:** The government on September 9 said that its is ready to immediately release Rs 56,000 crore worth of pending tax refund dues to exporters. Commerce and Industry Minister Piyush Goyal said that Rs 56,000 crore has been allocated by the government to be paid to exporters. This includes pending dues from previous years and this year.
<https://www.moneycontrol.com/news/business/economy/govt-to-immediately-release-rs-56000-crore-worth-of-pending-tax-refund-dues-to-exporters-7449421.html>
- **Current NPA levels look manageable, says RBI Governor Shaktikanta Das:** Reserve Bank of India (RBI) Governor Shaktikanta Das on 9 September said the current levels of non-performing assets (NPA) looks manageable. A loan becomes NPA if there is no repayment of interest or principal for a period of 90 days. At the end of June, the gross NPA level of the banking system was 7.5 per cent and the capital adequacy level was around 16 per cent, which gives an adequate cushion, Das said at an event.
<https://www.moneycontrol.com/news/business/current-npa-levels-look-manageable-says-rbi-governor-shaktikanta-das-7450451.html>
- **Govt launches drive to on-board 8.68 lakh street vendors for digital payments:** The IT ministry along with the housing and urban affairs is launching a special drive in 223 cities to on-board more than 8 lakh street vendors to start accepting and making digital payments. The drive has been launched under PM SVANidhi scheme.
<https://www.moneycontrol.com/news/business/govt-launches-drive-to-on-board-8-68-lakh-street-vendors-for-digital-payments-7451071.html>
- **UCO Bank shares spike 16% after RBI lifts PCA restrictions, but experts say avoid:** UCO Bank shares saw strong buying demand, rising as much as 15.9 percent on September 9 after the Reserve Bank of India lifted Prompt Corrective Action (PCA) restrictions on the bank. The stock was trading at Rs 14.17 on the BSE, rising 10.62 percent with a market capitalisation of Rs 16,941.59 crore at 12:50 hours IST.



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"The performance of the UCO Bank was reviewed by the Board for Financial Supervision under the RBI. As per published results for the year ended March 31, 2021, the bank is not in the breach of the PCA parameters," said the RBI in its press release published on September 8.

<https://www.moneycontrol.com/news/business/markets/uco-bank-shares-spike-16-after-rbi-lifts-pca-restrictions-but-experts-say-avoid-7448721.html>

- **Sensex, Nifty trade flat, dragged by financials, pharma and consumer durables:** At 1 pm, the BSE Sensex was trading at 58,168.11, down 82.15 points or 0.14 per cent. It hit an intraday high of 58,314.49 and a low of 58,084.99. The Nifty 50 was trading near its intraday high of 17,369.15 at 17,326.30, down 27.20 points or 0.16 per cent. It hit an intraday low of 17,302.70. ONGC, Nestle India, Tata Motors, Bharti Airtel and ITC were the top gainers on the Nifty 50 while SBI Life, Axis Bank, Ultratech Cement, Divi's Lab and Titan were the top laggards.

<https://www.thehindubusinessline.com/markets/stock-markets/sensex-nifty-trade-flat-dragged-by-financials-pharma-and-consumer-durables/article36376685.ece>

- **Rupee recovers 10 paise to end at 73.50:** The rupee snapped its three-day losing streak to close 10 paise higher at 73.50 against the US dollar on Thursday following recovery in the domestic equities and losses in the dollar in overseas markets ahead of the European Central Bank's policy meeting. After opening lower at 73.77, the rupee had dropped to a low of 73.85 in day trade due to higher oil prices.

<https://www.thehindubusinessline.com/markets/forex/rupee-plunges-25-paise-to-7385-against-us-dollar/article36375274.ece>

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