



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

November 10, 2021

- **Indian Bank launches video KYC facility enabled by VCIP technology:** Public sector Indian Bank on Tuesday said it has launched the Video KYC (know your customer) facility, which allows an applicant to open an account from anywhere by incorporating its Video-Based Customer Identification Process (VCIP) technology, on its web-based platforms. To begin with, Indian Bank, in a statement said the initiative would dispense with the need for a personal visit to any branch of the bank to complete the physical verification process in place, currently. The Video KYC facility, developed in conjunction with Geom Business Solutions, further simplifies the subsequent steps and would deliver the cheque book and ATM card to the registered address of a customer.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/indian-bank-launches-video-kyc-facility-enabled-by-vcip-technology/articleshow/87605982.cms>
- **States with more Jan Dhan accounts see crime rate fall: SBI:** Crime rate and consumption of intoxicants such as alcohol and tobacco products have declined in states where more Jan Dhan accounts have been opened, the country's largest bank State Bank of India has said in a research report. "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 expenditure such as alcohol and tobacco expenses in rural areas," it said. Estimated results indicate that rise in the number of Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts and balance in these accounts lead to a significant fall in crime, it said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/states-with-more-jan-dhan-accounts-see-crime-rate-fall-sbi/articleshow/87593034.cms>
- **ICICI, Axis, SBI and PNB report sharp rise in bad loan recoveries:** ICICI Bank, Axis Bank, State Bank of India and Punjab National Bank (PNB) have all reported a sharp rise in bad loan recoveries in the second quarter, largely due to improvement in retail collections that had fallen sharply in the first quarter through the second wave of Covid 19. Bankers and analysts said the improvement in recoveries is another indicator of improving consumer sentiment and is a start of better asset quality for banks in the immediate future. "Two things have happened in the last quarter - one is that recoveries from large corporate bad loans are catching up like we saw with the completion of the DHFL resolution," said Rajiv Anand, deputy managing director at Axis Bank. "Two, retail payments that were hit due to the Covid second wave have caught up as economic activity has revived and customers have started making payments."



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<https://economictimes.indiatimes.com/industry/banking/finance/banking/icici-axis-sbi-and-pnb-report-sharp-rise-in-bad-loan-recoveries/articleshow/87595371.cms>

- **Focus of RBI's PCA framework has shifted to capital, asset quality: Care Ratings:** The focus of Reserve Bank of India's (RBI) prompt corrective action (PCA) framework has shifted to capital, asset quality and leverage, Care Ratings said in a note. "Additionally, recently banks which had moved out of the PCA framework based on RBI's assessment were either not profitable when the restrictions were lifted or had higher than allowed non-performing asset (NPA) level. RBI has addressed this issue in the revised framework by introducing a structured exit policy and removing the profitability parameter," it said.
<https://www.livemint.com/industry/banking/focus-of-rbi-s-pca-framework-has-shifted-to-capital-asset-quality-care-ratings-11636453821361.html>
- **Ujjivan SFB tumbles 4% as asset quality woes take a toll on Q2 nos:** Shares of Ujjivan Small Finance Bank fell as much as 4 per cent Tuesday's trade as the private sector lender posted an on-year net loss of Rs 274 crore in the July-September period, primarily because of increased provisioning for bad loans. The counter touched a low of Rs 165 versus the previous close of Rs 170.90 on the National Stock Exchange. In the same period a year ago, Ujjivan had reported a net profit of Rs 96 crore. On a sequential basis, however, the beleaguered lender's net loss climbed from Rs 233 crores in April-June, an exchange filing showed. For the quarter under review, net interest income plummeted to Rs 391 crore from Rs 470 crore a year ago.
<https://economictimes.indiatimes.com/markets/stocks/news/ujjivan-sfb-tumbles-4-as-asset-quality-woes-take-a-toll-on-q2-nos/articleshow/87599796.cms>
- **RBI to hold its first-ever hackathon, HARBINGER 2021, on payments system:** The Reserve Bank of India (RBI) will be organising its first global hackathon on the theme of digital payments, it said in a statement on Tuesday. "HARBINGER 2021–Innovation for Transformation" with the theme 'Smarter Digital Payments' will see participants identify and develop solutions "that have the potential to make digital payments accessible to the underserved, enhance the ease of payments and user experience, while strengthening the security of digital payments and promoting customer protection," the central bank said in its statement. The hackathon is now inviting innovative ideas in the payment and settlement system, registration for which can be done till November 15.
https://www.business-standard.com/article/finance/rbi-to-hold-its-first-ever-hackathon-harbinger-2021-on-payments-system-121110901655_1.html
- **HSBC exceeds China wealth hiring targets, explores India private banking re-entry:** HSBC Holdings is ahead of its hiring targets for its Chinese retail wealth management business and is exploring re-entering India's private banking business, senior executives said, as part of its



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plan to make Asia and wealth key pillars of growth. Under a strategy spearheaded by Group CEO Noel Quinn, HSBC is ploughing \$3.5 billion into its wealth and personal banking business, in line with its ambition to become Asia's top wealth manager by 2025. "We are the leading international bank in China, so we want to squeeze that opportunity," said CEO of Wealth and Personal Banking Nuno Matos, one of four top executives moving to Hong Kong from London this year as part of the bank's regional pivot.

<https://timesofindia.indiatimes.com/business/india-business/hsbc-exceeds-china-wealth-hiring-targets-explores-india-private-banking-re-entry/articleshow/87603632.cms#:~:text=SINGAPORE%3A%20HSBC%20Holdings%20Plc%20is,wealth%20key%20pillars%20of%20growth.>

- **Crypto market value tops \$3 trillion for first time:** The world cryptocurrency market is worth more than \$3 trillion for the first time, according to calculations Monday, as mainstream investors increasingly jump on board. The value has reached \$3.007 trillion (2.6 trillion euros), said CoinGecko, which tracks prices of more than 10,000 cryptocurrencies. "The crypto market is growing at a mind-blowing speed," noted SwissQuote analyst Ipek Ozkardeskaya. "A part of it is speculation of course, but a part of it is real," she told AFP. "Crypto is now making its way to traditional finance and everyone is on board."
<https://economictimes.indiatimes.com/industry/banking/finance/banking/crypto-market-value-tops-3-trillion-for-first-time/articleshow/87593039.cms>
- **Enforcement Directorate attaches Rs 61.38-crore assets of Bhushan Steel:** Assets worth Rs 61.38 crore have been attached under the anti-money laundering law in a probe against Bhushan Steel Limited and Bhushan Energy Limited, the Enforcement Directorate (ED) said on Tuesday. The federal investigation agency issued a provisional order under the Prevention of Money Laundering Act (PMLA) to attach the properties. "The attached assets consist of agricultural land in Raigad, Maharashtra, warehouses in entities under the control of erstwhile promoters of BSL (Bhushan Steel Limited)," it said in a statement.
<https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/enforcement-directorate-attaches-rs-61-38-crore-assets-of-bhushan-steel/articleshow/87605899.cms>
- **RBI lifts biz sanctions imposed on Diners Club:** The Reserve Bank of India on Tuesday lifted the ban imposed on Diners Club International in April from onboarding new customers for flouting data storage norms. The banking regulator noted that the ban was being lifted after Diners was found to have complied with the stipulated rules. "In view of the satisfactory compliance demonstrated by Diners Club International Ltd. with the Reserve Bank of India (RBI) circular dated April 6, 2018 on Storage of Payment System Data, the restrictions imposed, vide order dated April 23, 2021, on on-boarding of fresh domestic customers have been lifted with immediate effect," the regulator said in a statement.



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<https://economictimes.indiatimes.com/industry/banking/finance/rbi-lifts-biz-sanctions-imposed-on-diners-club/articleshow/87606312.cms>

- **IDFC Ltd registers ₹262.55 cr consolidated net profit in Q2:** IDFC Ltd reported a turnaround performance, posting ₹262.55 crore consolidated net profit in the second quarter against a loss of ₹146.68 crore in the year-ago period. The profitability was buoyed as the company received ₹200 crore as its share of profit from its associates and joint ventures. The company had incurred a loss of ₹169 crore under this head in the year-ago period. The consolidated profit before tax was higher at ₹84.57 crore (₹35.84 crore in the year-ago period). IDFC Ltd is an investing company of the IDFC group. The company has its investments in subsidiaries and associates of the group.
<https://www.thehindubusinessline.com/money-and-banking/idfc-ltd-registers-26255-cr-consolidated-net-profit-in-q2/article37396160.ece>
- **Banks, ATM operators seek RBI to review penalty scheme for dry ATMs :** Banks and ATM operators are hopeful that the Reserve Bank of India (RBI) will soon review the penalty on ATMs that have run out of cash but many are on a wait-and-watch mode on the expansion of their ATM networks. “With the penalty in place, it makes more sense to have ATMs on-site along with bank branches than to keep them off-site. This would ensure that the ATMs can be serviced easily and frequently,” noted a senior bank executive. “We are hopeful that there will be some relief. Otherwise, the penalty could also impact expansion into semi-urban and rural areas as there are often logistical challenges in loading cash,” noted another banker.
<https://www.thehindubusinessline.com/money-and-banking/banks-atm-operators-seek-rbi-to-review-penalty-scheme-for-dry-atms/article37393341.ece>
- **CRED targets ₹100-crore ESOP buyback this year:** Fintech unicorn CRED has announced that the cumulative ESOP buyback under its ‘accelerated wealth programme’ will be upto ₹100 crore this year. All the CRED team members who have vested options as of October 31, 2021, will be eligible to participate in the buyback event and sell a portion of their vested shares. CRED’s accelerated wealth programme was launched in August as an additional revenue stream for its team members.
<https://www.thehindubusinessline.com/money-and-banking/cred-targets-100-crore-esop-buyback-this-year/article37391422.ece>
- **Ex-SBI chief Pratip Chaudhuri gets bail in loan scam case:** Former SBI chairman Pratip Chaudhuri, who was arrested in a loan scam case, was granted bail on Tuesday, according to The Print. He was arrested on October 31 from his Delhi home by the Jaisalmer police for his alleged role in crippled ₹200 crore Garh Rajwada hotel project in the city which was sold for ₹25 crore to Alchemist ARC in March 2014. The project was financed by the bank in 2007.



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Chaudhuri has been a director on the board of the ARC since his retirement in September 2013.

<https://www.livemint.com/industry/banking/exsbi-chief-pratip-chaudhuri-gets-bail-in-loan-scam-case-11636457699059.html>

- **Quarterly Results: Sundaram Finance Q2 net up 10%:** Sundaram Finance (SFL) on Monday reported a net profit of Rs 211 crore for the second quarter of FY22, compared with Rs 192 crore in the corresponding quarter of last fiscal, recording a growth of around 10%. Total income of the Chennai-based company grew 3% to Rs 1,025 crore, against Rs 998 crore. SFL in a statement said the second quarter witnessed recovery across most macro-economic indicators. Disbursements for the quarter recorded a growth of 14% to Rs 3,621 crore, compared to Rs 3,174 crore in Q2 FY21.
<https://www.financialexpress.com/industry/banking-finance/sundaram-finance-q2-net-up-10/2365228/>
- **HDFC to raise Rs 3,000 crore via bonds:** Housing Development Finance Corporation (HDFC) on Tuesday said it will raise Rs 3,000 crore by issuing bonds on a private placement basis. The issue for the secured redeemable non-convertible debentures (NCDs), bearing a coupon rate of 7.10 per cent per annum, will open for subscription on November 11, 2021, and close on the same day. The object of the issue is to augment the long-term resources of the corporation. The proceeds of the present issue would be utilised for financing/refinancing the housing finance business requirements of the corporation, HDFC said in a regulatory filing.
<https://www.moneycontrol.com/news/business/hdfc-to-raise-rs-3000-crore-via-bonds-2-7698861.html>
- **RBI imposes monetary penalty on The Nakodar Hindu Urban Co-operative Bank:** Reserve Bank of India (RBI) on November 9 imposed a monetary penalty of rupees five lakh on The Nakodar Hindu Urban Co-operative Bank for non-compliance with certain directions. The violation is related to rules on income recognition, asset classification, provisioning and other related matters, the RBI said. This action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers, the RBI said.
<https://www.moneycontrol.com/news/business/rbi-imposes-monetary-penalty-on-the-nakodar-hindu-urban-co-operative-bank-7696641.html>
- **WhatsApp UPI transactions see steady uptick in September, October after renewed push:** In September this year, WhatsApp said it is doubling down on growing its payment service in India. Its renewed efforts to boost its payment play seem to be paying off as its transactions on the Unified Payments Interface (UPI) platform are seeing an uptick, a year after it went live. As per data from the National Payments Corporation of India (NPCI) for October,



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WhatsApp saw 26 lakh transactions, amounting to Rs 104 crore. This increase is more than two-fold from the 10 lakh transactions in September. October transaction values saw a month-on-month growth of 67 percent from Rs 62 crore in September.

<https://www.moneycontrol.com/news/business/whatsapp-upi-transactions-see-steady-uptick-in-september-october-after-renewed-push-7695061.html>

- **Rupee trims early gains; settles almost flat at 74.02 against US dollar:** The rupee pared initial gains to settle marginally up by 1 paisa at 74.02 against the US dollar on Tuesday amid a lacklustre trend in domestic equities. At the interbank forex market, the domestic unit opened strong at 73.92 but erased early gains to finally close at 74.02, up 1 paisa from its previous closing of 74.03.

<https://www.thehindubusinessline.com/markets/forex/rupee-trims-early-gains-settles-almost-flat-at-7402-against-us-dollar/article37399561.ece>

- **Sensex rises over 100 pts in early trade; Nifty tops 18,100:** After opening on a choppy note, the 30-share index was trading 118.07 points or 0.20 per cent higher at 60,663.68 in initial deals. Similarly, the Nifty rose 36.45 points or 0.20 per cent to 18,105 amid high volatility. M&M was the top gainer in the Sensex pack, rising over 2 per cent, followed by IndusInd Bank, Bajaj Auto, L&T and TCS. On the other hand, Nestle India, HDFC Bank, PowerGrid, HDFC and Asian Paints were among the laggards..

<https://timesofindia.indiatimes.com/business/markets/sensex/sensex-rises-over-100-points-in-early-trade-nifty-tops-18100/articleshow/87598198.cms>

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