



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

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- **5 lenders including HDFC Bank, Kotak in race for Citi India’s retail business:** Four top local lenders, including HDFC Bank and Kotak Mahindra Bank, and the Singapore-based DBS Bank have emerged as the top five contenders to take over Citi India’s estimated \$2-billion retail business, highlighting the competitive intensity for a portfolio built around credit cards, mortgages, wealth management and deposits. Two top banking sources told ET that Axis Bank and IndusInd Bank are also in contention, and the shortlist could soon be pruned to three from five. They said Kotak Mahindra Bank, HDFC Bank and DBS Bank are considered favourites to grab the franchise.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/5-lenders-in-race-for-citi-indias-retail-business/articleshow/85195753.cms>
- **ATM installed in Meghalaya hospital where inventor was born in 1925:** A hospital in Meghalaya, where ATM inventor John Adrian Shepherd-Barron was born in 1925, has got an automated teller machine after 53 years of the first installation of such cash dispenser globally, an official of the health facility said on Tuesday. The ATM was installed at Dr H Gordon Roberts Hospital, which will turn 100 next year, he said. "The teller machine was installed on August 7 after a petition was submitted to State Bank of India for setting up an ATM on the premises before the centennial celebrations of our facility next year," Medical Superintendent of the hospital Dr Roken Nongrum told. The access to an ATM in the facility will help patient parties and staffers immensely, he said. "We are grateful to the bank authorities for considering our request. The ATM is special as the inventor of automated teller machine was born in this hospital 96 years ago," Nongrum said.
<https://www.hindustantimes.com/india-news/atm-installed-in-meghalaya-hospital-where-inventor-was-born-in-1925-101628652660175.html>
- **RBI to impose penalties on banks for failing to ensure cash availability at ATMs :** The Reserve Bank of India has proposed penalties for banks and White Label ATM operators if their ATMs are found to be lying without replenishment for more than ten hours to ensure customers and not inconvenienced. The regulator also directed banks and White Label ATM Operators to ensure minimum duration of cash outs in ATMs. "It has been decided that the banks and White Label ATM Operators (WLAOs) shall strengthen their systems and mechanisms to monitor availability of cash in ATMs and ensure timely replenishment to avoid cash-outs," the RBI said on Tuesday. "Any non-compliance in this regard shall be viewed seriously and shall attract monetary penalty." Cash-out at any ATM of more than ten hours in a month will attract a flat penalty of Rs. 10,000 per ATM. In case of White Label ATMs, the penalty would be charged to the bank which is meeting the cash requirement of that particular WLA. The new norms are effective from October 01, 2021.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-to-impose-penalties-on-banks-for-failing-to-ensure-cash-availability-at-atms/articleshow/85211385.cms>



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- **Bharat ATM to add 20 lakh outlets by 2022-end to offer banking services to rural area:** Bharat ATM, a rural banking platform that offers banking services to small merchants and customers through its assisted banking app, on Tuesday said it plans to bring around 20 lakh outlets in its fold by the end of the next year . Currently, it has on-boarded 4.5 lakh small merchants covering 14,645 PIN codes.The company has served over 20 lakh retail customers with their banking needs, Bharat ATM said in a statement. The app offers banking services, including account opening, deposits, remittances and cash withdrawals to rural masses in tie-up with local kirana stores, thereby eliminating the need to invest time and money travelling significant distances to the closest bank branch or ATM, it said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bharat-atm-to-add-20-lakh-outlets-by-2022-end-to-offer-banking-services-to-rural-area/articleshow/85207592.cms?from=mdr>
- **Neeraj Chopra roped in for RBI awareness campaign:** A public awareness campaign is being run by the Reserve Bank of India to warn people of digital banking frauds. The RBI has roped in Neeraj Chopra, Olympic gold medalist for this campaign. The RBI tweeted about this campaign, and asked people to be cautious when banking online. .Neeraj Chopra, in the video said, "RBI says not to share your OTP, CVV, ATM Pin with anyone, change your online banking passwords and pins from time to time and if you lose your ATM card, credit card then block it immediately". After winning the country a gold medal at the Tokyo Olympics 2020, Neeraj Chopra was warmly welcomed at the airport in Delhi. He brought home the first Olympic gold in athletics.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/neeraj-chopra-roped-in-for-rbi-awareness-campaign/articleshow/85204252.cms>
- **NBFC-MFIs gross loan portfolio may grow 10-15 pc in FY22: Report;** The gross loan portfolio of Non-Banking Finance Companies-Microfinance Institutions (NBFC-MFIs) is likely to grow at 10-15 per cent in the current fiscal, aided by an expected pick-up in disbursements, says a report. However, the Portfolio At Risk (PAR) of NBFC-MFIs may inch up to 5.5-6 per cent this fiscal from 5.40 per cent in the previous financial year, domestic rating agency Brickwork Ratings said in the report on Tuesday. The Gross Loan Portfolio (GLP) for NBFC-MFIs had grown only 11 per cent year-on-year in FY 2021. "The GLP for NBFC-MFIs in FY22, is expected to return to the growth path and register around 10-15 per cent growth due to a pick-up in disbursements owing to the expected recovery in economic activity, kickstarting of expansion plans that were halted due to the pandemic and increased need for credit among low-income segments," the rating agency said.
<https://bfsi.economictimes.indiatimes.com/amp/news/nbfc/nbfc-mfis-gross-loan-portfolio-may-grow-10-15-pc-in-fy22-report/85210009>
- **SIDBI launches 'Digital Prayaas' app for providing loans:** Small Industries Development Bank of India (SIDBI) has launched 'Digital Prayaas', an App based end to end digital lending platform, whereby loan sanction will be accorded to aspiring entrepreneurs from the bottom of the pyramid by the end of the day. Further, to cater to the aspiring youth in urban areas, SIDBI tied up with a major aggregator -- BigBasket -- to on board its delivery partners across the country and provide loans at an affordable interest rate for purchase of environment friendly e-Bikes and e-Vans. The onboarding of borrowers including e-KYC and sanction based on the credit score and analytics based on the algorithms will get



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done on an end-to-end basis digitally. The post sanction documentation including e-signing and e-stamping of the documents by the executants will also be done digitally through the App Debasish Panda, Secretary, Department of Financial Services, launched the two initiatives.

<https://www.thehindubusinessline.com/money-and-banking/sidbi-launches-digital-prayaas-app-for-providing-loans/article35840915.ece>

- **Max Financial Services net down 49% in Q1 sequentially:** Max Financial Services Limited (MFSL) on Tuesday reported a 49 per cent sequential decline in consolidated net profit for the first quarter ended June 30 at ₹36 crore as compared to net profit of ₹70 crore recorded in the previous March quarter. On a year-on-year basis, net profit for the quarter under review declined 80 per cent from net profit of ₹182 crore recorded in the same quarter last fiscal. Total income for the quarter ended June 30, 2021 too declined sequentially by 39 per cent to ₹5943 crore as compared to total income of 9,760 crore in the previous March quarter. However, the total income for the quarter under review was up 7.7 per cent as compared to total income of ₹ 5,517 crore in same quarter last fiscal.
<https://www.thehindubusinessline.com/money-and-banking/max-financial-services-net-down-49-in-q1-sequentially/article35839628.ece>
- **HFCs may see robust growth but NPAs could rise: CARE Ratings :** The second wave of the Covid-19 pandemic is expected to lead to a rise in the non-performing assets of housing finance companies in the near term with the Gross Stage 3 ratio expected to increase by 30 basis points this fiscal. According to a report by CARE Ratings, the Gross Stage 3 ratio for housing finance companies would be 3.1 per cent, which would be around 30 basis points higher than 2.8 per cent in 2020-21. “The deterioration would be higher in the first half of 2021-22; however, we expect that collections and asset quality for housing finance companies would improve in the second half as the economy improves,” CARE Ratings said on Monday.
<https://www.thehindubusinessline.com/money-and-banking/hfcs-may-see-robust-growth-but-npas-could-rise-care-ratings/article35833044.ece>
- **‘Government does not recognise cryptocurrency as legal tender’:** The Finance Ministry on Tuesday informed the Rajya Sabha that the number of ‘billionaires’, in terms of income tax payers, had more than doubled during assessment year or AY 2019-20 (fiscal year 2018-19) but reduced a bit in AY 20-21 (fiscal year 2019-20). In response to another question, it reiterated that it does not consider cryptocurrencies legal tender or coin. In her written reply to a question on the number of billionaires, Finance Minister Nirmala Sitharaman clarified that there is no legislative or administrative definition of the term ‘billionaire’ under direct taxes. Wealth tax has been abolished with effect from April 1, 2016; therefore, the Central Board of Direct Taxes (CBDT) no longer captures information about the complete wealth of an individual taxpayer.
<https://www.thehindubusinessline.com/money-and-banking/government-does-not-recognise-cryptocurrency-as-legal-tender/article35833842.ece>
- **RBI hikes collateral free loans to SHGs under DAY-NRLM to Rs 20 lakh:** The Reserve Bank of India on Monday notified the enhancement of collateral free loans to self-help groups (SHGs) from Rs 10 lakh to Rs 20 lakh under Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM).



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The DAY-NRLM is the flagship programme of Government of India for promoting poverty reduction through building strong institutions of the poor, particularly women, and enabling these institutions to access a range of financial services and livelihoods. DAY-NRLM adopts a demand driven approach, enabling the states to formulate their own state-specific poverty reduction action plans. For loans to SHGs up to Rs 10 lakh, no collateral and no margin will be charged, the RBI said in a circular.

https://www.business-standard.com/article/finance/rbi-hikes-collateral-free-loans-to-shgs-under-day-nrlm-to-rs-20-lakh-121080901898_1.html

- **Asset quality risks on rise, but Indian banks can absorb loss: Moody's** : The asset quality risks for banks will rise in most parts of ASEAN and India, as the region battles new waves of coronavirus infections amid low vaccination rates. Yet the continued policy support and strong loss-absorbing buffers will help to mitigate the negative impact, according to rating agency Moody's. For banks in ASEAN and India, coronavirus outbreaks triggering strict containment steps will impede economic recovery and erode borrowers' debt repayment capacity, increasing their asset risks. Besides, strong loss-absorbing buffers, the policy support and the virus impact focused on a few segments will keep their credit strength intact.
https://www.business-standard.com/article/finance/asset-quality-risks-on-rise-but-indian-banks-can-absorb-loss-moody-s-121081001007_1.html
- **Nearly half the loans under ECLGS went to services sector, traders**; Most loans guaranteed by the government under the first phase of its flagship Emergency Credit Line Guarantee Scheme (ECLGS) went to the services sector, with loans guaranteed worth Rs 45,853 crore. This was followed by traders who sought loan guarantees under the scheme worth Rs 45,505 crore, out of the total Rs 1.98 trillion worth guarantees under ECLGS 1.0 announced in May last year. As the economy started showing signs of recovery and the government announced ECLGS 2.0 in Nov 2020, the real estate sector availed most loan guarantees of Rs 8,183 crore followed by textiles and construction sector that availed loan guarantees worth Rs 6,287 crore and Rs 4,059 crore, respectively. The scheme was extended for 26 stressed sectors identified by the Kamath Committee. Hotels, restaurants and the tourism sector had availed loan guarantees worth Rs 3,397 crore under the scheme as the economy started seeing people resuming travel post the strictest lockdown.
https://www.business-standard.com/article/finance/nearly-half-the-loans-under-eclgs-went-to-services-sector-traders-121081001705_1.html
- **Parliament briefs: PSBs extend 133,000 loans for Covid-19 treatment** : Public sector banks have advanced 133,000 unsecured loans to individuals to meet Covid-19 treatment costs, Parliament was informed. All customers affected by the pandemic are eligible to avail the collateral-free loan facility from PSBs in the form of a term loan, the finance ministry said. Repayment period of the term loans range from three to five years, and have an initial repayment moratorium period of three to six months. About 58.2 million accounts under PM Jan Dhan Yojana (PMJDY) are inoperative as on July 28, 2021.
https://www.business-standard.com/article/finance/parliament-briefs-psbs-extend-133-000-loans-for-covid-19-treatment-121081001817_1.html



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- **SBICap Ventures starts disbursement of funds for six projects of stuck Amrapali Group :** SBICAP Ventures, the manager for the government's Rs 25,000-crore stressed-asset fund, has started disbursement for the six projects by the erstwhile Amrapali Group located in Noida and Greater Noida. "The disbursement has started. We will be reimbursing expenses over the next two years or so as the construction progresses. Availability of capital will no longer be a deterrent for the progress of the project," Irfan A Kazi, Chief Investment Officer of the SWAMIH Investment Fund told Moneycontrol on August 10.
<https://www.moneycontrol.com/news/business/real-estate/sbicap-ventures-starts-disbursement-of-funds-for-six-projects-of-stuck-amrapali-group-7311551.html>
- **Gold prices fall for third day on ETF outflow, firm dollar; silver plunges by Rs 1,339 a kg:** Gold prices fell for the third straight day by Rs 305 to Rs 46,220 per 10 gram in the Mumbai retail market on a weak global trend, ETF outflows and continued strength in the dollar. The yellow metal declined on upbeat US jobs data that raised the prospect of early tapering of the Federal Reserve's economic measures. The price of 10 gram, 22-carat gold in Mumbai was Rs 42,338 plus 3 percent GST, while 24-carat 10 gram stood at Rs 46,220 plus GST. The 18-carat gold is quoted at Rs 34,665 plus GST in the retail market. Silver prices tumbled by Rs 1,339 to Rs 62,847 per kg against its closing price on August 9.
<https://www.moneycontrol.com/news/business/markets/gold-prices-fall-for-third-day-on-etf-outflow-firm-dollar-silver-plunges-by-rs-1339-a-kg-7310251.html>
- **Sensex, Nifty manage to close in green:** The BSE Sensex, which recorded a fresh all-time high of 54,779.66, closed at a record 54,554.66, up 151.81 points or 0.28 per cent. It hit an intraday low of 54,308.77. The Nifty 50, after recording a fresh high of 16,359.25, closed at 16,280.10, up 21.85 points or 0.13 per cent. It hit an intraday low of 16,202.25. However, Nifty Midcap 50 was down 1.66 per cent while Nifty Smallcap 50 was down 2.26 per cent. The S&P BSE Midcap was down 0.85 per cent while the S&P BSE Smallcap was down 2.05 per cent. Bharti Airtel, Tech Mahindra, HDFC Bank, Kotak Bank and Mahindra & Mahindra were the top gainers on the Nifty 50 while Shree Cements, JSW Steel, Tata Steel, Hindalco and Powergrid were the top laggards.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-nifty-manage-to-close-in-green/article35835905.ece>
- **Rupee falls 20 paise to 74.46 against US dollar in early trade:** Dollar index up a shade at 92.98. The Indian rupee depreciated 20 paise to 74.46 against the US dollar in opening trade on Tuesday, tracking the firm American currency. At the interbank foreign exchange market, the rupee opened on a weak note at 74.40 against the dollar, then fell further to 74.46, registering a fall of 20 paise over its previous close. On Monday, the rupee had settled at 74.26 against the US dollar.
<https://www.thehindu.com/business/markets/rupee-falls-20-paise-to-7446-against-us-dollar-in-early-trade/article35829772.ece>



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