



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

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- **Bank credit grows 6.11% in fortnight ended July 30, shows RBI data:** Bank credit grew by 6.11 per cent to Rs 109.1 lakh crore and deposits by 9.8 per cent to Rs 155.49 lakh crore in the fortnight ended July 30, according to RBI data. Bank advances stood at Rs 102.82 lakh crore and deposits at Rs 141.61 lakh crore in the fortnight ended July 31, 2020, according to RBI's Scheduled Banks' Statement of Position in India as on July 30, 2021 that was released on Thursday. In the previous fortnight ended July 16, 2021, bank credit increased by 6.45 per cent and deposits by 10.65 per cent. In 2020-21, bank credit increased by 5.56 per cent and deposits by 11.4 per cent.
<https://www.thehindubusinessline.com/money-and-banking/bank-credit-grows-611-in-fortnight-ended-july-30-rbi-data/article35879955.ece>
- **Airtel Payments Bank turns profitable in July amid business growth: CEO to staff:** Need for secure digital payments and nearby access to banking during COVID-induced lockdowns fuelled the growth momentum of Airtel Payments Bank, which turned profitable for the first time in July, according to a top company official. In a communication to the employees, Airtel Payments Bank Chief Executive Officer Anubrata Biswas has said over the last four years, the bank has grown rapidly, doubling every 18 months. "Today, the bank is a significant player in the financial and digital inclusion ecosystem of the country," Biswas said. He said that the bank has turned profitable for the first time in its history, and termed it a "cherished milestone" in the 55th month of operations. He, however, did not mention the financial details. The onset of the pandemic in early 2020 resulted in a "very challenging period" for the country, Biswas recalled. "It was equally challenging for us as a team. Yet, we have been relentless, focused, indeed unstoppable. The momentum gained from people's need for secure digital payments, and neighbourhood access to banking during lockdowns, gave us an opportunity to accelerate in a very cost-effective way," he said in the recent outreach to employees.
<https://bfsi.economictimes.indiatimes.com/amp/news/financial-services/airtel-payments-bank-turns-profitable-in-july-amid-business-growth-ceo-to-staff/85292298>
- **Deutsche Bank gets nod to set up IFSC banking unit at GIFT City:** Deutsche Bank will set up its IFSC banking unit at India's first global financial centre in Gujarat. The bank has received approval from the GIFT SEZ Authority to set up an IFSC banking unit at India's first International Financial Services Centre (IFSC) at GIFT City, Gujarat, a release said on Thursday. The leading German bank with strong European roots has a global network across 59 countries. This will serve as a primer for renowned banks from other geographies to consider GIFT City a viable destination for international financial services, said Tapan Ray, MD & Group CEO, GIFT City. "Progressive banking regulations in GIFT IFSC provide new business opportunities in several areas for foreign banks such as FPI Business, Non-Deliverable Forwards (NDF), Aircraft leasing- financing, and upcoming framework to enable international bullion exchange operations from GIFT IFSC," he said. Deutsche Bank is among the largest international banks in India. It had set up its first branch in the country in Mumbai more than 40 years ago.



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https://www.business-standard.com/article/finance/deutsche-bank-gets-nod-to-set-up-ifsc-banking-unit-at-gift-city-121081201231_1.html

- **RBI imposes Rs 1 cr penalty on Cooperatieve Rabobank U.A:** Reserve Bank of India (RBI) on Thursday said it has imposed a penalty of Rs 1 crore on Cooperatieve Rabobank U.A. for deficiencies in regulatory compliances. The penalty has been imposed for contravention of certain provisions of the Banking Regulation Act, 1949 and directions related to 'transfer to reserve funds'. RBI said it conducted a statutory Inspection for Supervisory Evaluation (ISE) of the bank with reference to the bank's financial position as on March 31, 2020. Examination of the risk assessment report pertaining to the same, revealed contravention of the provisions of the Banking Regulation Act and the directions issued by RBI. A show cause notice was issued to the bank. "After considering the bank's reply to the notice, oral submission made during the personal hearing and examination of additional submissions made by the bank, RBI came to the conclusion that the charge of contravention of... provisions of the Act and RBI directions was substantiated and warranted imposition of monetary penalty on the bank," RBI said in a statement.

https://www.business-standard.com/article/finance/rbi-imposes-rs-1-crore-penalty-on-cooperatieve-rabobank-ua-121081201769_1.html

- **Suryoday Small Finance Bank posts ₹48-cr loss in June quarter:** Suryoday Small Finance Bank (SSFB) reported a net loss of ₹48 crore in the first quarter ended June 30, 2021, on account of a write-off, provision on restructuring as well as the earnings impact on account of lower disbursements due to the second wave of Covid-19. The bank had reported a net profit of ₹27 crore in the year-ago quarter. Net interest income (difference between interest earned and interest expended) declined 8 per cent year-on-year (yoy) to ₹123.5 crore (₹134 crore in the year ago period). Other income, including processing fees, profit on sale of investment securities, income on dealing in priority sector lending certificate etc., was up 8 per cent yoy at ₹23 crore (₹21 crore).

<https://www.thehindubusinessline.com/money-and-banking/suryoday-small-finance-bank-posts-48-cr-loss-in-june-quarter/article35880317.ece>

- **Noopur Chaturvedi appointed CEO of NPCI Bharat BillPay:** National Payments Corporation of India, on Thursday, announced the appointment of Noopur Chaturvedi as the Chief Executive Officer of NPCI Bharat BillPay. "As CEO, Chaturvedi's mandate is to work on RBI's vision to scale up the Bharat Bill Pay (BBPS) platform and make it the preferred solution for all bill payments. She will work closely with the BBPS ecosystem to grow digital bill payments with superior customer experience," NPCI said in a statement. NPCI Bharat BillPay is a wholly-owned subsidiary of NPCI. It came into effect from April 1, 2021.

<https://www.thehindubusinessline.com/companies/noopur-chaturvedi-appointed-ceo-of-npci-bharat-billpay/article35878665.ece>

- **MSME lending: U GRO Capital aims ₹20,000 crore AUM by 2025:** U GRO Capital, a digital first NBFC focused on MSME lending, aims to achieve assets under management (AUM) of ₹20,000 crore by 2025, its Chairman and Managing Director, Shachindra Nath, said. This NBFC, already listed in the BSE, was added to the National Stock Exchange on Wednesday. "The second wave of Covid-19 did impact



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us. However, we will still more than double our AUM this fiscal going by our current rate. Our aspiration is to take about 1 per cent market share of outstanding MSME credits in India by opening around 270 branches in the next few years," Nath told BusinessLine.

<https://www.thehindubusinessline.com/companies/msme-lending-u-gro-capital-aims-20000-crore-aum-by-2025/article35881613.ece>

- **New India Assurance Q1 net profit down 68.9%:** State-run New India Assurance registered a 68.9 per cent drop in its standalone net profit at ₹89.22 crore in the first quarter of the fiscal as against a net profit of ₹286.47 crore in the same period in 2020-21. For the quarter ended June 30, 2021, New India Assurance reported a 16.1 per cent jump in gross premiums written to ₹9,717.9 crore as against ₹8,368.37 crore a year ago. Noting that the second wave of the pandemic was at its peak in the first quarter of the fiscal, Atul Sahai, CMD, New India Assurance said the insurer paid about ₹1,205 crore as Covid-19 related health claims. "The spurt in health loss ratio impacted the overall numbers though it was partially offset by better performance by the remaining lines," he said, adding that adjusted for the Covid-19 related claims, the company has performed well in all operating parameters.
<https://www.thehindubusinessline.com/companies/new-india-assurance-q1-net-profit-down-689/article35869458.ece>
- **Record 7.7 million IPO mandates created via UPI in July, shows data:** A record 7.66 million initial public offering (IPO) mandates were created through the unified payments interface (UPI) in July amid strong retail investor interest in the primary market, according to data released by the National Payments Corporation of India (NPCI), the umbrella entity for retail payments in India. The figure for July was almost 4 times higher than that of June, when 1.94 million mandate creation requests were made through UPI. July proved a blockbuster month for IPOs with the likes of Zomato tapping the capital market. The company's IPO garnered 3.2 million retail applications, the bulk of which were made through UPI. There were also IPOs of GR Infraprojects, Clean Science, and Tatva Chintan which saw a large number of applications. Of the 7.66 million mandates created in July, only 532,943 or 6.94 per cent were executed.
https://www.business-standard.com/article/markets/record-7-7-million-ipo-mandates-created-via-upi-in-july-shows-data-121081300015_1.html
- **YES Bank's shares hit 52-week low intraday to Rs 11.89:** On a day when the broader markets saw around 0.6 per cent gains and the Sensex hit an all-time high, shares of private sector lender YES Bank fell to their 52-week low intraday to Rs 11.89. The stock ended at an over one-year closing low of Rs 11.95. In the June quarter of financial year 2021-22 (Q1FY22), the lender posted a profit of Rs 210 crore due to lower provisions. It's gross non-performing assets (NPA) ratio rose 20 basis points sequentially to 15.6 per cent as the bank resorted to heavy restructuring. It's outstanding gross NPAs were Rs 28,506 crore. A large chunk of its NPAs are from exposure to entities such as Reliance Capital, Zee Entertainment, Videocon, and others.
https://www.business-standard.com/article/markets/yes-bank-s-shares-hit-52-week-low-intraday-to-rs-11-89-121081201922_1.html



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- **ATM body protests RBI's penalty rule if found with no cash, seeks review:** Shocked by the latest decision of Reserve Bank of India (RBI) to impose penalty on banks if an automated teller machine (ATM) runs out of cash for more than ten hours in a month, the Confederation of ATM Industry (CATMi) has protested the decision and sought a review of the rule. In a direction issued to banks on Tuesday, the banking regulator said from October 1, banks will face a penalty of Rs 10,000 per ATM if found without cash for more than ten hours in a month. CATMi has now sent a communication to the banking regulator protesting the move and requested for a review of the penalty decision. "In case of White Label ATMs (WLAs), the penalty would be charged to the bank which is meeting the cash requirement of that particular WLA. The bank, may, at its discretion, recover the penalty from the WLA operator," RBI said.
https://www.business-standard.com/article/finance/atm-body-protests-rbi-s-penalty-rule-if-found-with-no-cash-seeks-review-121081201777_1.html
- **RBI buys record gold this year: At 700 tonnes, reserves up 27% in 2 years:** The Reserve Bank of India (RBI) has increased its gold purchases, as part of its foreign exchange (forex) reserves. In the first half (H1) of calendar year 2021 (CY21), the addition of gold to India's forex reserves has been the highest — on a half-yearly basis — at 29 tonnes. Now, the RBI's gold holding — as a proportion of its forex reserves — has for the first time crossed 700 tonnes. The central bank's gold reserves stood at 705.6 tonnes as on June 30. The gold reserves were at 558.1 tonnes in the beginning of 2018. The share of gold in the RBI's forex reserves was 7 per cent at the end of the March 2021 quarter, which, however, is down to 6.5 per cent in the June quarter.
https://www.business-standard.com/article/finance/rbi-buys-record-gold-this-year-at-700-tonnes-reserves-up-27-in-2-years-121081200012_1.html
- **Non-life insurers' premium up 19.46% at Rs 20,000 crore in July:** Non-life insurers, which include general, standalone, and specialised public-sector, have recorded 19.46-per cent year-on-year (YoY) growth in premiums in July. In July, non-life insurers — 33 in total — earned premiums to the tune of Rs 20,171.15 crore, against Rs 16,885 crore in the same month last year. On a year-to-date (YTD) basis (April-July), insurers saw their premiums go up 15.49 per cent to Rs 64,607.25 crore, against Rs 55,939.85 crore in the same period last year.
https://www.business-standard.com/article/finance/non-life-insurers-premium-up-19-46-at-rs-20-000-crore-in-july-121081200024_1.html
- **DCB Bank empanelled as Agency Bank by RBI:** Reserve Bank of India (RBI) has empanelled Private sector lender DCB Bank as an 'Agency Bank' to facilitate banking and payment transactions for Centre and the state governments. The transactions would include revenue receipts, CBDT, CBIC and GST, pension payment and small savings scheme. This empanelment comes on the heels of the announcement by the Finance Ministry in May 2021 lifting the embargo on further allocation of Government business to private sector banks, DCB bank said in a press release.
<https://www.livemint.com/industry/banking/dcb-bank-empanelled-as-agency-bank-by-rbi-11628765192415.html>



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- **India's retail inflation for July at 5.59%:** Indian retail inflation eased in July after holding above 6% for two months in a row, helped by improving supplies following the lifting of pandemic restrictions, and the government said it would take all necessary steps to contain rising prices. Consumer prices rose 5.59% in July from the same month last year, lower than June's 6.26% annual inflation rate and below a Reuters poll forecast of 5.78%, data released by Ministry of Statistics showed on Thursday. Food prices, which account for nearly half of the inflation basket, rose 3.96% year-on-year in July from 5.15% a month before.
<https://economictimes.indiatimes.com/news/economy/indicators/indias-retail-inflation-for-july-at-5-59-matches-rbis-revised-forecast/articleshow/85272033.cms>
- **Ugro Capital to hire 600 more by March, eyes Rs 3,500 crore loan book:** Ugro Capital, the mid-scale non-banking lender focused on supply-side financing for small businesses, is nearly trebling its headcount to 1,000 to drive both footprint and balance-sheet expansion by March when it expects loan book to sniff at Rs 3,500 crore. The Gurugram-based NBFC has closed July with a live loan of over Rs 1,560 crore on the back of the best-ever disbursement of Rs 260 crore in the month, and the collection efficiency clawed back to 96-97 percent. "If we are able to maintain the July disbursement run rate, which looks more likely, I am confident of closing the current fiscal with a loan book of Rs 3,500 crore or thereabout. As of end July, our loan book crossed Rs 1,560 crore," Shachindra Nath, Chairman and Managing Director, Ugro Capital, said on August 12.
<https://economictimes.indiatimes.com/multimedia/jobs/ugro-capital-to-hire-600-more-by-march-eyes-rs-3500-crore-loan-book/articleshow/85272201.cms>
- **Sensex jumps 300 points, Nifty closes above 16,300:** The BSE Sensex is less than 200 points away from breaching the 59,000 mark, recording an all-time high of 54,874.10. It closed at a record 54,843.98, up 318.05 points or 0.58 per cent. It recorded an intraday low of 54,536.65. The Nifty 50 also closed at a record high of 16,364.40, up 82.15 points or 0.5 per cent. It recorded a new all-time high of 16,375.50 and a day's low of 16,286.90. Powergrid, Tech Mahindra, Tata Motors, L&T and HCL Tech were the top gainers on the Nifty 50 while Eicher Motors, Dr Reddy, Cipla, IOC and ONGC were the top laggards.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-jumps-300-points-nifty-closes-above-16300/article35876376.ece>
- **Real-time monitoring of forex market essential to contain spillovers from offshore market: RBI Paper:** A real-time monitoring of the foreign exchange (forex) markets is needed to contain any substantial spillover from the offshore to onshore markets, as per the recommendation of a Reserve Bank of India (RBI) Working Paper. Regarding "volatility spillover", the Working Paper "Does Offshore NDF Market Influence Onshore Forex Market? Evidence from India" observed that the spillover between onshore and offshore forex markets is bidirectional during normal periods, but turns unidirectional from offshore to onshore during episodes of intensified global risks. Moreover, the magnitude of volatility spillovers from offshore to onshore markets also rises during periods of stress.
<https://www.thehindubusinessline.com/markets/forex/real-time-monitoring-of-forex-market-essential-to-contain-spillovers-from-offshore-market-rbi-paper/article35870352.ece>



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- **Rupee rises 17 paise against US dollar in early trade:** The Indian rupee appreciated 17 paise to 74.27 against the US dollar in opening trade on Thursday, following a positive trend in domestic equities and weak American currency. Besides, fresh foreign fund inflows also supported the domestic unit, forex dealers said. At the interbank foreign exchange, the rupee opened strong at 74.26 against the dollar and later edged lower to quote at 74.27, a rise of 17 paise against the last close.

<https://www.thehindu.com/business/rupee-rises-17-paise-against-us-dollar-in-early-trade/article35869814.ece>

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