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(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

DAILY NEWS DIGEST BY BFSI BOARD, ICAI

October 13, 2021

- **RBI allows multinational banks to store limited data abroad:** Bringing a closure to a contentious issue, the Reserve Bank of India (RBI) has allowed multinational banks operating in the country to store a limited set of data in offshore servers. Certain fields of static information such as name and address of client, some know-your-customer details along with select transaction particulars like date and amount, name of beneficiary, and reference number can be stored abroad by foreign banks. This was communicated a week ago by the regulator to the Indian Banks' Association (IBA), an industry source told ET.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-allows-multinational-banks-to-store-limited-data-abroad/articleshow/86954303.cms>
- **Air India sale kicks off major privatisation drive, next up LIC listing, says official:** The sale of national carrier Air India to conglomerate Tatas has opened the way for faster privatisation of state firms and the government is on track to list Life Insurance Corporation (LIC) early next year, a top government official said on Tuesday. Tuhin Kanta Pandey, spearheading the drive to sell state enterprises or shut them down, said the government hoped to complete the valuation exercise of LIC by November-December before filing the draft red herring prospectus for the IPO planned by March.
<https://www.reuters.com/world/india/air-india-sale-kicks-off-major-privatisation-drive-next-up-lc-listing-says-2021-10-12/>
- **HDFC Bank inks lease renewal for head office building in Mumbai's Worli:** HDFC Bank has renewed the lease for an entire office building that houses its head office on Dr Annie Besant Road in Mumbai's Worli locality at a monthly rental of Rs 1.45 crore. The lease tenure for the office where the bank's top officials sit is set at 36 months, taking the total rent payout to over Rs 52.2 crore. The commercial property, Sandoz House, with a basement, ground floor and eight upper floors has a total 64,872 sq ft space. The office building has parking slots for 40 cars. HDFC Bank has paid Rs 3.79 crore as security deposit for the lease, as per documents accessed through real estate data analytics firm CRE Matrix.
<https://economictimes.indiatimes.com/industry/services/property/-construction/hdfc-bank-inks-lease-renewal-for-head-office-building-in-mumbais-worli/articleshow/86942572.cms>
- **Five foreign investors shortlisted for majority stake in Yes Bank-backed ARC:** Five foreign investors have made presentations to the Yes Bank management to form a new joint venture asset reconstruction company (ARC) that will house the lender's bad loans, three people familiar with the development told ET. The investors which have made presentations include Los Angeles based \$149-billion Ares-SSG Capital, \$15-billion alternative investment firm Varde Partners, US based \$55-billion Cerberus Capital and distressed asset giants \$156-billion Oaktree Capital and private equity company JC Flowers, people familiar with the move said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/five-foreign-investors-shortlisted-for-majority-stake-in-yes-bank-backed-arc/articleshow/86962601.cms>



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- **Kotak Mahindra Bank launches Micro ATMs across India:** To deliver essential banking services conveniently to a larger section of consumers living in relatively far-off areas, private lender Kotak Mahindra Bank Ltd on Tuesday announced the launch of Micro ATMs across the country. Customers of all banks who possess a debit card can use a Kotak Micro ATM for key banking services such as cash withdrawals and checking account balances. A mini version of an ATM, micro ATMs are small handheld devices. The bank will use its extensive Business Correspondents (BC) network to launch micro ATMs.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/kotak-mahindra-bank-launches-micro-atms-across-india/articleshow/86962842.cms>
- **Bank FD to fetch negative real interest with elevated inflation:** Senior citizens and others depending upon income from bank fixed deposit (FD) schemes will be at the receiving end with the retail inflation exceeding the interest rates. The Reserve Bank of India (RBI) in its latest monetary policy review has projected retail inflation at 5.3 per cent for the current financial year. Last week, the RBI said that the Consumer Price Index (CPI)-based inflation is now projected to be at 5.3 per cent for 2021-22 with risks evenly balanced.
<https://www.thehindu.com/business/markets/bank-fd-to-fetch-negative-real-interest-with-elevated-inflation/article36974993.ece>
- **RBI authorises Karur Vysya Bank to collect direct taxes:** Private sector Karur Vysya Bank on Tuesday said it has commenced the integration process with the Central Board of Direct Taxes to collect direct taxes on its behalf, following the approval it received from the Reserve Bank. "Reserve Bank of India has authorised Karur Vysya Bank to collect direct taxes on behalf of Central Board of Direct Taxes. Following the approval received, the bank has initiated the integration process with CBDT", the Tamil Nadu based-bank said in a statement.
https://www.business-standard.com/article/finance/rbi-authorises-karur-vysya-bank-to-collect-direct-taxes-on-behalf-of-cbd-121101201359_1.html
- **Evergrande bond coupon payments crisis intensify contagion fears:** As China's Evergrande looks set to miss its third round of bond payments in three weeks, markets remain on edge over contagion fears involving other property developers as a wall of debt payment obligations come due in the near-term. A total of \$38.8 billion offshore bonds issued by 40 Chinese developers will be maturing from October to end of 2022, according to brokerage CGS-CIMB, with the next peak of \$6.2 billion in payments coming up in January. The deadline for Evergrande's \$148 million of coupon payments was 0400 GMT Tuesday, but bondholders hadn't received anything by end of Asian trading on Monday. Markets expect the distressed developer is likely to miss payments again, following two other payments it missed in September.
<https://www.thehindubusinessline.com/money-and-banking/evergrande-bond-coupon-payments-crisis-intensify-contagion-fears/article36956985.ece>



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- **IIFL Finance launches instant business loan on WhatsApp:** IIFL Finance has launched instant business loan on WhatsApp, whereby users of the latter will be able to avail loan up to ₹10 lakh with minimum documentation and get approval in five minutes. The retail-focussed non-banking finance company (NBFC), in a statement, claimed that it has become the first NBFC in the country to launch instant business loan on WhatsApp. WhatsApp's 45 crore-plus users across India can avail a 24x7 loan facility to get a loan in under ten minutes from IIFL Finance, per the statement.
<https://www.thehindubusinessline.com/money-and-banking/iifl-finance-launches-instant-business-loan-on-whatsapp/article36941020.ece>
- **Saraswat Bank and Axis Securities tie-up to offer a 3-in-1 account to the lender's customers:** Saraswat Bank and Axis Securities (ASL) have come together to offer the bank's customers a 3-in-1 account that comprises savings, demat and online trading, all in one account. "With this tie-up, Saraswat Bank's customers can conveniently perform a perfect blend of banking and trading transactions," the two entities said in a joint statement. This facility will make it easier for customers to transfer funds quickly, reduce paperwork and most importantly, provide a comprehensive platform to invest in various investment instruments like equities, derivatives, currency, commodities, MF, IPO, etc., per the statement.
<https://www.thehindubusinessline.com/money-and-banking/saraswat-bank-and-axis-securities-tie-up-to-offer-a-3-in-1-account-to-the-lenders-customers/article36959196.ece>
- **AUMs of NBFCs to rise 18–20% y-o-y this fiscal: Crisil Ratings:** Assets under management (AUM) of non-banking financial companies (NBFCs), which primarily offer loans against gold, are expected to rise 18–20 per cent to ₹1.3 lakh crore this fiscal against ₹1.1 lakh crore in FY21, according to Crisil Ratings. The credit rating agency said that this growth would be despite a contraction in the first quarter, when pandemic-driven lockdown measures hindered branch operations and kept potential borrowers away.
<https://www.thehindubusinessline.com/money-and-banking/aums-of-nbfc-to-rise-1820-y-o-y-this-fiscal-crisil-ratings/article36968227.ece>
- **RBI debars Haribhakti & Co from undertaking audit assignments in central bank regulated entities:** The Reserve Bank of India (RBI) has debarred Haribhakti & Co. LLP, Chartered Accountants, from undertaking any type of audit assignments in any of the entities regulated by RBI for a period of two years with effect from April 1, 2022. This is the first case of debarment of a CA firm under section 45MAA of the Reserve Bank of India Act, 1934. "This action has been taken on account of the failure on the part of the audit firm to comply with a specific direction issued by RBI with respect to its statutory audit of a Systemically Important Non-Banking Financial Company," RBI said in a statement titled "Action against Statutory Auditors of NBFC under section 45MAA of RBI Act, 1934".
<https://www.thehindubusinessline.com/money-and-banking/rbi-debars-haribhakti-co-from-undertaking-audit-assignments-in-central-bank-regulated-entities/article36957737.ece>
- **RBI issues SFB licence to Centrum-BharatPe consortium:** The Reserve Bank of India (RBI) has on Tuesday issued licence to the consortium of Centrum and BharatPe to set up a small finance bank (SFB). The lender, to be named Unity Small Finance Bank, will start operations in few weeks with



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atleast Rs 1,500 crore loan book. This SFB will take over the beleaguered urban co-operative lender Punjab and Maharashtra Bank over period. Jaspal Bindra, Chairman of BSE listed Centrum Capital, said with RBI issuing the license, the focus will shift to board formation and building top management team. The bank will become functional before close of calendar 2021 and aspires to be India's first digital bank.

https://www.business-standard.com/article/finance/rbi-issues-sfb-licence-to-centrum-bharatpe-consortium-121101201380_1.html

- **Bajaj Finserv cuts home loan interest rate to 6.70% per annum:** The NBFC Bajaj Finserv Limited announced an interest rate reduction for its home loans today. The rate of interest for salaried and professional applicants now starts from 6.70%* p.a. - 0.05% down from the earlier 6.75%* p.a. Applicants with strong credit and income profiles stand a good chance to be offered this promotional rate, effectively making their home loan EMIs as low as Rs. 645/lakh*. Existing home loan customers can also benefit from this new interest rate by transferring their home loan to Bajaj Finserv.

https://www.business-standard.com/article/finance/bajaj-finserv-cuts-home-loan-interest-rate-to-6-70-per-annum-121101200606_1.html

- **ICICI Bank launches 'Home Utsav'; offers attractive interest rates:** ICICI Bank today announced the launch of 'Home Utsav', a virtual property exhibition that digitally showcases real estate projects by renowned developers from key cities across the country. The exhibition offers enhanced convenience to prospective home buyers as they can select their dream home simply by browsing through projects, which are approved by the Bank, and avail exclusive benefits from the comfort of their home and office. The 'Home Utsav' showcases over 350 projects by more than 200 leading developers across 12 cities, namely, Mumbai MMR, Delhi NCR, Hyderabad, Bengaluru, Chennai, Kolkata, Ahmedabad, Pune, Nashik, Vadodara, Surat and Jaipur.

<https://www.livemint.com/industry/banking/icici-bank-launches-home-utsav-offers-attractive-interest-rates-11634022689372.html>

- **71 loans cleared during Rana Kapoor's tenure turned bad: ED:** At least 71 loan accounts worth more than ₹31,855 crore sanctioned during the tenure of Rana Kapoor, the co-founder and former managing director of Yes Bank, have turned into non-performing assets (NPAs) or non-performing investments NPIs, according to a charge sheet by the Enforcement Directorate (ED). The charge sheet, reviewed by Hindustan Times, was filed on 1 October in a Delhi court in connection with irregularities in a loan worth ₹514.27 crore granted to Avantha Group by Yes Bank in 2018.

<https://www.livemint.com/industry/banking/71-loans-cleared-during-rana-kapoor-s-tenure-turned-bad-ed-11633970678031.html>

- **RBI cancels registrations of six NBFCs:** The Reserve Bank of India (RBI) on October 12 announced the cancellation of registration (licenses) of six NBFCs. The list includes names such as Cartel Finance and Investments Private Limited, Alamgir Motor Finance Limited, Nau-Nidh Finance Limited, Kim Investment Limited, Sambandh Finserve Private Limited, and BTL Holding Company Limited. On April 22, Moneycontrol had reported that RBI had issued a show cause notice to Sambandh Finserve prior



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to cancelling the license. In a separate announcement, RBI said seven NBFCs have surrendered their Certificate of Registration.

<https://www.moneycontrol.com/news/business/companies/rbi-cancels-registrations-of-six-nbfc-7574941.html>

- **Gold prices rise to Rs 47,335/10 gm on rupee slide; silver up by Rs 148:** Gold prices climbed for the sixth consecutive day on October 12, up by Rs 233 to touch Rs 47,335 per 10 gram in the Mumbai bullion market, as the rupee slipped and overseas trends remained positive. The precious metal was also supported by a dollar downtick and fall in Treasury yield. The price of 10 gram, 22-carat gold in Mumbai was Rs 43,359 plus 3 percent GST, while 24-carat 10 gram stood at Rs 47,335 plus GST. The 18-carat gold is quoted at Rs 35,501 plus GST in the retail market. Silver prices rose by Rs 148 to Rs 61,638 per kg against its closing price on October 11.

<https://www.moneycontrol.com/news/business/commodities/gold-prices-rise-to-rs-4733510-gm-on-rupee-slide-silver-up-by-rs-148-7574661.html>

- **Sensex, Nifty recover in late session to end at record highs:** The BSE Sensex closed at a record high of 60,284.31, up 148.53 points or 0.25 per cent. It hit an intraday high of 60,331.74 and a low of 59,885.39. Nifty 50 closed at a record high of 17,991.95, up 46.00 points or 0.26 per cent. Nifty managed to cross the 18,000-mark intraay with a high of 18,008.65. It recorded an intraday low of 17,864.95. Titan, Bajaj Auto, Bajaj Finserv, State Bank of India and Divi's Lab were the top gainers on the Nifty 50, while HCL Tech, HDFC Life, Coal India, Ultratech Cement and Tech Mahindra were the top laggards.

<https://www.thehindubusinessline.com/markets/stock-markets/sensex-nifty-recover-in-late-session-to-end-at-record-highs/article36961867.ece>

- **Rupee extends losses, declines 16 paise to 75.52:** Falling for the third day in a row, the rupee weakened further by 16 paise to end at 75.52 against the US currency on Tuesday, weighed down by a strong greenback in the overseas market and firm crude oil prices. At the interbank foreign exchange market, the local currency opened at 75.41 and witnessed an intra-day high of 75.16 and a low of 75.66 against the US dollar in day trade. The local unit finally settled at 75.52 a dollar, down 16 paise over its previous close.

https://www.business-standard.com/article/finance/rupee-declines-16-paise-to-75-52-extends-losses-for-third-day-121101200952_1.html

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