



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

November 13, 2021

- **RBI clarifies norms for upgrading of accounts classified as NPAs:** The Reserve Bank of India on Friday clarified that lenders should reclassify a non-performing asset to “standard” asset only when the entire arrears of interest and principal are paid by the borrower. The regulator has noted that some lending institutions were upgrading accounts classified as non-performing assets (NPAs) to ‘standard’ asset category upon payment of only interest overdues, partial overdues, etc. "It has been observed that some lending institutions upgrade accounts classified as NPAs to ‘standard’ asset category upon payment of only interest overdues, partial overdues, etc. In order to avoid any ambiguity in this regard, it is clarified that loan accounts classified as NPAs may be upgraded as ‘standard’ assets only if entire arrears of interest and principal are paid by the borrower," the RBI said.  
[https://www.business-standard.com/article/finance/rbi-clarifies-norms-for-upgrading-of-accounts-classified-as-npas-121111201775\\_1.html](https://www.business-standard.com/article/finance/rbi-clarifies-norms-for-upgrading-of-accounts-classified-as-npas-121111201775_1.html)
- **Retail direct, integrated ombudsman scheme will make country stronger: Modi:** Prime Minister Narendra Modi on Friday launched the Reserve Bank of India’s (RBI) ‘retail direct’ platform and ‘integrated ombudsman scheme’ and said this will ensure the safety of a common man’s investment, coupled with high returns, as well as make available funds for the government to invest in infrastructure and other needs of the country. Through retail direct, an individual investor can directly invest in government securities (G-sec), in a system facilitated by the Reserve Bank, without any fees, and without the need for a fund manager. Since they are government-guaranteed and are the highest asset class that a sovereign can offer, the investment is secure. The strength of a democracy lies in how easy and quick the grievance redressal mechanism is. In that aspect, the RBI’s integrated ombudsman scheme is a major step, the Prime Minister said in his speech delivered online.  
[https://www.business-standard.com/article/current-affairs/retail-direct-integrated-ombudsman-scheme-will-make-country-stronger-modi-121111200654\\_1.html](https://www.business-standard.com/article/current-affairs/retail-direct-integrated-ombudsman-scheme-will-make-country-stronger-modi-121111200654_1.html)
- **Vodafone Idea is reportedly in talks with SBI for a loan lifeline:** Vodafone troubled India unit is in talks with the country’s largest lender about fresh loans, according to people familiar with the matter, in a deal that could pave the way for other banks to offer credit and boost survival chances of the cash-trapped wireless operator. State Bank of India has asked Vodafone Idea, a joint venture between Vodafone and billionaire Kumar Mangalam Birla’s conglomerate, to first outline a turnaround strategy, the people said, asking not to be identified as the discussions are private. The government-owned lender has asked Vodafone Idea to present a detailed plan on their financial viability including equity infusion from the largest shareholders, cash conservation plans, tariff outlook and a road map to return to profits, according to the people familiar.  
<https://economictimes.indiatimes.com/industry/telecom/telecom-news/vodafone-idea-is-reportedly-in-talks-with-sbi-for-a-loan-lifeline/articleshow/87658956.cms>



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- **SBI credit card to charge a fee of Rs 99 + tax on all EMI purchases from Dec 1:** SBI credit card in its email to its customers has informed that processing fees of Rs 99 plus taxes will be levied on all EMI purchase transactions with effect from Dec 1, 2021. The processing fee will be levied for all EMI purchase transactions done at merchant outlets, e-commerce websites and app using SBI credit cards. This is likely to hit the burgeoning purchases being made by cardholders using EMI payment options offered by merchant websites such as 'Buy Now Pay Later'( BNPL) etc. It may make BNPL purchases using SBI credit cards more expensive. The credit card company, in an email sent to customers today, has said: Dear Cardholder, We would like to inform you that with effect from 01 Dec 2021, Processing Fee of Rs. 99 + applicable taxes will be levied on all Merchant EMI transactions done at Merchant outlet/website/app. We thank you for your continued patronage. Please click here to know more about Merchant EMI Processing Fee.  
<https://economictimes.indiatimes.com/wealth/borrow/sbi-credit-card-to-charge-a-fee-of-rs-99-tax-on-all-emi-purchases-from-dec-1/articleshow/87669627.cms?from=mdr>
- **Paytm's \$2.5 billion IPO mints new millionaires in India:** Indian electronics engineer Siddharth Pandey will become a millionaire after the country's biggest ever public issue, but he says he had to overcome his father's opposition to join fintech firm Paytm when it was a fledgling start-up nine years ago. About 350 current and ex-employees will each have a net worth of at least 10 million Indian rupees (\$134,401.38) after Paytm's \$2.5 billion IPO, a source in the company told Reuters. Many, like Pandey, will become dollar millionaires when the company lists next week. Those rewards are huge in a country where the per capita income is below \$2,000.  
<https://gadgets.ndtv.com/apps/news/paytm-ipo-usd-2-5-billion-rs-183-crore-new-millionaires-india-share-price-stock-2609219>
- **Pension funds holding distressed Srei's bonds in a spot:** Pension funds at several entities, including Punjab National Bank (PNB) and Food Corporation of India, face the risk of losses on their respective exposures to about ₹4,800 crore of bonds issued by two companies of the Kolkata-based distressed financier Srei Group, which are now undergoing a central bank-monitored insolvency process. Other funds likely affected include the MTNL Gratuity Trust, UltraTech CEMCO PF and the Rajasthan Viduyt Karamchari Gratuity Trust, people familiar with the matter told ET. "Currently, bondholders are in talks with trustees as they figure out their claims for the resolution process," said a person involved in the matter.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/pension-funds-holding-distressed-sreis-bonds-in-a-spot/articleshow/87656862.cms>
- **Banks want more provisions included as statutory capital:** Banks have urged the sector regulator, Reserve Bank of India, to relax norms and allow more of the provision made towards unidentified losses to be reckoned as statutory capital. At present, because of the regulatory cap, only provisions to the extent of 1.25% of the credit risk weighted assets are considered as tier II capital. If rules are relaxed, more funds can be freed up and made available for banks at a time when recovery is firming up and credit is expected to pick up.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-want-more-provisions-included-as-statutory-capital/articleshow/87657122.cms>



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- **Airtel Payments Bank to double business correspondent network to 1 million in a year:** Airtel Payments Bank (APB), which turned profitable in the September quarter, plans to double its countrywide business correspondents (BCs) network and also drive monetisation through a combination of transactions and interest-based income besides boosting revenues from cash management services in the B2B space, senior industry executives aware said. “Over the next 12 months, APB is looking to double its pan-India BC network to 1 million (from the current 0.5 million level) to gain the necessary reach to cater to the remittances market and the Aadhaar-enabled payment services business to serve millions of potential consumers in the Tier 3 and beyond markets,” one of the executives cited told ET.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/airtel-payments-bank-to-double-business-correspondent-network-to-1-million-in-a-year/articleshow/87664093.cms>
- **Fino Payments Bank makes a tepid debut:** The shares of Fino Payments Bank made a tepid debut on the bourses on Friday, listing at over 5 per cent discount. It listed at a discount of over 5 per cent at ₹544.35 apiece on the NSE as compared to its issue price. The shares listed at ₹548 on the BSE against its issue price of ₹577. The shares slipped further to record a low of ₹527.00 on the BSE, post listing. At 10:31 am, it was trading at a 7.51 per cent discount at ₹533.65. On the NSE, it was trading at ₹534.80.  
<https://www.thehindubusinessline.com/money-and-banking/fino-payments-bank-makes-a-tepid-debut/article37451104.ece>
- **Mobikwik launches MobiKwik RuPay Card:** Mobikwik has collaborated with National Payments Corporation of India (NPCI) and Axis Bank to launch MobiKwik RuPay Card. “The card will be free of charge to customers and purely digital keeping in line with the growing demand for digital payments across online and brick and mortar stores,” it said in a statement on Friday, adding that customers can now get up to ₹2 lakh of their MobiKwik wallet balance mirrored on the MobiKwik RuPay Prepaid Card.  
<https://www.ndtv.com/business/mobikwik-launches-mobikwikrupay-card-in-collaboration-with-npci-axis-bank-check-features-benefits-here-2609025>
- **City Union Bank Q2 profit grows 15% to ₹182 crore:** City Union Bank has recorded a 15 per cent growth in its net profit at ₹182 crore for the second quarter ended September 30, 2021 when compared with ₹158 crore in the year-ago period helped by other income and lower expenses amid lower interest income. Interest income stood at ₹1,022 crore as against ₹1,061 crore, while other income was higher at ₹203 crore (₹169 crore), spurred by recoveries from written off accounts. Net interest income was marginally higher at ₹478 crore as compared to ₹475 crore. Interest expenses were lower at ₹544 crore against ₹582 crore and total expenses stood at ₹820 crore against ₹846 crore. Operating profit was higher at ₹405 crore when compared with ₹385 crore in Q2 of previous fiscal.  
<https://www.thehindubusinessline.com/money-and-banking/city-union-bank-q2-profit-grows-15-to-182-crore/article37460018.ece>



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- **Jammu & Kashmir Bank reports Q2 net profit at Rs 111 cr:** Public sector lender Jammu & Kashmir Bank on Friday reported an over two-fold jump in net profit at Rs 111.09 crore in quarter ended September. The bank had posted a net profit of Rs 43.93 crore in the year-ago period and a profit of Rs 104.32 crore in Q1 of FY22. Total income of the bank rose to Rs 2,201.26 crore during the July-September period of 2021-22, as against Rs 2,194.47 crore in same period of 2020-21, Jammu & Kashmir Bank (J&K Bank) said in a regulatory filing. Bank's provisions for bad loans and contingencies for the reported quarter fell to Rs 192.68 crore, as against Rs 324.92 crore in same period a year ago.  
<https://economictimes.indiatimes.com/markets/stocks/earnings/jk-bank-reports-q2-results-net-profit-at-rs-111-crore/articleshow/87668740.cms>
- **Restrictions put on Laxmi Coop Bank, Solapur; Rs 1,000 cap on withdrawals:** The Reserve Bank of India (RBI) on Friday imposed several restrictions on Laxmi Cooperative Bank Ltd, Solapur, including Rs 1,000 cap on withdrawals for customers, due to deterioration in its financial position. The restrictions imposed under the Banking Regulation Act, 1949, shall remain in force for six months from the close of business on November 12, 2021, and are subject to review, the RBI said in a statement.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/restrictions-put-on-laxmi-coop-bank-solapur-rs-1000-cap-on-withdrawals/articleshow/87672824.cms>
- **India's forex reserves decreased by USD 1.145 billion to USD 640.874 billion for the week ended on November 5** on a fall in currency and gold assets, the RBI said today. The overall reserves had increased by USD 1.919 billion to USD 642.019 billion for the previous reporting week.  
[https://www.business-standard.com/article/finance/india-s-forex-reserves-decline-1-14-billion-to-640-8-billion-121111201523\\_1.html](https://www.business-standard.com/article/finance/india-s-forex-reserves-decline-1-14-billion-to-640-8-billion-121111201523_1.html)
- **Sensex jumps 767 points; Nifty regains 18,000-mark on global cues:** The BSE Sensex closed at 60,686.69, up 767 points or 1.28 per cent. It recorded an intraday high of 60,750.72 and a low of 59,997.96. The Nifty 50 closed at 18,102.75, up 229.15 points or 1.28 per cent, near its intraday high of 18,123.00. It recorded an intraday low of 17,905.90. The volatility index softened nearly 7 per cent to close below 16 at 15.22. Tech Mahindra, Hindalco, Wipro, HDFC and Infosys were the top gainers on the Nifty 50 while Bajaj Auto, Tata Steel, Hero Motocorp, Axis Bank and NTPC were the top losers.  
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-jumps-767-points-nifty-regains-18000-mark-on-global-cues/article37454933.ece>
- **Rupee gains 7 paise to end at 74.45 against US dollar:** The rupee strengthened by 7 paise to close at 74.45 (provisional) against the US dollar on Friday, as a firm trend in domestic equities boosted investor sentiments. Besides, lower crude prices in the international market also supported the local unit, forex dealers said. At the interbank forex market, the local unit opened at 74.36 against the greenback and later settled at 74.45, higher by 7 paise over its previous close of 74.52.  
[https://www.business-standard.com/article/finance/rupee-gains-7-paise-to-close-at-74-45-against-us-dollar-121111201202\\_1.html](https://www.business-standard.com/article/finance/rupee-gains-7-paise-to-close-at-74-45-against-us-dollar-121111201202_1.html)



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