



**THE INSTITUTE OF  
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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 20, 2021

- **SBI board wanted letter of support from govt before approving Jet Airways resolution plan: Rajnish Kumar:** SBI's board members were keen on a letter of support from the government before giving nod to the resolution plan of crisis-ridden Jet Airways, the bank's former chairman Rajnish Kumar has said. In his book titled 'The Custodian of Trust', Kumar said dealing with the Jet Airways issue was the one of the most difficult assignments that he had faced during his eventful term as the head of the country's largest lender. Most of the banks were extremely reluctant to support a resolution plan for Jet Airways, he wrote, while recalling the developments with regard to the resolution plan of the airline which unfortunately could not get through as promoters were not able to fulfil the required conditions in the stipulated time. "For me too, this was one of the most challenging cases with even the SBI board being uncomfortable in backing me on this issue, not because I did not enjoy their support or goodwill but because they felt that it posed a huge risk to the reputation of the bank.  
<https://www.moneycontrol.com/news/business/sbi-board-wanted-letter-of-support-from-govt-before-approving-jet-airways-resolution-plan-rajnish-kumar-7600891.html>
- **HDFC Bank suspends employees held for attempts of unauthorised withdrawal from high-value NRI account:** HDFC Bank has suspended the employees who were arrested by the Delhi Police for alleged involvement in attempts of unauthorised withdrawal from high-value NRI account. "Basis the FIR, police has arrested suspects including bank staff. We have suspended bank staff pending outcome of the investigation," the bank said in a statement on Tuesday. "Our systems detected unauthorised and suspicious attempts to transact in certain accounts. Basis the system alerts, we reported the matter to law enforcement agencies for further and necessary investigation, and lodged an FIR," added the bank.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-suspends-employees-held-for-attempts-of-unauthorised-withdrawal-from-high-value-nri-account/articleshow/87132346.cms>
- **Axis Bank bets big on merchant acquiring:** Private sector lender Axis Bank has outlined an ambitious strategy for merchant acquisition and onboarding and has begun small ticket lending to them. Axis Bank is now the third-largest point of sale (PoS) acquiring bank in the payments acceptance business in the country with an installed base of 7.09 lakh PoS devices. The bank processes around ₹20,000 crore of volumes per month as on August 31, 2021. Sanjeev Moghe, EVP and Head, Cards and Payments, Axis Bank said the bank has about 15 per cent market share in terminals and expects it to grow further. "Every terminal comes with a current account for the merchant and that means that at some ratio, we can lend to the merchant," he said in an interaction with BusinessLine.  
<https://www.thehindubusinessline.com/money-and-banking/axis-bank-bets-big-on-merchant-acquiring/article37070853.ece>



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- **Axis Bank to waive 12 EMIs on select home loans under festive offer:** Private sector lender Axis Bank on Tuesday announced waiver of 12 EMIs on select home loan products, and discounts on various online purchases as part of its festival offer. Axis Bank is offering waivers of 12 EMIs on select home loan products and providing on-road finance without any processing fee for two-wheeler customers, it said in a release. For business owners, it will offer several benefits on term loans, equipment loan and commercial vehicle finance. Announcing the launch of 'Dil se Open Celebrations : kyunki Diwali roz roz nahi aati', the bank said it will offer deals and discounts on shopping in restaurants and other retail loan products on purchases made through Axis Bank debit and credit cards.  
<https://www.thehindu.com/business/Industry/axis-bank-to-waive-12-emis-on-select-home-loans-under-its-festive-offer/article37071126.ece>
- **Banks hire for \$93 billion India, Southeast Asia tech deal hunt:** Investment banks are boosting their technology hiring in Southeast Asia and India as the region's fast-growing consumer internet markets catch up with their peers, pushing deals to new heights. Global lenders Barclays Plc and Citigroup Inc. have created new senior roles, while regional and boutique players are staffing up to capture a surge of activity in mergers and acquisitions and initial public offerings. "Every single investment bank is looking to hire technology, media and telecommunications bankers," said Anand Menon, managing director of Executive Principles, a head-hunting firm in India. "TMT is an animal producing multiple babies. We need new-age bankers who think like entrepreneurs to cover them with the same speed as these startups."  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-hire-for-93-billion-india-southeast-asia-tech-deal-hunt/articleshow/87130052.cms?from=mdr>
- **Indian banks face rise in bad loans to 8-9% of lending:** CRISIL : Indian banks are likely to see a rise in gross non-performing assets (NPA) to 8-9% of total lending at the end of this fiscal year from 7.5% last year, rating agency CRISIL said in a report on Tuesday. The rises will be led by retail clients and the micro, small and medium (MSME) segments, said Krishnan Sitaraman, senior director and deputy chief ratings officer, noting they represent 40% of total bank credit. "Stressed assets in these segments are seen rising to 4-5% and 17-18%, respectively, by this fiscal year-end (March 2022). The numbers would have trended even higher but for write-offs, primarily in the unsecured segment," Sitaraman said.  
<https://auto.economictimes.indiatimes.com/news/industry/indian-banks-face-rise-in-bad-loans-to-8-9-of-lending-crisil/87148837>
- **Moody's upgrades outlook for Indian banks:** Global ratings firm Moody's has revised the outlook for the Indian banking system to stable from negative following its upgrade of India's sovereign outlook two weeks ago. Besides receding asset quality concerns since the onset of the pandemic, declining credit costs as a result of improving asset quality is expected to result in higher profitability. Also, capital will remain above pre-pandemic levels, the global rating firm said.  
<https://www.livemint.com/industry/banking/moodys-upgrades-outlook-for-indian-banking-system-11634620444759.html>



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- **Govt sanctions ad hoc bonus to employees for FY21:** The government has sanctioned non-productivity linked or ad hoc bonus for central government employees for fiscal year 2020-21. In an office memorandum, the Department of Expenditure under the Finance Ministry said the employees of central para military forces and armed forces too would be eligible for the bonus. Employees who were in service as on March 31, 2021, and have rendered at least six months of continuous service during 2020-21 fiscal year would be eligible for this ad hoc bonus.  
<https://economictimes.indiatimes.com/news/economy/finance/govt-sanctions-ad-hoc-bonus-to-employees-for-fy21/articleshow/87136020.cms>
- **India ranks 40th out of 43 global pension systems, as per survey:** India has ranked 40th out of 43 pension systems across the world in the 2021 Mercer CFS Global Pension Index survey, suggesting the need for strategic reforms in India to revamp the pension system so as to ensure adequate retirement income. India had stood at 34th position out of 39 pension systems rated in 2020. According to the survey, India had an overall index value of 43.3 among the countries analysed, lower than the index value of 45.7 for 2020. Globally, Iceland was ranked highest with an overall index value of 84.2 while Thailand had the lowest overall index value at 40.6.  
<https://economictimes.indiatimes.com/news/economy/finance/india-ranks-40th-out-of-43-global-pension-systems-as-per-survey/articleshow/87134588.cms>
- **Financial stability taken care of under flexible inflation targeting regime: RBI research:** Financial stability is well taken care of in the RBI's flexible inflation targeting regime and it need not be a separate explicit monetary policy goal, according to a research paper by RBI economists. The present flexible inflation targeting (FIT) regime in India envisages policy action to ensure price stability, 'while being mindful of the growth objective'. "The empirical results show that through a proper co-ordination between monetary and macroprudential policies, the financial stability goals are implicitly met under the FIT regime without diluting the inflation targeting objective" said a research paper by RBI economists in the latest monthly bulletin.  
<https://economictimes.indiatimes.com/news/economy/finance/financial-stability-taken-care-of-under-flexible-inflation-targeting-regime-rbi-research/articleshow/87135327.cms>
- **Utkarsh Small Finance Bank forays into Tamil Nadu:** Utkarsh Small Finance Bank on Tuesday announced the inauguration of its first branch at Chennai in Tamil Nadu. The branch is located at Ashok Nagar in the city. "We are pleased to set our footprint in the state of Tamil Nadu with our first branch in the vibrant city of Chennai. The location augurs well and is of prime importance in the overall strategic plan of expansion and growth of the Bank. The city has been the hub of trade, manufacturing, and commerce and has numerous factors that contribute towards the growth of commerce and trade in the country," Govind Singh, MD & CEO, Utkarsh Small Finance Bank said in a press release.  
<https://www.thehindubusinessline.com/money-and-banking/utkarsh-small-finance-bank-forays-into-tamil-nadu/article37071780.ece>



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- **PhonePe transactions grew 33.6% between July and September:** During July to September 2021, PhonePe saw 33.6 per cent growth in transactions from the previous quarter at 526.5 crore, while the value of transactions grew 23.3 per cent to ₹9,21,674 crore. According to the Q3 (July-September) 2021 data released on PhonePe Pulse — an interactive website with digital payment data, insights and trends in India — money transfers with UPI and merchant payments clocked 221 crore and 231 crore transactions, respectively. Further, offline merchant payments grew faster than online, 65 per cent higher than the previous quarter, marking a period of recovery after the second wave of the pandemic and the rapid reopening of stores.  
<https://www.thehindubusinessline.com/money-and-banking/phonepe-transactions-grew-336-between-july-and-september/article37069931.ece>
- **Bitcoin investing could get boost from exchange-traded fund:** ProShares said Monday it plans to launch the country's first exchange-traded fund linked to Bitcoin. The ETF with the ticker symbol "BITO" is expected to begin trading Tuesday, barring any opposition from regulators. In a statement, ProShares CEO Michael Sapir compared the launch of a crypto-linked ETF to the 1993 launch of the first stocks ETF and the 2002 roll-out of the initial bond ETF. The US market for ETFs has grown to more than \$5.4 trillion and they're owned by roughly 9 per cent of all the nation's households, according to the Investment Company Institute.  
[https://www.business-standard.com/article/markets/bitcoin-investing-could-get-boost-from-exchange-traded-fund-121101900019\\_1.html](https://www.business-standard.com/article/markets/bitcoin-investing-could-get-boost-from-exchange-traded-fund-121101900019_1.html)
- **Balasubramanian elected as Chairman of Association of Mutual Funds:** Balasubramanian has been elected Chairman of Association of Mutual Funds in India, at the recently concluded board meeting of AMFI. Balasubramanian is Chief Executive Officer of Aditya Birla Sun Life Asset Management. He would take over from Nilesh Shah, Managing Director, Kotak Mutual Fund.  
<https://www.thehindubusinessline.com/money-and-banking/balasubramanian-elected-as-chairman-of-association-of-mutual-funds/article37064875.ece>
- **RBI unions ask Guv Shaktikanta Das to break deadlock in wage talks:** The United Forum of Reserve Bank of India's Officers and Employees has written to Governor Shaktikanta Das requesting him to break the impasse over wage revision negotiations between the unions and the central bank management which hit a roadblock during the final round of discussions. The revision of wages for all RBI staff is due since November 2017, but has been delayed due to the Coronavirus (Covid-19) pandemic. Discussions started at the end July virtually, but hit a roadblock in the last week of September. In a communication to Das, the United Forum, which represents four unions of RBI employees, said that the negotiations had started at a brisk pace, but were held up for 'some unexplained reason'.  
[https://www.business-standard.com/article/finance/rbi-unions-ask-guv-shaktikanta-das-to-break-deadlock-in-wage-talks-121101900249\\_1.html](https://www.business-standard.com/article/finance/rbi-unions-ask-guv-shaktikanta-das-to-break-deadlock-in-wage-talks-121101900249_1.html)
- **ICICI Bank seeks buyers for Rs 338-crore exposure to Soma Infrastructure:** ICICI Bank on Monday sought expressions of interest (EOIs) from asset reconstruction companies (ARCs) for its Rs 338-crore exposure to Soma Infrastructure. The asset is being offered on a full-cash basis. Soma Infrastructure is



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a Hyderabad-based company that owes ICICI Bank over Rs 149 crore in principal dues, and another Rs 189 crore in accrued interest and other charges. In an order dated September 20, the Hyderabad 'B' bench of the Income Tax Appellate Tribunal had said that Soma Infrastructure was a subsidiary of Soma Enterprise. "...it is clear that assessee is a subsidiary company and assessee has diverted the funds sanctioned by ICICI Bank to the step down subsidiaries i.e. Beta Infratech P. Ltd. and Soma Jabalpur Rewa Tollway Pvt. Ltd.(SPV)," the tribunal observed in the order.

<https://www.financialexpress.com/industry/banking-finance/icici-bank-seeks-buyers-for-rs-338-crore-exposure-to-soma-infrastructure/2352019/>

- The Finance Ministry officially has started the process of preparing the Union Budget 2022-23 with meetings scheduled to firm up the revised estimates for this year and demands for next year. While policymakers in North Block are happy with the strong tax collections on the back of a sustained economic recovery, there is worry about the mounting expenditure burden as well. The Covid-19 relief measures announced in the past six and a half months could increase expenditure for the year by Rs 2.01 lakh crore.

[https://www.business-standard.com/article/economy-policy/finmin-to-kick-starts-exercise-for-union-budget-2022-23-on-october-12-121092001070\\_1.html](https://www.business-standard.com/article/economy-policy/finmin-to-kick-starts-exercise-for-union-budget-2022-23-on-october-12-121092001070_1.html)

- **Sensex turns choppy as investors book profits:** Equity benchmark Sensex turned choppy after rallying past the 62,000-mark in opening trade on Tuesday as investors booked profits at higher levels. Extending its record-setting run, the 30-share index soared nearly 400 points to touch an all-time high of 62,159.78 in opening deals. It, however, pared early gains in the morning session, as it traded 137.33 points or 0.22 per cent higher at 61,902.92. Similarly, the Nifty was quoting 20.75 points or 0.11 per cent at 18,497.80. It touched a new intra-day record of 18,604.45 in early deals. L&T was the top gainer in the Sensex pack, rising around 3 per cent, followed by HUL, Tech Mahindra, HCL Tech, Reliance Industries and Nestle India.

<https://www.thehindubusinessline.com/markets/stock-markets/benchmark-indices-open-on-a-strong-note/article37064983.ece>

- **Gold prices climb above Rs 47,500/10 gm on positive global trend, weaker dollar:** Gold prices soared above Rs 47,500 per 10 gram on October 19 tracking firm global trend and feeble dollar. The precious metal is trading above \$1,780/oz levels breaching the intraday resistance of \$1,770-1,773 levels. The domestic gold market is shut on account of the Eid Milad un Nabi holiday. The price of 10 gram, 22-carat gold in Mumbai settled yesterday at Rs 43,404 plus 3 percent GST, while 24-carat 10 gram stood at Rs 47,384 plus GST. The 18-carat gold quoted at Rs 35,538 plus GST in the retail market. Silver prices soared by Rs 1,705 to Rs 64,971 per kg in the evening trade.

<https://www.moneycontrol.com/news/business/gold-prices-climb-above-rs-4750010-gm-on-positive-global-trend-weaker-dollar-7600151.html>

- **Sensex adds 10,000 points in 8 months to cross 62,000 as 53 stocks surge 100-400%:** The run-up in the stock markets seems endless. The momentum continued for the eighth consecutive session on October 19, taking the BSE Sensex above the 62,000 mark and helping the Nifty 50 surpass 18,600, following positive global cues and strengthening economic sentiment. The fall in Covid-19 cases and



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better corporate earnings have also contributed to the current rally. The BSE Sensex surged 428.31 points to 62,193.90 and the Nifty 50 jumped 106.50 points to 18,583.50 at 12:31 hrs IST, taking the gains over eight sessions to over 5 percent.

<https://www.moneycontrol.com/news/business/markets/sensex-adds-10000-points-in-8-months-to-cross-62000-as-53-stocks-surge-100-400-7599131.html>

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