



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
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## DAILY NEWS DIGEST BY BFSI BOARD, ICAI

October 22, 2021

- **PSU banks likely to get capital support in Q4 to meet regulatory requirements:** The government is likely to pump capital in public sector banks during the last quarter of the current financial year to meet the regulatory requirements. The government in the Budget 2021-22 has made an allocation of Rs 20,000 crore for the capital infusion in the state-owned banks. The capital position of banks would be reviewed in the next quarter, and depending on the requirement, the infusion will be made to meet the regulatory needs. In the current fiscal so far, all 12 public sector banks have posted a profit, which is being ploughed back to bolster the balance sheet of the banks, sources said. Going forward, they said, the rise in stressed assets would determine capital requirement.  
[https://www.business-standard.com/article/finance/psu-banks-likely-to-get-capital-support-in-q4-to-meet-regulatory-needs-121102100921\\_1.html](https://www.business-standard.com/article/finance/psu-banks-likely-to-get-capital-support-in-q4-to-meet-regulatory-needs-121102100921_1.html)
- **ACC approves appointment of seven executive directors in various PSB:** The Appointments Committee of the Cabinet (ACC) has given its nod for the elevation of seven chief general managers and general managers as Executive Directors (EDs) in various public sector banks (PSBs). Rajneesh Karnatak, Chief General Manager, Punjab National Bank, has been appointed as Executive Director in Union Bank of India for a period of three years. Ashwani Kumar, Chief General Manager, Punjab National Bank, has been appointed as Executive Director in Indian Bank for a period of three years.  
<https://www.thehindubusinessline.com/money-and-banking/acc-approves-appointment-of-seven-executive-directors-in-various-psbs/article37105753.ece>
- **Bank of Maharashtra net profit jumps ₹264 crore in Q2:** Bank of Maharashtra reported a 107 per cent year-on-year jump in second quarter net profit at ₹264 crore against ₹130 crore in the year ago quarter. Net interest income in the reporting quarter rose 34 per cent yoy at ₹1499 crore. Other income was up 23 per cent yoy at ₹493 crore. Loan loss provisions jumped to ₹583 crore, including towards increase in provisions on account of implementation of resolution plans under RBI's "Resolution Framework for COVID-19 related stress" (August 6, 2020 circular) against a write back of ₹4.55 crore in the year ago quarter.  
<https://www.thehindu.com/business/Industry/bank-of-maharashtra-net-profit-jumps-103-to-264-crore-in-sept-quarter/article37109167.ece#:~:text=State%20Downed%20Bank%20of%20Maharashtra,quarter%20of%20the%20previous%20fiscal.>
- **Banks may set up central repository to tackle gold loan frauds:** Banks are exploring whether a centralised repository for reporting frauds in gold loans should be set up to tackle rising incidents of frauds amidst robust demand for these loans since the outbreak of Covid-19 pandemic. The repository could help prevent/minimise gold loan frauds as lenders will be able to cross-check prospective borrowers' record on the quality of gold they pledged for their earlier borrowings, said a senior public sector bank official. Loans against gold jewellery (LAGJ) portfolio of scheduled commercial banks (SCBs) soared by about 66 per cent year-on-year (yoy) to ₹62,926 crore as at August



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27, 2021, against ₹37,860 crore as at August 28, 2020, according to RBI data. SCBs LAGJ portfolio stood at ₹26,542 crore as at August 30, 2019.

<https://www.thehindubusinessline.com/money-and-banking/banks-may-set-up-central-repository-to-tackle-gold-loan-frauds/article37107487.ece>

- **IDBI Bank Q2 net profit jumps 75% to ₹ 567 cr on NII growth:** IDBI Bank on Thursday reported a 75 per cent jump in its standalone profit after tax to ₹ 567 crore in the second quarter ended September 30, on higher interest income. The LIC-owned bank had reported a standalone profit after tax of ₹ 324 crore in the year-ago quarter. “Overall, there has been improvement in the bank's performance parameters. The cost of deposits has come down to 3.60 per cent as of September 30, 2021, from 4.41 per cent last year. Similarly, cost of funds has also declined from 4.73 per cent to 3.88 per cent,” the bank's Managing Director and CEO Rakesh Sharma told reporters.  
<https://www.thehindubusinessline.com/money-and-banking/idbi-bank-q2-net-profit-jumps-75-to-567-cr-on-nii-growth/article37112324.ece>
- **Subscription to sovereign gold bond to open on October 25:** The next tranche of Sovereign Gold Bonds 2021-22 will be open for subscription for five days from October 25, the finance ministry said in a statement on Thursday. The bonds under the 2021-22 series will be issued in four tranches during October 2021-March 2022, taking the total to 10. Under the series, bonds were issued in six tranches from May 2021 to September 2021. The subscription period for 2021-22 Series-VII will be October 25-October 29, and bonds will be issued on November 2, the finance ministry said in a statement.  
[https://www.business-standard.com/article/finance/subscription-to-sovereign-gold-bond-to-open-on-october-25-121102101341\\_1.html](https://www.business-standard.com/article/finance/subscription-to-sovereign-gold-bond-to-open-on-october-25-121102101341_1.html)
- **Banks' microloan portfolio contracts 7% to Rs 2.36 trillion in June quarter:** Micro loan portfolio of lenders shrunk by 7 per cent to Rs 2.36 trillion in the June quarter (Q1FY22) over Rs 2.53 trillion in Q4FY21 (on economic disruption owing to second wave of Covid-19 pandemic. The quarterly decline in gross loan portfolio (GLP) was seen across all lender types, including commercial banks, finance companies, according to CRIF Highmark. The credit information bureau in Q1 review said the microfinance sector was quick to recover to pre-pandemic level by Q4FY21. The enquiries for loans showed an upturn with month-on-month rise of 7 per cent in September 2021.  
[https://www.business-standard.com/article/finance/banks-microloan-portfolio-contracts-7-to-rs-2-36-trillion-in-june-quarter-121102100196\\_1.html](https://www.business-standard.com/article/finance/banks-microloan-portfolio-contracts-7-to-rs-2-36-trillion-in-june-quarter-121102100196_1.html)
- **Kotak Mahindra Bank partners Pine Labs to expand point-of-sale services:** Kotak Mahindra Bank has tied up with Pine Labs to expand its point-of-sale (PoS) services to more merchants, especially retailers. “Through this tie-up, merchants in India will now be able to get the advantage of Kotak Mahindra Bank’s PoS payment solutions bundled with Pine Labs’ technology stack to help grow their business,” it said in a statement on Thursday. Pine Labs has a network of over 2,45,000 merchants across Asia. Noting that retail and large merchants as well as customers are moving towards digital payments, Shanti Ekambaram, Group President – Consumer Banking, Kotak Mahindra Bank, said, “Pine Labs is a leading player with customised solutions for retailers and B2C service providers, and this collaboration with them opens up a significant market opportunity for Kotak to onboard new



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merchants and offer them an integrated PoS-plus suite of digital payments and banking products proposition.”

<https://www.thehindubusinessline.com/money-and-banking/kotak-mahindra-bank-partners-pine-labs-to-expand-point-of-sale-services/article37109678.ece>

- **HDFC Bank, Mastercard, USAID and DFC launch \$100 million credit facility for MSMEs in India:** HDFC Bank, Mastercard, US International Development Finance Corporation (DFC), and US Agency for International Development (USAID) on Thursday launched a \$100 million credit facility. This is aimed to promote and encourage small businesses in the country to digitise, while also helping Indian businesses, particularly those that are women-owned, to recover from the economic impacts of the pandemic. “The new credit facility aims to expand lending to small businesses that need financing to maintain and grow their operations, and enable recovery through digitisation, with an emphasis on supporting women-led businesses,” they said in a statement.  
<https://www.thehindubusinessline.com/money-and-banking/hdfc-bank-mastercard-usaid-and-dfc-launch-100-million-credit-facility-for-msmes-in-india/article37104993.ece>
- **Trade credit insurance norms to kick in from Nov 1:** Companies are gearing up for trade credit insurance covers, for which the guidelines come into effect from November 1. This is expected to improve liquidity for micro, small and medium enterprises (MSMEs). A number of insurance companies are said to be working on the draft agreements and products. “The new trade credit insurance (TCI) guidelines have come at the right time. The Factoring Regulation (Amendment) Act, 2021 allows NBFCs [non-banking financial companies] as factors. Once the RBI [Reserve Bank of India] amends the TReDS [trade receivables discounting system] guidelines to allow an NBFC as a financier on the platform, it will increase liquidity and financiers will have a risk-sharing partner,” said Ketan Gaikwad, Managing Director and CEO, Receivables Exchange Of India Limited (RXIL).  
<https://www.thehindubusinessline.com/money-and-banking/trade-credit-insurance-norms-to-kick-in-from-nov-1/article37104510.ece>
- **Bitcoin edges off all-time high:** Bitcoin fell slightly in Asian hours on Thursday, a day after marking an all-time high on optimism around the launch of the first US bitcoin futures ETF. The world’s largest cryptocurrency was last down 1.3 per cent at \$65,184 after hitting a record \$67,016 on Wednesday, but still above a previous peak of \$64,895 seen in April. “We think its going to go higher and we can get to 80,000 or 90,000 by the end of this year easy, but that won’t be without volatility,” said Matt Dibb, COO of Singapore-based Stack Funds.  
<https://www.news18.com/news/business/bitcoin-edges-off-all-time-high-but-momentum-for-more-gains-this-year-seen-intact-4346912.html>
- **National Asset Reconstruction Company: First set of NPA transfer to bad bank likely by January:** The National Asset Reconstruction Company (NARCL), or the so-called bad bank, is expected to witness the transfer of the first batch of toxic assets worth about Rs 90,000 crore by January 2022, banking sources told FE. Earlier this month, the NARCL got a licence from the central bank to start operations. “It’s (NARCL) in the process of forming its board. Large stressed assets have already been identified, so their transfer is unlikely to be delayed beyond late December or early January,” a top banker familiar



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with the development told FE. The asset transfer will be a decisive step towards the resolution of large stressed assets worth Rs 2 lakh crore in the banking system.

<https://www.financialexpress.com/industry/banking-finance/national-asset-reconstruction-company-first-set-of-npa-transfer-to-bad-bank-likely-by-january/2353696/>

- **Mudra loan scheme for micro enterprises nears 100 percent disbursement rate:** Credit disbursement under Pradhan Mantri Mudra Yojana (PMMY) has neared a 100 percent disbursement level in 7 months in the current fiscal. Non-banking financial companies (NBFCs), small finance banks and public and private lenders have disbursed Rs. 1.11 lakh crore out of the Rs. 1.17 lakh crore amount sanctioned. Thus, a little over the first half of the current fiscal, 95.19 percent of sanctioned amount has been disbursed. The disbursement rate under the previous fiscal stood at 94.7 percent, in FY20 it was 97.6 percent, 97 percent in FY19, 97.14 in FY18, 97.11 in FY17 and 96.73 in FY16.  
<https://www.moneycontrol.com/news/business/mudra-loan-scheme-for-micro-enterprises-nears-100-percent-disbursement-rate-7609461.html>
- **Bharti AXA Life Insurance signs bancassurance pact with Utkarsh Small Finance Bank:** Bharti AXA Life Insurance on October 21 announced its bancassurance partnership with Utkarsh Small Finance Bank Limited (USFBL) for the distribution of life insurance products through the bank's network of branches across the country. With this collaboration, Bharti AXA Life's insurance plans including protection, health, savings and investment, will be available for purchase to over 3 million customers of the bank across its more than 600 branches in 202 districts spread across 19 states and 2 union territories in the country.  
<https://www.moneycontrol.com/news/business/bharti-axa-life-insurance-announces-bancassurance-partnership-with-utkarsh-small-finance-bank-7609611.html>
- **Gold prices marginally dip to Rs 47,469/10 gm on global cues; silver touches Rs 65,000 a kg :** Gold prices slightly eased by Rs 79 to Rs 47,469 per 10 gram in the Mumbai bullion market tracking muted global cues. The precious metal was also pressured by a firm dollar and US treasury yields soared above 1.67 percent. The price of 10 gram, 22-carat gold in Mumbai was Rs 43,482 plus 3 percent GST, while 24-carat 10 gram stood at Rs 47,469 plus GST. The 18-carat gold quoted at Rs 35,602 plus GST in the retail market. Silver prices gained by Rs 4 to Rs 65,000 per kg against its closing price on October 19.  
<https://www.moneycontrol.com/news/business/commodities/gold-prices-marginally-dip-to-rs-4746910-gm-on-global-cues-silver-touches-rs-65000-a-kg-7609131.html>
- **Sensex ends 336 points lower, Nifty below 18,200 as sell-off continues:** The BSE Sensex closed at 60,923.50, down 336.46 points or 0.55 per cent. It hit an intraday high of 61,621.20 and a low of 60,485.65. The Nifty 50 closed at 18,178.10, down 88.50 points or 0.48 per cent. It hit an intraday high of 18,384.20 and a low of 18,048.00. Kotak Bank, Tata Motors, Grasim, HDFC and BPCL were the top gainers on the Nifty 50 while Asian Paints, Hindalco, Infosys, Reliance and TCS were the top losers.  
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-ends-336-points-lower-nifty-below-18200-as-sell-off-continues/article37108309.ece>



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- **Rupee ends flat at 74.87 vs USD** : The rupee settled just 1 paisa higher at 74.87 (provisional) against the US dollar on Thursday amid a muted trend in domestic equities. At the interbank forex market, the local unit opened at 74.86 against the greenback, and moved in a range of 74.69 to 74.89 during the session. It finally ended at 74.87, registering a rise of just 1 paisa over its previous close.

<https://www.thehindubusinessline.com/markets/forex/rupee-edges-up-3-paise-to-7485-against-dollar-in-early-trade/article37103283.ece>

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