



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(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 23, 2021

- **Bank of India opens first-ever branch in Ladakh:** Bank of India on Friday extended its operations to the Union Territory of Ladakh by opening its first-ever branch here with its top official asserting that the bank is fully committed to extending its banking services to the people living in far-flung areas of the country. This was the 5,086th branch opened by a bank in the country and abroad, and is fully computerised and digitised with a facility of E-Gallery to provide 24x7 banking to the residents of Leh, a spokesperson of the Bank of India (BOI) said. He said BOI Managing Director and Chief Executive Officer A K Das opened the branch in the presence of Field General Manager A K Jain, Zonal Manager Vasudev, Branch Manager Sangeeta and various local dignitaries and customers. "The bank is fully committed to extending its banking services to the people living in the far-flung areas of the country. The opening of a branch here is an important step towards this goal," Das said.  
<https://www.thehindu.com/news/national/other-states/bank-of-india-opens-first-ever-branch-in-ladakh/article37124533.ece>
- **Bank of Maharashtra Q2 net up 103% to Rs 264 cr on robust interest, income:** Bank of Maharashtra (BoM) on Thursday reported an over two-fold jump in net profit on a year-on-year (YoY) basis in the quarter ended September 2021 (Q2FY22), helped by robust interest and fee income. The state-owned bank's net profit rose 102.7 per cent YoY to Rs 264 crore from Rs 130 crore, a regulatory filing said. Its net interest income (NII) grew 33.84 per cent YoY to Rs 1,500 crore in Q2. The non-interest income was up 22.61 per cent to Rs 493 crore, which includes recoveries worth Rs 260 crore from exposure to DHFL. The bank's deposits increased 14.47 per cent to Rs 1.81 trillion and gross advances grew 11.44 per cent to Rs 1.15 trillion on a YoY basis.  
[https://www.business-standard.com/article/finance/bank-of-maharashtra-q2-net-up-103-to-rs-264-cr-on-robust-interest-income-121102200121\\_1.html](https://www.business-standard.com/article/finance/bank-of-maharashtra-q2-net-up-103-to-rs-264-cr-on-robust-interest-income-121102200121_1.html)
- **Federal Bank Q2 net profit up 49.6%:** Federal Bank reported a 49.6 per cent jump in its standalone net profit at ₹460.26 crore in the second quarter of the fiscal from ₹307.62 crore in the corresponding period a year ago. This was aided by higher net interest income and lower provisions. For the quarter-ended September 30, 2021, Federal Bank reported a net interest income growth of 7.2 per cent to ₹1,479.42 crore versus ₹1,379.85 crore a year ago. Other income marginally fell by 1 per cent on an annual basis to ₹444.46 crore in the second quarter of 2021-22. Net interest margin stood at 3.2 per cent as on September 30, 2021.  
<https://www.thehindubusinessline.com/money-and-banking/federal-bank-q2-net-profit-up-496/article37122240.ece>
- **South Indian Bank posts net loss of ₹187.06 crore in second quarter of FY22:** Thrissur-based South Indian Bank posted a net loss of ₹187.06 crore in the second quarter of FY22 against a net a profit of ₹65.09 crore during the corresponding period of FY21. The operating profit stood at ₹111.91 crore as against ₹390.94 core for Q2FY21. As per the RBI direction, provision for depreciation on investments amounting to ₹175.56 crore for Q2FY22 has been shown under "other income" in the profit and loss



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account, which was originally classified under “provisions and contingencies. Further, amounts recovered from written-off accounts were reclassified under “provisions and contingencies” against previous year classification under “other income”. Excluding these amendments, operating profit would have been ₹346 crore, a press statement said.

<https://www.thehindubusinessline.com/money-and-banking/south-indian-bank-posts-net-loss-of-18706-crore-in-second-quarter-of-fy22/article37115289.ece>

- **YES Bank posts 74% jump in Q2 net profit:** Private sector lender YES Bank’s standalone net profit surged by 74.3 per cent to ₹225.5 crore in the second quarter of the fiscal led by a sharp jump in non interest income and lower provisions. The bank’s standalone net profit was ₹129.37 crore in the second quarter of last fiscal. For the quarter ended September 30, 2021, YES Bank however, reported a 23.4 per cent drop in its net interest income to ₹1,512 crore as against ₹1,973 crore a year ago. Net interest margin was at 2.2 per cent.  
<https://www.thehindubusinessline.com/money-and-banking/yes-bank-posts-74-jump-in-q2-net-profit/article37124595.ece>
- **Federal Bank opens 300,000 accounts with neo-bank partners:** Federal Bank said on October 22 that it has opened more than 300,000 accounts with neo-banking partners. The bank has tied up with three neo-banking platforms; Jupiter, Fi & DGV. Federal Bank’s MD & CEO Shyam Srinivasan in a media call said investment focus around digital and fintech partnerships is showing results, and some of these fintech partnerships have led to opening up of over 300,000 bank accounts with neo-banking platforms. On the user-behaviour and cross-sell opportunity, Srinivasan said, “This is maybe too early to answer but conceptually this is what everybody is asking. It’s been three-four months only and we will have to wait and see how the seasoning happens.”  
<https://www.moneycontrol.com/news/business/companies/federal-bank-opens-300000-accounts-with-neo-bank-partners-7614041.html>
- **KVGB disburses ₹44.28 cr loan at outreach programme:** The Dharwad region of Karnataka Vikas Grameena Bank (KVGB) disbursed loans to the tune of ₹44.28 crore to nearly 725 beneficiaries under various heads at the customer outreach initiative organised under the aegis of state-level bankers’ committee (SLBC), according to P Gopi Krishna, Chairman of KVGB. He said the customers outreach initiative was organised on Thursday to boost credit in retail, agriculture and MSME sectors.  
<https://www.thehindubusinessline.com/money-and-banking/kvgb-disburses-4428-cr-loan-at-outreach-programme/article37124955.ece>
- **HDFC Life Insurance Q2 net profit down 16%:** HDFC Life Insurance registered a 15.9 per cent drop in its net profit to ₹274.16 crore in the second quarter of the fiscal as against ₹326.09 crore in the same period last fiscal. “Our profit after tax stands at ₹577 crore for the first half of 2021-22, which is 26 per cent lower than the first half of 2020-21, on the back of higher claims reserving warranted by the second wave of the pandemic,” said Vibha Padalkar, Managing Director and CEO, HDFC Life Insurance.  
<https://www.thehindubusinessline.com/money-and-banking/hdfc-life-insurance-q2-net-profit-down-16/article37122693.ece>



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- **RBI proposes stricter capital norms for Exim Bank, Nabard, NHB and Sidbi:** The Reserve Bank of India has proposed minimum 11.5% capital for the four all India financial institutions (AIFI) in line with Basel III framework to raise their resilience in periods of stress. The stricter capital norms would be applicable to Exim Bank, National Bank for Agriculture & Rural Development, National Housing Bank and Small Industries Development Bank of India from the next fiscal. RBI said that these institutions should have minimum total capital at 9% from April 1 2022 along with minimum capital buffer at 2.5%. Minimum common equity tier 1 (CET1) capital would be 5.5% while minimum tier 1 capital requirement proposed at 7%.  
<https://economictimes.indiatimes.com/news/economy/policy/rbi-proposes-stricter-capital-norms-for-exim-bank-nabard-nhb-and-sidbi/articleshow/87211205.cms>
- **LIC Housing Finance reports 69 per cent y-o-y decline in Q2 net profit at ₹248 crore:** LIC Housing Finance (LIC HFL) reported a 69 per cent year-on-year (yoy) decline in second quarter net profit at ₹248 crore against ₹791 crore in the year-ago quarter due to increase in provisions on account of implementation of resolution plans, especially in the case of corporate entities. The housing finance company upped the provisions by ₹424.49 crore during the quarter in respect of 113 corporate entities. It had an exposure aggregating ₹4,629.46 crore to them before implementation of the resolution plans.  
<https://www.thehindubusinessline.com/money-and-banking/lic-housing-finance-reports-69-per-cent-y-o-y-decline-in-q2-net-profit-at-248-crore/article37114455.ece>
- **RBI needs to ensure nascent revival of economic activity shows signs of durability: Governor Shaktikanta Das:** Reserve Bank of India Governor Shaktikanta Das said the central bank needs to ensure that the nascent revival of economic activity shows signs of durability and sustainability. At the Monetary Policy Committee (MPC) meeting, held between October 6 and 8, 2021, Das referred to an ever evolving and dynamic environment, with the outlook overcast by several uncertainties including the fact that the pandemic is far from over. “At this critical juncture, our actions have to be gradual, calibrated, well-timed and well-telegraphed to avoid any undue surprises,” the Governor said.  
<https://www.thehindubusinessline.com/money-and-banking/rbi-needs-to-ensure-nascent-revival-of-economic-activity-shows-signs-of-durability-governor-shaktikanta-das/article37128775.ece>
- **CrossTower offers ₹5,000 credit to Indian users to learn crypto trading:** CrossTower on Friday announced a unique feature by offering free credit of ₹5,000 to each Indian user's wallet for trading on cryptocurrency on its platform. “Due to cryptocurrencies' volatility, many users are still wary about investing in the crypto market,” it said in a statement, adding that CrossTower launched this feature to allow Indian users to learn crypto trading comfortably without investing a single rupee.  
<https://www.livemint.com/market/cryptocurrency/crosstower-offers-indian-users-5-000-credit-for-learning-crypto-trading-1163488555430.html>



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- **Failure of any large NBFC may translate into a risk to its lenders: RBI Dy Governor M Rajeshwar Rao:** The reputation of the non-banking financial sector has been dented in recent times by failure of certain entities due to idiosyncratic factors, said Reserve Bank of India Deputy Governor M Rajeshwar Rao. The challenge, therefore, is to restore trust in the sector by ensuring that few entities or activities do not generate vulnerabilities which go undetected and create shocks and give rise to systemic risk through their interlinkages with the financial system. “Forestalling and where necessary, decisively resolving such episodes becomes a key focus of our regulatory and supervisory efforts,” Rao said at the CII NBFC Summit.  
<https://www.thehindubusinessline.com/money-and-banking/failure-of-any-large-nbfc-may-translate-into-a-risk-to-its-lenders-says-rbi-dy-governor-m-rajeshwar-rao/article37121885.ece>
- **Protection of customer interest non-negotiable: RBI Deputy Governor to NBFCs:** Emphasising on the need to create a culture of responsible governance in the NBFC sector, RBI Deputy Governor M Rajeshwar Rao on Friday urged shadow banking players to give utmost importance to protection of customers as it is “non-negotiable”. Recalling incidents of the coercive recovery practice by some of the players, the Deputy Governor said, such developments spurred by purely commercial considerations have dented the credibility of the whole system which flourishes and thrives on trust.  
<https://www.financialexpress.com/industry/banking-finance/protection-of-customer-interest-non-negotiable-rbi-deputy-governor-to-nbfcs/2354849/>
- **Rajneesh Karnatak takes over as Union Bank of India Executive Director:** State-run Union Bank of India on October 22 announced the appointment of Rajneesh Karnatak as Executive Director. The former chief general manager of Punjab National Bank has over 27 years of experience in banking services. Karnatak also served as a general manager in the erstwhile Oriental Bank of Commerce, where he headed large corporate credit branches and verticals such as credit monitoring, digital banking and mid-corporate credit, the bank said in a release.  
<https://www.moneycontrol.com/news/business/rajneesh-karnatak-takes-over-as-union-bank-of-india-executive-director-7612311.html>
- **AU Small Finance Bank launches QR Sound Box to boost digital payments:** With an aim to enhance its reach in digital payments, leading small finance bank -- AU Small Finance Bank (AU SFB) -- on October 22 announced the the launch of a QR Code Sound Box. The Jaipur-headquartered SFB said that the QR Sound Box will help small merchants to run their operations smoothly without the hassle of reading SMS every time when a customer makes a payment. So far the bank has deployed over two lakh QR Codes.  
<https://www.moneycontrol.com/news/business/au-small-finance-bank-launches-qr-sound-box-to-boost-digital-payments-7613631.html>
- **Paytm gets SEBI's nod for Rs 16,600 crore IPO:** One97 Communications, the parent company of fintech platform Paytm, has received the nod from the Securities and Exchange Board of India (SEBI) for its Rs 16,600 crore initial public offering (IPO), according to sources privy to the matter. While Rs 8,300 crore will be primary share sale, Rs 8,300 crore will be an offer for sale (OFS), where existing



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investors can sell their shares. The company is planning for a mid-November listing. It had filed its draft in July.

<https://www.moneycontrol.com/news/business/startup/paytm-gets-sebis-nod-for-rs-16600-crore-ipo-7600921.html>

- **PhonePe starts charging processing fees on phone recharges above Rs 50:** Digital payments leader PhonePe has started charging processing fees of Re 1 to Rs 2 on phone recharges over Rs 50. This is being done on an experimental basis with a small number of users, a company spokesperson said. Recharges between Rs 51 and Rs 100 have a Re 1 charge and those above Rs 100 will be charged Rs 2. <https://www.moneycontrol.com/news/business/phonepe-begins-charge-processing-fees-on-phone-recharges-above-rs-50-7615101.html>
- **Rupee slips 3 paise to close at 74.90:** The rupee weakened by 3 paise to end at 74.90 against the US currency on Friday, weighed down by a muted trend in domestic equities and firm crude oil prices. At the interbank foreign exchange market, the local currency opened at 74.82 and witnessed an intra-day high of 74.69 and a low of 74.94 against the US dollar in the day trade. The local unit finally settled at 74.90 a dollar, down 3 paise over its previous close. <https://www.moneycontrol.com/news/business/markets/rupee-slips-3-paise-to-close-at-74-90-against-us-dollar-7613971.html>
- **Volatile Sensex, Nifty close weak, amid continued sell-off:** The BSE Sensex closed at 60,821.62, down 101.88 points or 0.17 per cent. It hit an intraday high of 61,420.13 and a low of 60,551.15. The Nifty 50 closed at 18,114.90, down 63.20 points or 0.35 per cent. It recorded an intraday high of 18,314.25 and a low of 18,034.35. The broader market also continued to witness steeper correction. However, the volatility index further softened 2.71 per cent to close below 18 at 17.55. HDFC, Bajaj Auto, Kotak Bank, Axis Bank and ONGC were the top gainers on the Nifty 50 today while Hindalco, Coal India, Tata Motors, ITC and Tata Consumer were the top laggards. <https://www.thehindubusinessline.com/markets/stock-markets/volatile-sensex-nifty-close-weak-amid-continued-sell-off/article37124033.ece>

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