



**THE INSTITUTE OF
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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

September 25, 2021

- **RBI announces revised rules for securitisation of standard assets:** The Reserve Bank on Friday issued Master Direction on loan transfer, requiring banks and other lending institutions to have a comprehensive board-approved policy for such transactions. Loan transfers are resorted to by lending institutions for various reasons, ranging from liquidity management, rebalancing their exposures or strategic sales. Also, a robust secondary market in loans will help in creating additional avenues for raising liquidity, the RBI said.
https://www.business-standard.com/article/finance/rbi-announces-revised-rules-for-securitisation-of-standard-assets-121092401066_1.html
- **RBI permits lenders to sell fraud loans to ARCs, paves way for resolution:** The Reserve Bank of India (RBI) has permitted the transfer of loans that have been classified as fraud by lenders to asset reconstruction companies (ARCs), thus paving the way for resolution of such accounts. The RBI has also said that the legal responsibilities regarding reporting, monitoring, filing of complaints with law enforcement agencies, and other such related matters with such exposures will move to the ARCs post the transfer.
https://www.business-standard.com/article/finance/rbi-permits-lenders-to-sell-fraud-loans-to-arcs-paves-way-for-resolution-121092401209_1.html
- **Indian Bank declares two NPA accounts worth ₹300 cr as fraud, reports to RBI:** Public lender Indian Bank has informed the exchanges that it has declared two non performing asset (NPA) accounts worth over ₹300 crore as fraud and reported them to the Reserve Bank of India (RBI). "In terms of Sebi regulations and having regard to the Bank's policy on determination and disclosures of material events/information, we have to inform you that two NPAs accounts have been declared as fraud and reported to RBI as per regulatory requirement," Indian Bank said in a filing.
<https://www.livemint.com/industry/banking/indian-bank-declares-two-npa-accounts-worth-rs-300-cr-as-fraud-reports-to-rbi-11632411661144.html>
- **RBI issues Master Direction on loan transfer:** The Reserve Bank on Friday issued Master Direction on loan transfer, requiring banks and other lending institutions to have a comprehensive board-approved policy for such transactions. Loan transfers are resorted to by lending institutions for various reasons, ranging from liquidity management, rebalancing their exposures or strategic sales. Also, a robust secondary market in loans will help in creating additional avenues for raising liquidity, the RBI said.
<https://www.moneycontrol.com/news/business/economy/rbi-issues-master-direction-on-loan-transfer-7504951.html>
- **Mispricing of risks a concern: SBI chairman Dinesh Kumar Khara:** State Bank of India (SBI), the country's largest lender, Friday said that mispricing of risks is a cause of concern given the fact that there is ample liquidity in the system. Since deposits are flowing into the system and credit offtake is yet to take place, bankers may be tempted to make investments in alternative avenues like T-Bills, SBI



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chairman Dinesh Kr Khara said at a webinar organised by Bengal Chamber of Commerce and Industry. "The depth of this alternative investment market is shallow. There is a chance of mispricing of risks. But I feel there will be no compromise on underwriting standards as the banking system has learned the hard way due to huge NPAs," he said.

<https://www.financialexpress.com/industry/banking-finance/mispricing-of-risks-cause-for-concern-sbi-chairman-dinesh-kumar-khara/2337286/>

- **Survey finds over two-thirds of customers willing to switch to digital-only bank:** Over two-thirds of Indians surveyed by a global consultancy are willing to switch to a digital-only lender for their banking needs, according to a report released on Friday. Approximately 4,000 respondents were surveyed by McKinsey as part of a global report, which came at a time when digitalisation is growing and a slew of 'neo-banks' are coming up. "More than 70 per cent of consumers surveyed are willing to switch to a direct bank (or virtual bank)," the survey said. It can be noted that in the past, banks have said they will need to have a physical network, but the work that happens in a branch will be changing a lot. <https://economictimes.indiatimes.com/industry/banking/finance/banking/survey-finds-over-two-thirds-of-customers-willing-to-switch-to-digital-only-bank/articleshow/86482860.cms>
- **Govt guarantee to NARCL to help in development of secondary market for security receipts: SBI chief:** The government decision to provide a Rs 30,600 crore guarantee to National Asset Reconstruction Company for acquiring stressed loan assets will help in the development of a secondary market for security receipts, State Bank of India Chairman Dinesh Khara said on Friday. Earlier this month, the government decided to provide a sovereign guarantee for security receipts (SRs) issued by National Asset Reconstruction Company Limited (NARCL). "The SRs (issued by NARCL) are going to be guaranteed by the government, which actually will lend a lot of credibility to these SRs and perhaps it will lead to the development of the secondary market for SRs," Khara said at a virtual event organised by Bengal Chamber of Commerce and Industry. <https://economictimes.indiatimes.com/industry/banking/finance/banking/govt-guarantee-to-narcl-to-help-in-development-of-secondary-market-for-security-receipts-sbi-chief/articleshow/86486526.cms>
- **RBI imposes Rs 79 lakh penalty on Mumbai-based Apna Sahakari Bank:** The Reserve Bank has imposed a penalty of Rs 79 lakh on Apna Sahakari Bank, Mumbai for non-compliance with certain directions, including on NPA classification. The RBI said statutory inspection of the bank revealed that it had not complied with the directions on NPA classification, payment of interest on deposits lying in current accounts of deceased individual depositors or sole proprietorship concerns while settling the claims and levying of penal charges in savings bank accounts for non-maintenance of minimum balances. https://www.business-standard.com/article/finance/rbi-imposes-rs-79-lakh-penalty-on-mumbai-based-apna-sahakari-bank-121092401150_1.html



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- **Forex reserves down by USD 1.47 billion to USD 639.64 billion:** The country's foreign exchange reserves declined by USD 1.47 billion to USD 639.642 billion in the week ended September 17, RBI data showed on Friday. In the previous week ended September 10, 2021, the reserves had dipped by USD 1.34 billion to USD 641.113 billion. The reserves had surged by USD 8.895 billion to a lifetime high of USD 642.453 billion in the week ended September 3, 2021. During the reporting week ended September 17, 2021, the drop in the forex kitty was mainly on account of a decline in the foreign currency assets (FCAs), a major component of the overall reserves.
<https://economictimes.indiatimes.com/news/economy/finance/forex-reserves-down-by-usd-1-47-billion-to-usd-639-64-billion/articleshow/86486631.cms>
- **DICGC to announce revised date for submission of claims by PMC Bank depositors:** The Deposit Insurance and Credit Guarantee Corporation (DICGC) has clarified that it will separately communicate the revised date for submission of claims and the procedure to be followed in respect of payment of deposits in the case of the scam-hit Punjab and Maharashtra Co-operative (PMC) Bank. This clarification comes even as big depositors of PMC Bank were on tenterhooks about submitting a form that requires them to declare the “willingness of depositors to receive insurance claim amount (up to ₹5 lakh) from DICGC.”
<https://www.thehindubusinessline.com/money-and-banking/dicgc-to-announce-revised-date-for-submission-of-claims-by-pmc-bank-depositors/article36645166.ece>
- **Cost-effective micro ATMs gain traction;** Micro ATMs have been gaining traction steadily even as the traditional ATM model faces challenges amid cost and infrastructure-related issues. According to RBI data, the number of micro ATMs deployed by banks stood at 4.94 lakh by August-end, a 60.9 per cent increase compared to the 3.07 lakh deployed a year ago.
<https://www.thehindubusinessline.com/money-and-banking/cost-effective-micro-atms-gain-traction/article36654596.ece>
- **Now, PFRDA opens doors for more custodians to enter pension space:** Pension regulator PFRDA has now paved the way for more players to offer custodial services in the domestic pension market. It has now amended its existing 2015 ‘Custodian of Securities’ regulations, relaxing the entry norms specified earlier. The relaxation has altered an earlier stipulation requiring a pension fund or its sponsor, trustee bank or a Central record-keeping agency, to hold directly or indirectly not more than 50 per cent shareholding in the custodian.
<https://www.thehindubusinessline.com/money-and-banking/now-pfrda-opens-doors-for-more-custodians-to-enter-pension-space/article36654439.ece>
- **Indiabulls Housing Finance repaid ₹7,075.84 crore of NCDs to investors in September:** Indiabulls Housing Finance (IBH) has repaid ₹7,075.84 crore of Non-Convertible Debentures (NCDs) to its investors in September this year. “The repayments comprised of ₹6,575.84 crore of public issue of NCDs done by IBH and ICCL in September 2016 and September 2018 respectively and ₹500 crore of NCDs issued by IBH in September 2011,” it said in a statement on Friday.
<https://www.thehindubusinessline.com/money-and-banking/indiabulls-housing-finance-repaid-707584-crore-of-ncds-to-investors-in-september/article36648374.ece>



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- **₹1 crore, minimum ticket size to issue securitisation notes: RBI:** The Reserve Bank of India (RBI), on Friday, said the minimum ticket size for issuance of securitisation notes will be ₹1 crore even as it recommended listing of these notes. As per the Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021, exposures to securitisations that are STC (simple, transparent and comparable)-compliant can be subject to the alternative capital treatment.
<https://www.thehindubusinessline.com/money-and-banking/1-crore-minimum-ticket-size-to-issue-securitisation-notes-rbi/article36656134.ece>
- **7 am-7 pm: The business hours of digital fraudsters, says HDFC Bank:** During the peak of the economic boom in late 2000, many banks offered 8 am to 8 pm banking services to their customers. As digital transactions gained traction in the following decade, so has online fraud. An analysis of such online frauds shows that the preferred time for the operation of fraudsters is also during the peak business hours – 7 am to 7 pm. A fraud dispute time analysis for the first three months of the current financial year by HDFC Bank – the largest private sector lender of the country – shows 70% of the frauds happened during 7 am to 7 pm. According to the bank, digital frauds have seen a makeover since the beginning of the pandemic and are now becoming sophisticated enough to gain people's trust.
https://www.business-standard.com/article/finance/7am-to-7pm-the-business-hours-of-fraudsters-121092400695_1.html
- **Delhi HC extends till November 31 deadline to seed Aadhaar with UAN:** The Delhi High Court has extended till November 31 the deadline for the seeding of the Aadhaar number along with the Universal Account Number (UAN) and its verification. Justice Prathiba M Singh said that till then, the employers shall be permitted to deposit the provident funds in respect of employees for whom seeding has not taken place and no coercive measures shall be taken against them.
https://www.business-standard.com/article/finance/delhi-hc-extends-till-november-31-deadline-to-seed-aadhaar-with-uan-121092401144_1.html
- **Sensex tops historic 60,000-mark; Nifty ends above 17,800 amid profit-booking:** After surpassing the historic 60,000 mark, the BSE Sensex, recording a fresh all-time high of 60,333, closed at 60,048.47, up 163.11 points or 0.27 per cent. It recorded an intraday low of 59,946.55. The Nifty 50, which nearly missed the 18,000-mark with a fresh all-time high of 17,947.65, closed at 17,853.20, up 30.25 points or 0.17 per cent. It hit an intraday low of 17,819.4. The m-cap of BSE listed stocks stood at ₹2,61,18,340.21 crore at closing.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-wobbles-after-crossing-60k-nifty-holds-below-17900/article36645692.ece>
- **Rupee slips 4 paise to close at 73.68 against US dollar:** The Indian rupee slipped 4 paise to close at 73.68 (provisional) against the US dollar on Friday, following weaker Asian peers against the American currency. At the interbank foreign exchange market, the local currency opened at 73.77. It touched an intra-day high of 73.61 and a low of 73.78 during the day. The rupee finally settled at 73.68 against the American currency, down 4 paise over its previous close.



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<https://www.thehindu.com/business/markets/rupee-slips-4-paise-to-close-at-7368-against-us-dollar/article36649233.ece>

- **Gold price today extend losses after sharp fall, silver rates slump:** Gold prices were weak today in Indian markets despite a rebound in global markets. On MCX, gold futures were down 0.12% to ₹45,999 per 10 gram in evening trade after falling to ₹45,916 at day's low. Silver futures were down 0.74% to ₹60340 per kg. In the previous session gold had slumped ₹600 per 10 gram and in fact from Wednesday's high, the precious metal is down about ₹1,000.
<https://www.livemint.com/market/commodities/gold-price-today-extend-losses-after-sharp-fall-silver-rates-slump-11632485519965.html>

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