



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

October 27, 2021

- **Central Bank of India reports 55% y-o-y rise in second quarter net profit:** Central Bank of India (CBoI) reported a 55 per cent year-on-year (yoy) rise in its second quarter net profit at ₹250 crore against ₹161 crore in the year ago period, buoyed by lower loan loss provisions, write-back in provisions for standard assets, among others. The public sector bank's net interest income (difference between interest earned and interest expended) was up about 6 per cent y-o-y to ₹2,495 crore (₹2,354 crore in the year ago period). Total non-interest income, comprising fee-based income, treasury income and other receipts edged up 1.55 per cent y-o-y to ₹720 crore (₹709 crore). Loan loss provisions declined 56 per cent y-o-y to ₹311 crore (₹707 crore). The bank received a write-back of ₹394 crore from provisions it made towards standard assets (against ₹33 crore provision it had made under this head). Income tax provision was also lower at ₹103 crore (₹193 crore).
https://www.business-standard.com/article/companies/central-bank-of-india-second-quarter-net-profit-jumps-55-to-rs-250-cr-121102601176_1.html
- **Union Bank of India cuts home loan rates to 6.40 per cent:** State-owned Union Bank on Tuesday announced reducing its home loan rates to its all-time low of 6.40 per cent. The reduced rate will be effective from 27th October 2021. Union Bank of India announces reduction in its home loan interest rates with minimum rate of interest now starting at 6.40 per cent, the bank said in a release. Union Bank said it is the all-time low rate for home loans for the bank. The new rates will be applicable to customers applying for new loans or those who wish to transfer their existing loans including balance transfers.
https://www.business-standard.com/article/finance/union-bank-of-india-cuts-home-loan-rate-to-its-lowest-at-6-4-121102700040_1.html
- **Canara Bank Q2 net jumps 200% to ₹1,333 crore:** Canara Bank reported a 200 per cent year-on-year (y-o-y) jump in second quarter net profit at ₹1,333 crore against ₹444 crore in the year-ago period, supported by healthy growth in other income and lower loan loss provisions. Net interest income (difference between interest earned and interest expended) was down a shade at ₹6,273 crore (₹6,305 crore in the year ago period). Non-interest income, comprising fee-based income, trading income, recovery in written-off accounts, and others, was up 37.54 per cent y-o-y at ₹4,268 crore (₹3,103 crore). Loan loss provisions declined 24 per cent y-o-y at ₹2,678 crore (₹3,533 crore).
<https://www.thehindubusinessline.com/markets/stock-markets/canara-bank-q2-net-jumps-200-to-1333-crore/article37176080.ece>
- **State-owned Canara Bank raises Rs 1,500 crore through bonds:** State-owned Canara Bank on Monday said it has raised Rs 1,500 crore by issuing Basel-III compliant bonds. The bank has issued and allotted Basel-III compliant additional tier I bonds amounting to Rs 1,500 crore, Canara Bank said in a regulatory filing. The bank said as many as 16 allottees have been issued the non-convertible, perpetual, taxable, subordinated bonds bearing a coupon of 8.40 per cent, it said. Stock of Canara Bank closed 1.71 per cent up at Rs 201.95 on BSE.



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<https://economictimes.indiatimes.com/markets/companies/canara-bank-raises-rs-1500-cr-through-bonds/articleshow/87265596.cms>

- **CSB Bank Q2 net jumps 72% on income growth:** CSB Bank reported a 72 per cent year-on-year (yoy) jump in second quarter net profit at ₹119 crore due to healthy growth in net interest income and other income, and write-back in total provisions. The Thrissur (Kerala)-headquartered bank had recorded a net profit of ₹69 crore in the year ago quarter. Net interest income (the difference between interest earned and interest expended) was up 21 per cent yoy at ₹278 crore (₹229 crore in the year ago quarter).
<https://www.thehindubusinessline.com/money-and-banking/csb-bank-q2-net-jumps-72-on-income-growth/article37166373.ece>
- **India Post Payments Bank teams up with HDFC for offering home loans:** India Post Payments Bank (IPPB) and HDFC has entered into a strategic alliance to offer home loans to nearly 4.7 crore customers of the payments bank. Leveraging its country-wide network of 650 branches and over 1,36,000 banking access points (Post offices), IPPB aims to make HDFC's home loan products and its expertise available to its customers across India, HDFC said in a statement. A Memorandum of Understanding (MoU) on the strategic alliance was signed between IPPB and HDFC Ltd on Monday. "The partnership aims to facilitate HDFC's home loans to customers, especially in unbanked and underserved areas with many of them having little or no access to finance, to fulfill their dream of owning a home. IPPB will offer housing loans through nearly 190,000 banking service providers (Postmen and Gramin Dak Sevaks)," it said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/india-post-payments-bank-teams-up-with-hdfc-for-offering-home-loans/articleshow/87274044.cms>
- **Axis Bank's Q2 standalone net up 86%:** Private sector lender Axis Bank reported an all time high quarterly net profit of ₹3,133.32 crore in the second quarter of the fiscal as provisions declined. This was 86.21 per cent higher than ₹1,682.67 crore in the second quarter of last fiscal. For the quarter-ended September 30, 2021, the bank's net interest income grew eight per cent year-on-year to ₹7,900 crore from ₹7,326 crore in the same period last fiscal. Net interest margin stood at 3.39 per cent compared to 3.58 per cent a year ago.
<https://www.thehindubusinessline.com/money-and-banking/axis-banks-q2-standalone-net-up-86/article37179069.ece>
- **Banks process nearly 2 mn e-mandates for auto-payment after RBI order:** Nearly two million e-mandates for recurring payments have been registered with banks and card networks after the Reserve Bank of India (RBI) made it mandatory from October 1 to take prior consent of a customer before debiting her account, sources in know of the matter said. Industry estimates peg the recurring transactions at approximately 2.5 per cent of the total volume of transactions, and about 1.5 per cent in terms of value. Of these, around 75 per cent of domestic recurring transactions, and about 85 per cent international recurring payments are below Rs 5,000.
https://www.business-standard.com/article/finance/banks-process-nearly-2-mn-e-mandates-for-auto-payment-after-rbi-order-121102601557_1.html



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- **Banks sanctions Rs 11,168 cr under credit outreach initiative:** Banks have sanctioned loans worth Rs 11,168 crore to about 2 lakh borrowers under the credit outreach programme, Finance Minister Nirmala Sitharaman said on Tuesday. Under this programme, banks have been holding special camps across various parts of the country to sanction loans to eligible borrowers as per the prudential norms. Most of the banks have announced festival offers at concessional rates of interest and waived processing charges. "During her review of PSBs in Aug, Smt @nsitharaman had exhorted banks to conduct Credit Outreach Programme in Oct to support revival of economic growth. In line with this, banks have been holding district-wise & sector-wise loan outreach programmes," a tweet by the Finance Minister's office said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-sanctions-rs-11168-cr-under-credit-outreach-initiative/articleshow/87280597.cms>
- **Bajaj Finance Q2 net up 53.5%:** Bajaj Finance reported a 53.5 per cent jump in its consolidated net profit for the second quarter of the fiscal to ₹1,480.99 crore against ₹964.88 crore in the corresponding period last fiscal. For the quarter-ended September 30, total revenue from operations increased by 18.7 per cent to ₹7,731.36 crore from ₹6,513.15 crore a year ago. Net interest income for the second quarter of the fiscal increased by 28 per cent to ₹5,335 crore as against ₹4,162 crore a year ago.
<https://www.thehindubusinessline.com/money-and-banking/bajaj-finance-q2-net-up-535/article37176624.ece>
- **RBI imposes monetary penalty on two cooperative banks:** Reserve Bank of India (RBI) on 26 October imposed monetary penalty on two cooperative banks for various rule violations. These two banks are Vasai Vikas Sahakari Bank, Maharashtra and the Citizens Urban Co-operative Bank Ltd., Jalandhar, Punjab. A penalty of Rs 7 lakhs was imposed on Citizens Urban Cooperative Bank for violation of norms related to income recognition, asset classification, provisioning. Also, a penalty of Rs 90 lakhs was imposed on Vasai Bank on similar violations, the RBI said.
<https://www.moneycontrol.com/news/business/rbi-imposes-monetary-penalty-on-two-cooperative-banks-7631691.html>
- **S&P upgrades Manappuram Finance's credit rating to 'BB-':** S&P Global Ratings has upgraded its long-term issuer credit rating for Manappuram Finance Ltd to 'BB-' from 'B+' as it expects the company to perform better than its non-banking finance company (NBFC) peers over the next 12 months. This would be reflected in the company's lower credit costs, above-average profitability, and strong capitalisation, the credit rating agency said in a statement.
https://www.business-standard.com/article/companies/s-p-upgrades-manappuram-finance-s-long-term-rating-from-b-to-bb-121102600234_1.html
- **Kotak Mahindra Bank Q2 net down 7%:** Private sector lender Kotak Mahindra Bank reported a seven per cent year-on-year (y-o-y) drop in its standalone net profit for the second quarter of the fiscal due to higher provisions. For the quarter-ended September 30, the bank's standalone net profit stood at ₹2,032.01 as against ₹2,184.48 crore in the same period last fiscal. However, on a sequential basis, its



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net profit increased by 24 per cent from ₹1,642 crore for the first quarter of the fiscal. Its net interest income increased three per cent to ₹4,021 crore in the second quarter of the fiscal from ₹3,897 crore a year ago.

<https://www.thehindubusinessline.com/markets/stock-markets/kotak-mahindra-bank-q2-net-profit-down-7/article37173326.ece>

- **Fino Payments Bank IPO to open on October 29:** The ₹1,200 crore initial public offer of Fino Payments Bank will open on October 29 and close on November 2. “The price band for the offer has been determined at ₹560 to ₹577 per equity share,” it said on Tuesday. The IPO size at the upper band is about ₹1,200 crore, comprising ₹900 crore through the offer for sale of 1.56 crore shares and ₹300 crore from fresh issuance of equity shares.
<https://economictimes.indiatimes.com/markets/ipos/fpos/fino-payments-bank-ipo-to-open-on-oct-29-all-you-need-to-know-about-the-issue/articleshow/87303321.cms>
- **BharatPe opposes PhonePe’s trademark over ‘PE’ usage in Devanagari:** Resilient Innovations or BharatPe, which recently launched a ‘buy now pay later’ app under the trademark “postpe”, has filed six cancellation actions against the multiple registrations held by PhonePe for the ‘PE’ device mark in Devanagari script, at the intellectual property division of the Delhi High Court. “By taking on a trademark for the ‘PE’ device mark in Devanagari script in classes relating to payment services in a country like India, where Hindi is the primary language of the masses, PhonePe has acted against the larger public interest, and Resilient is committed to undoing this,” Resilient Innovations said on Tuesday.
<https://www.thehindubusinessline.com/companies/bharatpe-opposes-phonapes-trademark-over-pe-usage-in-devanagari/article37174367.ece>
- **ICICI Lombard launches BeFit – cashless OPD and wellness combination to customers:** ICICI Lombard General Insurance on Tuesday launched the BeFit solution, which will offer customers coverage for their complete OPD requirements, on a cashless basis. “Customers can avail an array of coverage across physical and virtual consultation by general, specialist and super-specialist doctors as well as physiotherapy sessions,” it said in a statement. Catering to the other out-of-pocket expenses, the BeFit offering covers pharmacy and diagnostics services related expenses as also those related to minor procedures that do not need hospitalisation. ICICI Lombard’s BeFit benefit along with the standard health insurance policy will provide the policyholder with 360-degree support that they require, it further said.
<https://www.thehindubusinessline.com/money-and-banking/icici-lombard-launches-befit-cashless-opd-and-wellness-combination-to-customers/article37173229.ece>
- **Economy likely to register 9.5% growth this fiscal: Report:** The economy is likely to register a 9.5 percent growth this fiscal over 7.3 percent contraction last year, as the ongoing recovery is faster and more credible than earlier foreseen, according to a foreign brokerage report. It will gather more momentum in the second half of the current fiscal, but will slow down to 7.7 percent next financial year, it added. The government has budgeted for a 10.5 percent growth this fiscal, but the Reserve



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Bank has scaled it down to 9.5 percent. Ravaged by the pandemic, the economy tanked 7.3 percent last fiscal, the worst and the third contraction on record.

<https://timesofindia.indiatimes.com/business/india-business/economy-likely-to-register-9-5-growth-this-fiscal-report/articleshow/87263537.cms>

- **BS BFSI Insight Summit: NBFCs ready to harness growth, says Vishwanathan:** Non-banking financial companies (NBFC) are ready to harness the country's growth potential as it shrugs off the effects of the pandemic and part of the credit should go to the regulator, said N S Vishwanathan, former deputy governor, Reserve Bank of India (RBI). "A strong regulatory framework, the successful resolution of a large housing finance company (HFC), a host of measures to ensure adequate flow of funds to the sector, strengthening the co-lending model, and this combined with the ability of the NBFCs to be nimble and flexible mean that the sector has a lot going for it in the ecosystem", Vishwanathan said, while delivering the keynote address at the Business Standard BFSI Insight Summit.
https://www.business-standard.com/article/finance/bs-bfsi-insight-summit-nbfc-ready-to-harness-growth-says-vishwanathan-12110260044_1.html
- **HDFC Bank to ICICI, 8 banks recast exposures worth Rs 27,000 cr in OTR 2.0:** Personal loans have about 80 per cent share in exposures restructured under regulatory package 2.0 by eight banks who have declared results for the second quarter. The remaining 20 per cent are loans to individuals used for business and credit to MSMEs. The total recast exposure of these banks under One Time Restructuring (OTR 2.0) was Rs 27,708 crore. The country's largest private lender HDFC Bank had the highest share in restructuring at Rs 17,395 crore, followed by another private lender ICICI Bank at Rs 4,156 crore. Bankers said the restructuring scheme was designed in May 2021 primarily for households and individuals who suffered job losses, pay cuts, and small and micro businesses facing abrupt halt in cash flows.
https://www.business-standard.com/article/finance/hdfc-bank-to-icici-8-banks-recast-exposures-worth-rs-27-000-cr-in-otr-2-0-121102501657_1.html
- **Promoter IDFC writes to IDFC First Bank on unlocking value for shareholders:** IDFC Financial Holding Company, a subsidiary of IDFC Ltd, has triggered a conversation with IDFC First Bank on its eventual exit from the promoter position after the expiry of the five-year lock-in period. IDFC Ltd is the promoter of IDFC First Bank. In a letter titled, "Unlocking Value for IDFC Ltd. shareholders", IDFC through its holding company has sought the bank's views on the way ahead, which essentially means about the mode of parent's exit from the bank. The promoter has sought an 'early response' from the bank.
<https://www.moneycontrol.com/news/business/promoter-idfc-writes-to-idfc-first-bank-on-unlocking-value-for-shareholders-7631181.html>
- **China was never before this cheap in comparison to India, says HSBC:** China has never been this cheap versus India, global brokerage HSBC has said, while raising its weighting on the world's second-biggest market from 'neutral' to 'overweight'. HSBC joins slew of other brokerages such as UBS, Nomura and Jefferies to increase its weight on China citing easing of headwinds and attractive valuations. "On a price-to-earnings (P/E) basis, China is not expensive. It is trading at a 12-month



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forward P/E of 12.9 times, down from as high as 17 times at the beginning of the year. China has never been this cheap versus India—FTSE India is now trading at a premium of 95 per cent to China, a record high,” HSBC strategist led by Herald van der Linde said in a note on Tuesday.

https://www.business-standard.com/article/markets/china-was-never-before-this-cheap-in-comparison-to-india-says-hsbc-121102601171_1.html

- **Sensex gains 383 points, Nifty closes above 18,200:** The BSE Sensex closed at 61,350.26, up 383.21 points or 0.63 per cent. It hit an intraday high of 61,497.71 and a low of 60,791.29. The Nifty 50 closed at 18,268.40, up 143.00 points or 0.79 per cent. It recorded an intraday high of 18,310.45 and a low of 18,099.30. Nifty Midcap 50 was up 2.16 per cent, while Nifty Smallcap 50 was up 2.40 per cent. The S&P BSE Midcap was up 1.75 per cent, while the S&P BSE Smallcap was up 2.20 per cent. Tata Motors, Tata Steel, SBI Life, Titan and Nestle India were the top gainers on the Nifty 50, while IndusInd Bank, ICICI Bank, Powergrid, Dr Reddy and NTPC were the top losers.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-nifty-trade-flat-amid-volatility/article37173191.ece>
- **Rupee inches 5 paise higher to 75.03 against USD:** The Indian rupee inched higher by 5 paise to 75.03 against the US dollar in opening trade on Tuesday amid a positive trend in domestic equities. At the interbank foreign exchange, the rupee opened at 75.05 against the dollar, then rose to 75.03, registering an increase of just 5 paise over its previous close. The rupee on Monday had settled at 75.08 against the US dollar.
<https://www.thehindubusinessline.com/markets/forex/rupee-inches-5-paise-higher-to-7503-against-usd/article37172031.ece>
- **Gold prices flat at Rs 48,171/10 gm on firm rupee, weak global cues; silver slips Rs 200 a kg:** Gold prices were steady at Rs 48,171 for 10 grams in the Mumbai bullion market on rupee appreciation and subdued global trends. The precious metal managed to trade above the \$1,800 level on rising coronavirus cases in China and inflationary pressure globally. The price of 10 gram 22-carat gold in Mumbai was Rs 44,125 plus 3 percent GST, while 24-carat 10 gram stood at Rs 48,171 plus GST. The 18-carat gold quoted at Rs 36,128 plus GST in the retail market. Silver prices fell by Rs 200 to Rs 65,453 per kg against its closing price on October 25.
<https://www.moneycontrol.com/news/business/commodities/gold-prices-flat-at-rs-4817110-gm-on-firm-rupee-weak-global-cues-silver-slips-rs-200-a-kg-7631681.html>

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