



**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

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- **RBI eases current account rules for bank exposures less than Rs 5 crore:** The Reserve Bank of India on Friday eased current account rules for bank exposures less than Rs 5 crore, allowing lenders to open current account, cash credit and overdraft facilities without any restriction. The regulator asked banks to implement the changes within one month. “For borrowers, where the exposure of the banking system is less than Rs 5 crore, there is no restriction on opening of current accounts or on provision of CC/OD facility by banks, subject to obtaining an undertaking from such borrowers that they shall inform the bank(s), as and when the credit facilities availed by them from the banking system reaches Rs 5 crore or more,” the RBI said in its guidelines.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-ease-current-account-rules-for-bank-exposures-less-than-rs-5-crore/articleshow/87370454.cms>
- **RBI Governor Shaktikanta Das gets three years extension:** The Government has extended the term for Governor of Reserve Bank of India, Shaktikanta Das by three years. Now, his term will end in 2024. He is 25th Governor. He was appointed on December 12, 2018 after sudden resignation of then Governor Urjit Patel. “The Appointments Committee of the Cabinet has approved the reappointment of Shri Shaktikanta Das, IAS Retd. (TN:80) as Governor, Reserve Bank of India for a period of three years beyond 10.12.2021 or until further orders, whichever is earlier,” an order issued by Department of Personal and Training said.
<https://www.thehindubusinessline.com/money-and-banking/rbi-governor-shaktikanta-das-gets-three-years-extension/article37224729.ece>
- **RBI imposes Rs 56 lakh penalty on The Nainital Bank:** The Reserve Bank of India (RBI) on Friday said it has imposed a penalty of Rs 56 lakh on The Nainital Bank, Uttarakhand, for non-compliance with certain norms related to classification of non-performing assets and frauds. The apex bank had conducted a Statutory Inspection for Supervisory Evaluation (ISE) of the lender with reference to its financial position as on March 31, 2019 and found non-compliance with certain directions. There was a divergence between bank’s reported NPAs and NPAs assessed during the inspection on account of failure to classify certain borrower accounts as NPA. There was also a failure to disclose material divergences relating to asset classification and provisioning identified by the RBI, despite exceeding the defined threshold, in the Notes to Accounts, the RBI said in a statement. There was also a failure on the part of the bank to report frauds as per the RBI directions.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-imposes-rs-56-lakh-penalty-on-the-nainital-bank/articleshow/87372547.cms?from=mdr>
- **RBI board reviews economic situation:** The Central Board of Directors of the RBI on Friday reviewed the current domestic and global economic situation and challenges. The board also deliberated upon possible measures for addressing the emerging challenges, the Reserve Bank of India (RBI) said in a release. The 591st meeting of the board was held under the Chairmanship of Governor Shaktikanta



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Das. His tenure as the Governor has been extended by three years up to December 2024. "The board also congratulated the Governor on his reappointment," the central bank said.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-board-reviews-economic-situation/articleshow/87362336.cms>

- **Banks, fintech companies will collaborate and co-exist, says Aditya Puri:** Banks and fintech firms will co-exist in the future and will grow through collaboration, and there will be space for everybody, according to former HDFC Bank managing director and CEO Aditya Puri on the fifth day of Business Standard BFSI Insight Summit. "As far as fintech and banks are concerned, each will have niche markets, and each will have partnerships. Collaboration always wins, teamwork always wins," said Puri in his keynote speech. "And the fun will start when open banking comes in because then a lot more data will be available. The winner will be those who know how to use the data and have the experience and move the fastest," Puri said.
https://www.business-standard.com/article/finance/banks-fintech-companies-will-collaborate-and-co-exist-says-aditya-puri-121102901601_1.html#:~:text=The%20Morning%20Show-,BFSI%20Insight%20Summit%3A%20Banks%20and%20fintech,must%20coexist%2C%20says%20Aditya%20Puri&text=%E2%80%9CAs%20far%20as%20fintech%20and,Puri%20in%20his%20keynote%20speech.
- **Private banks' Q2 profit soars 26% as economy shows signs of recovery:** The net profit of private banks rose 26 per cent (year-on-year) in the July-September 2021 quarter (Q2) and 21.9 per cent sequentially over March-June 2021 (Q1), marking a phase of recovery in the economy and credit demand. According to an analysis of the performance of 12 banks, their net interest income (NII) — interest income minus expenses — was up 10.8 per cent (y-o-y) and 2.5 per cent (q-o-q). The yield on advances, especially wholesale loans, was under pressure amid a system flush with liquidity and low demand for credit, bankers said.
https://www.business-standard.com/article/companies/private-banks-q2-profit-soars-26-as-economy-shows-signs-of-recovery-121102801831_1.html
- **Yes Bank launches co-branded card with BankBazaar.com:** Yes Bank on Friday announced the launch of co-branded credit card FinBooster in partnership with BankBazaar.com. "Built around a unique proposition of credit fitness tracker, it aims to empower customers to not only keep a track of their credit worthiness but also improve their score basis review of factors impacting their credit score through an intuitive CreditStrong app subscription (credit fitness report), complimentary for the Cardholder for the first year," it said in a statement. Adhil Shetty, CEO – BankBazaar.com, said, "The most recent edition of the BankBazaar Aspiration Index revealed that while close to 90 per cent people knew what credit score was, less than 70 per cent could accurately point out the impact of their financial habits on their credit scores. This was the gap we saw among 22-45-year-old salaried professionals."
<https://www.thehindubusinessline.com/money-and-banking/yes-bank-launches-co-branded-card-with-bankbazaarcom/article37233366.ece>



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- **Housing and realty sector heading into the best of times, says Deepak Parekh:** The country's housing and real estate sector is heading into the best of times, said Deepak Parekh, Chairman, Housing Development Finance Corporation. "Right now, there is a lot of optimism in the air on the potential of the housing and real estate sector. This isn't just feel good talk, it is real. The Indian real estate market is on the cusp of a new growth cycle and it is important that we make the best of it," Parekh said at the CREDAI Financial Conclave 2021 on Friday.
<https://www.thehindubusinessline.com/money-and-banking/housing-and-realty-sector-heading-into-the-best-of-times-says-deepak-parekh/article37232698.ece>
- **RBI Central Board reviews bank grievance redress systems:** The Central Board of the Reserve Bank of India on Friday took stock of a nationwide survey among bank customers regarding banks' grievance redress system and the functioning of ombudsman schemes. To improve the efficacy of the internal grievance redress mechanism of banks and to provide better customer service, a comprehensive framework has been put in place comprising certain measures, according to RBI. The measures include enhanced disclosures on customer complaints by the banks and the Reserve Bank, recovering the cost of complaints' redress from banks when maintainable complaints are higher than their peer-group averages. intensive review of grievance redress mechanism, and supervisory/regulatory actions against banks that fail to improve their redress mechanism in a time bound manner.
<https://www.businesstoday.in/latest/economy/story/rbis-central-board-reviews-domestic-global-economic-situation-310862-2021-10-29>
- **Bandhan Bank posts ₹3,009-cr net loss in Sept quarter on high provision:** Dragged down by a 13-fold rise in provisions Bandhan Bank posted a net loss of ₹3,009 crore for the quarter ended September 30, 2021. The bank had registered a net profit of ₹ 920 crore during the same period last year. Total provisions during the quarter under review jumped up to ₹5,578 crore, as against ₹379 crore same period last year. According to Chandra Shekhar Ghosh, MD & CEO, Bandhan Bank, the loss reported during the quarter is a "one off" and is mainly due to the accelerated provisioning undertaken. However, the bank is expecting credit growth and collection efficiency to improve going forward.
<https://www.thehindubusinessline.com/money-and-banking/bandhan-bank-posts-3009-cr-net-loss-in-sept-quarter-on-high-provision/article37234042.ece>
- **PB Fintech plans to set up offline physical centres to complement online channel:** IPO-bound PB Fintech, an online financial services marketplace focussed on insurance, plans to open small management offices as part of its efforts to improve its market share and make its online model even more successful, Yashish Dahiya, Chairman and CEO, has said. "The objective will be to raise conversion rates on online customers. Our business model is not that of setting up a branch. We are not setting up branches in high footfall areas. We are not setting up retail stores. They are going to be small service offices and management offices that will handhold customers at their drawing rooms or their office canteens," Dahiya told Business Line.
<https://www.thehindubusinessline.com/money-and-banking/pb-fintech-plans-to-set-up-offline-physical-centres-to-complement-online-channel/article37233064.ece>



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- **Cholamandalam Investment Q2 net up 40%:** The standalone net profit of Cholamandalam Investment & Finance Company in the second quarter of the current fiscal went up by 40.43 per cent to ₹606.54 crore. The Murugappa Group NBFC posted a net profit of ₹431.91 crore in the year-ago quarter. Total income marginally increased to ₹2,470.69 crore (₹. 2,439.78 crore) during the July-September quarter. Disbursements, on a year-on-year basis, went up by 35 per cent to ₹8,706 crore (₹6,457 crore) during Q2FY22.
https://www.business-standard.com/article/companies/cholamandalam-investment-q2-net-up-40-at-rs-610-cr-revenue-dips-slightly-121103000076_1.html
- **MoS Finance Karad urges banks to improve credit penetration in NE states:** Minister of State for Finance Bhagwat Karad has asked lenders to improve banking access points and also increase credit penetration in north-eastern states. Karad, who is on a week long tour to Assam, Tripura and Manipur, reviewed the performance of various flagship schemes of the government aimed at expediting development in the north-east. The minister advised banks through the State Level Bankers' Committee (SLBC) to increase general awareness about the Public Sector Banks Doorstep Banking Service (PSB DBS) that can be registered by the customers, an official statement said. Under the scheme various services like pick-up services for cheques, drafts, pay orders and new cheque book, etc, can be availed at doorstep without visiting the branch. This facility launched earlier this year is currently limited to a few locations in the country.
<https://economictimes.indiatimes.com/news/economy/finance/mos-finance-bhagwat-karad-urges-banks-to-improve-credit-penetration-in-ne-states/articleshow/87360764.cms>
- **PM Jan Dhan Yojna accounts swell to 44 crore till October this year:** Bank accounts under Pradhan Mantri Jan Dhan Yojna (PMJDY) have increased to 44 crore in over 7 years till October 2021, a finance ministry official said on Friday. The PMJDY was announced by Prime Minister Narendra Modi in his Independence Day address on August 15, 2014, and was simultaneously launched on August 28, 2014, to foster financial inclusion. This national mission was launched to ensure people have access to financial services, namely, banking, remittance, credit, insurance, pension in an affordable manner.
<https://economictimes.indiatimes.com/news/economy/finance/pm-jan-dhan-yojna-accounts-swell-to-44-crore-till-october-this-year/articleshow/87360981.cms>
- **India's forex reserves decline by \$908 million to \$640.1 billion:** The country's foreign exchange reserves declined by \$908 million to \$640.1 billion in the week ended October 22, RBI data showed. In the previous week ended October 15, the reserves had increased by \$1.492 billion to \$641.008 billion. The reserves had touched a lifetime high of \$642.453 billion in the week ended September 3, 2021. In the reporting week ended October 22, the dip in the reserves was due to a fall in foreign currency assets (FCA), a major component of the overall reserves, and in the gold reserves, Reserve Bank of India's (RBI) weekly data released on Friday showed.
<https://www.moneycontrol.com/news/business/economy/indias-forex-reserves-decline-by-908-million-to-640-1-billion-7653451.html>



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- **Gold prices slightly dip to Rs 47,975/10 gm on stronger rupee; Silver eases Rs 236 a kg:** Gold prices eased by Rs 91 to Rs 47,975 for 10 grams in the Mumbai bullion market on rupee appreciation and weak global trends. The yellow metal was pressured downward by a firm dollar and rising 10 years Treasury yields. The price of 10 gram 22-carat gold in Mumbai was Rs 43,945 plus 3 percent GST, while 24-carat 10 gram stood at Rs 47,975 plus GST. The price of 18-carat gold was quoted at Rs 35,981 plus GST in the retail market.
<https://www.moneycontrol.com/news/business/commodities/gold-prices-slightly-dip-to-rs-4797510-gm-on-stronger-rupee-silver-eases-rs-236-a-kg-7652581.html>
- **Rupee inches higher by 4 paise to end at 74.88 against US dollar:** The rupee gained 4 paise to close at 74.88 (provisional) against the US dollar on Friday despite volatile domestic equities, as IPO-related inflows and some pullback in crude oil prices supported the local unit. At the interbank forex market, the domestic unit opened at 74.78 against the greenback and witnessed an intra-day high of 74.74 and a low of 74.98 during the day's trade. It finally ended at 74.88 a dollar. On Thursday, the rupee had settled at 74.92 against the US currency.
<https://economictimes.indiatimes.com/markets/forex/rupee-inches-higher-by-4-paise-to-end-at-74-88-against-us-dollar/articleshow/87367117.cms>
- **Sensex plunges over 700 points; Nifty sinks below 17,700:** The 30-share index was trading 704.22 points or 1.17 per cent lower at 59,280.48 in initial deals. Similarly, the Nifty fell 181.70 points or 1.02 per cent to 17,675.55. HDFC was the top loser in the Sensex pack, shedding around 4 per cent, followed by IndusInd Bank, Kotak Bank, Axis Bank, Reliance Industries and HDFC Bank. On the other hand, Tata Steel, Titan, ITC and HCL Tech were among the gainers.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-plunges-over-700-points-nifty-sinks-below-17700/article37225023.ece>

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