



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

May 18, 2021

- **SBI's main branch in Delhi opens over 13,000 FCRA accounts in eight months:** State Bank of India's (SBI) New Delhi Main Branch has opened 13,729 Foreign Contribution (Regulation) Act (FCRA) accounts till date. Of the total 22,598 active FCRA Associations, 17,611 entities (NGOs and Associations) approached SBI for opening of FCRA Accounts. The bank has already opened accounts for 78 per cent of the applicants, SBI said in a statement today. The rest of the accounts shall also be initiated once their pending documentation formalities are completed, it added. SBI's New Delhi Main Branch was designated to open FCRA accounts by Ministry of Home Affairs (MHA) in October 2020. SBI in co-ordination with MHA and Department of Financial Services (DFS) also devised a Standard Operating Procedure (SOP) to open and operate the FCRA Account. This is available on bank's website and FCRAONLINE-an e-governance initiative by the Ministry of Home Affairs. - Business Standard
- **Covid kills over 1,000 bank employees as virus ravages India:** Indian banks have lost more than a thousand employees and many more are infected, according to an industry body, underscoring the heavy toll that the virus has taken in the Asian country battling the world's worst coronavirus crisis. "We have lost more than 1,000 colleagues already," S. Nagarajan, General Secretary of the All India Bank Officers' Association told Bloomberg News over phone on Saturday. "Bank employees are frontline workers and the virus is affecting them." With more than 24 million people infected in India and over 266,200 dead amid the world's fastest-growing outbreak, the bulk of Indian States are in a lockdown with strict stay-at-home orders. But the banking sector is slotted as an essential service and partially exempt from the lockdown orders. Lenders are allowed in some cases to call as much as 50% of their workforce in bank branches to avoid any disruption in banking services. - Business Line
- **Federal Bank Q4 net profit up 58.6%:** Private sector Federal Bank recorded its highest ever quarterly net profit of ₹477.81 crore in the quarter ended March 31. On an annual basis, it was a 58.6 per cent increase compared to a net profit of ₹301.23 crore in the fourth quarter of 2019-20. For the full fiscal 2020-21, Federal Bank reported a 3.08 per cent increase in its net profit to ₹1,590.30 crore as against ₹1,542.78 crore in 2019-20. Its net interest income grew 16.8 per cent to ₹1,420.37 crore in the fourth quarter of 2020-21 versus ₹1,216.02 crore in the same period in the previous fiscal. Net interest margin increased by 19 basis points on a year-on-year basis to 3.23 per cent in the fourth quarter last fiscal. Other income however fell 34.5 per cent to ₹465.37 crore in the January to March 2021 quarter, as against ₹711.11 crore in the previous fiscal. - Business Line



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- **NEFT upgrade: Service will not be available for about 14 hrs till 2 pm on May 23:** The National Electronic Funds Transfer (NEFT) service will not be available from 12:01 AM to 2 PM on Sunday, May 23, 2021, as the Reserve Bank of India (RBI) will undertake a technical upgrade of the service. The Central bank, in a statement, said the upgrade is targeted to enhance the performance and resilience and is scheduled after the close of business on May 22, 2021. RBI asked member banks to inform their customers to plan their payment operations accordingly. The Real Time Gross Settlement (RTGS) system, which is used to send and receive funds of ₹2 lakh and above, will continue to be operational as usual during this period. The advantages of NEFT for funds transfer or receipt include round the clock availability on all days of the year; near-real-time funds transfer to the beneficiary account and settlement in a secure manner; positive confirmation to the remitter by SMS/e-mail on credit to beneficiary account; and no charges to savings bank account customers for online NEFT transactions. - Business Line
- **NBFCs survived first Covid wave but face second hurdle, says RBI:** Non-banking finance companies (NBFCs) have managed to survive the first wave Covid inflicted slow down but given the persistence of infections, the full effects of the lockdown and suspension of business on their asset quality will only be known gradually, Reserve Bank of India (RBI) said in its monthly bulletin. Among sectors NBFCs lend to, industrial sector, particularly micro and small and large industries, were the hardest hit by the pandemic as they posted decline in credit growth. However, NBFCs in the retail loan sector stayed ahead of the curve aided by their relatively low delinquency. Incremental credit flows to the retail sector continued to grow in the second and third quarter of fiscal 2021 led by vehicle loans, gold loans, transport and tourism. - Economic Times
- **Govt may amend DICGC Act in monsoon session to provide timely service to ailing bank depositors:** In a bid to ensure timely support to depositors of stressed banks, the government may bring amendment to DICGC Act in the monsoon session with the objective to provide account holders easy and time-bound access to funds to the extent of the deposit insurance cover. Last year, the government raised insurance cover on deposit five-folds to Rs 5 lakh with a view to provide support to depositors of ailing lenders like Punjab and Maharashtra Co-operative (PMC) Bank. Following the collapse of PMC Bank, Yes Bank and Lakshmi Vilas Bank too came under stress leading to restructuring by the regulator and the government. The amendment to the Deposit Insurance and Credit Guarantee Corporation (DICGC) Act, 1961 is the budget announcement made by the Finance Minister and the Bill is almost ready, sources said. It is expected that the Bill will be tabled in the upcoming monsoon session after being vetted by the Union Cabinet, sources added. - economic times
- **Four SEBI senior officials in race to be whole-time members:** Four senior officials of the Securities and Exchange Board of India (SEBI) are in the race for the post of whole time



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member (WTM), which is just a rank below the chairman . The officials include Nagendraa Parakh, S Ravindran, Anand Baiwar and Amarjeet Singh, sources told Business Line. All of them are currently working as executive directors. Also read:Redefining corporate ownership: SEBI prefers ‘controlling shareholders’ to ‘promoters’ The term of four WTMs in the SEBI- SK Mohanty, Ananta Barua, G Mahalingam and Madhabi Puri Buch- is coming to an end this year and all of them are eligible for reappointment. Parakh is the senior most among all the current executive directors. In fact, when they were working with the erstwhile commodity market regulator, Forwards Market Commission (FMC), Parakh was a WTM there and Mohanty was his junior. In SEBI, Mohanty first became the WTM after both of them crossed over from FMC in 2015. Mohanty's term ends in June and SEBI has called for applications for his post. For most of his term, Mohanty handled commodity derivatives but his portfolio was changed recently. - Business Line

- **Credit Suisse offers ₹7.5-cr additional aid to Concern India Foundation, GiveIndia:** Credit Suisse has committed an additional ₹7.5 crore in aid to Concern India Foundation and GiveIndia, to provide financial assistance to hospitals in Mumbai, Pune, Delhi and Bangalore, to help India in its fight against the Covid-19 pandemic. The financial aid would be utilised to procure critical medical supplies, oxygen and ICU equipment for the hospitals treating Covid-19 patients, it said in a statement. Credit Suisse is also raising funds from its staff for GiveIndia’s India Covid Response Fund, which will then be matched by the bank through a separate donation. The campaign has already raised more than ₹2.8 crore of additional support so far. - Business Line
- **‘Second wave not a big blow to economic activity in first half of Q1’:** The resurgence of Covid-19 has dented but not debilitated economic activity in the first half of Q1 (April-June) FY22, according to an article in the Reserve Bank of India’s latest monthly bulletin. Although extremely tentative at this stage, the central tendency of available diagnosis is that the loss of momentum is not as severe as at this time a year ago, it added. “The ferocity of the second wave has overwhelmed India and the world. War efforts have been mounted to stop the second surge in its tracks,” according to the article, ‘State of the Economy’, put together by 18 RBI officials, including Deputy Governor MD Patra. They estimated that real economy indicators moderated through April-May 2021 as many States imposed restrictions to arrest the renewed surge in infections. - Business Line
- **Lockdown impact on NBFCs’ asset quality to be evident gradually: RB:** As Non-Banking Financial Companies (NBFCs) have continued to disburse credit despite the pandemic, the impact of the lockdown will be evident on their asset quality gradually, said an article in the RBI’s monthly bulletin. “NBFCs continued to disburse credit despite disruptions caused by the pandemic, albeit at a slower pace,” said the article titled ‘Performance of NBFCs during the Pandemic: A Snapshot’. Incremental credit flows (on year-on-year basis) to the retail sector



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continued to increase in the second and third quarter of 2020-21, but at a slower pace, while services sector saw marginal increase in the third quarter last fiscal, wherein vehicle loans, gold loans, transport and tourism were the beneficial segments. - Business Line

- **Dai-ichi Life Insurance Company appoints Abhay Tewari as MD & CEO:** Star Union Dai-ichi Life Insurance Company Ltd has announced the appointment of Abhay Tewari as Managing Director and Chief Executive Officer. SUD LIFE is a joint venture of Bank of India, Union Bank of India and Dai-ichi Life Insurance Company Limited, Japan. Tewari joined as Appointed Actuary of SUD LIFE in the year 2014 and was holding the position of Joint President and Chief Actuary until he is elevated as MD & CEO. - Business Line
- **Gold prices give a breakout above 200-day SMA, rise above Rs 48,000/gm; Silver up Rs 1,375 a kg:** Gold prices jumped by Rs 389 to trade above Rs 48,000 per 10 gram in the Mumbai retail market on inflation concerns and weak economic data from the US and China. The precious metal gave a breakout and traded above the 200-day simple moving average and supported by a dip in Treasury yield and dollar. The rate of 10 gram 22-carat gold in Mumbai was Rs 44,102 plus 3 percent GST, while 24-carat 10 gram was Rs 48,146 plus GST. The 18-carat gold quoted at Rs 36,110 plus GST in the retail market. Silver prices advanced by Rs 1,375 to Rs 71,735 per kg against its closing price on May 14.
- **Sensex jumps 848 points at closing, Nifty above 14,900:** Market rebounded sharply on Monday, led by banking and financials. Benchmark indices gained nearly 2 per cent, led by heavyweights such as HDFC Bank and ICICI Bank. According to analysts, a decline in the Covid-19 active caseload and strong Q4 results so far by India Inc have boosted the sentiment of investors, who resorted to across-the-board buying. The BSE Sensex closed at 49,580.73, up 848.18 points or 1.74 per cent after hitting the day's high of 49,628.42 in the second half and a low of 48,923.13. The Nifty 50 closed at 14,923.15, up 245.35 points or 1.67 per cent. It hit an intraday high of 14,938.00 and a low of 14,725.35. IndusInd Bank, State Bank of India, ICICI Bank, HDFC Bank and Axis Bank were among the top gainers on the Nifty 50 while Cipla, L&T, Bharti Airtel, SBI Life and Nestle India were among the top laggards.
- **Rupee rises 5 paise to 73.24 against US dollar in early trade:** The Indian rupee inched higher by 5 paise to 73.24 against the US dollar in early trade on Monday supported by positive domestic equities. At the interbank foreign exchange, the domestic unit opened on a flat note at 73.24 against the dollar, registering a rise of 5 paise over its previous close. On Friday, the rupee had closed at 73.29 against the US dollar.