



BBI CHROME

M. L. DAHANUKAR COLLEGE OF COMMERCE

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Banking Sector



Paytm seeks NBFC tag exempted

If a firm is categorised as an NBFC, it must have to apply from a license from RBI to continue its operations. Finance companies have capital requirements. RBI's nod is also mandatory in case of any restructuring that an NBFC undertakes. Also, they need to file periodic compliance reports with RBI every six months.

Paytm Entertainment a subsidiary of fintech giant Paytm – faces the risk of being classified as a Non-Banking Financial Company (NBFC) after it lent money to a joint venture business that exceeded the central bank's limits. The online ticket booking services provider has approached the Reserve Bank of India, seeking exemption from being categorised as a finance company as it is not in the business of lending, said people with direct knowledge

RBI rules say if a company derives 50% of its total assets and income from financial assets, it needs to register with the central bank as an NBFC.

HDFC BANK DEPLOYS MOBILE ATMS ACROSS 50 CITIES IN INDIA

HDFC Bank today announced the availability of Mobile Automated Teller Machines (ATMs) in 50 cities across India to assist customers during the lockdown. At restricted areas, the Mobile ATMs will eliminate the need for general public to move out of their locality to withdraw cash.

Customers can conduct over 15 types of transactions using the Mobile ATM, which will be operational at each location for a specific period. The Mobile ATM will cover 3-4 stops in a day

“We hope our mobile ATM will provide a great support for people who want to avail basic financial services without having to venture far from their neighbourhood,” said S Sampathkumar, Group Head – Liability Products,

ATM PENETRATION TO RISE AS RBI PERMITS HIGHER INTERCHANGE FEE.

Reach of automated teller machines (ATMs) is expected to rise, following a central bank decision to hike interchange fees on cash withdrawals and non-cash transactions.

Experts believe this will incentivise banks and white label ATM deployers to set up more cash dispensers, especially benefitting rural areas. Last revised in 2012, ATM interchange has remained at Rs15 for financial and Rs5 for non-financial transactions, despite several representations from the industry. On Thursday, the Reserve Bank of India (RBI) allowed hiking this to R 17 for financial transactions and ₹6 for non-financial transactions.

For the 1st time Foreign Exchange Reserves surpassed \$600 billion.

Foreign Exchange Reserve crossed the USD 600 billion for the first time after increasing by USD 6.842 billion in the week. The reserves recorded USD 605.008 billion in the reporting week, with the rise in foreign currency assets (FCA), a major component of the overall reserves, as per weekly data by the Reserve Bank of India (RBI). By May 28, 2021, the reserves had swelled by USD 5.271 billion to USD 598.165 billion. In a span of week, FCA jumped by USD 7.362 billion to USD 560.890 billion. Foreign currency assets include the effect of appreciation or depreciation of non-US units like the euro, pound and yen held in the foreign exchange reserves. Gold reserves declined by USD 502 million to USD 37.604 billion. The special drawing rights (SDRs) with the International Monetary Fund (IMF) dipped USD 1 million to USD 1.513 billion. Data reports also show that, the country's reserve position with the IMF also dropped by USD 16 million to USD 5 billion within a week.

Audit rules extended for Housing Finance companies

RBIA rules extended for all deposit taking HFCs and non- deposit taking HFCs for the assets over 5000 Cr, and all UCBs having an asset size of Rs 500 crore and above under will have to implement the RBIA framework by March 31, 2022. Risk-based internal audit system are extended to enhance the quality and effectiveness of HFCs internal audit system. The provisions will apply to all deposit-taking HFCs, irrespective of their size, as well as non-deposit-taking HFCs with asset size of Rs 5,000 crore and above, said the central bank. RBIA is an audit methodology that links an organisation's overall risk management framework and provides an assurance to the BODs and the senior management on the quality and effectiveness of the organisation's internal controls, risk management and governance-related systems and processes. As per the circular, the internal audit function should broadly assess and contribute to the overall improvement of the organisation's governance, risk management, and control processes using a systematic and disciplined approach.

BANKS AGENCY UP PLANS TO PROMOTE VIJAY MALLYA'S PROPERTY

A Prevention of Money Laundering Act (PMLA) court has allowed banks to sell certain real estate assets and securities and of fugitive business tycoon Vijay Mallya to recover their debts.

"The PMLA court has given permission to banks to sell certain real estate properties and securities that belonged to disgraced tycoon Vijay Mallya to recover dues loan amount of over ₹ 5,600 crore. Now the lead bank will sell those properties. PNB does not have much loan exposure in Kingfisher, but we will get our due share whatever once lead bank to realize. Vijay Mallya is accused in a bank loan default case of over ₹ 9,000 crore involving his defunct Kingfisher Airlines and is presently in the United Kingdom. Mr Mallya was declared as a fugitive economic offender in January 2019 by a special court in Mumbai. . The 65-year-old has gone through and exhausted the full legal procedures available to him to fight the government's effort to extradite him to India to face charges of defrauding a consortium of banks of more than a billion dollars in relation to the collapse of Kingfisher Airlines in 2013.

BOOM" FOR BANK OF MAHARASHTRA!!!

State-owned Bank of Maharashtra (BoM) has emerged as the top performer among public sector lenders in terms of loan and deposit growth during financial year 2020-21. The lender recorded 13.45 per cent increase in gross advances at Rs 1.07 lakh crore in 2020-21, as per the published data of BoM.

When it came to deposit mobilisation, BoM with nearly 16 per cent growth was ahead of even the country's largest lender State Bank of India, which recorded 13.56 per cent rise. However, in absolute terms SBI's deposit base was 21 times higher at Rs 36.81 lakh crore as against Rs 1.74 lakh crore of BoM.

Current Account Savings Account (CASA) for BoM saw 24.47 per cent rise, the highest among the public sector lenders, during the year. As a result, CASA was 54 per cent or Rs 93,945 crore of the total liability of the bank.

According to the announced quarterly numbers, Central Bank of India NSE 0.23 % achieved second spot by recording 11.46 per cent growth in CASA at Rs 1.61 lakh crore. Total business of BoM increased 14.98 per cent to Rs 2.81 lakh crore.

The bank has also achieved good success in asset quality. The bank's gross non-performing assets declined sharply to 7.23 per cent for the year ended March 2021 from 12.81 per cent a year ago. Net NPAs also declined to 2.48 per cent in the financial year ended March 2021 from 4.77 per cent a year ago.

Insurance Sector

IRDAI ISSUES POLICYBAZAAR INSURANCE BROKING LICENCE

Leading web aggregator Policybazaar on Friday said it has got approval from regulator IRDAI to undertake insurance broking, a development that will help the company augment business and expand bouquet of services.

With this development, the company will surrender its web aggregator licence to Insurance Regulatory and Development Authority of India (IRDAI) and undertake business including insurance aggregation under the broking umbrella.

"We received our licence to be a broker for which we have been in touch with the regulator for the last three years," PolicyBazaar.com. CEO Yashish Dahiya told PTI.

NIRMALA SITHARAMAN STRESSES ON FASTER CLAIM SETTLEMENT

Finance Minister Nirmala Sitharaman on Saturday reviewed the progress made under the Pradhan Mantri Garib Kalyan Package (PMGKP) insurance scheme for health workers fighting COVID-19 and asked insurers to accelerate the disbursement of pending claims under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY).

During a virtual meeting with the heads of insurance companies, she stressed on the importance of streamlining the process and documentation requirements under the schemes so that the claims are disbursed speedily, an official statement said.

ICICI LOMBARD WORK ON AUDIT AUTOMATION OF SERVICE CALLS WITH MICROSOFT

Country’s largest private sector general insurer ICICI Lombard has tied up with Microsoft to strengthen and automate the quality control processes. The insurer will make use of Microsoft’s Azure Speech Services and Natural Language Processing (NLP) to screen its daily service calls made by customer service. The deployment of Azure’s artificial tools has, among other things, allowed ICICI Lombard to improve the accuracy of its quality audits. According to Girish Nayak, ICICI

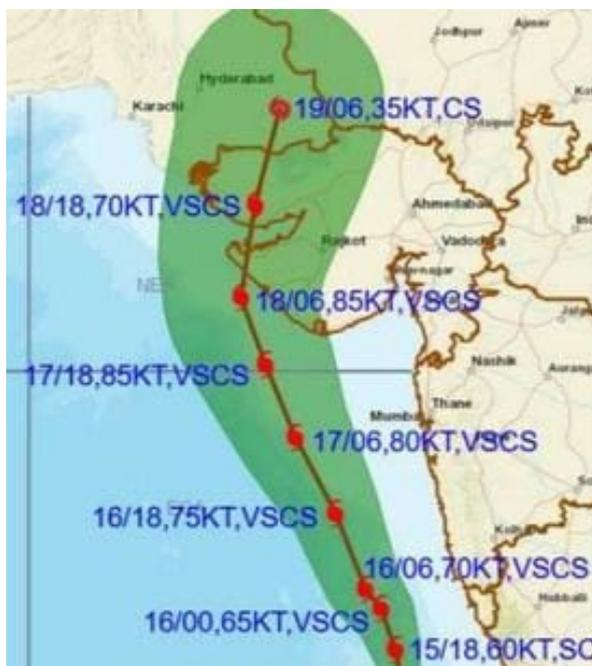
Lombard’s chief technology officer, the use of cognitive intelligence technology will automate quality checks which will in turn make their service more efficient.

IRDAI ASKS INSURERS TO PRIORITIZE CLAIMS SETTLEMENT IN AREAS HIT BY CYCLONES TAUKTAE

Regulator IRDAI has asked life insurers to take steps for quick settlement of life insurance claims in all the states affected by cyclones Tauktae and Yaas.

General and standalone health insurance companies have also been asked to mitigate the hardships of the affected insured population

There are reports of loss of lives and property due to cyclones Tauktae and Yaas. The cyclones have affected districts primarily in Maharashtra, Gujrat, Odisha, West Bengal



AXA OFFERS 300 MILLION EUROS COMPENSATION TO 115000 FRENCH RESTAURANTS.

AXA has offered a settlement to 15,000 French restaurant owners that purchased non-damage business interruption insurance after previously denying coverage during the 2020 COVID-19 lockdowns.

AXA estimates the cost of these settlements will be approximately €300 million (US\$365.5 million) before tax and reinsurance - a cost that is "expected to be offset by favorable developments in 2021 related to COVID-19 in France and Europe," said AXA in a statement.

For AXA, the impact to earnings from this settlement is neutral for 2021. Settling will remove any uncertainty and likely create some goodwill with policyholders



AXA GLOBAL HEALTHCARE LAUNCHES MIND HEALTH SERVICE

AXA Global Healthcare is expanding its health and wellbeing offer by introducing its new Mind Health service, which provides quick, convenient access to a fully qualified psychologist for members in need of mental health support.

Regardless of where in the world they are based, members can use the Mind Health service to seek advice on a variety of concerns, from missing friends to problems at work or home, or facing a difficult life challenge.

During a pilot in 2020, the service supported members in many ways, from coping with distressing life events, managing emotions such as low mood, anxiety and anger, and handling the impact of physical health conditions on both the body and mind. These are all challenges that the psychologists are fully trained to address.

AXA said a key feature of the service, available to all individual and small business members and their dependents, is that it can be accessed through the Virtual Doctor from AXA service, already familiar to members.

REINSURERS LEND \$900M TO LLOYD'S INNOVATIVE COVER

Lloyd's, the world's leading marketplace for the underwriting of commercial, corporate and specialty risk solutions, yesterday announced it has secured a landmark GBP650m (about \$900m) five-year cover for its Central Fund which supports sustainable, profitable long-term market growth. It is a layered structure supported by newly-created cell company Constellation IC Limited – financed by investment bank JP Morgan – as well as a panel of eight well-regarded and respected reinsurers, namely Arch, Berkshire Hathaway, Everest Re, Hannover Re, Munich Re, RenaissanceRe, Scor and Swiss Re.



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