



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

September 1, 2021

- **PNB cuts savings deposits rate by 10 bps to 2.9%, effective Sept 1:** State-owned lender Punjab National Bank (PNB) has reduced savings deposit rates by 10 basis points to 2.90 per cent. This compares with deposit rate of 2.70 per cent and 2.75 per cent offered by State Bank of India (SBI) and Bank of Baroda (BoB), respectively. The cut in the interest rate--effective from September 1--will be applicable on existing as well as new savings fund accounts, the lender said. Bank officials said the decision is partly driven by huge liquidity that the bank continues to manage and also correction in rates vis-a-vis peers, especially public sector banks.
https://www.business-standard.com/article/finance/pnb-cuts-savings-deposits-rate-by-10-bps-to-2-9-effective-sept-1-121083101191_1.html
- **Bank of India announces closure of QIP issue; raises Rs 2,550 cr:** Bank of India on Tuesday announced the closure of its QIP issue and said that it has raised Rs 2,550 crore by issuing more than 40.5 crore shares to the qualified institutional buyers. The capital issue committee at its meeting held on August 31, 2021 has approved the issue and allotment of 40,54,71,866 equity shares to eligible qualified institutional buyers (QIBs) at an issue price of Rs 62.89 per share, aggregating to Rs 2,550.01 crore, Bank of India said in a regulatory filing on Tuesday.
https://www.business-standard.com/article/finance/bank-of-india-announces-closure-of-qip-issue-raises-rs-2-550-cr-121083100701_1.html
- **Former Reliance Capital CEO Sam Ghosh plans to set up a small finance bank:** Former Reliance Capital CEO Soumen (Sam) Ghosh has applied for a small finance bank license through a recently set up firm called Cosmea Financial Holdings. The Maharashtra-based firm was incorporated in November last year. Cosmea aims to involve in activities auxiliary to financial intermediation, except insurance and pension funding. Directors of the company are Soumen Ghosh, Suresh Thiruvananthapuram Viswanathan and Amit Agrawal.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/former-reliance-capital-ceo-sam-ghosh-plans-to-set-up-a-small-finance-bank/articleshow/85775833.cms>
- **Smaller players borrow more than large corporates this year, but private banks lend at faster pace:** The lending pattern is slowly changing post revival of economic activity after the second lockdown. While bank lending to large corporates continues to contract, lending to MSMEs, agriculture and retail picked up sharply in July this year over previous year's levels, data on sectoral deployment of bank credit released by the Reserve Bank shows. Much of the growth has accordingly come from urban, semi-urban and rural areas a separate release from the central bank shows.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/smaller-players-borrow-more-than-large-corporates-this-year-but-private-banks-lend-at-faster-pace/articleshow/85802040.cms?from=mdr>



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- **PhonePe receives insurance broking licence:** PhonePe has received an insurance broking licence from the Insurance Regulatory and Development Authority of India (IRDAI). Last year, PhonePe entered the insurtech sector with a limited 'corporate agent' licence, which allowed the company to partner with only three insurance companies per category. With the new 'direct broking' licence, PhonePe can distribute insurance products from all insurance companies in India. It also allows PhonePe to offer personalised product recommendations to its 300-million user base, and a bigger portfolio of insurance products for Indian consumers.
<https://www.livemint.com/companies/start-ups/phonepe-receives-insurance-broking-licence-11630313081264.html>
- **PayU to acquire BillDesk for \$4.7 billion:** Prosus-backed PayU will acquire BillDesk for \$4.7 billion. The transaction, which is subject to approval from the Competition Commission of India, builds on previous successful acquisitions by PayU in India, including CitrusPay, Paysense and Wibmo. Bob van Dijk, Group CEO of Prosus, said: "We have a long and deep relationship with India, having supported and partnered with some of its most dynamic entrepreneurs and new tech businesses since 2005. We've invested close to US\$6 billion in Indian tech to date, and this deal will see that increase to more than US\$10 billion.
https://www.business-standard.com/article/companies/payu-acquires-indian-digital-payments-provider-billdesk-for-4-7-bn-121083100517_1.html
- **Despite signs of recovery, economy not yet out of the woods: RBI Governor:** The Governor of the Reserve Bank of India, Shaktikanta Das, on Tuesday said while there are signs of recovery in the economy, it is not yet out of the woods. The Governor made the observation at the 21st FIMMDA-PDAI annual conference. It may be pertinent to note that Das, in his statement in the last monetary policy committee meeting, had said that managing the economy and the financial markets since the beginning of the pandemic has thrown up several challenges with cross-currents and conflicting objectives. "Under such circumstances, macroeconomic policies have to be carefully nuanced by making judicious policy choices," he said.
<https://www.thehindubusinessline.com/money-and-banking/despite-signs-of-recovery-economy-not-yet-out-of-the-woods-rbi-governor/article36207851.ece>
- **Exim Bank extends \$100 mn loan to Africa Finance Corp for infra development:** Exim Bank of India has extended a line of credit of USD 100 million (Rs 730 crore) on behalf of the Indian government to the Africa Finance Corporation (AFC) to develop infrastructure in the continent and boost economic revival of countries in the region. AFC is an infrastructure solutions provider in the African continent. AFC has received a USD 100 million credit line from the Export-Import Bank of India (India Exim Bank) to develop critical infrastructure required for the revival of Africa's economies in the wake of the COVID-19 pandemic, a statement said on Tuesday. The tenure of the soft loan is 10 years.
https://www.business-standard.com/article/finance/exim-bank-extends-100-mn-loan-to-africa-finance-corp-for-infra-development-121083101271_1.html



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- **Conclude loan guarantee scheme for medical infra in non-metros in time: FM:** Finance Minister Nirmala Sitharaman on Tuesday asked all stakeholders to conclude Rs 50,000 crore Loan Guarantee Scheme for Covid-Affected Sectors aimed at shoring up healthcare infrastructure in non-metros in time to deal with any future third wave. Observing that increasing the medical capacities in the rural areas as well as tier-II and -III towns are very critical, the finance minister said overall improvement in healthcare infrastructure is also going to help the revival of the economy. "We need this (scheme) to be done within time. We need this to be done all over the country, especially in those parts where we have less medical infrastructure, and therefore what I would think is the Department of Financial Services together with the industry stakeholders and the banks...I think there needs to be a lot more information sharing in local areas," she said.
<https://www.moneycontrol.com/news/india/need-to-conclude-loan-guarantee-scheme-for-medical-infra-in-non-metros-in-time-fm-sitharaman-7412891.html>
- **Axis Bank ties up with BharatPe to expand its merchant acquiring business:** Private sector lender Axis Bank has tied up with BharatPe to expand its merchant acquiring business in the country. As a part of the partnership, Axis Bank will be the acquiring bank for BharatPe's point of sale (PoS) business, BharatSwipe, and will provide acceptance of credit and debit cards for merchants associated with BharatPe. With over 600,000 PoS terminals spread across the entire country, Axis Bank is the third largest PoS acquiring bank in the payments acceptance business and processed around Rs 19,000 crore worth of volumes in a month. On the other hand, BharatPe's PoS machine BharatSwipe has an installed base of 100,000 across 16 cities, processing around Rs 1,400 crore per month. BharatPe clocked an annualised transaction value of \$2 billion on PoS terminals at the end of FY21. The company has set a target of \$6 billion in transaction processed value (TPV) by FY22.
https://www.business-standard.com/article/finance/axis-bank-ties-up-with-bharatpe-to-expand-its-merchant-acquiring-business-121083100745_1.html
- **Non-food bank credit grows at 6.2 per cent in July: RBI data:** The non-food credit bank credit grew at 6.2 per cent in July 2021, compared to 6.4 per cent growth a year ago, RBI data showed. Advances to agriculture and allied activities continued to perform well, registering an accelerated growth of 12.4 per cent in the reporting month, against 5.4 per cent in July 2020, according to RBI data on Sectoral Deployment of Bank Credit – July 2021 released on Tuesday. The growth in credit to industry remained subdued at one per cent in July 2021 compared to 0.9 per cent in the year-ago period, the data showed.
https://www.business-standard.com/article/finance/non-food-bank-credit-grows-at-6-2-in-july-2021-shows-rbi-data-121083101358_1.html
- **Bank credit grows 6 per cent in June:** Bank credit grew at a slower pace of 6 per cent in June compared to 6.4 per cent in the year-ago period mainly due poor offtake in metros, RBI data showed on Tuesday. Year-on-year growth in credit by private sector banks at 10.1 per cent was much higher than that for public sector lenders at 3.1 per cent, as per the data. "Bank credit recorded 6.0 per cent growth (y-o-y) in June 2021 (6.4 per cent growth a year ago): bank branches in urban, semi-urban and rural centres recorded double-digit credit growth but it moderated for metropolitan branches to 2.7 per cent (5.1 per cent a year ago)," according to the RBI's 'Quarterly statistics on deposits and credit of



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SCBs: June 2021'. The aggregate deposits growth (y-o-y) stood at 10 per cent in June 2021 compared to 11.5 per cent a year ago.

<https://www.financialexpress.com/industry/banking-finance/bank-credit-grows-6-per-cent-in-june/2321363/>

- **Gold prices fall to Rs 47,239 per 10 gm on rupee uptick; silver slumps by Rs 402 a kg:** Gold prices declined by Rs 239 to Rs 47,239 per 10 gram in the Mumbai retail market on a continued uptrend in the rupee and buoyant equity market. However, the yellow metal benefitted from the dollar weakness and the Fed Chair's comment from last week that pacified concerns of a faster monetary tightening. The price of 10 gram, 22-carat gold in Mumbai was Rs 43,271 plus 3 percent GST, while 24-carat 10 gram stood at Rs 47,239 plus GST. The 18-carat gold is quoted at Rs 35,429 plus GST in the retail market. Silver prices decreased by Rs 402 to Rs 63,402 per kg against its closing price on August 30.
<https://www.moneycontrol.com/news/business/commodities/gold-prices-fall-to-rs-47239-per-10-gm-on-rupee-uptick-silver-slumps-by-rs-402-a-kg-7412491.html>
- **Rupee inches 4 paise higher to 73.25 against dollar in early trade:** The Indian rupee appreciated 4 paise to 73.25 against the US dollar in opening trade on Tuesday, tracking a positive trend in domestic equities. At the interbank foreign exchange, the rupee opened at 73.26 against the dollar, then inched higher to 73.25, up 4 paise over its previous close.
https://www.business-standard.com/article/finance/rupee-inches-4-paise-higher-to-73-25-against-us-dollar-in-early-trade-121083100293_1.html
- **Sensex closes above 57,000, Nifty scales 17,000:** The BSE Sensex, which breached the 57,000-mark effortlessly in the opening session and sped towards the 58,000-mark, recorded a fresh high of 57,625.26. It closed at a record high of 57,552.39, up 662.63 points or 1.16 per cent. It recorded an intraday low of 56,859.10. Nifty, too, surpassed the psychological 17,000-mark. The Nifty 50 closed at 17,132.20, up 201.15 points or 1.19 per cent, after recording a fresh high of 17,153.50. It recorded an intraday low of 16,915.85. Bharti Airtel, Bajaj Finance, Hindalco, Eicher Motors and Shree Cements were the top gainers on the Nifty 50 while Tata Motors, Nestle India, IndusInd Bank, Reliance and BPCL were the top laggards.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-closes-above-57000-nifty-scales-17000/article36201736.ece>

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