



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

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- **State Bank of India launches dedicated counters for Current Account customers:** The country's largest lender State Bank of India on Thursday announced that it has launched a dedicated counter across its 360 select branches nationally catering to Current Account customers. This dedicated counter, known as the Current Account Service Point (CASP), will address the critical needs of key Current Account customers and mobilize new customers, SBI said in a statement. The initiative will also enable the customers in digitizing their processes and provide simplified technical solutions as per their requirements. "CASP will be staffed by trained and dedicated Relationship Managers across all the centres," the lender said. The CASP initiative was launched by Challa Sreenivasulu Setty, Managing Director (Retail & Digital Banking) in the presence of Chief General Managers of all the Circles on the occasion of 66th Bank Day.
<https://www.livemint.com/industry/banking/state-bank-of-india-launches-dedicated-counters-for-current-account-customers-11625140947843.html>
- **SBI donates ₹62 crore to PM CARES Fund for fight against Covid-19 on its foundation day:** The State Bank of India (SBI) has allocated ₹62 crore to PM CARES Fund on its foundation day of the bank to support the fight against Covid-19. "Around 2.50 lakh employees of the country's largest lender, State Bank of India (SBI), have donated a sum of Rs.62.62 crore to the PM CARES Fund on the occasion of 66th Foundation Day of SBI," the bank said in a statement. This is the second time that State Bank Employees have contributed to the PM CARES Fund. "It is a matter of pride for State Bank of India that our employees have continued to offer banking services to our customers throughout the pandemic, putting service before self, in the true sense of the term. In addition, they have voluntarily come forward to contribute to the PM CARES Fund at a time when the Government is strengthening the healthcare system to tackle the pandemic," said Dinesh Khara, Chairman, SBI, said.
<https://www.livemint.com/industry/banking/sbi-donates-60-crore-to-pm-cares-fund-for-fight-against-covid-19-on-its-foundation-day-11625124542940.html>
- **Union Bank board gives nod for fund-raising:** Union Bank of India's board of directors on Wednesday approved fund raising, including via equity and bonds, of up to ₹9,700 crore. Within the overall limit of ₹9,700 crore, the public sector bank is planning to raise up to ₹3,500 crore via equity and up to ₹6,200 crore via bonds (Additional Tier 1 and/or Tier 2), according to a regulatory filing.
<https://www.thehindubusinessline.com/money-and-banking/union-bank-board-gives-nod-for-fund-raising/article35065733.ece>
- **ICICI Bank launches comprehensive banking solutions for medical doctors:** ICICI Bank on Thursday announced the launch of comprehensive banking solutions for medical doctors. "Called Salute Doctors, it provides customised banking and value-added services to all doctors, beginning with medical students to senior medical consultants to an owner of a hospital or a clinic," ICICI Bank said in a statement. It includes a number of services such as a range of premium savings and current accounts



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for personal and business banking. It also offers a specially curated suite of loans for home, auto, personal, education, medical equipment, setting up a clinic, hospital or business.

<https://www.thehindubusinessline.com/money-and-banking/icici-bank-launches-comprehensive-banking-solutions-for-medical-doctors/article35078986.ece>

- **Reserve Bank tightens leash on cooperative lenders' ops:**The Reserve Bank of India (RBI) has significantly tightened the screws on cooperative banks, enforcing powers granted by legislative changes last year to clean up a system bogged down by corruption. Lax corporate governance standards have been at the centre of India's cooperative banks, with political influence and interference rampant. A striking recent example is the financial scandal surrounding Punjab and Maharashtra Cooperative (PMC) Bank, where just one borrower, Housing Development and Infrastructure (HDIL), reportedly took away over 70% of the bank's aggregate loans. The bank misrepresented the violation of prudential norms for a long time. RBI is now enforcing a series of guidelines on the appointment of managing directors and chief risk officers while imposing fines for shortcomings and mandating stricter reporting norms. In the six months to 30 June, RBI imposed penalties on 51 cooperative banks compared with 23 in 2020 and just seven in 2019, according to data compiled by Mint.
<https://www.livemint.com/industry/banking/reserve-bank-tightens-leash-on-cooperative-lenders-ops-11625080595114.html>
- **RBI asks banks to watch retail, MSME credit; shore up capital buffers:** The Reserve Bank on Thursday asked banks to monitor their exposures to the retail and small businesses, saying both the segments are witnessing high stress. In its bi-annual financial stability report (FSR), the RBI also asked banks to shore up capital positions while favourable market conditions prevail, improve governance and remain vigilant in the context of global spillovers. "The banking sector will be required to specifically guard against adverse selection bias while being alive to the credit demand from productive and viable sectors," the FSR said. In the most optimistic scenario, the impact of the second Covid wave should be contained within the first quarter of the year, while frictional inflation pressures work their way out over the first half of the year, the report said, asking banks to internalise the expectations.
<https://www.livemint.com/industry/banking/rbi-asks-banks-to-watch-retail-msme-credit-shore-up-capital-buffers-11625150109663.html>
- **RBI extends interest subsidy scheme for exporters till September:** The Reserve Bank on Thursday said a scheme providing interest subsidy for post and pre-shipment export credit has been extended by three months till September, a move that will provide relief to exporters. Exporters get the subsidy under the 'Interest Equalisation Scheme for pre and post-shipment Rupee Export Credit'. Earlier in April, the scheme was extended till June 30. "Government of India has approved the extension of Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit, with the same scope and coverage, for a further period of three months, i.e., up to September 30, 2021," the RBI said in a circular.
<https://economictimes.indiatimes.com/news/economy/foreign-trade/rbi-extends-interest-subsidy-scheme-for-exporters-till-september/articleshow/84039262.cms>



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- **HDFC Bank has road map for a big comeback in cards:** HDFC Bank is all set to return to the credit card market “with a bang” once the Reserve Bank of India (RBI) lifts the ban on issuing new cards, said a senior executive. The bank is looking to make up for its lost market share by cross-selling to liability and other asset customers. “Normally, 75% to 80% of our cards are via cross-selling opportunities to internal asset and liability customers and that will continue. We have 50 million customers but just 15 million credit cards. Though that gap will remain due to our strict credit policy, we have an opportunity to cross-sell given our growth in liabilities and other assets of the bank over the last seven months,” said Parag Rao, group head-payments, consumer finance, digital banking and IT at HDFC Bank.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-has-road-map-for-a-big-comeback-in-cards/articleshow/84008096.cms>
- **Indian banks better placed to withstand future shocks: Report:** The dent to Indian financial institutions' balance sheets has been much less than earlier projected and banks have sufficient capital and liquidity buffers to withstand future shocks, according to a report released by the Reserve Bank of India (RBI). The Financial Stability Report is published bi-annually by the RBI on behalf of the Financial Stability and Development Council, an umbrella group of regulators which gives a detailed overview on the health of the Indian financial system. Banks' gross non-performing assets could rise to 9.8% by March 2022 from around 7.48% as of the end of last March under the baseline scenario and to 11.22% under a severe stress scenario, the report said.
<https://www.livemint.com/industry/banking/second-covid-wave-impact-on-banks-less-than-expected-das-11625149699630.html>
- **Despite recast, significant stress seen among MSMEs - RBI:** The Medium, Micro and Small Enterprises are among the worst hit and they face enormous stress in meeting their payment obligations, the Reserve Bank of India said in its latest edition of Financial Stability Report. Seeing the build up of stress in the segment the regulator had promptly allowed recast of loans worth Rs 50 crore to struggling small companies to tide over the impact of the second Covid wave. “Despite the restructuring, however, stress in the MSME portfolio of PSBs remains high,” the regulator noted. “While PSBs have actively resorted to restructuring under all the schemes, participation by PVBs was significant only in the COVID-19 restructuring scheme offered in August 2020.”
<https://economictimes.indiatimes.com/industry/banking/finance/banking/despite-recast-significant-stress-seen-among-msmes-rbi/articleshow/84038865.cms?from=mdr>
- **Banks' gross NPAs may rise to 9.8% by March 2022: RBI report:** Gross non-performing assets (GNPAs) of banks may rise to 9.8 per cent by March 2022 under a baseline scenario, from 7.48 per cent in March 2021, according to the Financial Stability Report (FSR) released by the Reserve Bank of India. Under a severe stress scenario, GNPA of banks may increase to 11.22 per cent, it added. "Macro stress tests indicate that the gross non-performing asset (GNPA) ratio of banks may increase from 7.48 per cent in March 2021 to 9.80 per cent by March 2022 under the baseline scenario," the FSR released on Thursday showed. The FSR published in January this year had said banks' GNPAs may rise to 13.5 per cent by September 2021, under the baseline scenario. The latest FSR, however, said banks have sufficient capital, both at the aggregate and individual level, even under stress.



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<https://www.indiatoday.in/business/story/banks-gross-npas-may-rise-to-9-8-percent-by-march-2022-rbi-1822826-2021-07-02>

- **Govt to borrow 47% less in Q2:** The Government will be borrowing about 47 per cent less at ₹2.21 lakh crore in the second quarter of FY22 against ₹4.68 lakh crore in the first quarter via weekly Treasury Bill auctions. The central bank, in a statement, said: “After reviewing the cash position of the Central Government, Government of India, in consultation with the Reserve Bank of India, has decided to notify the amounts for the issuance of Treasury Bills for the quarter ending September 2021.”
<https://www.thehindubusinessline.com/money-and-banking/govt-to-borrow-47-less-in-q2/article35065552.ece>
- **Digital payments recover in June:** With the gradual opening up of the economy from June, digital payments also shot up last month after subdued transactions in April and May. Payments through the Unified Payments Interface touched a record high and neared the ₹5.5 lakh crore mark in June, according to data released by the National Payments Corporation of India. As many as 280 crore transactions worth ₹5.47 lakh crore took place through UPI last month as against 253 crore transactions totalling ₹4.9 lakh crore in May. This is only the second time that UPI payments crossed the ₹5 lakh crore mark. It was previously at ₹5.04 lakh crore in March, after which it fell for two consecutive months.
<https://www.thehindubusinessline.com/money-and-banking/digital-payments-recover-in-june/article35072946.ece>
- **Standard Life sells 4.99 per cent stake in HDFC Life:** Standard Life has sold 10.08 crore shares amounting to 4.99 per cent stake in HDFC Life Insurance. The transaction took place on June 29.
<https://www.thehindubusinessline.com/money-and-banking/standard-life-sells-499-per-cent-stake-in-hdfc-life/article35075887.ece>
- **Bad debts to rise due to Covid, but banks adequately capitalised: RBI FSR:** The bad debt ratio of banks would likely deteriorate substantially by the end of this financial year due to coronavirus, even as the banks have enough capital to take care of the stress, the half-yearly financial stability report released by the Reserve Bank of India (RBI) said. Under the RBI’s macro stress tests, the gross non-performing asset (GNPA) ratio of scheduled commercial banks may increase from 7.48 per cent in March 2021 to 9.8 per cent by March 2022 under the baseline scenario; and to 11.22 per cent under a severe stress scenario, although the banks have sufficient capital, “both at the aggregate and individual level, even under stress”, the FSR noted.
https://www.business-standard.com/article/finance/bad-debts-to-rise-due-to-covid-but-banks-adequately-capitalised-rbi-fsr-121070101155_1.html
- **Asset quality of banks remained stable during pandemic year: RBI FSR:** Banks did not see their bad loan position worsening during the pandemic year of 2020-21 as the gross non-performing ratio stayed stable at 7.48% of the gross advances at the end of March 31, the Financial Stability Report of Reserve Bank of India showed on Thursday. The stress test conducted by the regulator, however, indicated an increase from the March 2021 levels due to the second Covid wave. The stress tests



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indicate that the GNPA ratio of commercial banks will increase to 9.8 per cent in the baseline scenario by March 2022 and could increase to 10.36 per cent under medium stress scenarios and 11.22 per cent under severe stress scenarios.

https://www.business-standard.com/article/finance/bad-debts-to-rise-due-to-covid-but-banks-adequately-capitalised-rbi-fsr-121070101155_1.html

- **Non-food credit growth of banks slackens to 5.9% in May:** Non-food credit growth of scheduled commercial banks (SCBs) slackened to 5.9 per cent in May 2021 compared to 6.1 per cent in May 2020 due to deceleration in credit growth to industry and services sector. Per the Reserve Bank of India's statement on sectoral deployment of bank credit for May 2021, credit to agriculture and allied activities continued to perform well, registering an accelerated growth of 10.3 per cent in May 2021 as compared to 5.2 per cent in May 2020.
<https://www.thehindubusinessline.com/money-and-banking/non-food-credit-growth-of-banks-slackens-to-59-in-may/article35065788.ece>
- **Gold prices soar by Rs 510 to Rs 47,263/10 gm on rupee weakness; silver trades higher by Rs 1,328/kg:** Gold prices climbed by Rs 510 to Rs 47,263 per 10 gram at the Mumbai retail market continued rupee depreciation and positive global trend. The precious metal is stuck in a narrow band of \$30 for the last two weeks and has been the worst-performing asset class in the first half of the year declining 6.68 percent. The rate of 10 gram 22-carat gold in Mumbai was Rs 43,293 plus 3 percent GST, while 24-carat 10 gram was Rs 47,263 plus GST. The 18-carat gold quoted at Rs 35,447 plus GST in the retail market. Silver prices surged by Rs 1,328 to Rs 69,160 per kg against its closing price on June 30.
<https://www.moneycontrol.com/news/business/commodities/gold-prices-soar-by-rs-510-to-rs-4726310-gm-on-rupee-weakness-silver-trades-higher-by-rs-1328kg-7114241.html>
- **Rupee extends losses, settles 23 paise lower at 74.55/\$:** The rupee declined by 23 paise to end at 74.55 (provisional) against the US currency on Thursday, marking its third straight day of loss amid a lacklustre trend in domestic equities and strengthening of the greenback overseas. At the interbank foreign exchange market, the rupee opened on a negative note at 74.37 per dollar as against its previous close of 74.32. It hovered in the range of 74.34 to 74.63 per dollar during the day before ending at 74.55. The domestic currency has lost 36 paise in the three trading sessions to Thursday.
<https://www.thehindubusinessline.com/markets/forex/rupee-extends-losses-settles-23-paise-lower-at-7455/article35075695.ece>
- **Market fall continues, Nifty below 15,700; pharma, auto outshine:** Benchmark indices continued their losing trend for the fourth day, with the Nifty ending below 15,700 on July 1. At close, the Sensex was down 164.11 points, or 0.31 percent, at 52,318.60, and the Nifty closed 41.50 points, or 0.26 percent, lower at 15,680. "The market witnessed yet another volatile session in a small range of 15,680-15,750. The market suggests trading above the support zone of 15,680-15,700 is positive from a short-term perspective," said Ashis Biswas, Head of Technical Research at CapitalVia Global Research.



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<https://www.moneycontrol.com/news/business/markets/taking-stock-market-fall-continues-nifty-below-15700-pharma-auto-outshine-7114171.html>

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