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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

September 2, 2021

- **SBI raises Rs 4,000 crore via AT1 bonds, coupon fixed at 7.72%:** The country's largest lender State Bank of India (SBI) has raised Rs 4,000 crore in capital through the Basel compliant Additional Tier 1 (AT1) bonds. The coupon for AT-1 bonds was fixed at 7.72 per cent. This was SBI's first AT1 Bond issuance in the domestic market after the new Sebi regulations kicked in. The issue garnered an overwhelming response from investors, with bids in excess of Rs 10,000 crore received against a base issue size of Rs 1,000 crore, SBI said in a statement.
https://www.business-standard.com/article/finance/sbi-raises-rs-4-000-crore-via-at1-bonds-coupon-fixed-at-7-72-121090101105_1.html
- **Punjab National Bank waives service charge, processing fee on retail products:** Punjab National Bank on Tuesday said it has waived all service charges and processing fee on retail products as part of its festival season offering. Punjab National Bank (PNB) has launched a festival bonanza offer to enhance the availability and affordability of credit to customers, it said in a release. PNB now offers an attractive interest rate starting from 6.80 per cent on home loans and 7.15 per cent on car loans, it said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/punjab-national-bank-waives-service-charge-processing-fee-on-retail-products/articleshow/85808640.cms?from=mdr>
- **Shanti Lal Jain takes charge as MD & CEO of Indian Bank:** Shanti Lal Jain has assumed charge as Managing Director and Chief Executive Officer of Chennai-headquartered Indian Bank from today. Prior to this, he served as Executive Director of Bank of Baroda since September 2018, according to a statement.
<https://www.thehindubusinessline.com/money-and-banking/shanti-lal-jain-takes-charge-as-md-ceo-of-indian-bank/article36234550.ece>
- **RBI imposes penalty on Axis Bank:** The RBI on Wednesday said it has imposed a penalty of Rs 25 lakh on Axis Bank Limited for contravention of certain provisions of Know Your Customer (KYC) norms. The RBI said a scrutiny was carried out during February and March 2020 in a customer account maintained with Axis Bank, and it was observed that the bank had "failed to comply" with directions contained in the Reserve Bank of India - KYC Direction, 2016. "...the bank failed to monitor/carry out ongoing due diligence in the said account to ensure that the transactions were consistent with its knowledge about the customer, customer's business and risk profile," it said in a statement.
<https://www.livemint.com/industry/banking/rbi-fines-axis-bank-rs-25-lakh-for-non-compliance-with-provisions-of-kyc-norms-11630507408342.html>
- **KVG Bank enrolls more than 4,000 APY accounts in a single day:** The Dharwad-headquartered Karnataka Vikas Grameena Bank (KVGB), a regional rural bank sponsored by Canara Bank, has enrolled



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(cumulative) 2,25,168 accounts under Atal Pension Yojana (APY), since the introduction of this scheme, according to P Gopi Krishna, Chairman of the bank. APY is a safety net for workers in the informal sector for getting pre-defined pension after 60 years. Gopi Krishna said that the bank's Chikkodi regional office has set a new record by enrolling 4,125 accounts under APY in a single day.

<https://www.thehindubusinessline.com/money-and-banking/kvg-bank-enrolls-more-than-4000-apy-accounts-in-a-single-day/article36225122.ece>

- **Axis Bank sets coupon for dollar AT1 bonds at 4.1%, raises \$600 mn :** Axis Bank has fixed the price for dollar denominated additional tier I bonds (AT1 bonds) at 4.1 per cent, 30 basis points lower than the initial guidance of 4.4 per cent. The Indian private sector lender is raising about \$600 million through AT1 bonds.
https://www.business-standard.com/article/finance/axis-bank-sets-coupon-for-dollar-at1-bonds-at-4-1-raises-600-mn-121090101378_1.html
- **Go after big fish if concerned about NPAs: Supreme Court to PSBs:** The Supreme Court, on Tuesday, said public sector banks should focus their energy on recovering loans from “big fish” and “big corporate debtors” instead of running after those who have petty loans of a few thousand rupees. “You should focus on catching big fish. If you are really concerned about rising NPAs (non-performing assets) of the public sector banks, concentrate on big corporate debtors...not on such small loanees,” a bench, headed by Justice Dhananjaya Y Chandrachud, told Canara Bank.
<https://www.hindustantimes.com/india-news/go-after-big-fish-if-concerned-about-npas-supreme-court-to-psbs-101630460128299.html>
- **HDFC Bank's Wholesale Credit Risk Head likely to join Bank of Baroda:** CNBC-TV18 has learned that the Head of HDFC Bank's Wholesale Credit Risk is set to join Bank of Baroda (BoB) as its new Chief Risk Officer (CRO). Anantharaman S, Joint Head-Wholesale Credit Risk at HDFC Bank will join as BoB on a contractual basis. He has been with HDFC Bank since April last year after a two-year stint at L&T Finance as its Group CRO, prior to which he was at HDFC Bank between 2006 and 2017.
<https://www.cnbtv18.com/finance/hdfc-banks-wholesale-credit-risk-head-likely-to-join-bank-of-baroda-10573281.htm>
- **UPI registers robust growth in August:** Digital payments continued to grow at a robust pace and touched a new record in August with further easing of lockdown restrictions by many States and resumption of economic activities. Unified Payments Interface registered 355 crore transactions worth ₹6.39 lakh crore in August 2021, according to data released by the National Payments Corporation of India on Wednesday. Transactions on the UPI platform had breached the ₹6 lakh crore-mark in July to amount to ₹6.06 lakh crore.
<https://www.thehindubusinessline.com/money-and-banking/upi-registers-robust-growth-in-august/article36219745.ece>
- **Paytm to transfer online payments biz to subsidiary:** Digital payments and financial company Paytm is looking to hive off its payment aggregator business into a new subsidiary Paytm Payments Services Limited, according to a notice sent to shareholders for approval. The company is seeking approval of



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the same from its shareholders through an extraordinary general meeting on September 23. "To consider and approve transfer of Payment Aggregator business to Paytm Payments Services Limited, a wholly owned subsidiary of the Company, to comply with Reserve Bank of India guidelines, being considered as sale of undertaking," the EGM notice issued on August 31 said.

<https://economictimes.indiatimes.com/tech/startups/paytm-to-transfer-online-payments-biz-to-subsidiary/articleshow/85836690.cms>

- **Non-bank lenders eye electric vehicle financing to grow business :** Non-bank lenders are eyeing the electric two-wheeler space to grow disbursements. Shriram City Union Finance is tying up with Ola Electric which recently unveiled electric scooters ranging upwards of Rs 1 lakh. Hero Electric also partnered with two-wheeler life cycle management company Wheels EMI for offering easy financing options to customers. "We believe that electric vehicle will be a big industry few years down the line and are taking efforts to expand base," said Y S Chakravarti, MD, Shriram City Union Finance. "We are soon inking a tie up with Ola Electric, have tied up with Hero Electric and some original equipment manufactures."

<https://economictimes.indiatimes.com/industry/renewables/non-bank-lenders-eye-electric-vehicle-financing-to-grow-business/articleshow/85831771.cms>

- **Top-level exits: AU SFB says "nothing to hide" on transparency, disclosure issues:** Jaipur-based AU Small Finance Bank (AU Bank) on Wednesday tried to allay concerns of investors and depositors with regard to top-level resignations in recent months, saying that it is a "simple HR issue" that the company management is trying to resolve. Concerns were raised over transparency issues as there has been a lag on part of the bank to make disclosure about the top-level resignations. In an early morning investor call, MD & CEO Sanjay Agarwal said the bank has "nothing to hide" and there is nothing on the "governance issue", and rather it was a simple HR issue that the management of the company is trying to resolve.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/top-level-exits-au-sfb-says-nothing-to-hide-on-transparency-disclosure-issues/articleshow/85828498.cms?from=mdr>

- **Link UAN with Aadhaar before August 31 to ensure EPF amount can be credited to your account:** The deadline to link your Universal Account Number (UAN) with your Aadhaar was August 31, 2021. If it has not been done then your employer won't be able to make monthly contributions to your Employees' Provident Fund (EPF) account. Further, you will not be able to make a withdrawal from your EPF account either. This is because the government has made it mandatory for UAN to be linked with Aadhaar so that employers are able to file Employee Cum Return (ECR) challan and deposit the money into your EPF account. The government announced this via section 142 of the Code on Social Security, 2020 with effect from May 3, 2021, through a gazette notification dated April 30, 2021.

<https://economictimes.indiatimes.com/wealth/invest/link-uan-with-aadhaar-before-august-31-to-ensure-epf-amount-can-be-credited-to-your-account/articleshow/85173332.cms?from=mdr>

- **Prosus deal adds to our heft and gives us necessary growth capital, says BillDesk cofounder:** Payment gateway BillDesk has stayed the course amid a hyper phase of growth for digital payments in the last decade or so. The Mumbai-based fintech firm, founded in the year 2000 by MN Srinivasu, Ajay



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Kaushal and Karthik Ganapathy, has been acquired by global technology investor Prosus in a \$4.7 billion deal, one of the largest such transactions in the digital economy. Srinivasu spoke to ET's Ashwin Manikandan & Digbijay Mishra about the deal and the roadmap ahead soon after it was announced on Tuesday.

<https://economictimes.indiatimes.com/tech/startups/prosus-deal-adds-to-our-heft-and-gives-us-necessary-growth-capital-says-billdesk-cofounder/articleshow/85813584.cms>

- **Lenders force small and medium-sized micro-financiers to park fixed deposits with them:** Several lenders are forcing small and medium-sized micro-financiers to park fixed deposits with them as security against fresh advances although exposures to micro-lenders are guaranteed by the government. Some banks are also insisting on personal guarantees, people familiar with the matter said. "Banks are telling us to park fixed deposits to cover 10-15% of the loan," the chief executive of a medium sized NBFC-MFI told ET.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/lenders-force-small-and-medium-sized-micro-financiers-to-park-fixed-deposits-with-them/articleshow/85814132.cms?from=mdr>
- **Crypto gains currency again as banks ease curbs on purchases:** Indian banks are again allowing purchase of Bitcoin and other cryptocurrencies through their channels, easing curbs that they had imposed on such services. The change in stance happened after the Reserve Bank of India told banks that they no longer can use the regulator's 2018 circular prohibiting dealings in virtual currencies, as the direction has been struck down by the Supreme Court, said people in the know.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/crypto-gains-currency-again-as-banks-ease-curbs-on-purchases/articleshow/85813536.cms?from=mdr>
- **Banking venture of Centrum Financial Services christened Unity SFB:** Centrum Financial Services Ltd (CFSL) has christened its proposed banking venture as Unity Small Finance Bank (SFB). Unity SFB, which has its registered office in New Delhi, currently has three Directors — Jaspal Singh Bindra, Executive Chairman, Centrum Capital Ltd (CCL); Sriram Venkatasubramanian, CFO, CCL; and Ranjan Ghosh, MD & CEO, CFSL.
<https://www.thehindubusinessline.com/money-and-banking/banking-venture-of-centrum-financial-services-christened-unity-sfb/article36218189.ece>
- **Extend compliance deadline for halting storage of card details: ADIF to RBI:** Alliance of Digital India Foundation, representing over 250 digital start-ups, has urged the Reserve Bank of India to extend the compliance deadline on the norm prohibiting payment aggregators and payment gateways from storing card details. Some of the group members include Paytm, SHEROES, MapMyIndia, DemandPay, Buy Me a Coffee, Innov8, Truylmadly, GOQii, and Matrimony.com, among others. ADIF has submitted that payment aggregators and payment gateways seem unlikely to be prepared for compliance with the norm by December 31, 2021 (current deadline).
<https://www.thehindubusinessline.com/money-and-banking/extend-compliance-deadline-for-halting-storage-of-card-details-adif-to-rbi/article36231202.ece>



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- **ICICI Bank m-cap crosses ₹5-lakh-crore:** Private sector ICICI Bank is the second lender in the country to cross the market capitalisation of ₹5-lakh crore. This follows HDFC Bank, the first lender to cross the mark, which now has a market cap of ₹8.73-lakh crore. On Wednesday, ICICI Bank's scrip during intra day trade touched a life time high of ₹734.85 apiece on the BSE. It closed the day at ₹719.2 apiece with a market cap of ₹4.98-lakh crore. "ICICI Bank is the second bank to attain this feat," noted Deepak Jasani, Head of Retail Research, HDFC Securities.
<https://www.thehindubusinessline.com/markets/stock-markets/icici-bank-m-cap-crosses-5-lakh-crore/article36231322.ece>
- **Sensex surges over 200 pts to hit fresh record, later corrects:** Equity benchmark Sensex jumped over 200 points to scale a fresh record in early trade on Wednesday, following strong GDP data and heavy foreign fund inflow. The broader NSE Nifty too surged to its lifetime high of 17,194.35. After touching a record high of 57,783.34, the 30-share index was trading 70 points lower or 0.11 per cent down at 57,472.25. Similarly, the broader NSE Nifty advanced 56.55 points or 0.33 per cent to 17,188.75 in the opening session. At 11.15 am, the Nifty was trading lower by 15.05 points at 17,117.55. Axis Bank was the top gainer in the Sensex pack, rising around 4 per cent, followed by Asian Paints, L&T, Bajaj Auto, IndusInd Bank, Nestle India and UltraTech Cement. On the other hand, Tata Steel, HDFC, Maruti and Bajaj Finserv were among the laggards.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-surges-over-200-pts-to-hit-fresh-record-later-corrects/article36218842.ece>
- **Rupee drops 8 paise against US dollar:** The rupee snapped its four-session winning run to close 8 paise lower at 73.08 against the US dollar on Wednesday as muted domestic equities and a strengthening greenback overseas weighed on the market sentiment. At the interbank forex market, the local unit opened at 73.05 against the American currency and witnessed an intra-day high of 72.92 and a low of 73.50.
<https://www.thehindubusinessline.com/markets/forex/rupee-drops-8-paise-against-us-dollar/article36223242.ece>
- **Gold prices rise to Rs 47,279 per 10 gm on weak rupee; silver tumbles by Rs 330 a kg:** Gold prices rose by Rs 40 to Rs 47,279 per 10 gram in the Mumbai retail market on rupee depreciation and lacklustre global cues. The yellow metal traded in a narrow band as market players await August US non-farm payroll data later this week. The price of 10 gram, 22-carat gold in Mumbai was Rs 43,308 plus 3 percent GST, while 24-carat 10 gram stood at Rs 47,279 plus GST. The 18-carat gold is quoted at Rs 35,459 plus GST in the retail market. Silver prices fell by Rs 330 to Rs 63,072 per kg against its closing price on August 31.
<https://www.moneycontrol.com/news/business/commodities/gold-prices-rise-to-rs-47279-per-10-gm-on-weak-rupee-silver-tumbles-by-rs-330-a-kg-7417651.html>

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