



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

October 2, 2021

- **Indian Bank inks MoU with NBFCs for priority sector lending:** Indian Bank on Friday announced that it has entered into a memorandum of understanding with three leading non-banking finance companies (NBFCs) and housing finance companies (HFCs) for co-originate loans to the priority sectors. The Chennai-based lender is partnering with Indiabulls Housing Finance, Indiabulls Commercial Credit and IIFL Home Finance on this co-lending arrangement. In November 2020, the RBI had issued 'Co-Lending Model' guidelines allowing banks to co-lend with all registered NBFCs (including HFCs) to priority sector lending with an aim to improve the flow of credit to unserved and underserved sectors and make funds available to borrowers at an affordable cost.
<https://www.thehindubusinessline.com/money-and-banking/indian-bank-inks-mou-with-nbfc-for-priority-sector-lending/article36777598.ece>
- **Indian Bank picks up 13.2% stake in NARCL:** Indian Bank on Friday said it has picked up 13.27 per cent stake in the proposed bad bank National Asset Reconstruction Company Ltd (NARCL). The lender has subscribed to 1,98,00,000 equity shares of NARCL for cash consideration of Rs 19.80 crore, it said in a regulatory filing. The investment of equity stake of 13.27 per cent would be reduced to 9.90 per cent by December 31, 2021, Indian Bank added.
https://www.business-standard.com/article/finance/indian-bank-picks-up-13-2-stake-in-national-asset-reconstruction-company-121100101508_1.html
- **HSBC, Bajaj Housing Finance reduce home loan rates:** HSBC India on Friday announced that it has reduced its home loan interest rates by 10 basis points from 6.55 per cent to 6.45 per cent per annum. "This offer will be applicable for Balance Transfer Home Loans," it said, adding that the special rate will be effective from October 1 to December 31. It is available across all loan amounts, and the bank has also waived off the processing fee for these loans, it added.
<https://www.thehindubusinessline.com/news/hsbc-bajaj-housing-finance-reduce-home-loan-rates/article36777672.ece>
- **RBI may signal policy normalisation on October 8, Standard Chartered says:** The Reserve Bank of India is likely to signal the start of an unwinding of its accommodative monetary policy, introduced to cushion the economic impact of the pandemic, at a meeting next week, economists at Standard Chartered Bank wrote in a research note on Friday. The consensus view is that the RBI will leave interest rates unchanged at its Oct. 8 MPC meeting and only start to unwind its accommodative monetary policy by reducing the gap between the repo and reverse repo rates early next year.
<https://www.moneycontrol.com/news/business/economy/rbi-may-signal-policy-normalisation-on-october-8-standard-chartered-bank-7532391.html>



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- **RBI opens third cohort under the Regulatory Sandbox:** The Reserve Bank of India on Friday announced the opening of third cohort under the Regulatory Sandbox (RS) with MSME Lending as its theme. The window for submission of applications for the Cohort shall be open from 01 October 2021 to 14 November 2021. “The MSME segment has emerged as the growth engine of Indian economy contributing significantly to the economic and social development of the country by fostering entrepreneurship and generating large employment opportunities through business innovations,” the RBI said in a statement.
<https://economictimes.indiatimes.com/news/economy/policy/rbi-opens-third-cohort-under-the-regulatory-sandbox/articleshow/86680929.cms>
- **Lenders approach RBI after ₹30,000 crore Srei loans turn NPA;** A consortium of lenders led by UCO Bank has sought central bank directions on pursuing recovery of dues from the Srei Group after loans worth about Rs 30,000 crore to the Kolkata-based financier officially qualified to be moved to the list of non-performing assets (NPA) this quarter, two people aware of the development told ET. The Srei Group, however, said it expects banks to chalk out a debt recast plan that will map repayment milestones to future cash flows.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/lenders-approach-rbi-after-30000-crore-srei-loans-turn-npa/articleshow/86668737.cms?from=mdr>
- **Banks ring in festivities with steep cuts in home loan rates:** It’s raining festive offers at banks. On Friday, private lender ICICI Bank announced special offers for the festive season including home loans at 6.7% plus instant discounts and cashbacks available on thousands of products including luxury items from premium brands and leading e-commerce platforms. Meanwhile, private lender Yes Bank too announced home loans at 6.7% interest rate for a limited period. The 90 days offer from the Bank, provides an additional 0.05% benefit (interest rate at 6.65%*) for prospective salaried women home buyers. Foreign lender HSBC too announced that it has reduced interest rates on home loans by 10 basis points from 6.55% to 6.45%. The special will be effective from 1st October 2021 to 31 December 2021.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-ring-in-festivities-with-steep-cuts-in-home-loan-rates/articleshow/86684334.cms>
- **Customers to face disruption as only 60% banks are auto debit norm ready:** With the Reserve Bank of India’s new auto-debit norms coming into effect from Friday, consumers may face some disruption as only about 60 per cent of the banks are ready with a new system. Industry experts say that most public sector banks are still working to meet the RBI requirement. For example, auto debit on State Bank of India’s debit card will go live only by mid-October while its credit card system is set up to meet the norms starting tomorrow.
<https://www.thehindubusinessline.com/money-and-banking/customers-to-face-disruption-as-only-60-banks-are-auto-debit-norm-ready/article36763270.ece>



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- **BC Patnaik takes charge as MD of LIC:** BC Patnaik has taken charge as Managing Director of Life Insurance Corporation of India on Friday. "He was appointed as Managing Director by Government of India notification dated July 5, 2021," LIC said in a statement.
<https://economictimes.indiatimes.com/industry/banking/finance/insure/b-c-patnaik-takes-charge-as-md-of-lic/articleshow/86674316.cms?from=mdr>
- **SRBC & Co LLP resigns as the auditor of IL&FS:** SRBC & Co LLP, part of EY India, has resigned as the auditor of IL&FS citing recent regulations issued by the Reserve Bank of India. "SRBC and Co. LLP will be ineligible to continue as auditors of the company for the financial year 2021-22 beyond September 30, 2021 having completed audits for three years."
<https://www.thehindubusinessline.com/money-and-banking/srbc-co-llp-resigns-as-the-auditor-of-ilfs/article36772295.ece>
- **Piramal Capital merges with DHFL:** Piramal Capital and Housing Finance Ltd (PCHFL) has merged with Dewan Housing Finance Corporation Ltd (DHFL). "PCHFL has merged into DHFL with effect from September 30, 2021, pursuant to the reverse merger as contemplated under scheme of arrangement provided under the resolution plan," Piramal Enterprises Ltd said in a stock exchange filing on Friday.
<https://www.thehindubusinessline.com/money-and-banking/piramal-capital-merges-with-dhfl/article36770228.ece>
- **World Bank to extend \$150 million to Chennai's Sustainable Urban Services Programme:** The World Bank will give \$150 million loan to support the Government of Tamil Nadu's Chennai City Partnership: Sustainable Urban Services Programme, which seeks to help strengthen institutions, improve the financial health of service agencies, and drive significant improvements in the quality of four key urban services — water supply and sewerage, mobility, health, and solid waste management.
<https://www.thehindubusinessline.com/money-and-banking/world-bank-to-extend-150-million-to-chennais-sustainable-urban-services-programme/article36771803.ece>
- **UPI records 365 crore transactions worth ₹6.54-lakh cr in September:** Digital payments continued to register robust growth in September amidst the festival season and normalisation of economic activities. The Unified Payments Interface (UPI) registered 365 crore transactions worth ₹6.54-lakh crore in September, as per data released by the National Payments Corporation of India on Friday.
<https://www.thehindubusinessline.com/money-and-banking/upi-records-365-crore-transactions-worth-654-lakh-cr-in-september/article36775348.ece>
- **Improved revenue structure for NPS' Point of Presence coming soon, says PFRDA Chief Bandyopadhyay:** Pension regulator PFRDA (Pension Fund Regulatory and Development Authority) is currently undertaking a comprehensive review of Point-of-Presence (PoP) revenue structures and new rates are expected to be available in a month, its Chairman, Supratim Bandyopadhyay, said on Friday. "We have formed a committee for this purpose. The report is expected in a month," Bandyopadhyay told a press conference on the occasion of 'NPS Diwas'.
<https://www.thehindubusinessline.com/money-and-banking/improved-revenue-structure-for-nps-point-of-presence-coming-soon-says-pfrda-chief-bandyopadhyay/article36774185.ece>



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- **J&K Bank gets shareholders' nod to raise up to Rs 2,000 cr via equity, debt:** Jammu and Kashmir Bank on Friday said it has received shareholders' nod to raise up to Rs 2,000 crore through equity and debt to fund its business. The shareholders at the annual general meeting on Friday approved the plan to raise equity and debt capital of up to Rs 1,000 crore each.
<https://bfsi.economictimes.indiatimes.com/news/banking/jk-bank-gets-shareholders-nod-to-raise-up-to-rs-2000-cr-via-equity-debt/86699566>
- **ICRA flags asset quality pressure risk for IDBI Bank due to pandemic:** While upgrading IDBI Bank's ratings on sustained improvement in credit profile, rating agency ICRA flagged concerns over high asset quality pressures of the lender in the near term due to the pandemic. It said the bank's return metrics could remain sub-optimal despite improvement in profitability.
https://www.business-standard.com/article/finance/icra-flags-asset-quality-pressure-risk-for-idbi-bank-due-to-pandemic-121100100075_1.html
- **IFSCA constitutes panel for development of sustainable finance hub:** The International Financial Services Centres Authority (IFSCA) on Thursday set up an expert panel headed by former Environment and Forest Secretary C K Mishra to suggest a framework to develop a world-class sustainable finance hub at IFSC. India aspires to be a frontrunner in climate action, which is evident in its commitment towards its intended Nationally Determined Contributions under Paris Agreement, IFSCA said in a statement.
<https://www.thehindubusinessline.com/economy/ifsc-constitutes-expert-panel-on-sustainable-finance/article36758781.ece>
- **HDFC Bank raises Rs 739 crore via masala bond in overseas markets:** HDFC Bank on Thursday said it has raised Rs 739 crore by issuing the rupee-denominated masala bonds in the overseas markets. HDFC Bank has issued and allotted rupee-denominated bonds overseas on September 30, 2021, the lender said in a regulatory filing.
<https://www.moneycontrol.com/news/business/markets/hdfc-bank-raises-rs-739-crore-via-masala-bond-7528871.html>
- **Kotak Mahindra Bank launches NPS on mobile:** Kotak Mahindra Bank Ltd on Friday said it has gone live with the launch of the National Pension System (NPS) on mobile, and customers can now open and operate their NPS accounts through the bank's mobile banking platform. To open an NPS account through the Kotak mobile banking app, the customer only needs to upload a copy of the PAN card and a photograph, it said. The process is completely paperless, and the account can be opened instantly with just a few clicks, the lender said
<https://www.moneycontrol.com/news/business/kotak-mahindra-bank-launches-nps-on-mobile-banking-app-check-details-7530771.html>
- **RBI advises Dhanlaxmi Bank to ensure transparency in nominating directors:** The Reserve Bank of India (RBI) in June had advised Dhanlaxmi Bank to ensure transparency in the nomination process of directors and follow the best corporate governance practices. The regulator also directed the bank to expedite and complete the process of appointment of directors. The lender currently has just 5



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directors, against the maximum strength of 11. It also has two RBI nominees on the board as additional directors. Dhanlaxmi does not have a chartered accountant on board as director after the tenure of the former chartered accountant-director ended on September 30, 2020.

<https://www.financialexpress.com/industry/banking-finance/rbi-advises-dhanlaxmi-bank-to-ensure-transparency-in-nominating-directors/2342154/>

- **Forex reserves down by \$997 million to \$638.646 billion:** The country's foreign exchange reserves declined by \$997 million to reach \$638.646 billion in the week ended September 24, RBI data showed on Friday.
<https://economictimes.indiatimes.com/markets/forex/forex-reserves-down-by-997-mn-to-638-646-bn/articleshow/86686799.cms>
- **Gold prices rise by Rs 583 to Rs 46,434/10 gram, silver spikes by Rs 1,463 a kg:** Gold prices surged Rs 583 to Rs 46,434 per 10 gram in the Mumbai bullion market tracking a sharp spike in the global market overnight as dollar dipped after US jobless claims rose for the third straight week. The yellow metal rose Rs 160 or 0.35 percent during the week in the domestic market. The price of 10 gram, 22-carat gold in Mumbai was Rs 42,534 plus 3 percent GST, while 24-carat 10 gram stood at Rs 46,434 plus GST. The 18-carat gold is quoted at Rs 34,826 plus GST in the retail market. Silver prices climbed by Rs 1,463 to Rs 59,581 per kg against its closing price on September 30.
<https://www.moneycontrol.com/news/business/commodities/gold-prices-up-rs-583-to-rs-4643410-gm-on-safe-haven-appeal-silver-spikes-rs-1463-a-kg-7531781.html>
- **Sensex slips 360 points, Nifty manages to end above 17,500:** The BSE Sensex closed at 58,765.58, down 360.78 points or 0.61 per cent. It hit an intraday high of 58,890.08 and a low of 58,551.14. The Nifty 50 closed at 17,532.05, down 86.10 points or 0.49 per cent. It hit an intraday high of 17,557.15 and a low of 17,452.90. Mahindra & Mahindra, Coal India, IOC, Ultratech Cement and Dr Reddy were the top gainers on the Nifty 50 while Bajaj Finserv, Maruti, Asian Paints, Bajaj Finance and Bharti Airtel were the top losers.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-slips-360-points-nifty-manages-end-above-17500/article36776994.ece>
- **Rupee slumps 12 paise to 74.35 against US dollar in early trade :** The Indian rupee declined 12 paise to 74.35 against the US dollar in opening trade on Friday, tracking strength of the American currency in the overseas market and a muted trend in domestic equities. At the interbank foreign exchange, the rupee opened at 74.33 against the dollar, then fell further to 74.35, registering a fall of 12 paise over its previous close. - Business Line.
<https://www.thehindu.com/business/markets/rupee-slumps-12-paise-to-7435-against-us-dollar-in-early-trade/article36770087.ece>



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