



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

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- **Consolidation is good for the banking industry: SBI Chairman:** Consolidation among public sector banks (PSBs) is good for the banking industry as it will ensure that consortiums lending to projects are not too big and there is optimum utilisation of capital, according to State Bank of India Chairman Dinesh Kumar Khara. Talking to BusinessLine on the general tendency among banks to operate in all the niche segments, Khara said small size banks may not have the ability to absorb losses that might come up. Moreover, the ability to lend larger ticket sizes is also restricted for small-sized banks.
<https://www.thehindubusinessline.com/money-and-banking/consolidation-is-good-for-the-banking-industry-sbi-chairman/article37857497.ece>
- **SBI invites bids to sell NPA account KSK Mahanadi Power with dues over Rs 4,100 crore:** SBI has invited bids from asset reconstruction companies, and other financial institutions to sell an NPA account KSK Mahanadi Power Company, with total outstanding against the company standing over Rs 4,100 crore. "In terms of the bank's policy on sale of financial assets, in line with the regulatory guidelines, we place the account (KSK Mahanadi) for sale to ARCs/ Banks/ NBFCs/ FIs," SBI said in an auction notice. The e-auction of KSK Mahanadi is scheduled to take place on December 31, 2021. With fund based outstanding of Rs 3,815.04 crore and non-fund based outstanding of Rs 286.83 crore, company's total loan dues towards SBI stands at Rs 4,101.87 crore as on date, as per SBI.
<https://www.moneycontrol.com/news/business/sbi-invites-bids-to-sell-npa-account-ksk-mahanadi-power-with-dues-over-rs-4100-cr-7793041.html>
- **PNB launches android app for differently-abled employees:** Punjab National Bank (PNB) said it has launched PNB Pride-CRMD module tool, an android-based application for differently-abled employees, to monitor and effectively follow up with the special mention account (SMA) borrowers. This tool shall be compatible with iOS also very soon, it said. SMA accounts are stressed loans recognized early, enabling banks to initiate timely remedial actions, and preventing such borrowers from slipping to non-performing asset (NPA).
<https://www.livemint.com/industry/banking/pnb-launches-android-app-for-differently-abled-employees-11638681203538.html>
- **Canara Bank launches limited period offer, home loan now starting at 6.65%:** Canara Bank on December 4 announced the launch of a limited period offer where customers can avail home loan at an interest rate starting from 6.65 percent per annum. This offer is applicable to all customers irrespective of the loan amount. "Along with the attractive rate of interest and quick & hassle free sanction, the Bank has waived processing and documentation charges. This is a great opportunity to get home loan from Canara Bank to derive the benefits of this limited period offer," the bank said in a release.



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<https://www.moneycontrol.com/news/business/canara-bank-launches-limited-period-offer-home-loan-now-starting-at-6-65-7791721.html>

- **City Union Bank to start pushing non-gold loan advances by FY22-end:** South India-based private sector lender City Union Bank (CUB) has said it will start pushing growth in non-gold loan advances by the end of the current financial year. During the last few quarters, due to the Covid pandemic and in the absence of other avenues for growth, the bank had given thrust to improve gold loans, which were increased by 73% from Rs 4,537 crore in Q2 FY21 to Rs 7,849 crore in Q2 FY 22. N Kamakodi, MD & CEO of CUB, recently said during an analysts' call that when the growth of other credit increases, correspondingly the growth of gold loan would also decrease.
<https://www.financialexpress.com/industry/banking-finance/city-union-bank-to-start-pushing-non-gold-loan-advances-by-fy22-end/2381608/>
- **Reverse repo rates revision could be between policies: SBI Research:** With better vaccination numbers and gradual success in policy normalisation for the Reserve Bank of India, the monetary policy committee may choose to maintain a status-quo on policy rates when it meets this week. Instead the Reserve Bank may choose to raise the reverse repo rate in between policy meetings. A research report by the economists at the State Bank of India says that since the essential mandate of the MPC is to set policy rates to achieve an inflation target and not for liquidity management, RBI need not revise the reverse repo rates only during MPC meetings.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/reverse-repo-rates-revision-could-be-between-policies-sbi-research/articleshow/88107184.cms>
- **Create UPI like platform for credit: Ashwini Vaishnaw to banks:** With the aim of addressing the needs of the bottom of the pyramid, union minister for electronics and IT, Ashwini Vaishnaw asked financial services firms and banks to create a UPI like platform for providing quick and easy credit to small and medium enterprise, industries and small businessmen. Speaking at the concluding day of the week-long AzadiKaAmritMahotsav organised by the ministry of electronics and IT, Vaishnaw said that firms have instruments such as Aadhaar, UPI, mobile, digiLocker etc at their disposal, and they should come up with proof of concepts in the next three months.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/create-upi-like-platform-for-credit-ashwini-vaishnaw-to-banks/articleshow/88106965.cms>
- **RBI's insolvency move against Reliance Capital may face hiccups:** Even as the Reserve Bank of India has started the insolvency process against Reliance Capital, the pending resolution of two of its subsidiaries - Reliance Home Finance Ltd (RHFL) and Reliance Commercial Finance (RCFL) - is set to cast a shadow on the process with the market regulator's diktat and the insolvency rules working against each other. Lenders selected the preferred bidder almost six months ago, but the debt resolution for the two subsidiaries is still hanging fire as Securities and Exchange Board of India (Sebi) rules say 100% debenture holders have to approve the resolution plan for a company, contrary to the trust deed signed by investors which expects only 75% to vote.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbis-insolvency-move-against-reliance-capital-may-face-hiccups/articleshow/88082884.cms>



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- **Indiabulls Housing Finance to raise up to ₹1,000 crore via NCD** : Indiabulls Housing Finance Ltd (IBHFL) has decided to raise up to ₹1,000 crore via public issue of secured, redeemable, non-convertible debentures of face value of ₹1,000 each. The base size of the public issue is for an amount up to ₹200 crore with an option to retain over-subscription up to ₹800 crore. The issue is within the shelf limit of ₹2,000 crore. The minimum subscription amount is ₹10,000 (10 NCDs) across all 10 series of NCDs. Investment thereafter will be in multiples of ₹1,000 (one NCD). The NCDs will be issued for three tenors -- 24 months, 36 months and 60 months. Depending on the tenor and series of NCD, the effective yield per annum ranges from 8.35 per cent to 9.26 per cent, as per IBHFL's exchange filing.
<https://www.thehindubusinessline.com/money-and-banking/indiabulls-housing-finance-to-raise-up-to-1000-crore-via-ncd/article37842399.ece>
- **LIC improves asset quality ahead of IPO; lowers net NPA to 0.05%**: Ahead of its proposed initial public offering (IPO), insurance behemoth LIC has improved its asset quality for the financial year ended March 2021. The non-performing assets (NPAs) as of March 31, 2021, are ₹35,129.89 crore out of a total portfolio of ₹4,51,303.30 crore, according to the latest Annual Report of Life Insurance Corporation of India (LIC). The sub-standard assets are ₹254.37 crore whereas the doubtful assets are ₹20,369.17 crore and loss assets are ₹14,506.35 crore. An amount of ₹34,934.97 crore is provided as per IRDAI guidelines in the books of accounts towards non-performing assets, it said.
<https://economictimes.indiatimes.com/markets/ipos/fpos/lic-improves-asset-quality-ahead-of-ipo-lowers-net-npa-to-0-05/articleshow/88107984.cms>
- **FPIs pull out ₹30,000 cr from financial services**: Foreign portfolio investors (FPIs) pulled out close to ₹30,000 crore from the banking and financial services stocks in the first eight months of the current fiscal. The outflow comes in the wake of concerns over steep valuations of underlying sectoral stocks, some elements of profit-booking and FPIs pruning their exposure to the overweight sector. According to latest depositories data, FPIs sold financial services sector stocks worth ₹29,136 crore between April and November. Of this, the banking sector alone saw outflows of ₹28,057 crore while the 'Other financial services' category saw a net outflow of ₹1,078 crore. The 'Other financial services' comprise stocks of financial institutions (FIs), non-banking financial companies (NBFCs), housing finance companies (HFCs), etc.
<https://www.thehindubusinessline.com/markets/fpis-pull-out-30000-cr-from-financial-services/article37844934.ece>
- **Market competition, lower credit offtake push banks to pursue credit growth at lower yields**: Yields on advances by banks have fallen between 54-166 basis points (bps) in the September quarter (Q2FY22) compared to the same period last year, due to interest rate competition from capital markets and lower credit offtake. The country's largest lender State Bank of India (SBI) saw its yield on domestic advances fall 71 basis points on a year-on-year basis in Q2FY22 to 7.51%. Its total domestic advances, as on September end, rose 4.6% year on year to Rs 21.56 lakh crore. ICICI Bank, on the other hand, saw its yield on advances fall to 8.34% in Q2FY22 from 8.88% a year ago. The private lender's total loan book, as on September end stood at Rs 7.65 lakh crore, up 17.2% on year.



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<https://www.financialexpress.com/industry/banking-finance/market-competition-lower-credit-offtake-push-banks-to-pursue-credit-growth-at-lower-yields/2381613/>

- **Over 3 crore income tax returns for FY21 have been filed so far: Finance Ministry:** The finance ministry on Sunday said over three crore income tax returns have been filed for the financial year 2020-21 so far and advised taxpayers who are yet to file their return to do so at the earliest. The number of ITRs filed per day is over four lakh and increasing every day as the extended due date of December 31 is approaching, an official statement said. The department has been issuing reminders to taxpayers through e-mails, SMS and media campaigns encouraging taxpayers to file their income tax returns without further delay.

<https://economictimes.indiatimes.com/news/economy/indicators/over-3-crore-income-tax-returns-for-fy21-filed-finance-ministry/articleshow/88105210.cms>

- **Seven of top-10 cos add Rs 1.31 lakh cr in m-cap; HUL, TCS lead chart:** Seven of the 10 most valued domestic companies together added Rs 1,31,173.41 crore in market valuation last week, with HUL and TCS emerging as the biggest gainers. Reliance Industries, Infosys, HDFC, Bajaj Finance and Wipro also saw a rise in their market valuations, while HDFC Bank, ICICI Bank and SBI suffered losses. The market capitalisation (m-cap) of Hindustan Unilever Limited (HUL) zoomed Rs 50,234.21 crore to Rs 6,15,016.63 crore. The valuation of Tata Consultancy Services (TCS) jumped Rs 35,344.44 crore to reach Rs 13,15,919.03 crore.

<https://economictimes.indiatimes.com/markets/stocks/news/seven-of-top-10-cos-add-rs-1-31-lakh-cr-in-m-cap-hul-tcs-lead-chart/articleshow/88102951.cms>

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