



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
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## DAILY NEWS DIGEST BY BFSI BOARD, ICAI

July 11, 2021

- **Transaction advisors for IDBI Bank stake sale can submit bids till July 22:** Department of investment and public asset management (DIPAM) has extended the deadline for submission by transaction advisors for strategic divestment of IDBI Bank till July 22 from earlier date of July 13. The department Friday clarified that government and LIC of India intend to sell their full stakes, with an open offer also possible as per Sebi guidelines, but the quantum of stake will be decided before the request for proposal stage."In the instant transaction there will be divestment of GoI and LIC shareholding in IDBI Bank along with transfer of management control. The open offer can be triggered as per Sebi's regulations in this regard," the department said.The mandate received from Cabinet Committee on Economic Affairs is to off-load upto 100% stake of government and LIC alongwith transfer of management control, the department said."It (stake to be sold) will be determined, as we go through the transaction and ascertain investors' interest, market appetite etc. It is clarified that LIC's stake will be sold alongwith GoI's shareholding in this transaction," it added. It further said that the decision of remaining co-promoters or otherwise would be contingent on the percentage of stake sale.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/transaction-advisors-for-idbi-bank-stake-sale-can-submit-bids-till-july-22/articleshow/84277896.cms>
- **Federal Bank shareholders approve re-appointment of Shyam Srinivasan as MD & CEO:** Federal Bank shareholders have approved the resolution to re-appoint Shyam Srinivasan as the Managing Director and Chief Executive Officer for a period of three years. The decision was taken in the 90th Annual General Meeting of shareholders of Federal Bank which was conducted through video conferencing on Friday.The bank streamed it live on four social media platforms - Facebook, YouTube, Twitter and Clubhouse.Addressing the AGM, Srinivasan said the bank's digital innovations of today are on the cusp of redefining the banking paradigm of tomorrow. "Simple, Digital, Contactless this is what I had defined last year to be the cornerstones of our strategic focus for FY 2020-21, and a stepping stone in our journey to become the bank of FIRST CHOICE for Indians," he said.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/federal-bank-shareholders-approve-re-appointment-of-shyam-srinivasan-as-md-ceo/articleshow/84291508.cms>
- **Tata AIG hopeful to cross ₹10,000 crore premium mark in FY 22:** Private sector Tata AIG General Insurance is hopeful of expanding its footprint this fiscal despite challenges from the ongoing Covid-19 pandemic. The insurer is eyeing a premium of at least ₹10,000 crore and is set to launch new products in coming months. "We are looking to cross about ₹10,000 crore mark overall this fiscal," said Parag Ved, President and Head, Consumer Lines, Tata AIG General Insurance. The company had gross direct premium underwritten of ₹8,402 crore in 2020-21 and a market share of 4.05 per cent. Its gross premium underwritten grew by 15.29 per cent in the first three months of the current fiscal to ₹2,074.01 crore by June 30, 2021 compared to ₹1,798.97 crore a year ago.  
<https://www.thehindubusinessline.com/money-and-banking/tata-qig-hopeful-to-cross-10000-crore-premium-mark-in-fy-22/article35229963.ece>



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- **Mutual funds ride bull market with NFOs, mop-up rises multi-fold:** Mutual funds have made the most of the bull run in the capital market by not only delivering better returns but also flooding the market with new fund offers to attract good inflow. Thanks to the digital evolution, fund houses have mopped-up ₹7,540 crore through launch of 25 NFOs in the June quarter against raising just ₹429 crore via nine NFOs in same period last year. Interestingly, riding bullish market sentiments seven equity schemes raised ₹3,537 crore in June quarter against one scheme raising just ₹32 crore last year. With investors taking fancy to passive funds, mutual funds attracted investment of ₹2,622 crore in 12 schemes with two fund of funds investing overseas alone getting ₹1,704 crore in June quarter. Last June quarter, mutual funds could raise only ₹169 crore through four new schemes.  
<https://www.thehindubusinessline.com/markets/stock-markets/boosted-by-bumper-returns-investors-pour-rs-7540-cr-in-june-quarter-alone/article35250563.ece>
- **Equitas SFB gets RBI nod to apply for amalgamation of promoter into itself:** Equitas Holdings, the promoter of Equitas Small Finance Bank (SFB), on Saturday said the bank has received Reserve Bank of India's (RBI) nod to apply for amalgamation of the promoter into itself. As per the SFB licensing guidelines of RBI, a promoter of SFB can exit or to cease to be a promoter after the mandatory initial lock-in period of five years (initial promoter lock-in) depending on RBI's regulatory and supervisory comfort and SEBI regulations at that time. "In case of Equitas Small Finance Bank (the bank), our subsidiary for which the company is the promoter, the said initial promoter lock-in for the company expires on September 4, 2021," it said in a regulatory filing. Hence, the bank had requested RBI if a scheme of amalgamation of the company with the bank, resulting in exit of the promoter, can be submitted to RBI for approval, prior to the expiry of the said five years, to take effect after the initial promoter lock-in expires, it said. "RBI vide its communication dated July 9, 2021, to the bank has permitted the bank to apply to RBI seeking approval for scheme of amalgamation," Equitas Holdings said.  
[https://www.business-standard.com/article/pti-stories/equitas-sfb-gets-rbi-nod-to-apply-for-amalgamation-of-promoter-into-itself-121071000657\\_1.html](https://www.business-standard.com/article/pti-stories/equitas-sfb-gets-rbi-nod-to-apply-for-amalgamation-of-promoter-into-itself-121071000657_1.html)
- **Gold loans likely to recover in the second quarter, says CSB Bank:** After seeing a contraction in the gold loan portfolio during the first quarter of this financial year, Fairfax-backed CSB Bank said it expects the segment to be back to normalcy by the second quarter. The contraction in gold business was seen during the quarter after CSB Bank posted a record 61 per cent increase in gold loan in 2020-21. In 2019-20 also, the company's gold-loan business saw an increase of 28 per cent compared to the previous year. "First quarter has been a bit challenging for the gold loan portfolio and growth has been negative. As the economy is recovering fast from the second wave, I expect normalcy to be restored in the second quarter," said CVR Rajendran, managing director (MD), and chief executive officer (CEO) of CSB Bank. The decline in gold loans was reportedly owing to subdued disbursements due to lockdowns announced by various states and shorter tenure of gold loans, which resulted in higher repayments. The share of gold loans in the total mix comes to around 40 per cent.  
[https://www.business-standard.com/article/finance/gold-loans-likely-to-recover-in-the-second-quarter-says-csb-bank-121070901504\\_1.html](https://www.business-standard.com/article/finance/gold-loans-likely-to-recover-in-the-second-quarter-says-csb-bank-121070901504_1.html)



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- **Defying Covid wave, disbursement of Mudra loans grows in Q1:** Notwithstanding the severe second wave of Covid-19, disbursement of petty business loans under Pradhan Mantri Mudra Yojana (PMMY) has picked up in the first quarter of the current financial year compared to the same period last year. As on July 2, loans worth ₹37,601 crore have been disbursed against a total sanctioned amount of ₹41,516 crore, according to data available with Mudra. “The disbursements in the first quarter of FY22 were higher by about ₹4,000 crore compared to the first quarter of FY,” a senior official of Mudra told BusinessLine. “Though the second wave of the pandemic in the first quarter was more severe than last year, the lockdowns were scattered in different States and there was no national lockdown. Even bank employees braved Covid and continued to work. All this drove growth in disbursement of Mudra loans,” a senior official of State Bank of India told Business Line.  
<https://www.thehindubusinessline.com/money-and-banking/defying-covid-wave-disbursement-of-mudra-loans-grows-in-q1/article35255797.ece>

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