



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

September 18, 2021

- **SBI, Kotak Mahindra, PNB, BoB offer record low rates of interest on loans to cash in on festive cheer:** While State Bank of India (SBI) is offering festive season home loans at 6.70% irrespective of loan amount, Kotak Mahindra Bank has reduced rates to record lows of 6.5%. With outreach programmes scheduled to make a return in the first week of October, credit flow to productive sectors of the consumer economy is likely to increase further. Similarly, Punjab National Bank has waived service charges and processing fees on all retail products. Meanwhile, HDFC Bank, the country's most valuable brand, is partnering with fintech companies to accelerate its credit card reach after a regulatory ban was recently eased. It hopes to issue 300,000 credit cards every month. At the end of July, credit card spends surpassed pre-pandemic levels at ₹1.11 lakh crore, suggesting revival in customer activity.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-gift-wrap-loans-in-festive-rates/articleshow/86278325.cms?from=mdr>
- **Bad bank likely to spark global interest in India's \$300 bn distressed assets industry:** Top global investors such as SSG Capital, Deutsche Bank, SC Lowy, Varde Partners and Fiera Capital are likely to raise their stakes in India's \$300-billion distressed assets industry amid prospects of quicker resolutions, after North Block on Thursday announced the formation of a bad bank dedicated to extricating stuck loans. ET spoke with half a dozen senior executives involved in selling distressed assets about the prospects of the industry.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bad-bank-likely-to-spark-global-interest-in-npas/articleshow/86308442.cms>
- **PNB cuts repo-linked lending rate by 25 bps to 6.55%:** Punjab National Bank (PNB) on Friday said it has reduced its the repo-linked lending rate (RLLR) by 25 basis points (bps) to 6.55 per cent from 6.80 per cent earlier. "The repo-linked lending rate (RLLR) has been changed from 6.80 per cent to 6.55 per cent, with effect from September 17, 2021 (Friday)," PNB said in a regulatory filing with the bourses. This is expected to push retail lending as it comes ahead of the upcoming festival season. The RLLR, which was introduced in October 2019, is a floating rate-based and is linked to the repo rate of the Reserve Bank of India (RBI).
<https://www.livemint.com/industry/banking/pnb-cuts-repo-based-lending-rate-by-25-bps-to-655-11631879233507.html>
- **PAN-Aadhaar linkage deadline extended till March 2022:** Aadhaar linking with PAN can now be done till March 31, 2022, after the government extended the deadline from September 30, 2021. "The Central Government, in continuation of its commitment to address the hardship being faced by various stakeholders on account of the Covid-19 pandemic, has, on consideration of representations received from various stakeholders, decided to extend timelines for compliances under the Income-tax Act," the Central Board of Direct Taxes (CBDT) said on Friday.



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<https://economictimes.indiatimes.com/wealth/tax/pan-aadhaar-linkage-deadline-extended-till-march-2022/articleshow/86302017.cms>

- **Fintech start-up IppoPay raises \$250,000 in pre-seed funding:** IppoPay to use the proceeds to reach 100,000 merchants and expand its suite of offerings IppoPay, a Chennai-based fintech start-up that provides digital payment solutions to merchants in tier-2 and tier-3 cities, has raised \$250,000 in pre-seed funding from early-stage investor Better Capital along with Prabhu Rangarajan (co-founder of M2P) and Sailesh Ramakrishnan (partner at Rocketship VC). In a statement, the company said it intends to use the proceeds to reach 100,000 merchants and expand its suite of offerings. IppoPay claims that its platform has recorded transactions worth ₹1,750 crore in over one crore transactions for about 5,000 merchants. IppoPay is currently partnered with YES Bank, Axis Bank, ICICI Bank and Paytm Bank.
<https://www.thehindubusinessline.com/money-and-banking/fintech-start-up-ippopay-raises-250000-in-pre-seed-funding/article36518972.ece>
- **IDFC board approves divestment of mutual fund business:** The Board of Directors of IDFC Ltd and IDFC Financial Holding Company Ltd (IDFC FHCL) at their meetings held on Friday considered and approved to initiate steps to divest the mutual fund business — IDFC Asset Management Company (IDFC AMC) Ltd. IDFC AMC is the direct subsidiary of IDFC FHCL and indirect subsidiary of IDFC. As on March 31, 2021, IDFC held 99.96 per cent in IDFC AMC. IDFC AMC's average assets under management (AAUM) for the June quarter was at ₹1,26,070 crore, as per AMFI data. IDFC, in a regulatory filing, said the disinvestment is subject to requisite regulatory approvals, as applicable.
<https://www.thehindubusinessline.com/money-and-banking/idfc-board-approves-divestment-of-mutual-fund-business/article36511121.ece>
- **Intellect Design Arena, Resurs Bank ink pact for digital banking solution:** Intellect Design Arena Ltd, a Chennai-based multiproduct FinTech company for financial and insurance institutions, on Friday announced that it has entered a strategic partnership with Resurs Bank, a leader in retail finance in the Nordic region. Resurs Bank is investing in a new, entirely cloud-based banking platform that creates the prerequisites to provide customers and partners with state-of-the-art services, interfaces and products.
<https://www.thehindubusinessline.com/companies/intellect-design-arena-resurs-bank-ink-pact-for-digital-banking-solution/article36522901.ece>
- **NARCL will have negligible short-term impact for banks: Kotak Securities report:** The National Asset Reconstruction Company Ltd (NARCL), which is being put together by public sector banks and a few private sector banks to clean up their bad loans, will have negligible short-term impact as the upfront cash received is a smaller proportion and divided across banks, according to a Kotak Securities Ltd (KSL) report. Government guarantee, aggregating ₹30,600 crore, to the security receipts (SRs) to be issued by NARCL puts a 18 per cent floor on recovery rate, the report said.
<https://www.thehindubusinessline.com/money-and-banking/narcl-will-have-negligible-short-term-impact-for-banks-kotak-securities-report/article36519001.ece>



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- **JM Financial Products to raise upto ₹500 crore via public issue of secured NCDs:** JM Financial Products, the NBFC arm of the JM Financial Group on Friday announced Tranche – I public issue of secured NCDs of face value of ₹1,000 each. The issue includes a base issue size of up to ₹100 crore with an option to retain over subscription up to ₹400 crore, which would in all total up to ₹500 crore. “The funds raised through this Tranche I Issue will be used for the purpose of onward lending, financing, and for repayment / prepayment of interest and principal of the borrowings of the company (at least 75 per cent) and for general corporate purposes (up to 25 per cent),” JM Financial said in a statement.
<https://www.thehindubusinessline.com/companies/jm-financial-products-to-raise-upto-500-crore-via-public-issue-of-secured-ncds/article36512927.ece>
- **Pension subscriber base rises to 4.53 crore till August, says PFRDA:** The Pension Fund Regulatory and Development Authority (PFRDA) on Friday said the subscriber base under its flagship pension schemes rose by 24 per cent in August this year to over 4.53 crore. The PFRDA administers two pension schemes — National Pension System (NPS) and Atal Pension Yojana (APY). “The number of subscribers in various schemes under the National Pension System (NPS) rose to 453.41 lakh by end-August 2021 from 365.47 lakh in August 2020, showing a year-on-year increase of 24.06 per cent,” the PFRDA said in a release.
<https://www.thehindubusinessline.com/money-and-banking/pfrda-pension-subscriber-base-rises-to-453-crore-till-august/article36516300.ece>
- **IIFL Home Finance inks co-lending pact with PNB:** IIFL Home Finance Ltd on Friday said it has entered into a co-lending arrangement with Punjab National Bank (PNB), and aims to grow its loan book by 25 per cent from such partnerships. This is the fourth co-lending agreement signed by the company with banks, IIFL HFL said in a release. “IIFL HFL today announced and signed an agreement with PNB, India’s 2nd largest public sector bank, for co-lending. The loan sourcing and servicing will be managed by IIFL Home Finance and 80 per cent of the loan will be provided by PNB,” it said.
<https://www.moneycontrol.com/news/business/iifl-home-finance-inks-co-lending-pact-with-pnb-7477711.html>
- **No TDS on bank deposit interest for recipient under scheduled tribe category: Finance Ministry:** Finance Ministry on September 17 notified that there will be no deduction of tax on bank deposit interest if the recipient belongs to a scheduled tribe. “The Central Government in exercise of the powers conferred by sub-section (1F) of section 197A of the Income-tax Act, 1961 (“the Act”) notified that no deduction of tax shall be made on the following payment under section 194A of the Act, namely payment in the nature of interest, other than interest on securities, made by a Scheduled Bank (herein after the ‘payer’) located in a specified area to a member of Scheduled Tribe (herein after the ‘receiver’) residing in any specified area as referred to in s.10(26) of the Act,” said the ministry in a release.
<https://www.moneycontrol.com/news/business/no-tds-on-bank-deposit-interest-for-recipient-of-scheduled-tribe-finance-ministry-7479171.html>



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- **Forex reserves down by \$1.34 billion to \$641.113 billion;** After reaching a record high in the previous week, the country's foreign exchange reserves declined by \$1.34 billion to \$641.113 billion in the week ended September 10, 2021, according to RBI data. In the previous week ended September 3, the reserves had surged by \$8.895 billion to a life time high of \$642.453 billion. During the reporting week ended September 10, the fall in the reserves was on account of a decline in Foreign Currency Assets (FCAs), a major component of the overall reserves, Reserve Bank of India's (RBI) weekly data released on Friday showed.
<https://www.livemint.com/economy/forex-reserves-down-by-usd-1-34-billion-to-usd-641-113-billion-11631894230505.html>
- **PSU banks trade mixed after govt unveils NARCL plan; SBI hits new high:** Shares of PSBs were trading mixed on the bourses today after the Goodgovernment approved a guarantee of Rs 30,600 crore to be provided for the security receipts issued by the NARCL to buy bad loans of lenders. Among the individual stocks, SBI hit a new high of Rs 471.90, up 2% in intra-day trade today, extending its previous day's 4.5% rally on the NSE. The stock surpassed its previous high of Rs 467.45, touched on August 4, 2021. Indian Bank, Canara Bank and Bank of India were up by 1% each, while Indian Overseas Bank, Punjab & Sind Bank, UCO Bank, Punjab National Bank and Bank of Baroda were down in 1% to 3% on the NSE.
https://www.business-standard.com/article/markets/psbs-trade-mixed-after-government-announces-bad-bank-sbi-hits-new-high-121091700207_1.html
- **Rupee settles 4 paise higher at 73.48 against US dollar:** The rupee closed 4 paise higher at 73.48 (provisional) against the US dollar on Friday, tracking the broad weakness of the American currency in the overseas market. At the interbank forex market, the local unit opened flat at 73.49 against the greenback. During the session, the domestic unit witnessed an intra-day high of 73.42 and a low of 73.55. In the previous session, the rupee had settled at 73.52 against the US dollar. Meanwhile, the dollar index, which gauges the greenback's strength against a basket of six currencies, fell 0.12 per cent to 92.82.
<https://www.moneycontrol.com/news/business/markets/rupee-settles-4-paise-higher-at-73-48-against-us-dollar-7478191.html>
- **Sensex, Nifty end lower as volatility index rises above 15:** The BSE Sensex which recorded an all-time high of 59,737.32 during the morning session, closed at 59,015.89, down 125.27 points or 0.21 per cent. It recorded an intraday low of 58,871.73. The Nifty 50 closed at 17,585.15, down 44.35 points or 0.25 per cent after recording a fresh high of 17,792.95. It recorded an intraday low of 17,537.65. Kotak Bank, HDFC Bank, Bharti Airtel, Eicher Motor and Maruti were the top gainers on the Nifty 50 while Tata Steel, Coal India, State Bank of India, TCS and Hindalco were the top laggards.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-nifty-end-lower-as-volatility-index-rises-above-15/article36514899.ece>
- **Gold prices today drop to lowest in 5 months after big fall:** Gold and silver rates struggled in Indian markets today after a sharp fall in the previous session. On MCX, gold futures were down slightly to ₹46,050 per 10 gram while silver edged up 0.26% to ₹61,233 per kg. In the previous session, gold had



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dropped 1.7% or ₹807 per 10 gram, extending fall to ₹1200 in three days. Silver had slumped ₹2150 or 3.5% per kg in the previous session.

<https://www.livemint.com/market/commodities/gold-prices-see-big-fall-silver-rates-slump-11631849351915.html>

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