



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
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## DAILY NEWS DIGEST BY BFSI BOARD, ICAI

June 20, 2021

- **UCO Bank looks to raise up to Rs 500 crore:** State-owned UCO Bank on Saturday said its board will meet next week to consider raising up to Rs 500 crore as tier-II capital. The board of directors will consider the proposal for raising tier-II capital of up to Rs 500 crore at its meeting scheduled to be held on June 23, 2021, the lender said in a regulatory filing. Tier-II capital of a bank consists of undisclosed reserves, revaluation reserves, general provisions and loss reserves, hybrid capital instruments, subordinated debt and investment reserve account. The loss absorption capacity of tier-II capital is lower than tier-I capital.  
[https://www.business-standard.com/article/companies/state-owned-uco-bank-looks-to-raise-up-to-rs-500-crore-121061900866\\_1.html](https://www.business-standard.com/article/companies/state-owned-uco-bank-looks-to-raise-up-to-rs-500-crore-121061900866_1.html)
- **HDFC Bank to buy stake worth over Rs 1,906 crore in group's general insurer from parent:** HDFC Bank on Saturday said its board has given its approval to buy more than 3.55 crore shares in group firm HDFC ERGO General Insurance Company for over Rs 1,906 crore from the parent company Housing Development Finance Corporation (HDFC). "The board of directors of HDFC Bank at its meeting held on June 18, 2021 has approved the purchase of 3,55,67,724 equity shares of Rs 10 each, representing 4.99 per cent of the outstanding issued and paid-up capital of HDFC ERGO General Insurance Company Ltd from HDFC Ltd," HDFC Bank said in the filing. HDFC is the promoter and related party of the bank. The purchase is to happen at a price determined on an independent evaluation report, subject to receipt of necessary approvals including regulatory approvals and approval from shareholders of the bank, it said.  
<https://www.moneycontrol.com/news/business/hdfc-bank-to-buy-stake-worth-over-rs-1906-crore-in-groups-general-insurer-from-parent-hdfc-7060031.html>
- **LIC Card Services, IDBI Bank unveils Shagun gift card:** LIC Cards Services with IDBI Bank has launched a contactless prepaid gift card called 'Shagun' on the RuPay platform. "The purpose of this card is to expand the gift card market by replacing the cash to plastic market and to e-gift cards in future and also to contribute towards digital India," LIC said in a statement on Friday. For now, the card has been launched for internal use of LIC and its subsidiaries and associates but in coming months it will also be rolled out for the public. "LIC Card Services plans to utilise its wide distribution channel for making it available to the public at large across all geographic locations," the statement further said. With three years' validity, the card comes with flexible loading options of amounts ranging between ₹500 and ₹10,000. It is also accepted at merchant outlets and e-commerce websites in the country.  
<https://www.thehindubusinessline.com/money-and-banking/lic-card-services-idbi-bank-unveils-shagun-gift-card/article34851985.ece/amp/>
- **It's a bank, PMC will be part of, it's not takeover, says Centrum's Jaspal Bindra :** For Jaspal Bindra, who headed Standard Chartered Bank's Asia operations in his 40s, the road back to banking is a challenging one. Bindra, who exited StanChart to turn entrepreneur by acquiring a stake in Centrum in 2016, will have to build a bank by merging operations of a failed local cooperative, a non-banking



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finance company and a new age digital lender. For Bindra, who has been pursuing a bank licence for some time, the RBI's quest for a white knight for Punjab and Maharashtra Cooperative Bank (PMC) provided that opportunity. The RBI has granted Centrum 120 days to convert itself into a bank with fintech player BharatPe as an investor who will merge its payment business with the bank. "We are seeing it as a bank which PMC will be a part of and not a takeover. We are capitalising it abundantly so that we will have room to do other things and PMC's operations will not dominate the new bank," said Bindra.

<https://timesofindia.indiatimes.com/business/india-business/its-a-bank-PMC-will-be-part-of-its-not-takeover/articleshow/83650211.cms>

- **RBI has taken steps to smoothen impact of second COVID wave, says Deputy Governor Jain:** Asserting that the second wave of COVID-19 has posed some challenges, RBI Deputy Governor M K Jain on Friday said both the central bank and the government have taken steps to mitigate its impact. He also said the domestic banking system is strong, as per the preliminary data for the quarter ended March 2021. "I am happy to inform that the banking sector was in strong position when COVID-19 hit...the preliminary data suggest that in terms of CRAR that has been improved upon, the profitability has been improved upon, provision coverage ratio that has also been improved over the previous year, and the gross NPA as well as net NPA has come down," he said. Jain was addressing a virtual conference organised by the India International Centre (IIC) and Research & Information System for Developing Countries (RIS).  
<https://www.moneycontrol.com/news/business/economy/rbi-has-taken-steps-to-smoothen-impact-of-second-covid-wave-says-deputy-governor-m-k-jain-7056391.html>
- **Repo rate expected to remain unchanged in FY22: Emkay Global:** Reserve Bank of India's repo rate is expected to remain unchanged during FY22, said Emkay Global in a report. A lower repo rate, or short-term lending rate for commercial banks, will reduce the interest cost on automobile and home loans, thereby ushering in growth. However, lower repo rate might trigger inflation as well. Earlier this month, the Monetary Policy Committee (MPC) of the central bank voted to maintain the repo rate, or short-term lending rate, for commercial banks, at 4 per cent. Likewise, the reverse repo rate was kept unchanged at 3.35 per cent, and the marginal standing facility (MSF) rate and the 'Bank Rate' at 4.25 per cent.  
[https://www.business-standard.com/article/economy-policy/repo-rate-expected-to-remain-unchanged-in-fiscal-2022-emkay-global-121061900852\\_1.html](https://www.business-standard.com/article/economy-policy/repo-rate-expected-to-remain-unchanged-in-fiscal-2022-emkay-global-121061900852_1.html)
- **Assam govt to waive MFI loans for poor women: CM Himanta Biswa Sarma:** Assam Chief Minister Himanta Biswa Sarma on Friday said that he was committed to his election promise of providing relief and incentives to poor women who had taken loans from various Micro Finance Institutions (MFIs). The government has been holding continued discussions with MFIs, following which the outstanding loan amount has been brought down to ₹8,250 crore from 12,500 crore and this will benefit 22 lakh poor and deprived women of the State, the Chief Minister said at a press conference here.  
<https://www.thehindubusinessline.com/money-and-banking/govt-to-waive-mfi-loans-for-poor-women-cm/article34855447.ece>



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- **PhonePe launches a new wallet auto top-up feature:** Digital payments platform PhonePe has launched a new Wallet Auto Top-up feature using UPI e-mandates for its customers. The feature will allow PhonePe customers to set up a UPI e-mandate once, after which PhonePe will automatically top up their wallet balance when it falls below a minimum level. This is meant to ensure a higher transaction rate. PhonePe customers can make multiple payments using their wallet with the new feature without having to top up their wallet balance manually each time. Once the UPI e-mandate has been set up, users can automatically load their wallets and make a payment without needing entering any PIN or waiting for an OTP each time.  
<https://www.thehindubusinessline.com/money-and-banking/phonepe-launches-a-new-wallet-auto-top-up-feature/article34850649.ece>
- **Adani group's market cap plunges ₹1.6 lakh cr:** A week of turbulence eroded ₹1.6 lakh crore in market value for the six listed Adani Group companies. However, on Friday, the flagship firm Adani Enterprises Ltd (AEL) and ports arm Adani Ports & SEZ Ltd (APSEZ) made impressive recovery with gains of nearly 9 per cent and 7 per cent, respectively, on the BSE. The other group companies Adani Green Energy Ltd (AGEL) (-4.5 per cent), Adani Transmission Ltd (-5 per cent), Adani Power Ltd (-4.96 per cent), Adani Total Gas Ltd (-5 per cent) extended the loss to end at their weekly-low levels. Analysts look at the rout in Adani group stocks as a temporary slide with the group having strong business foundation in each of the group companies.  
<https://www.thehindubusinessline.com/markets/stock-markets/adani-groups-market-cap-plunges-16-lakh-cr/article34852890.ece>
- **Indians' funds in Swiss banks: Govt seeks details from Swiss authorities:** The finance ministry on Saturday asserted that Indian customer deposits in Swiss banks have fallen since 2019, but said it is seeking details from Swiss authorities on the relevant facts along with their view on possible reasons for changes in the funds parked by individuals and entities in 2020. In a statement, the ministry said the deposits have halved but did not give numbers. Quoting data from Switzerland's central bank, PTI had reported on June 17 that funds parked by Indian individuals and firms in Swiss banks, including through India-based branches and other financial institutions, jumped to a 13-year high of 2.55 billion Swiss francs (over Rs 20,700 crore) in 2020 on a sharp surge in holdings via securities and similar instruments, though customer deposits fell.  
[https://www.business-standard.com/article/finance/indians-funds-in-swiss-banks-govt-seeks-details-from-swiss-authorities-121061900278\\_1.html](https://www.business-standard.com/article/finance/indians-funds-in-swiss-banks-govt-seeks-details-from-swiss-authorities-121061900278_1.html)
- **S&P revises rating outlook on ICICI Bank to stable from negative:** S&P Global Ratings has revised its rating outlook on ICICI Bank Ltd. to stable from negative as it expects the lender to benefit from the sale of stake in subsidiaries. The rating agency also affirmed 'BBB-' long-term and 'A-3' short-term issuer credit ratings on the bank's senior notes. "We revised the rating outlook to reflect our view that ICICI Bank will maintain its strong capital position over the next 24 months. The bank will benefit from the sale of stake in subsidiaries and gradual normalization of earnings, which should reduce risks associated with its capital position" S&P said Friday.  
<https://www.livemint.com/industry/banking/sp-revises-rating-outlook-on-icici-bank-to-stable-from-negative-11624094360482.html>



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- **RBI paves way for Punjab & Maharashtra Cooperative Bank’s revival:** With the Reserve Bank of India (RBI) having given Centrum Financial Services an in-principle nod to set up a small finance bank (SFB), a solution to the troubles of Punjab & Maharashtra Cooperative (PMC) Bank, seems to be in sight. The RBI said on Friday the nod to CFS had been given specifically with regard to the latter’s response to the expression of interest (EoI) from PMC Bank on November 3, 2020. CFS and BharatPe had put in a bid to acquire the co-operative lender and the acquisition is expected to go through soon after CFS wins a licence. Should it go through it would be the third lender, in recent times, to be rescued after Yes Bank and Lakshmi Vilas Bank. PMC Bank posted a net loss of Rs 6,835 crore in FY20, reporting a negative net worth of Rs 5,850.61 crore as per the bid document. In September 2019, PMC Bank was put under charge of an RBI-appointed administrator after some financial irregularities were detected. <https://www.financialexpress.com/industry/banking-finance/rbi-paves-way-for-punjab-maharashtra-cooperative-banks-revival/2274250/>

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