



**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

September 22, 2021

- **State Bank of India prepared to support Tata group's bid for Air India:** India's largest public sector bank State Bank of India (SBI) will support Tata group's bid for soon-to-be-privatised Air India by subscribing to Tata Sons debentures or funding the special purpose vehicle (SPV) set up by Tata Sons for the acquisition. Bankers said the credit rating of Tata group's holding company is "AAA" signifying high safety and a combination of Air India with its existing airline businesses would make it a formidable player — leading to a duopoly market with IndiGo. It would also open many business opportunities, including in the retail segment, an official said.  
[https://www.business-standard.com/article/companies/state-bank-of-india-prepared-to-support-tata-group-s-bid-for-air-india-121092001535\\_1.html#:~:text=India's%20largest%20public%20sector%20bank,Tata%20Sons%20for%20the%20acquisition.](https://www.business-standard.com/article/companies/state-bank-of-india-prepared-to-support-tata-group-s-bid-for-air-india-121092001535_1.html#:~:text=India's%20largest%20public%20sector%20bank,Tata%20Sons%20for%20the%20acquisition.)
- **Banks Board Bureau invites applications for post of Deputy MD in Exim Bank:** The Banks Board Bureau (BBB) has invited applications for the position of Deputy Managing Director of Exim Bank of India (Exim Bank). The Bureau invites applications from qualified candidates for the post of Deputy Managing Director (DMD) of Exim Bank on a full-time basis, BBB said in an advertisement.  
<https://bfsi.economicstimes.indiatimes.com/amp/news/banking/banks-board-bureau-invites-applications-for-post-of-deputy-md-in-exim-bank/86416092>
- **Indiabulls Housing Finance raises Rs 808 cr via NCDs:** Indiabulls Housing Finance on Tuesday said it has raised Rs 807.83 crore through issuance of non-convertible debentures (NCDs). This was the tranche-1 NCD issue of the housing finance company with a base issue size of Rs 200 crore and a greenshoe option of up to Rs 800 crore. Retail category was oversubscribed by 2.44 times (of the base issue size) with a total collection of Rs 146.22 crore, the lender said in a release. The issue opened on September 6, 2021 and closed on September 20, 2021.  
<https://economicstimes.indiatimes.com/markets/companies/indiabulls-housing-finance-raises-rs-808-cr-via-ncds/articleshow/86398786.cms>
- **SBI says excess liquidity creating acute margin pressure for banks:** One of the main ways that the Reserve Bank of India has facilitated low cost of credit in the economy amid the Covid-19 pandemic is by maintaining a large surplus of liquidity in the banking system. There is no doubt that a crisis of the magnitude of this pandemic calls for ensuring easy access to credit, but the country's largest bank, State Bank of India, has flagged risks emanating from excess liquidity and whether credit risks are being sufficiently factored into pricing of products.  
<https://economicstimes.indiatimes.com/markets/bonds/sbi-says-excess-liquidity-creating-acute-margin-pressure-for-banks/articleshow/86397244.cms>



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- **AU Small Finance Bank issues over 40k credit cards since inception:** AU Small Finance Bank (SFB) on Monday said it has issued over 40,000 credit cards since its launch a few months back, and more than half of them are first time users. "AU Small Finance Bank, the first SFB in India to launch its own range of credit cards, has issued 40,000 plus credit cards," AU SFB said in a release. Of the total credit card issued, over 50 per cent of customers are first time users in more than 150 districts of the country since launch, it added. The Jaipur based lender said it is the first SFB to enter semi-urban and rural areas with its own credit cards.  
<https://www.moneycontrol.com/news/business/au-small-finance-bank-issues-over-40000-credit-cards-since-inception-7494651.html>
- **India's largest private lender, HDFC Bank, plots path to double retail loans:** HDFC Bank, India's largest private lender, plans to double the amount of loans it makes to retail borrowers over the next couple years as consumer demand ramps up from a pandemic-induced slowdown. Uncertainty is declining and demand is improving as businesses seek to bolster growth after Covid-19, Arvind Kapil, the bank's country head for retail assets, said in an interview. It's an opportunity to reverse the declining share of loans to this segment of the market that was needed to preserve asset quality, he said. "We are planning to double our retail assets book in a focused manner," Kapil said. "I can sense a robust demand at ground level. I run businesses and I am giving you a feel of what I see."  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/indias-largest-private-lender-hdfc-bank-plots-path-to-double-retail-loans/articleshow/86388400.cms?from=mdr>
- **Retail depositors earning negative returns; relook taxation on interest: SBI economists:** Retail depositors are earning negative returns on their bank deposits and hence, there is a need for reviewing taxes on interest earned, economists at the country's largest lender SBI have said. If not for all the depositors, the taxation review should be carried out for at least the deposits made by senior citizens who depend on the interest for their daily needs, the economists led by Soumya Kanti Ghosh said in a note, which pegged the overall retail deposits in the system at Rs 102 lakh crore.  
[https://www.business-standard.com/article/finance/retail-depositors-earning-negative-returns-relook-taxes-on-interest-sbi-121092100536\\_1.html](https://www.business-standard.com/article/finance/retail-depositors-earning-negative-returns-relook-taxes-on-interest-sbi-121092100536_1.html)
- **Kotak Mahindra Bank forays into healthcare lending; not to use RBI's liquidity window:** Kotak Mahindra Bank on Tuesday announced its foray into the healthcare lending space, where it will be taking exposures of up to Rs 15 crore apiece. The private sector lender, however, will not be seeking funds from the Reserve Bank's on-tap liquidity scheme for the sector, as its cost of funds is very low, its President and Head of Business Banking Assets, Sunil Daga, said. In May this year, the RBI had announced an on-tap liquidity window of Rs 50,000 crore for on-lending by banks to the healthcare sector, where they can take exposures of up to three years and access funding at the repo rate.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/kotak-mahindra-bank-forays-into-healthcare-lending-not-to-use-rbis-liquidity-window/articleshow/86398496.cms?from=mdr>



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- **DICGC moves to engage CA firms to complete depositor verification at 55-odd UCBs :** The Deposit Insurance and Credit Guarantee Corporation (DICGC) has set in motion the process of engaging Chartered Accountant (CA) firms to complete the Herculean task of verification/ certification of claims list and books of records of about 55 insured urban co-operative banks (UCBs), which are currently under the Reserve Bank of India's All Inclusive Direction (AID).  
<https://www.thehindubusinessline.com/money-and-banking/dicgc-moves-to-engage-ca-firms-to-complete-depositor-verification-at-55-odd-ucbs/article36583039.ece>
- **Fino Payments Bank to continue its focus on 'emerging India':** IPO-bound Fino Payments Bank is betting big on technological innovation and customers beyond tier-2 towns to fuel its future growth. "While innovation remains ever-present, technology and customer trust lies at the core of all that we do and forms the foundation for our entire business model. We have and will continue to strengthen our focus within 'emerging India', catering to a population that we believe presents a large market opportunity and has typically been overlooked by the majority of the large Indian financial institutions," Fino Payments Bank has said in its draft red herring prospectus, adding that this section of society is often underserved and typically does not have access to basic banking services.  
<https://www.thehindubusinessline.com/money-and-banking/fino-payments-bank-to-continue-its-focus-on-emerging-india/article36594177.ece>
- **BLS International becomes National Business Correspondent of SBI:** BLS International Services Ltd has been selected as National Business Correspondent for State Bank of India (SBI) to deliver banking services in urban, semi-urban and rural areas across the country. It would deliver last mile banking services to support the financial inclusion mission of Indian government.  
<https://www.thehindubusinessline.com/money-and-banking/bls-international-becomes-national-business-correspondent-of-sbi/article36589910.ece>
- **Imitating a fintech firm not the right business model: Former RBI Deputy Gov:** Banks should avoid 'imitating' fintech companies in their attempt to re-imagine themselves but should look for meaningful co-operation with such companies to enhance their business. According to SS Mundra, Former Deputy Governor, Reserve Bank of India (RBI), the process of re-imagination of business models for banks has already started. However, increasingly a number of banks have been evolving like fintech companies.  
<https://www.thehindubusinessline.com/money-and-banking/imitating-a-fintech-firm-not-the-right-business-model-former-rbi-deputy-gov/article36594382.ece>
- **Nabard chief stresses on strengthening IT infra of cooperative banks:** Strengthening of IT infrastructure of cooperative banks, enhancement of agriculture term loans and diversification of credit portfolio are important factors to make them relevant and sustainable on a long term basis, Nabard chairman G R Chintala said on Monday. National Bank for Agriculture and Rural Development chief visited Odisha State Cooperative Bank and addressed CEOs of all the rural district central cooperative banks in the state. Chintala focused on increasing the share of cooperative banks in agricultural lending.



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[https://www.business-standard.com/article/finance/nabard-chief-stresses-on-strengthening-it-infra-of-cooperative-banks-121092001389\\_1.html](https://www.business-standard.com/article/finance/nabard-chief-stresses-on-strengthening-it-infra-of-cooperative-banks-121092001389_1.html)

- **RBI imposes monetary penalty on Porbandar Commercial Co-operative Bank:** The Reserve Bank of India on September 21 imposed a monetary penalty of Rs 1 lakh on Gujarat-based Porbandar Commercial Co-operative Bank Ltd over contravention of directions issued by the RBI on 'Loans and advances to directors, relatives and firms /concerns in which they are interested', the central bank said in a release. The RBI had conducted a statutory inspection of the bank's financial position as on March 31, 2019, and the inspection report revealed non-compliance of aforesaid directions issued by the RBI.  
<https://www.moneycontrol.com/news/business/companies/rbi-imposes-monetary-penalty-on-porbandar-commercial-co-operative-bank-7491741.html>
- **Rupee recovers 13 paise to close at 73.61 against US dollar:** The rupee on Tuesday rebounded by 13 paise to close at 73.61 (provisional) against the US dollar following a firm trend in domestic equities and losses in the American currency in the overseas market. At the interbank forex market, the local unit opened flat at 73.74 against the greenback.  
<https://www.thehindu.com/business/markets/rupee-recovers-13-paise-to-close-at-7361-against-us-dollar/article36586729.ece>
- **Sensex surges 514 points to close above 59K; Nifty regains 17,500 amid volatility:** The BSE Sensex bounced back to trade above the 59,000-mark and closed at 59,005.27, up 514.34 points or 0.88 per cent. It hit an intraday high of 59,084.51 and a low of 58,232.54. The Nifty 50 closed at 17,562.00, up 165.10 points or 0.95 per cent. It hit an intraday high of 17,578.35 and a low of 17,326.10. After rising nearly 15 per cent to close above 17, the volatility index softened 5.55 per cent to 16.52. JSW Steel, ONGC, Bajaj Finance, IndusInd Bank and Tata Steel were the top gainers on the Nifty 50 while Maruti, BPCL, Hero MotoCorp, Bajaj Auto and Nestle India were the top laggards.  
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-surges-514-points-to-close-above-59k-nifty-regains-17500-amid-volatility/article36587515.ece>
- **Gold price today falls, a day after hitting near 6-month lows, silver edges up:** Gold prices today edged lower in Indian markets amid subdued global cues. On MCX, gold futures were down 0.1% to ₹46,233 after hitting a near 6-month low of ₹45,880 in the previous session on intra-day basis. Silver futures on MCX were flat at ₹59,657. In global markets, gold was marginally lower at \$1,764.94 an ounce despite a selloff in global equity markets. Investors remained cautious ahead of US Federal Reserve's policy two-day policy meeting starting today. Analysts expect Fed to provide cues on when it will begin tapering its asset purchases.  
<https://www.livemint.com/market/commodities/gold-price-today-falls-a-day-after-hitting-near-6-month-lows-silver-edges-up-11632194797661.html>



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