



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

September 23, 2021

- **Bank of India to raise up to Rs 1,800 cr in capital via tier-II bonds:** Public sector lender Bank of India (BoI) plans raise upto Rs 1,800 crore in capital through tier-II bonds in order to meet regulatory norms, and for business growth. Meanwhile, rating agency Crisil upgraded the lender's tier-I bonds from "AA-" to "AA", reflecting the lender's improved capital ratios and greater ability to make future coupon payments. The BoI stock closed 0.4 per cent lower at Rs 54.5 per share on BSE.
https://www.business-standard.com/article/finance/bank-of-india-to-raise-up-to-rs-1-800-cr-in-capital-via-tier-ii-bonds-121092200926_1.html
- **India likely to block Chinese investment in LIC's IPO:** India wants to block Chinese investors from buying shares in Life Insurance Corp (LIC), which is due to go public, four senior government officials and a banker told Reuters, underscoring tensions between the two nations. State-owned LIC is considered a strategic asset, commanding more than 60 per cent of India's life insurance market with more than \$500 billion assets. While the government plans to allow foreign investors to participate in what is likely to be the country's biggest-ever IPO worth a potential \$12.2 billion, the sources said it is cautious of Chinese ownership, the sources said.
<https://thewire.in/business/block-chinese-investment-in-lic-ipo#:~:text=The%20government%20is%20planning%20to,worth%20a%20potential%20%2412.2%20billion.>
- **Axis Bank commits Rs 30,000 cr till FY26 towards sustainable lending:** The country's third largest private sector lender Axis Bank has committed Rs 30,000 crore lending till fiscal year 2025-26 under its sustainable financing framework, a senior official said. These commitments are in line with the Sustainable Development Goals (SDGs), supporting India's commitments under the Paris Agreement. "As part of its commitments, the bank has set a target of incremental lending of Rs 30,000 crore over the next 5 years, under wholesale banking towards pertinent sectors included in its Sustainable Financing Framework (SFF)," Rajesh Dahiya, Executive Director (Corporate Centre), Axis Bank told PTI.
https://www.business-standard.com/article/companies/axis-bank-commits-rs-30-000-cr-till-fy26-towards-sustainable-lending-121092200670_1.html
- **Depositors of 21 failed cooperative banks including PMC to get deposit insurance cover:** Depositors of 21 failed cooperative banks including PMC Bank will now get deposit insurance cover of upto Rs 5 lakh from Deposit Insurance and Credit Guarantee Corporation (DICGC). Depositors of Kapol cooperative bank, Rupee cooperative bank and several other cooperative banks have been asked to submit depositor claims within 45 days. The DICGC (Amendment) Act, 2021 came into force with effect from September 1, 2021 for banks insured under DICGC Act, 1961. As per the amendment, DICGC will pay the depositors of the insured banks, upto Rs 5 lakh within 90 days of claim submission.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/depositors-of-21-failed-cooperative-banks-including-pmc-to-get-deposit-insurance-cover/articleshow/86419592.cms?from=mdr>



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- **Your auto-debit from debit/credit card may fail from next month if not approved:** Do you use your debit/credit card or mobile wallet for recurring auto-debit payments? If yes, then you should know that from October 1 onwards, as mandated by the Reserve Bank of India (RBI), banks and other financial institutions will have to ask customers to provide additional factor authentication if the auto-debit mandate for the payment is above Rs 5,000.
<https://economictimes.indiatimes.com/wealth/save/your-auto-debit-from-debit/credit-card-may-fail-from-next-month-if-not-approved/articleshow/86417445.cms>
- **Lenders hire specialist agencies to analyse default probability of borrowers:** Risk-averse lenders wary of large exposures in the post-Covid era are hiring consultants and specialist agencies to analyse the default potential of all proposals in excess of Rs 500 crore. Lenders want to ensure that they have a clear perspective of the borrower's future default risks and cash flow situation in light of peculiar challenges brought about by the pandemic. "The pandemic has disrupted cash flows of businesses in a significant way, and since large value loan proposals are on the rise, we thought it prudent to hire agencies and check the company's default risk and default probability," said a lender that has hired one such agency. "These agencies are checking the total debt, debt-service coverage ratio, cash flows and various other metrics to determine whether they will be able to service debt obligations."
<https://economictimes.indiatimes.com/industry/banking/finance/banking/lenders-hire-specialist-agencies-to-analyse-default-probability-of-borrowers/articleshow/86417518.cms?from=mdr>
- **Beware of trojan malware attack, MeitY warns customers of 27 major banks:** Ministry of Electronics and Information Technology's Indian Computer Emergency Response Team (CERT-In) on Tuesday notified that customers of nearly 27 Indian banks including major public and private banks are at the risk of attack from a new banking trojan malware masquerading as income-tax refund related link. The victims first receive an SMS link to a phishing website, disguised as the Income Tax Department website, they are then asked to fill in a few personal details before being sent a malicious APK file to be downloaded to complete verification. On opening the app, the victim is asked to grant permissions to access SMS, call logs and contacts.
<https://www.thehindubusinessline.com/money-and-banking/beware-of-trojan-malware-attack-meity-warns-customers-of-27-major-banks/article36618478.ece>
- **'Automation may lead to slack in labour market':** Governor Shaktikanta Das said a major challenge to inclusiveness in the post-pandemic world would come from the fillip to automation provided by the pandemic even as he underscored the need to guard against any emergence of digital divide as digitisation gains speed. "Greater automation would lead to overall productivity gain, but it may also lead to slack in the labour market. Such a scenario calls for significant skilling/ training of our workforce. "We also need to guard against any emergence of digital divide as digitisation gains speed after the pandemic," said Das at the 48th National Management Convention of the All India Management Association (AIMA).
<https://www.thehindubusinessline.com/money-and-banking/automation-may-lead-to-slack-in-labour-market/article36616664.ece>



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- **FinMin extends Uday Kotak's term as IL&FS Chairman by six months:** The Finance Ministry has now paved the way for Uday Kotak, Managing Director & CEO of Kotak Mahindra Bank to remain chairman of the Board of Infrastructure Leasing and Financial Services Ltd (IL&FS) for six more months. The Department of financial services (DFS) in the Finance Ministry has now extended by six months (from October 3, 2021 to April 2 next year) the existing exemption accorded to Kotak Mahindra Bank regarding its MD& CEO Kotak serving as a non-executive director in IL&FS. This finance ministry move comes on the recommendation of the Reserve Bank of India.
<https://www.thehindubusinessline.com/money-and-banking/finmin-extends-uday-kotaks-term-as-ilfs-chairman-by-six-months/article36613176.ece>
- **Federal Bank partners OneCard for mobile-first credit card:** Federal Bank on Wednesday announced a tie-up with OneCard for a mobile-first credit card that targets the country's young, tech-savvy population. It will target young working professionals aged 23-35, primarily representing the millennials and Gen Z, it said in a statement.
<https://www.thehindubusinessline.com/money-and-banking/federal-bank-partners-onecard-for-mobile-first-credit-card/article36606650.ece>
- **Federal Bank partners with Ashok Leyland for vehicle finance:** Federal Bank on Wednesday signed a Memorandum of Understanding (MoU) with Ashok Leyland, which will enable the two to offer customised financial solutions to their customers. "The bank will work towards catering to the customers' needs through commercial vehicle loans with easy monthly repayment plans best suited for the customers. Moreover, the bank will leverage technology for enhancing customer experience," Federal Bank said in a statement.
<https://www.thehindubusinessline.com/money-and-banking/federal-bank-partners-with-ashok-leyland-for-vehicle-finance/article36611101.ece>
- **ZestMoney raises \$50 mn from Australia's Zip:** ZestMoney has raised \$50 million from the global Buy Now Pay Later provider Zip Co Ltd. This is part of a larger Series C fundraise which will see participation from existing investors. Zip will acquire a minority shareholding in the company and a board seat as part of the investment.
<https://www.thehindubusinessline.com/money-and-banking/zestmoney-raises-50-mn-from-australias-zip/article36617693.ece>
- **After CEO's exit, Ujjivan SFB trying to get the house in order:** Ujjivan Small Finance Bank is seeking to get its house in order after the sudden announcement of the exit of its Managing Director and CEO Nitin Chugh last month, and the old order is likely to make a comeback at the lender. Three independent directors including BA Nambiar – Chair Designate, Ujjivan SFB, Rajni Mishra – Chair of Risk Committee, and Ravichandran Venkataraman – Chair of Nomination and Remuneration Committee, are a part of the RBI approved Special Committee of Directors to oversee the operations and administration of the bank, Samit Ghosh – Common Director on Ujjivan SFB and Ujjivan Financial Services told BusinessLine in a message. He, however, did not respond to requests to speak further on the bank.



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<https://www.thehindubusinessline.com/money-and-banking/after-ceos-exit-ujjivan-sfb-trying-to-get-the-house-in-order/article36606132.ece>

- **RBI must deal more with consumers, review rules impacting them: CUTS talks:** At an online discussion organised by Consumer Unity and Trust Society (CUTS) International on the issue of evaluating consumer welfare in digital payments, several industry stalwarts discussed the way forward for India's banking regulator. "The Reserve Bank of India needs to engage with consumers and clearly explain the rationale and impact of its regulations," said Montek Singh Ahluwalia, former Deputy Chair, Planning Commission of India.
https://www.business-standard.com/article/finance/rbi-must-deal-more-with-consumers-review-rules-impacting-them-cuts-talks-121092200919_1.html
- **FinMin suggests restarting decades-old apprenticeship scheme in railways:** The Finance Ministry has recommended the railways restart a 94-year-old apprenticeship scheme, which was discontinued in 2015, to "catch the talent young" and tailor them to meet the requirements of the rail transport sector.
https://www.business-standard.com/article/finance/finmin-suggests-restarting-decades-old-apprenticeship-scheme-in-railways-121092201179_1.html
- **Bank officers' union extends support to 'Bharat Bandh' by farmers on Sep 27:** The All India Bank Officers' Confederation (AIBOC) on Wednesday extended its support to the 'Bhrat Bandh' called by Samyukta Kisan Morcha on September 27. AIBOC requested the government to re-open dialogue with the Samyukta Kisan Morcha on their demands and rescind the three contentious farm laws.
<https://www.moneycontrol.com/news/india/bank-officers-union-extends-support-to-bharat-bandh-call-by-farmers-on-september-27-7496361.html>
- **Govt sets up asset management company for bad bank:** The government has set up India Debt Resolution Company Ltd (IDRCL), an asset management company that will work in tandem with the National Asset Reconstruction Company Ltd (NARCL) to clean up bad loans, showed documents. It has been set up with a paid-up capital of ₹80.5 lakh on an authorized capital of ₹50 crore. Arvind Sadashiv Mokashi has been appointed on the board as State Bank of India's (SBI) nominee director and other directors are Narayan Keelvedhi Seshadri and Anilraj Chellan.
<https://www.livemint.com/industry/banking/govt-sets-up-asset-management-company-for-bad-bank-11632310419226.html>
- **RBL Bank MD Vishwavir Ahuja gets nearly all votes at AGM for 4th term:** An overwhelming 99.94 per cent of RBL Bank shareholders have approved the reappointment of Vishwavir Ahuja as the managing director and chief executive for the fourth term beginning June this year. Ahuja joined the bank in 2010 from Bank of America and has been the force behind the successful listing of the lender in August 2016 and driving its balance sheet by mani-fold. Though the board had in January this year cleared his fourth three-year term till June 2024, the Reserve Bank in June had only cleared his reappointment for only one year beginning June 2021.



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<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbl-bank-md-gets-nearly-all-votes-at-agm-for-4th-term/articleshow/86435618.cms>

- **IDFC Shareholders Reject Vinod Rai's Reappointment To Board:** Shareholders of IDFC Ltd. rejected a resolution to appoint Vinod Rai as non-independent, non-executive director on the company's board. At IDFC's annual general meeting on Wednesday, 62.3% of the shareholders who participated voted against the proposal, with only 37.7% in favour, according to disclosures to the stock exchanges. Rai is currently the non-executive chairman of IDFC and his term as an independent director ended on July 30. In May, the nomination and remuneration committee and IDFC's board had approved Rai's appointment as non-executive, non-independent director till May 2023. Rai had already completed two terms as independent director.
<https://www.bloomberquint.com/business/idfc-shareholders-reject-vinod-rai-reappointment-to-board>
- **CRISIL upgrades Bank of India's Tier-I Bonds rating:** CRISIL Ratings has upgraded its rating on the Tier-I bonds (under Basel III) of Bank of India (BoI) to 'AA/Stable' from 'AA-/Stable'. The credit rating agency has also assigned its 'AA+/Stable' rating to the public sector bank's ₹1,800 crore Tier-II bonds (under Basel III). The upgrade in the rating of Tier-I bonds (under Basel III) factors in improved position of BoI to make future coupon payments, supported by an adjustment of accumulated losses with share premium account, and the improved capital ratios, CRISIL said in a statement.
<https://www.thehindubusinessline.com/money-and-banking/crisil-upgrades-bank-of-indias-tier-i-bonds-rating/article36607347.ece>
- **FDI equity inflows up 112% to \$20.42 billion in April-July period: Govt data:** Foreign direct investments into the country more than doubled to \$20.42 billion during the April-July period of the current fiscal, the commerce and industry ministry said on Wednesday. Total Foreign Direct Investment (FDI) inflow rose to \$27.37 billion during the first four months of 2021-22. In the year-ago period, the same was at \$16.92 billion. Total FDI comprises equity inflows, reinvested earnings and other capital. "FDI equity inflows grew by 112 per cent in the first four months of 2021-22 (\$20.42 billion) compared to the year ago period (\$9.61 billion)," the ministry said in a release.
https://www.business-standard.com/article/economy-policy/fdi-equity-inflows-up-112-to-20-42-bln-in-apr-july-period-govt-data-121092201329_1.html
- **Gold rate today falls, down ₹10,000 from record highs, silver rises:** Gold prices struggled in Indian markets today ahead of Fed rate decision. On MCX, gold futures prices were slightly lower at ₹46,633 per 10 gram while silver rates rose 0.7%. In the previous session, gold had jumped 0.7% while silver had surged 1.2%. Gold prices have been volatile in India this year after hitting a record high of ₹52,200 last year.
<https://www.livemint.com/market/commodities/gold-rate-today-falls-down-rs-10-000-from-record-highs-silver-rises-11632281279537.html>
- **Sensex, Nifty end flat amid volatility:** The BSE Sensex closed at 58,927.33, down 77.94 points or 0.13 per cent. It hit an intraday high of 59,178.44 and a low of 58,878.38. The Nifty 50 closed at 17,546.65,



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down 15.35 points or 0.09 per cent. It hit an intraday high of 17,610.45 and a low of 17,524.00. Coal India, Tech Mahindra, Hindalco, Tata Motors and Mahindra & Mahindra were the top gainers on the Nifty 50 while Nestle India, HDFC, ICICI Bank, ONGC and HDFC Bank were the top losers.

<https://www.thehindubusinessline.com/markets/stock-markets/sensex-nifty-end-flat-amid-volatility/article36608476.ece>

- **Rupee slumps 26 paise to 73.87 against US dollar:** At the interbank foreign exchange market, the local currency opened at 73.70 and witnessed an intra-day high of 73.66 and a low of 73.93 against the US dollar in day trade. The local unit finally settled at 73.87 a dollar, down 26 paise over its previous close. On Tuesday, the rupee had settled at 73.61 against the US dollar. The dollar index, which gauges the greenback's strength against a basket of six currencies, was trading 0.02 per cent higher at 93.22.

https://www.business-standard.com/article/finance/rupee-slumps-26-paise-to-close-at-73-87-against-us-dollar-121092200815_1.html

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