



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

July 25, 2021

- **ICICI Bank Q1 results: Net profit rises 78% to Rs 4,616 cr as provisions fall:** Private lender ICICI Bank on Saturday reported a 78 per cent year-on-year (YoY) rise in standalone net profit at Rs 4,616 crore for June quarter compared with Rs 2,599 crore in the same quarter last year. Net interest income (NII) for the quarter rose 18 per cent year-on-year to Rs 10,936 crore from Rs 9,280 crore YoY. Non interest income for the quarter, excluding treasury income, rose 56 per cent to Rs 3,706 crore compared with Rs 2,380 crore in the same quarter last year, the bank said in a BSE filing.
<https://economictimes.indiatimes.com/markets/stocks/earnings/icici-bank-q1-net-profit-rises-78-to-rs-4616-cr-as-provisions-fall/video-show/84709260.cms>
- **Stop penalty on early withdrawal of SCSS in case of death: IBA to banks :** Commercial banks were found to be charging penalties for premature withdrawal of deposits even after the death of the account holders, when their kin wanted to withdraw the money. The Indian Banks' Association—the industry body for banks—upon noticing banks charging these penalties for the Senior Citizen Savings Scheme (SCSS) in violation of the existing rules, have asked banks to refrain from doing so. “...we have come across complaint(s) that some banks, while processing settlements/premature payments of accounts to the legal heirs/nominees of deceased depositors under the captioned scheme [SCSS], are treating the same as premature withdrawal and levying penal interest,” the IBA said in a communication to its member banks on Thursday.
https://www.business-standard.com/article/finance/stop-penalty-on-early-withdrawal-of-scsc-in-case-of-death-iba-to-banks-121072301468_1.html
- **Federal Bank, Yes Bank in talks with Visa and RuPay for onboarding new credit card users:** With the Reserve Bank of India barring Mastercard from onboarding new users, Federal Bank and Yes Bank are in discussions with Visa and RuPay to restart issuances of credit cards over the next two to three months. Both the private sector lenders had exclusive tie-ups with Mastercard. They have stopped onboarding of new credit card customers following the embargo by the Reserve Bank of India (RBI) on Mastercard from acquiring new customers. Shalini Warriar, Executive Director at Federal Bank said the lender is likely to restart issuance of credit cards within two months. “There are two other franchises – Visa and RuPay. We have started the process with both of them and we will be back in action within the next two months. We will continue with existing to bank customers and at some point move to new to bank customers,” she said. The bank had launched credit cards for existing to bank customers in a digital format in June this year and had onboarded 20,000 cards to date.
<https://www.thehindubusinessline.com/money-and-banking/federal-bank-yes-bank-in-talks-with-visa-and-rupay-for-onboarding-new-credit-card-users/article35497010.ece>
- **Centre plans BRICS Bank's regional office at GIFT SEZ:** The Centre is all set to give a nod to the setting up of the BRICS' New Development Bank's Indian regional office at the GIFT SEZ IFSC (International Financial Services Centre), in Gandhinagar, with the proposal scheduled to be taken up by the Board of Approval (BoA) for SEZs in a meeting later this month. The Department of Economic Affairs (DEA),



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which has made the proposal, has also sought certain relaxation of SEZ rules for the smooth functioning of the Indian Regional Office (IRO) that will promote “effective and extensive” investment operations by NDB in India, as per the agenda of the BoA meeting scheduled on July 29. “Operationalisation of the IRO is one of the important agenda items of BRICS, 2021 under India’s chairship and the announcement of operationalisation of IRO is expected to be made in the BRICS Lenders Summit to be held on September 9,” per the agenda of the meeting scheduled on July 29.

<https://www.thehindubusinessline.com/money-and-banking/centre-plans-brics-banks-regional-office-at-gift-sez/article35497366.ece>

- **IndusInd Bank to raise ₹30,000 cr:** Private sector lender IndusInd Bank plans to raise up to ₹30,000 crore through debt and equity. “Raising funds through debt securities or equity instruments or convertible debt securities in any permitted mode...for an aggregate amount not exceeding ₹30,000 crore...,” it said in a stock exchange filing on Saturday. The permitted modes of fundraising include through Qualified Institutions Placement, American Depository Receipts, Global Depository Receipts programme, or combinations on a private placement basis thereof as may be decided by the board. The bank will be raising ₹30,000 crore or its equivalent amount in such foreign currencies as may be necessary, subject to approval of the shareholders of the bank and receipt of other governmental / regulatory / statutory approvals, as per the filing.
<https://www.thehindubusinessline.com/money-and-banking/indusind-bank-to-raise-30000-cr/article35512747.ece>
- **AU Small Finance Bank may convert to a universal bank:** Jaipur-headquartered AU Small Finance Bank may transition to a universal bank, going by its Chairman Raj Vikash Verma’s letter to shareholders. If this happens, it will be the second transition for the lender. Before it converted into an SFB in 2017, AU was a non-banking finance company -- Au Financiers (India) Ltd. Verma observed that the bank is looking far and beyond the current status of the bank in the SFB space. “We are propelling the bank’s journey to the next important milestone in the bigger banking space, with an aspiration to serve all sectors and segments of the economy under the larger agenda of national development and growth,” he said.
<https://www.thehindubusinessline.com/money-and-banking/au-small-finance-bank-may-convert-to-a-universal-bank/article35505650.ece>
- **Covid-19 wave intensifies pressure points for small, mini non-banks: Report:** The second COVID-19 wave has intensified pressure points for small and mini NBFCs, as they did not get the benefit of the RBI's liquidity measures announced last year, a report said. About Rs 5.75 lakh crore of liquidity was released by the Reserve Bank of India (RBI) in the past fiscal to fight the COVID-19 pandemic and maintain a soft interest rate regime to mitigate the three-year-long twin ordeals of a crucial cog in the Indian financial system non-banks, Omidyar Network India and Crisil said in a report. Size has resulted in a further differentiation within these non-banks, it said, adding the cost of borrowings for the larger NBFCs/HFCs fell to fiscal 2018 levels. "That for large MFIs (Micro Finance Institutions) too declined by about 100 bps over the past three fiscals. But clearly, the surfeit of liquidity last fiscal has not made a difference to the smaller NBFCs/HFCs and MFIs serving the bottom of the pyramid. Rather, small and



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mini non-banks were often denied (by their lenders) the RBI's moratorium on loans but they extended the moratorium to their own customers," the report noted.

https://www.business-standard.com/article/finance/covid-19-wave-intensifies-pressure-points-for-small-mini-non-banks-report-121072301578_1.html

- **No lumpy slippage gives us confidence: Shyam Srinivasan, MD & CEO, Federal Bank:** Federal Bank reported an 8.3% year-on-year decline in its net profit for the first quarter. Following are excerpts from a post-result virtual press meet by Shyam Srinivasan, MD & CEO Our provisioning policy continues to be very conservative so that the balance sheet remains strong. It is a choice. For Rs 640-crore of fresh slippages in the quarter, we have provisioned Rs 460 crore as a choice. Even in gold loans, which is 100% secure, we have provisioned 65%. Our unsecured book is very marginal. There is no lumpy slippages and it gives us the confidence. We had a strong quarter in treasury and we had a one-off recovery in a large account which was written off in the past.
<https://www.financialexpress.com/industry/banking-finance/no-lumpy-slippage-gives-us-confidence-shyam-srinivasan-md-ceo-federal-bank/2296833/>
- **Forex reserves zoom to \$612.73 billion:** The country's foreign exchange reserves rose by \$835 million to touch a record high of \$612.73 billion in the week ended July 16, RBI data showed. In the previous week ended July 9, the reserves had surged by \$1.883 billion to \$611.895 billion. The increase in forex reserves was on account of the rise in foreign currency assets (FCA). The FCA rose by \$463 million to \$568.748 billion in the reporting week.
<https://www.thehindubusinessline.com/markets/forex/forex-reserves-zoom-to-61273-billion/article35498727.ece>
- **LIC employees likely to get ESOPs:** Employees and officers of Life Insurance Corporation of India may get stock options, but the corporation will not come out with differential voting right shares. These are parts of the new norms prescribed in the LIC General Regulations, 2021. which came into effect from Thursday. The norms related with capital, shares, other securities and shareholders says: "The Corporation may from time to time increase its issued share capital, with the previous approval of the Central Government, by way of public issue or rights issue or preferential allotment or private placement or issue of bonus shares to existing members holding equity shares, or by issue of shares to employees pursuant to share based employee benefits schemes, or by issue of shares to life insurance policy holders of the Corporation."
<https://www.thehindubusinessline.com/markets/stock-markets/lic-employees-likely-to-get-esops/article35497436.ece>
- **PM Narendra Modi led the country in congratulating Mirabai Chanu, who on July 23 ended India's 21-year wait for a weightlifting medal at the Olympics by clinching a silver in the 49 kg category at the Tokyo Games. The 26-year-old lifted a total of 202 kg (87 kg+115 kg) to better Karnam Malleswari's bronze in the 2000 Sydney Olympics and open India's account in Tokyo.**
<https://www.moneycontrol.com/news/trends/mirabai-chanu-pm-modi-leads-country-in-congratulating-olympic-silver-medallist-7217571.html>



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- IndusInd Bank plans to raise up to Rs 30,000 Cr through debt and equity to support business growth and also meet regulatory norms for capital. Its board gave approval to the plan for raising funds. It will also seek shareholders' nod for it. However, it did not specify a timeline for raising debt and equity capital.
https://www.business-standard.com/article/finance/indusind-bank-to-raise-up-to-rs-30-000-crore-through-debt-and-equity-121072400724_1.html
- The Centre is all set to give a nod to the setting up of the BRICS' New Development Bank's Indian regional office at the GIFT SEZ IFSC (International Financial Services Centre), in Gandhinagar, with the proposal scheduled to be taken up by the Board of Approval for SEZs in a meeting later this month. The Dept of Economic Affairs, which has made the proposal, has also sought certain relaxation of SEZ rules for the smooth functioning of the Indian Regional Office that will promote "effective and extensive" investment operations by NDB in India, as per the agenda of the BoA meeting scheduled on July 29.
<https://www.thehindubusinessline.com/money-and-banking/centre-plans-brics-banks-regional-office-at-gift-sez/article35497366.ece>
- 3 decades of economic reforms in India have benefited citizens unevenly and there is a need for the "Indian model" of development to focus on creating wealth at the bottom of the pyramid, the richest Indian Mukesh Ambani said exuding confidence that the country can be at par with the US and China by 2047.
<https://www.livemint.com/news/india/economic-reforms-benefited-unevenly-wealth-creation-at-bottom-of-pyramid-needed-mukesh-ambani-11627117571765.html>
- The Maharashtra Govt is considering granting exemptions from coronavirus-induced restrictions to the fully-vaccinated people, Deputy Chief Minister Ajit Pawar said today.
https://www.business-standard.com/article/current-affairs/maharashtra-govt-considering-relaxations-for-fully-vaccinated-people-dy-cm-121072400704_1.html

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