



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

August 25, 2021

- **FM to meet CEOs of public sector banks on Today:** Finance Minister, Nirmala Sitharaman, will meet heads of public sector banks (PSB) on Wednesday to review the financial performance of the lenders and progress made by them in supporting the pandemic-hit economy, sources said. The meeting with MD and CEOs of PSBs assumes significance given the importance of the banking sector in generating demand and boosting consumption. Recently, the finance minister said the government is ready to do everything required to revive and support economic growth hit by the Covid-19 pandemic. The meeting is expected to take stock of the banking sector and its progress on the restructuring 2.0 scheme announced by the Reserve Bank of India (RBI), the sources said, adding that banks may be nudged to push loan growth in productive sectors. The revamped ₹4.5 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS) would also be reviewed during the meeting, likely to be held in Mumbai, the sources said.
<https://www.thehindubusinessline.com/markets/commodities/fm-to-meet-ceos-of-public-sector-banks-on-wednesday/article36082626.ece>
- **Canara Bank allots over 16.73 cr shares in ₹2,500 cr QIP:** State-run Canara Bank on Tuesday said it has approved allotment of over 16.73 crore shares in the ₹2,500 crore qualified institutions placement (QIP) that closed a day earlier. The QIP opened on August 17 and closed on August 23, 2021. The sub-committee of the board, capital planning process of the Board of Directors of the bank, at its meeting held on August 24, 2021, approved the allotment of 16,73,92,032 equity shares to eligible qualified institutional buyers at an issue price of ₹149.35 per equity share, aggregating up to ₹2,500 crore, Canara Bank said in a regulatory filing. With this, the paid-up equity share capital of the bank stands increased to ₹1,814.13 crore from ₹1,646.74 crore, it said.
<https://www.thehindubusinessline.com/money-and-banking/canara-bank-allots-over-1673-cr-shares-in-rs-2500-cr-qip/article36074587.ece>
- **Bank of India plans to raise Rs 3,000 cr equity capital via QIP:** Bank of India is planning to raise Rs 3,000 crore equity capital through a qualified institutional placement (QIP) offer to fuel business growth and meet regulatory compliance, sources said. "The bank is in the process of raising Rs 3,000 crore through QIP and seven book running lead managers have been appointed for the proposed issue," sources privy to the development said. A non-deal roadshow to woo investors concluded on Monday. The management of the bank participated in one-on-one and group meetings for the roadshow during August 10-23, 2021, the bank said in a filing.
<https://economictimes.indiatimes.com/markets/companies/bank-of-india-plans-to-raise-rs-3000-cr-equity-capital-via-qip/articleshow/85594067.cms>
- **RBI approves re-appointment of Sandeep Bakhshi as ICICI Bank MD & CEO:** The Reserve Bank of India (RBI) has approved the re-appointment of Sandeep Bakhshi, MD & CEO, of ICICI Bank with effect from October 15, 2021, till October 3, 2023. According to a notification to the stock exchange, the shareholders at the annual general meeting held on August 9, 2019, had already approved the



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appointment of Bakhshi for a period effective from October 15, 2018, upto October 3, 2023. Bakhshi was appointed the MD & CEO of the bank, with effect from October 15, 2018. RBI had approved a three-year stint for Bakhshi back then as opposed to a five-year stint that the bank had sought. Bakhshi took over as the CEO of the bank after Chanda Kochhar, who was facing inquiry on allegations of alleged quid pro quo in extending loans to certain entities, resigned as the CEO of the bank. Under Bakhshi, the bank in Q1FY22, reported a net profit of Rs 4,616 crore, aided by an improvement in interest margins and lower provisioning.

<https://www.moneycontrol.com/news/business/rbi-approves-re-appointment-of-sandeep-bakhshi-as-icici-banks-md-ceo-7382801.html>

- **BharatPe launches '12% Club' app, eyes \$50 mn lending AUM:** Fintech firm BharatPe on Tuesday announced its foray into the consumer space with the launch of 12% Club app that will allow consumers to invest and earn up to 12 per cent annual interest or borrow at similar rate. BharatPe has partnered with RBI-approved NBFCs to offer this investment-cum-borrowing product for consumers, a statement said. The company, which provides financial services to merchants, aims to achieve an investment AUM (assets under management) of \$100 million (about ₹741.8 crore) and a lending AUM of \$50 million (about ₹371 crore) from 12% Club by the end of the current fiscal year, it added. The new product will be available on Google Play Store and Apple App Store. "Consumers on the 12% Club app can invest their savings anytime by choosing to lend money through BharatPe's partner P2P NBFCs. Additionally, consumers can avail collateral-free loans of up to ₹10 lakh on the 12% Club for a tenure of 3 months, as per their convenience," the statement said.
<https://www.thehindubusinessline.com/money-and-banking/bharatpe-launches-12-club-app-eyes-50-mn-lending-aum/article36080982.ece>
- **ED submits draft charges against Chanda Kochhar, other accused in money laundering case:** The Enforcement Directorate (ED) on Tuesday submitted draft charges against former ICICI Bank CEO Chanda Kochhar, her businessman-husband and other accused in a special PMLA court here in connection with a money laundering case. The court, set up under the Prevention of Money Laundering Act, fixed September 6 for farming of charges in the ICICI Bank-Videocon money laundering case. The other accused in the case include Chanda Kochhar's husband Deepak Kochhar and Videocon Group promoter Venugopal Dhoot. Deepak Kochhar is currently in jail under judicial custody after being arrested by the central probe agency in September last year. Chanda Kochhar and Dhoot had been granted bail by the special PMLA court in February and March, respectively, following their appearance before the court and honouring the summons issued against them. The two accused have never been arrested in the case.
<https://www.news18.com/news/business/ed-submits-draft-charges-against-chanda-kochhar-other-accused-in-money-laundering-case-4123664.html>
- **HDFC Bank readies aggressive plans to win back lost credit card customers:** HDFC Bank expects to increase its credit card issuance to half a million per month by February next year as the country's most valuable lender, making up for lost time, harnesses its pool of new accounts and alliances to re-establish its leadership credentials in a business where it has long been a frontrunner. "Over the years, our business has grown largely on the back of our liability customers and we expect that to continue,"



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Parag Rao, group head, payments, consumer finance, digital banking and IT, HDFC Bank, said. “Over the last nine months, we have added 400,000 accounts every month. This will be our main growth driver. In addition, we also have a 60 million customer base and only 15 million card issued so we have enough headroom to grow,” Rao said. Liability relationships pertain to the bank's savings, current and deposit accounts.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-readies-aggressive-plans-for-credit-cards/articleshow/85574609.cms?from=mdr>

- **Eldeco group and HDFC capital set up Rs 150 crore affordable and mid-income housing fund:** Eldeco Infrastructure and Properties Limited has set up a special purpose vehicle (SPV) with HDFC Capital Affordable Real Estate Fund 1 with an initial investment of Rs 150 crore to develop low-rise, plotted development projects in the National Capital Region (NCR). HDFC Capital Advisors Limited, a 100% subsidiary of HDFC Limited, provides investment management services for real estate private equity financing and manages two real estate funds – H-CARE 1 and H-CARE 2. The funds have created a \$1.1 billion platform targeting affordable and mid-income residential projects in India's leading 20 cities. “In line with the ‘Housing for all 2022’ vision of the Government of India, HDFC's endeavour is to help address the demand-supply gap in affordable housing in India by providing flexible, long-term capital to leading developers across India,” said Renu Sud Karnad, managing director, HDFC Ltd.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/eldeco-group-and-hdfc-capital-set-up-rs-150-crore-affordable-and-mid-income-housing-fund/articleshow/85588847.cms?from=mdr>
- **HDFC Bank divests over 2 per cent stake in CDSL for Rs 223 crore:** HDFC Bank has divested more than 2 per cent stake in Central Depository Services (India) Ltd (CDSL) in tranches during June-August this year, garnering nearly Rs 223 crore from the sale, according to a regulatory filing. HDFC Bank sold 23,11,000 equity shares of face value of Rs 10 each fully paid up held by the bank in CDSL through the secondary market route on the NSE, the private bank said in the regulatory filing. The divestment of 2.21 per cent stake in Central Depository Services (India) Ltd took place over a period from June 22 to August 24, 2021. The bank sold 20,36,000 shares (1.95 per cent) of CDSL at an average price of Rs 937.46 per piece on June 22. On August 23, it sold 2,13,481 shares at Rs 1,168.94 apiece and on August 24, it sold 61,519 shares for Rs 1,119.31 apiece. The shares were sold for a cash consideration of Rs 222.71 crore, HDFC Bank said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-divests-over-2-per-cent-stake-in-cdsl-for-rs-223-crore/articleshow/85596829.cms?from=mdr>
- **Centrum Financial Services to set up SFB to take over PMC:** RBI had accorded ‘in-principle’ nod to CFSL in June to set up the bank Centrum Financial Services Ltd (CFSL) has initiated the process of establishing a small finance bank (SFB), which will eventually take over the scam-hit Punjab and Maharashtra Co-operative (PMC) Bank, by taking steps towards creating necessary infrastructure in this regard, according to the Reserve Bank of India (RBI). The RBI had accorded “in-principle” approval to CFSL on June 18, 2021, to set up an SFB. This approval was in specific pursuance to CFSL's offer in response to PMC Bank's Expression of Interest (EoI) notification. CFSL, which is a non-banking finance



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company, and Resilient Innovations Pvt Ltd (BharatPe), which is a fintech company, are equal partners in setting up the SFB.

<https://www.thehindubusinessline.com/money-and-banking/centrum-financial-services-to-set-up-sfb-to-take-over-pmc/article36066798.ece>

- **HC directs Kotak Mahindra Bank to ensure at least ₹1.80 crore balance in Afghan Embassy accounts:** The Delhi High Court has issued a notice on a plea by a construction company seeking attachment of movable and immovable assets of the Embassy of Afghanistan for payment owed to it. The company's plea follows the the collapse of the Islamic Republic of Afghanistan government and its takeover by the Taliban. The plea concerns the enforcement of an arbitral award against a foreign State, a matter on which the High Court had earlier ruled that a foreign State cannot seek sovereign immunity in a contract arising out of a commercial transaction. The counsel for the decree holder, KLA Construction Technologies Pvt Ltd which had carried out work in the Afghanistan Embassy for a consideration of ₹3.02 crore, submitted before the Court that considering the ongoing political turmoil in Afghanistan, the execution of the award in question had become doubtful due to which it is essential that the properties of the judgment debtor (the embassy) are attached in order to secure the execution of the arbitral award. KLA Technologies informed the Court that the exact amount pending payment pursuant to the arbitral award is ₹1.80 crore. The counsel for the embassy pleaded that they had no instructions and were unable to disclose the assets of the judgment debtor.
<https://www.thehindubusinessline.com/news/national/hc-directs-kotak-mahindra-bank-to-ensure-at-least-180-crore-balance-in-afghan-embassy-accounts/article36080788.ece>
- **Centrum to merge Micro credit, SME biz with small fin bank for Rs 426 cr:** Centrum Capital Ltd will merge the SME lending business and micro-credit operations of group with the proposed Small Finance Bank for consideration of Rs 426 crore. These businesses are run by two subsidiaries. In June 2021, The Reserve Bank of India (RBI) gave "in-principle" nod to Centrum Financial Services Ltd (CFSL) to set up SFB). The proposed bank is will take over the beleaguered Punjab and Maharashtra Cooperative Bank (PMC Bank). Centrum Capital in filing with BSE said its board has approved the transfer business of wholly-owned material subsidiaries - Centrum Financial Services and Centrum Microcredit - to its proposed step-down subsidiary (proposed small finance bank).
https://www.business-standard.com/article/finance/centrum-to-merge-micro-credit-sme-biz-with-small-fin-bank-for-rs-426-cr-121082401352_1.html
- **RBI panel suggests umbrella body for helping smaller UCBs scale up:** An expert committee constituted by the Reserve Bank of India (RBI) has suggested an umbrella organisation for small urban cooperative banks (UCBs), which will allow them access to scale forming a network. The larger UCBs are allowed to operate on a standalone basis with regulations similar to those of banks. The RBI must help with grants to set up the umbrella organisation, and once it stabilises, "it may explore the possibilities of converting into a universal bank and offer value-added services on behalf of its member banks," the committee report said. "With suitable structural flexibility to operate as a bank, the umbrella organisation can be owned by the co-operative institutions even if it is a joint stock company, which may encourage the smaller UCBs to become an extended arm of such a bank," the panel, headed by former RBI deputy governor NS Vishwanathan said.



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https://www.business-standard.com/article/finance/rbi-panel-suggests-umbrella-body-for-helping-smaller-ucbs-scale-up-121082301059_1.html

- **Harvard Business Publishing features merger of Indian Bank, Allahabad Bank:** State-owned Indian Bank has been featured in the Harvard Business Publishing for its successful merger of Allahabad Bank. The first-of-its-kind seamless merger of equal sized Indian banks with prominence in the southern and eastern region of the country has been well recognized and published by Harvard Business Publishing as a case study. Curated by Indian School of Business (ISB), this case study titled 'Merger of Equals: The Amalgamation Story of Indian Bank and Allahabad Bank' encapsulates the journey that Indian Bank embarked on, to successfully execute the amalgamation process. 'Merger of Equals' narrates the entire integration process which comprised rigorous strategic planning and execution by Indian Bank with impetus on the challenges faced and their answers found. The merger has made Indian Bank, a pan-India lender with significant presence in southern, northern and eastern parts of the country. The amalgamation exercise 'Project Sangam' had a three-pronged approach on product/process, employee-customer communication and IT integration.
https://www.business-standard.com/article/finance/harvard-business-publishing-features-merger-of-indian-bank-allahabad-bank-121082400607_1.html
- **MFIs, Assam govt sign MoU for microfinance incentive and relief scheme:** Microfinance Institutions Network (MFIN) on Tuesday said 37 microlenders and the Assam government have signed an MoU for joint implementation of the Assam Microfinance Incentive and Relief Scheme (AMFIRS), 2021. AMFIRS is aimed at providing financial relief from the government to the microfinance borrowers in Assam to help them continue maintaining good credit discipline in COVID times. The MOU lays down duties and responsibilities of the two parties Assam government and lenders including six universal banks, 25 NBFC MFIs, two NBFCs, and four small finance banks for ensuring successful implementation of the scheme, a release said.
https://www.business-standard.com/article/finance/mfis-assam-govt-sign-mou-for-microfinance-incentive-and-relief-scheme-121082401296_1.html
- **Gold prices rise for third day to Rs 47,710 per 10 gm; silver up by Rs 745 a kg:** Gold prices edged higher for the third day by Rs 299 to Rs 47,710 per 10 gram in the Mumbai retail market supported by an overnight rally in the international market but the upside was capped by strength in the rupee. The yellow metal traded with a positive bias above \$1,800/oz on hopes that Federal Reserve might delay asset tapering amid surging coronavirus cases. The price of 10 gram, 22-carat gold in Mumbai was Rs 43,702 plus 3 percent GST, while 24-carat 10 gram stood at Rs 47,710 plus GST. The 18-carat gold is quoted at Rs 35,783 plus GST in the retail market. Silver prices rose by Rs 745 to Rs 63,450 per kg against its closing price on August 23.
<https://www.moneycontrol.com/news/business/commodities/gold-prices-rise-for-third-day-to-rs-47710-per-10-gm-silver-up-by-rs-745-a-kg-7382211.html>
- **Sensex gains 403 points, Nifty ends above 16,600 as metals lead rally;** The BSE Sensex, after briefly surpassing the 56,000-mark during the day with an intraday high of 56,023.22, closed at 55,958.98, up 403.19 points or 0.73 per cent. It hit an intraday low of 55,536.84. The Nifty 50 closed at 16,624.60, up



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128.15 points or 0.78 per cent. It hit an intraday high of 16,647.10 and a low of 16,495.30. The breadth of the market turned positive as many as 2,149 stocks advanced on the BSE, as compared to 1,026 stocks that declined and 123 remained unchanged. Further, 344 stocks hit the upper circuit as compared to the 314 stocks that were locked in the lower circuit. Besides, 139 stocks touched a 52-week high and 47 touched a 52-week low. Bajaj Finserv, Hindalco, Adani Ports, Tata Steel and Bajaj Finance were the top gainers on the Nifty 50 while Nestle India, Britannia, Asian Paints, HDFC and Infosys were the top laggards.

<https://www.thehindubusinessline.com/markets/stock-markets/sensex-gains-403-points-nifty-ends-above-16600-as-metals-lead-rally/article36077571.ece>

- **Rupee edges 3 paise higher to close at 74.19 against US dollar:** The rupee appreciated by 3 paise to close at 74.19 (provisional) against the US dollar on Tuesday, supported by a strong rally in the domestic equity market. However, a strong dollar in the overseas markets and rising crude prices weighed on investor sentiment, forex traders said. At the interbank forex market, the local unit opened strong at 74.12 against the greenback and moved in a range of 74.11 to 74.20 in day trade. It finally ended at 74.19 against the American currency, registering a rise of 3 paise over its previous close of 74.22.

<https://www.thehindu.com/business/markets/rupee-edges-3-paise-higher-to-close-at-7419-against-us-dollar/article36077775.ece>

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