



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

October 25, 2021

- **ICICI Bank Q2 profit jumps 30% to ₹5,511 crore:** Private sector lender ICICI Bank reported a near 30 per cent jump in its standalone net profit for the second quarter of the fiscal with robust growth in net interest income and lower provisions. The bank's net profit was ₹5,510.95 crore for the second quarter ended September 30, 2021, a growth of 29.6 per cent over ₹4,251.33 crore in the same period last fiscal. Sandeep Batra, Executive Director, ICICI Bank, said in a media call on Saturday, "This was the highest quarterly net profit ever. The bank's capital is growing, the economy is growing. Net interest income up 25%. Net interest income increased by 25 per cent year-on-year to ₹11,690 crore in the second quarter of the fiscal from ₹9,366 crore in the second quarter last fiscal.
<https://economictimes.indiatimes.com/markets/stocks/earnings/icici-bank-q2-results-net-profit-jumps-30-to-rs-5511-crore-nim-at-4/articleshow/87224283.cms>
- **ICICI Bank UK repatriates \$200 million capital to parent firm in India:** ICICI Bank UK Plc, a subsidiary of private lender ICICI Bank, has sent equity capital worth \$200 million back to its parent in the second quarter ended September 2021 (Q2FY22). It was surplus capital in UK subsidiary as loan book there has declined. It will come into the capital base of the parent (ICICI Bank), bank officials said in an analyst call for Q2FY22 results. Its capital adequacy ratio of UK subsidiary stood at 21.7 per cent in September 2021, up from 19.8 per cent in September 2020 (Q2FY21).
https://www.business-standard.com/article/finance/icici-bank-uk-repatriates-200-million-capital-to-parent-bank-121102301204_1.html
- **ICICI Bank says restructured Rs 3,029.94 crore worth personal loans in Q2; total recast at Rs 4,158 crore:** Private lender, ICICI Bank on October 23 said that it restructured loans worth Rs 4,158 crore under the second resolution framework. Personal loans accounted highest under the second restructuring framework at Rs 3,029.94 crore, the bank said in an exchange filing. Business loans worth Rs 442.85 crore and small business loans worth Rs 685.41 crore were restructured in the second resolution framework. The total restructuring portfolio stands at Rs 9,684 crore which is about 1.3 percent of total advances. Under the first resolution framework Rs 60 crore had slipped into NPAs out of over Rs 3,737 crore under restructuring framework which had majority corporate restructuring.
<https://www.moneycontrol.com/news/business/companies/icici-bank-says-restructured-rs-3029-94-crore-worth-personal-loans-in-q2-total-recast-at-rs-4158-crore-7617651.html>
- **Privatisation of public sector banks (PSBs): Bill to facilitate it likely in the winter session:** The government may introduce two key financial sector bills, including the proposed law for facilitating privatisation of public sector banks as announced by the finance minister in the Budget. The government is also likely to table amendments to the Pension Fund Regulatory and Development Authority (PFRDA) Act, 2013, to enable separation of the National Pension System Trust (NPS) from the PFRDA for ensuring universal pension coverage.



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<https://www.livemint.com/industry/banking/privatisation-of-public-sector-banks-psbs-bill-to-facilitate-it-likely-in-the-winter-session-11635057231588.html>

- **PhonePe withdraws petition against BharatPe's Postpe, to file fresh suit:** Fintech major PhonePe has withdrawn its petition against BharatPe's Buy Now Pay Later (BNPL) Postpe platform which had alleged violation of PhonePe's trademark and said it will file a fresh suit. PhonePe had approached the Bombay High Court seeking an injunction to restrain Resilient Innovations, which operates BharatPe, from misusing PhonePe's registered trademarks by using and promoting the marks 'PostPe'/'postpe', PhonePe said in a statement on late Friday night. During the hearing, the Court observed that the mark PostPe adopted by Resilient Innovations is so phonetically, structurally and visually similar to PhonePe mark that it also thought that PostPe/postpe is a natural evolution of the word PhonePe and emanated from PhonePe, the statement added.
<https://www.moneycontrol.com/news/business/phonepe-withdraws-petition-against-bharatpes-postpe-to-file-fresh-suit-7617481.html>
- **FPIs remain net sellers in Oct, pull out Rs 3,825 cr:** Foreign portfolio investors (FPIs) have turned net sellers in Indian market by pulling out Rs 3,825 crore in October so far. In the past two months, huge buying was witnessed in the debt segment when FPIs had Rs 13,363 crore in September and Rs 14,376.2 crore in August. However, so far, in October, FPIs have pulled out Rs 1,494 crore, depositories' data showed. From equities, FPIs took out Rs 2,331 crore. The total net outflow stood at Rs 3,825 crore during October 1-22.
<https://economictimes.indiatimes.com/markets/stocks/news/fpis-remain-net-sellers-in-oct-pull-out-rs-3825-cr/articleshow/87237269.cms>
- **Razorpay launches card tokenisation solution in partnership with Mastercard, RuPay and Visa:** Fintech platform Razorpay has announced a new tokenisation solution for businesses in India to enable their end-customers to continue experiencing the convenience of saved card transactions, now with added security and in compliance with RBI guidelines. The solution termed 'Razorpay TokenHQ' is a multi-network Card-on-File (CoF) Tokenisation solution that will work across all major card networks including Mastercard, RuPay, and Visa.
<https://www.thehindubusinessline.com/money-and-banking/razorpay-launches-card-tokenisation-solution-in-partnership-with-mastercard-rupay-and-visa/article37136662.ece>
- **P2P lending machine fires on all cylinders amid slackened bank loan disbursals:** It has never been better for peer-to-peer (P2P) lending platforms, which are seeing a considerable increase in the number of people wanting to lend or borrow money. While slackened loan disbursals by banks and other institutional lenders have driven borrowers to peer-to-peer lenders, low fixed-income returns are prompting rich investors to lend money on these platforms at rates ranging from 10% to 18% per annum. P2P lending is the practice of lending money to individuals via an online platform that connects lenders with borrowers. This mode is useful for both lenders and borrowers because the former can earn a higher interest rate (than bank savings account or many other debt instruments) and the latter can obtain funds (unsecured loans) at lower rates than what banks or nonbanking financial companies (NBFCs) offer.



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<https://economictimes.indiatimes.com/industry/banking/finance/banking/p2p-lending-machine-firing-on-all-cylinders-amid-slackened-bank-loan-disbursals/articleshow/87232970.cms?from=mdr>

- **Fino Payments Bank IPO to open on 29 October:** Fino Payments Bank Ltd's initial public offering will open on 29 October for subscription and close on 2 November. The IPO consists of a fresh issue of ₹300 crore and offer for sale of upto 15.60 mln shares by Fino Paytech Ltd. currently, Fino Paytech holds 100% stake in the firm. The firm plans to list on exchanges on 12 November. Fino Payment Bank is backed by marquee investors like Blackstone, ICICI Group, Bharat Petroleum and IFC, amongst others. Axis Capital, CLSA Capital, ICICI Securities and Nomura Financial advisory and Securities are the book running lead managers to the issue.

<https://www.livemint.com/industry/banking/fino-payments-bank-ipo-to-open-on-29-october-closes-on-2-november-11634918757355.html>

- **Sovereign Gold Bond Series VII opens on October 25:** The seventh tranche of sovereign gold bonds (SGBs) issued by the RBI (Reserve Bank of India) for FY 2021-22 will open on October 25, Ministry of Finance said on October 23. The SGB will be open for subscription for 5 days from 25 to October 29, 2021 and the certificate of bond(s) will be issued on November 02, 2021. The government has fixed the price at Rs 4,765 per gram of gold.

<https://www.moneycontrol.com/news/business/personal-finance/sovereign-gold-bond-series-vii-opens-on-october-25-heres-all-details-7617101.html>

- **Sovereign bond yields continue to harden on rising crude price, treasury yields:** There seems to be no respite for G-sec yields even as crude prices and the US treasury yields continue to rise. The benchmark yield closed at 6.36 per cent, after having nudged the 6.4 per cent levels where a lot of buying support emerged. After having closed below the \$85-dollar mark, Brent crude has continued to persist above this level this week, even touching the \$86-dollar level. On the other hand, the 10-year US treasury yield hovered very close to the 1.7 per cent mark compared to last week's 1.57 per cent level.

<https://www.thehindubusinessline.com/money-and-banking/sovereign-bond-yields-continue-to-harden-on-rising-crude-price-treasury-yields/article37152474.ece>

- **Public sector banks – the promise of a new dawn:** After a lot of deliberation, India finally bit the bullet of consolidating public sector banks (PSBs). The expected advantages in terms of reduced cost through improved efficiency and better quality of service, risk diversification, and larger balance sheet enabling ability to write larger cheques and unconstrained by single borrower and single group exposure limits are obvious. In line with the growing requirements of the Indian economy and its aspirations, there is requirement of banks whose balance sheets are capable of underwriting large projects. As of now, State Bank of India (SBI) is the only bank which is among the top 100. To put this in to context, SBI's balance sheet size was around \$600 billion (in FY21), compared to \$5 trillion for Industrial and Commercial Bank of China.

<https://www.thehindubusinessline.com/money-and-banking/public-sector-banks-the-promise-of-a-new-dawn/article37152499.ece>



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- **Road to disciplining erring auditors is bumpy:** India urgently needs to rethink the way it wants to regulate the audit profession. One cannot have a situation where multiple regulators individually make conflicting interpretations of the quality of work done by a statutory auditor on an auditee entity and award Kangaroo Court-type punishments . It is dangerous to allow a system where regulators — those who don't hesitate to take the extreme step against an entire audit firm — are allowed to take isolated actions against an entire audit firm as regards the entities overseen by them. Banning the entire firm for the misconduct of a handful of people is not the right approach, unless there is a systemic failure.
<https://www.thehindubusinessline.com/money-and-banking/road-to-disciplining-erring-auditors-is-bumpy/article37152610.ece>
- **Mcap of five of top-10 most valued firms down by over Rs 1.42 lakh crore; HUL, RIL most hit:** The combined market valuation of five of the top-10 most valued companies eroded by Rs 1,42,880.11 crore last week, with Hindustan Unilever, Reliance Industries and Tata Consultancy Services emerging as major laggards. Last week, the 30-share BSE benchmark Sensex declined by 484.33 points or 0.79 per cent. Market benchmarks -- Sensex and Nifty -- declined for the fourth consecutive session on Friday. The market valuation of Hindustan Unilever Ltd (HUL) tumbled Rs 45,523.33 crore to reach Rs 5,76,836.40 crore.
<https://www.thehindubusinessline.com/markets/stock-markets/mcap-of-five-of-top-10-most-valued-firms-down-by-over-rs-142-lakh-crore/article37148279.ece>
- **Govt may raise over ₹10,000 crore via Bharat Bond ETF by December:** The government is likely to launch the next tranche of the Bharat Bond ETF by December and expects to raise over ₹10,000 crore to fund growth plans of central public sector enterprises, according to a senior finance ministry official. The official added that the fund requirements of CPSEs are being worked out and the third tranche of the exchange-traded fund (ETF) will be launched by the end of the calendar year.
<https://www.thehindu.com/business/markets/govt-may-raise-over-10000-crore-via-bharat-bond-etf-by-december/article37148351.ece>

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