



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

June 30, 2021

- **SBI to levy charges for cash withdrawal beyond 4 free transactions per month with effect from July 1**
: The country's largest lender SBI will levy charges for cash withdrawal beyond four free transactions in a month from customers holding the basic savings bank deposit (BSBD) accounts. These customers will also be levied charges for cheque book beyond 10 leaves in a year. As per the revision in service charges for BSBD accounts, State Bank of India (SBI) will levy charges ranging from Rs 15 to Rs 75 for the "additional value added services" with effect from July 1, 2021. Non-financial transactions and transfer transactions will be free of cost at branches, ATM, CDM (cash dispensing machines) for the BSBD account holders. SBI said it will charge Rs 15 plus GST per cash withdrawal for transaction at bank branches, SBI ATM or from other bank's ATMs beyond 4 free cash withdrawals. "Charges will be recovered beyond 4 free cash withdrawal transaction (including ATM and branch)," SBI said.
<https://www.moneycontrol.com/news/business/personal-finance/sbi-to-levy-charges-for-cash-withdrawal-beyond-4-free-transactions-per-month-with-effect-from-july-1-7102391.html>
- **SBI to issue electoral bonds at 29 branches from July 1-10**: The Centre on Tuesday announced that electoral bonds will be issued by the State Bank of India's 29 authorised branches across the country from July 1-10. The Electoral Bonds would be valid for fifteen calendar days from the date of issue and no payment shall be made to any payee Political Party if the Electoral Bond is deposited after expiry of the validity period, an official release said. The Electoral Bond deposited by an eligible Political Party in its account shall be credited on the same day, the release added. The Electoral Bonds can be encashed by an eligible Political Party only through a Bank account with the Authorized Bank.
<https://www.thehindubusinessline.com/money-and-banking/sbi-to-issue-electoral-bonds-at-29-branches-from-july-1-10/article35040476.ece>
- **Cabinet may soon clear proposal for govt guarantee to bad bank**: The Union Cabinet may soon clear a proposal to provide government guarantee to security receipts issued by the National Asset Reconstruction Company (NARCL) as part of resolution of bad loans. Indian Banks' Association (IBA), entrusted with the task of setting up a bad bank, has pegged the government guarantee to be around Rs 31,000 crore. The proposed bad bank or NARCL will pay up to 15 per cent of the agreed value for the loans in cash and the remaining 85 per cent would be government-guaranteed security receipts. The government guarantee would be invoked if there is loss against the threshold value. According to sources, the proposal is before the Cabinet and its nod is required to extend sovereign guarantee to security receipts issued by NARCL. Approval from the Cabinet that is expected soon will pave the way for operationalisation of the bad bank announced by Finance Minister Nirmala Sitharaman in the Budget this year, the sources added.
https://www.business-standard.com/article/finance/cabinet-may-soon-clear-proposal-for-govt-guarantee-to-bad-bank-121062901416_1.html#:~:text=The%20proposed%20bad%20bank%20or,be%20government%2Dguaranteed%20security%20receipts.



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- **90% of first ECLGS amount disbursed so far: Report:** Banks have so far lent 90 per cent of the Rs 3 lakh crore under emergency credit line guarantee scheme announced last year to help small businesses tide over the pandemic, according to a report by Crisil. On Monday, the government expanded the emergency credit line guarantee scheme (ECLGS) by another Rs 1.5 lakh crore, which Crisil feels will help alleviate the potential stress on asset quality of banks arising from the second wave of the pandemic. Disbursements under the existing ECLGS have already reached Rs 2.69 lakh crore of the total corpus of Rs 3 lakh crore, which is 89.7 per cent, benefiting almost 10 per cent of the value of banking sector advances and over 60 per cent value of advances to micro, small and medium enterprises, Crisil said in a note on Tuesday.
<https://www.moneycontrol.com/news/business/90-of-first-eclgs-amount-disbursed-so-far-report-7104281.html>
- **Axis Bank selects AWS to accelerate digital transformation:** Private sector lender Axis Bank has selected Amazon Web Services (AWS) to accelerate its digital transformation programme. “As part of a multi-year agreement, Axis Bank will draw on the breadth and depth of AWS services, including containers, database, and compute, to build a portfolio of new digital financial services to bring advanced banking experiences to customers, including online accounts that can be opened in under six minutes and instant digital payments, helping the bank increase customer satisfaction by 35 per cent and lower costs by 24 per cent,” AWS, an Amazon.com company, said in a statement on Tuesday. Axis Bank has deployed over 25 mission-critical applications on AWS, including a Buy Now Pay Later product and a new loan management system to support it, Account Aggregator, Video-Know Your Customer, and WhatsApp banking.
<https://www.thehindubusinessline.com/money-and-banking/axis-bank-selects-aws-to-accelerate-digital-transformation/article35031499.ece>
- **Ujjivan SFB partners with LoanTap:** Ujjivan Small Finance Bank has partnered with digital lender LoanTap to provide personal loans to salaried professionals. “This is part of Ujjivan SFB’s API banking initiative, through which over 150 APIs are available offering fast and secure tie-ups for digital lending and digital liabilities, payments to fintechs,” it said in a statement on Tuesday.
<https://www.thehindubusinessline.com/money-and-banking/ujjivan-sfb-partners-with-loantap/article35036022.ece>
- **UK’s fintech firm Tide to invest over ₹1,000 crore in India:** Fintech firm, Tide, the UK’s leading SME-focused neobank, has forayed into the India market, its first international market. As part of its India chapter, Tide announced that it will create over 1,000 jobs and invest more than ₹1,000 crore in India. These jobs will be across a wide variety of roles, including product development, software development, marketing, risk & compliance and member support. Hiring has already begun and the company will be hiring both freshers and laterals across levels.
<https://www.thehindubusinessline.com/money-and-banking/uks-fintech-firm-tide-to-invest-over-1000-crore-in-india/article35031982.ece>
- **Private sector banks' share in loans rises to 36.5% in FY21:** Helped by faster pace of credit growth, the share of Indian private banks in total credit rose to 36.5 per cent in the financial year ended March



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2021 (FY21) from 35.4 per cent a year ago. Private sector banks recorded higher loan growth compared to other bank groups. Their share in total credit was 24.8 per cent five years ago, the Reserve Bank of India said in a statement. Private sector banks' loan growth moderated to 9.1 per cent in FY21, from 9.3 per cent in FY20. Public sector posted a loan growth of 3.6 per cent in FY21, down from 4.2 per cent in FY20. The lending by foreign banks shrunk by 3.3 per cent during 2020-21 as against growth of 7.2 per cent a year ago. Overall growth of credit in India slowed down in FY21 to 5.6 per cent from 6.4 per cent in FY20 as the economy was hit hard by Covid-19 pandemic and lockdown imposed to contain its spread.

https://www.business-standard.com/article/finance/private-sector-banks-share-in-loans-rises-to-36-5-in-fy21-121062901617_1.html

- **IndusInd Bank sells over 70 lakh shares of McLeod Russel:** IndusInd Bank on Tuesday said it has sold more than 70 lakh shares, which it acquired through invocation of pledged shares, of tea manufacturing firm McLeod Russel. With this, the lender is not holding any shares of the tea company, the bank said in a regulatory filing. The private sector lender on June 24 had acquired 70,67,500 equity shares of the Kolkata-based tea firm pursuant to invocation of pledged shares of the company. The bank on June 28, 2021 sold 70,67,500 equity shares of McLeod, IndusInd Bank said.
<https://economictimes.indiatimes.com/markets/stocks/news/indusind-bank-sells-over-70-lakh-shares-of-mcleod-russel/articleshow/83963879.cms>
- **RBL Bank appoints Chandan Sinha, Manjeev Singh Puri as directors on its Board:** RBL Bank has appointed Chandan Sinha and Manjeev Singh Puri to its board of directors. Sinha is a career central banker and industry veteran with over 40 years of experience and Puri is a former senior Indian diplomat and India's ambassador to several countries with over 38 years of experience. "The new board members will provide continued strategic direction and guidance to help RBL Bank achieve its objectives," it said in a statement on Tuesday, adding that the bank's board now has 11 members.
<https://www.thehindubusinessline.com/money-and-banking/rbl-bank-appoints-chandan-sinha-manjeev-singh-puri-as-directors-on-its-board/article35031638.ece>
- **COVID impact: Industrial loan growth remained in negative zone during fiscal year 2021, says RBI:** Credit growth to industry remained in the negative territory during all the four quarters of FY21, the Reserve Bank of India (RBI) said in a quarterly report on June 29. A decline in private consumption and investments by companies during the first year of the COVID pandemic and a shift to the markets for fund-raising may have led to a decline in loan growth by companies. "Working capital loans in the form of cash credit, overdraft and demand loans, which accounted for a third of total credit, contracted during 2020-21," the central bank said in a release. Growth in credit to the private corporate sector declined for the sixth successive quarter in January-March 2021 and its share in total credit stood at 28.3 percent.
<https://www.moneycontrol.com/news/business/covid-impact-industrial-loan-growth-remained-in-negative-zone-during-fiscal-year-2021-says-rbi-7104221.html>
- **Half of India's working population credit active: Report:** Half of the country's working population of 400 million people is credit active, having at least one loan or credit card, a report by a credit



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information company (CIC) said on Tuesday. Credit institutions are fast approaching a saturation level in new customers as over half of the borrowers are from the existing customer base of a bank, the report by Transunion CIBIL said. India's overall working population was estimated to be at 400.7 million as of January 2021, while the retail credit market has 200 million unique individuals who are credit active, it said.

https://www.business-standard.com/article/finance/half-of-india-s-working-population-of-400-mn-people-credit-active-report-121062900822_1.html

- **Gold prices down for 3rd day to Rs 47,008/10 gm on firm dollar; silver slumps Rs 398:** Gold prices fall for the third day by Rs 81 to Rs 47,008 per 10 gram at the Mumbai retail market on lacklustre global cues and a stronger dollar. The precious metal has been stuck in a range below \$1,800/oz amid a lack of direction. The rate of 10 gram 22-carat gold in Mumbai was Rs 43,059 plus 3 percent GST, while 24-carat 10 gram was Rs 47,008 plus GST. The 18-carat gold quoted at Rs 35,256 plus GST in the retail market. Silver prices tumbled by Rs 398 to Rs 67,806 per kg against its closing price on June 28.
<https://www.moneycontrol.com/news/business/commodities/gold-prices-down-for-3rd-day-to-rs-4700810-gm-on-firm-dollar-silver-slumps-rs-398-7104121.html>
- **Sensex down 186 pts at closing, Nifty below 15,800 on profit-booking:** The BSE Sensex closed at 52,549.66, down 185.93 points or 0.35 per cent. It hit an intraday high of 52,816.42 and a low of 52,477.77. Nifty 50 closed at 15,748.45, down 66.25 points or 0.42 per cent. It hit an intraday high of 15,835.90 and a low of 15,724.05. PowerGrid, Cipla, Nestle India, Hindustan Unilever and Divi's Lab were the top gainers on the Nifty 50 while IOC, ONGC, Hindalco, Kotak Bank and ICICI Bank were the top laggards.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-down-186-pts-at-closing-nifty-below-15800-on-profit-booking/article35035323.ece>
- **Rupee falls 4 paise to close at 74.23 against dollar:** The rupee weakened by 4 paise to end at 74.23 (provisional) against the US dollar on Tuesday as weaker domestic equities and stronger dollar index weighed on forex market sentiment. At the interbank foreign exchange market, the rupee opened at 74.26 per dollar as against its previous close of 74.19. It hovered in the range of 74.20 to 74.28 during the day, before ending at 74.23 against the greenback.
<https://economictimes.indiatimes.com/markets/forex/rupee-falls-4-paise-to-close-at-74-23-against-us-dollar/articleshow/83951553.cms>

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