



**THE INSTITUTE OF  
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**CMA BHAWAN**  
**12, SUDDER STREET, KOLKATA – 700 016.**

Telephones : +91-33- 2252-1031/1034/1035  
+ 91-33-2252-1602/1492/1619  
+ 91-33- 2252-7143/7373/2204  
Fax : +91-33-2252-7993  
+91-33-2252-1026  
+91-33-2252-1723  
Website : www.icmai.in

## DAILY NEWS DIGEST BY BFSI BOARD, ICAI

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- **Bank of India Q1 results: Net profit falls 15% to Rs 720 crore:** Bank of India on Tuesday reported a 14.7 per cent decline in net profit at Rs 720 crore for the June quarter. The bank had posted a net profit of Rs 843.60 crore in the year-ago period. However, the net profit was up sequentially from Rs 250.19 crore recorded in the three months ended March 2021. In the first quarter of the current fiscal, the lender's total income was down at Rs 11,698.13 crore. In the year-ago period, it stood at 11,941.52 crore, according to a regulatory filing. The bank's gross Non-Performing Assets (NPAs) fell marginally to 13.51 per cent of the gross advances at the end of June this year from 13.91 per cent in the same period a year ago. Net NPAs or bad loans were down at 3.35 per cent in the latest June quarter compared to 3.58 per cent in the year-ago period. Provisions for bad loans and contingencies for the quarter under review were raised to Rs 1,709.12 crore. The same was at Rs 1,512.07 crore in the same period a year ago.  
<https://economictimes.indiatimes.com/markets/stocks/earnings/bank-of-india-q1-results-net-profit-falls-15-to-rs-720-crore/articleshow/85002590.cms>
- **IOB's Q1 net profit jumps nearly three-fold to ₹327 crore:** Indian Overseas Bank (IOB) continues its profitable growth journey as the Chennai headquartered public sector bank reported a net profit of ₹327 crore for the quarter ended June 30, 2021 against a net profit of ₹121 crore in the year-ago quarter, helped by higher operating profit and lower provisions. The bank's operating profit grew to ₹1,202 crore in June 2021 quarter as against ₹1,094 crore in the year-ago quarter, on account of reduction in interest expenditure and higher non-interest income, according to a statement. Total income stood at ₹5,155 crore as compared to 5,234 crore. Interest income fell to ₹4,063 crore as against ₹4,302 crore in Q1 of last fiscal, while non-interest income was higher at ₹1,092 crore (₹932 crore).  
<https://economictimes.indiatimes.com/markets/stocks/earnings/iob-q1-results-net-profit-jumped-nearly-three-fold-to-rs-327-cr/articleshow/85018903.cms>
- **PNB eyes ₹4,000-6,000 cr net profit in FY'21-22: CEO:** Punjab National Bank (PNB) expects its net profit for the current fiscal to be around ₹4,000-6,000 crore, S.S.Mallikarjuna Rao, Managing Director & CEO, said on Tuesday. This guidance is significant as the bank had closed fiscal 2020-21 with a net profit of ₹2,022 crore. Rao said that he expects over 50 per cent of this guided net profit for 2021-22 to be contributed by write-back of provisions made on NPAs (bank has over 80 per cent provision coverage ratio). The bottomline will also be bolstered by cost optimisation and branch rationalisation exercise the bank will continue to



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undertake this fiscal. PNB, which had rationalised (merged) over 380 branches in Q1, is looking to rationalise about 1000 branches by March end this fiscal and go in for setting up new smaller sized branches that are more digitally driven and expand in regions like South and Western India where PNB is not that strong in terms of branch distribution and needs to be strengthened, Rao said at a virtual press conference post the declaration of Q1 results of the bank.

<https://www.thehindubusinessline.com/money-and-banking/pnb-eyes-4000-6000-cr-net-profit-in-fy21-22-ceo/article35698326.ece>

- **IndusInd Bank gets empanelled as Agency Bank to RBI:** IndusInd Bank on Tuesday said it has been empanelled by the Reserve Bank of India (RBI) to act as an 'Agency Bank' to facilitate transactions related to government businesses. It will strengthen the bank's presence within the government domain, IndusInd Bank said. The announcement comes close on the heels of a recent RBI guideline that authorises scheduled private sector banks as agency banks of the regulator for the conduct of government business. With this, IndusInd Bank joins ranks with few other private banks of the country to carry out general banking business on behalf of the central and state government, while also offering customers - the convenience of undertaking routine financial transactions through its banking platform, the bank said in a release. "We are honoured to be appointed by the RBI to facilitate transactions pertaining to all kinds of government led businesses.

[https://www.business-standard.com/article/finance/indusind-bank-gets-empanelled-as-agency-bank-to-rbi-121080300804\\_1.html](https://www.business-standard.com/article/finance/indusind-bank-gets-empanelled-as-agency-bank-to-rbi-121080300804_1.html)

- **RBI announces framework for outsourcing payment and settlement activities:** The Reserve Bank of India on Tuesday announced the framework for outsourcing payment and settlement-related activities by payment system operators (PSO). The objective is to put in place minimum standards to manage risks in outsourcing of payment and settlement-related activities including tasks such as onboarding customers and IT-based services. "This framework is applicable to non-bank PSOs insofar as it relates to their payment and settlement-related activities," the RBI said, adding that it is applicable to all service providers, whether located in India or abroad. The central bank has set a deadline of March 31, 2022 for PSOs to ensure that all their outsourcing arrangements, including the existing ones, are in compliance with the framework.

<https://www.thehindubusinessline.com/money-and-banking/rbi-announces-framework-for-outsourcing-payment-and-settlement-activities/article35703228.ece>

- **RBI imposes ₹6 lakh penalty on Hewlett-Packard Financial Services:** The Reserve Bank of India (RBI) has imposed a monetary penalty of ₹6 lakh on Bengaluru-based Hewlett-Packard Financial Services (India) Private Ltd. RBI, in a statement, said the statutory inspection of the company, concerning its financial position as on March 31, 2019, revealed, inter alia, non-



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compliance with the statutory directions on (i) submission of credit information to Central Repository of Information on Large Credits and (ii) submission of credit data to Credit Information Companies. In furtherance to the same, a notice was issued to the company advising it to show cause why penalty should not be imposed on it for failure to comply with the directions issued by RBI, the statement added.

<https://www.moneycontrol.com/news/business/rbi-imposes-rs-6-lakh-penalty-on-hewlett-packard-financial-services-7272211.html>

- **Suryoday Small Finance Bank launches ‘Health and Wellness Savings Account’:** Suryoday Small Finance Bank (SSFB) has launched a “Health and Wellness Savings Account,” offering top-up health insurance of ₹25 lakhs, annual healthcare package and on-call emergency ambulance medical care services. The Bank, in a statement, said: “Top-up health insurance and healthcare package are free of charge for one year after opening the account. Free Ambulance service up to a distance of 20 Kms will be available at 102 locations across the country till March-end 2022.” A resident individual (18 years to 65 years) can open the “Suryoday Health and Wellness Savings Account” either singly or jointly.  
<https://www.thehindubusinessline.com/money-and-banking/suryoday-small-finance-bank-launches-health-and-wellness-savings-account/article35696065.ece>
- **No error of judgement in PNB Housing Finance deal; future course as per SAT order: PNB MD:** Asserting that there was no error of judgement with regard to the fund infusion decision of PNB Housing Finance, Punjab National Bank (PNB) managing director S S Mallikarjuna Rao on Tuesday said the future course of action would depend on the SAT's order. The Securities Appellate Tribunal (SAT) after hearing all parties related to PNB Housing Finance-Carlyle deal has kept its order reserve. PNB currently holds a 32.6 per cent stake in the housing finance firm. Under the deal announced on May 31, the US-based Carlyle, alongside other investors, is slated to infuse Rs 4,000 crore capital into PNB Housing Finance through the issuance of preference shares and warrants. However, the deal has come under the scanner of capital markets regulator Sebi. The company was directed to carry out the valuation process of shares as per the relevant legal provisions. PNB Housing contended that it has followed Sebi norms in deciding the issue price at Rs 390 a piece.  
<https://economictimes.indiatimes.com/industry/banking/finance/no-error-of-judgement-in-pnb-housing-finance-deal-future-course-as-per-sat-order-pnb-md/articleshow/85002939.cms?from=mdr>
- **NBFCs' NPAs to rise 1% in FY22, recast loans to double: Report:** Non-bank lenders' non-performing asset ratios will slip by up to 1 percentage point and the ratio of the loans recast will double to 3.3 per cent in FY22, domestic rating agency Icra said. It attributed the asset quality impact largely to the reverses of the second wave of the pandemic, which has hit the collection efficiencies for the non-bank finance companies (NBFC) and housing finance



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companies (HFCs). With the abatement of the pandemic and the resumption in business activity, the collections are improving and will offer some succour to the financiers as the fiscal year progresses, it said, adding that it has a "negative" outlook on the sector. "Notwithstanding the near-term pressures, the net increase (adjusting for write-offs) in the 90+ dpd (days past due) in the current fiscal is expected to be about 0.50-1 per cent. ICRA draws comfort from the provisions maintained by the entities, which continue to remain about 1 per cent higher than the pre-Covid levels," its vice president for financial sector ratings A M Karthik said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/nbfc-npas-to-rise-1-in-fy22-recast-loans-to-double-report/articleshow/85006749.cms>

- **Tamil Nadu Grama Bank reports ₹185 cr profit in FY21:** Salem-headquartered Tamil Nadu Grama Bank, regional rural bank sponsored by Indian Bank, has reported a net profit of ₹185 crore for the year ended March 31, 2021 when compared with ₹150 crore in FY20, registering a growth of 23 per cent. Interest income of the bank, which is now an amalgamated entity of Pallavan Grama Bank and Pandyan Grama Bank, was higher at ₹1,544.88 crore when compared with ₹1,434.30 crore in FY20. Total income of the bank stood at ₹1,824.37 crore (₹1,713.33 crore). Provisions and contingencies were lower at ₹278.25 crore (₹288.80 crore). Total expenditure stood at ₹1,639.86 crore (₹1,563.71 crore).  
<https://www.thehindubusinessline.com/money-and-banking/total-business-of-the-bank-grew-by-582936-crore-to-3057805-crore-for-fy21/article35688391.ece>
- **Need to devise better formula for setting States' borrowings, says SBI report:** There is a need to devise a better formula for setting States' borrowings and delink it from advance Gross State Domestic Product estimates, stated the State Bank of India's economic research report, "Ecowrap". Referring to the Finance Commission's (FC) recommendation that borrowings by States should be linked to the size of the GSDP, SBI's economic research department observed that given the borrowings incentivisation, it also resulted in States projecting ambitious GSDP numbers during the budget presentations that are only revised downwards later. "As a logical corollary, States get access to higher advance borrowing based on their higher GSDP Budget Estimate (BE) projections," it said. "Certain States including West Bengal, Maharashtra, Andhra Pradesh, Chhattisgarh, Uttar Pradesh, Tamil Nadu and Rajasthan have borrowed higher than 3 per cent of their actual GSDP in either or all the years ending FY21," said Soumya Kanti Ghosh, Group Chief Economic Advisor, SBI.  
<https://www.thehindubusinessline.com/money-and-banking/need-to-devise-better-formula-for-setting-states-borrowings-says-sbi-report/article35698853.ece>
- **Gold prices steady at Rs 48,000/10 gm on increased risk appetite; Silver corrects Rs 154 a kg** : Gold prices moderately fell by Rs 17 to Rs 48,017 per 10 gram in the Mumbai retail market on strong equity, firm rupee and lacklustre global trend. The yellow metal has been stuck in



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range as market participants await the US job number later this week. The price of 10 gram, 22-carat gold in Mumbai was Rs 43,984 plus 3 percent GST, while 24-carat 10 gram stood at Rs 48,017 plus GST. The 18-carat gold is quoted at Rs 36,013 plus GST in the retail market. Silver prices slumped by Rs 154 to Rs 67,752 per kg against its closing price on August 2.

<https://www.moneycontrol.com/news/business/markets/gold-prices-steady-at-rs-480010-gm-on-increased-risk-appetite-silver-corrects-rs-154-a-kg-7270811.html>

- **Nifty crosses 16,000, Sensex zeroing in on 54,000:** Bulls dominated the market on Tuesday as benchmark indices rallied through the day, with Nifty topping the 16,000-mark. The BSE Sensex is closed near the 54,000-mark, as buying interests revived in large-cap stocks. The Nifty 50 surpassed the 16,000-mark for the first time, recording a fresh all-time high of 16,146.90. It closed at a new high of 16,130.75, up 245.60 points or 1.55 per cent. After recording an all-time high of 53,887.98, the BSE Sensex closed at record 53,823.36, up 872.73 points or 1.65 per cent. As Sensex hit record highs, the overall market capitalisation of BSE stocks surged over ₹240 lakh crore. The market breadth remained positive, with 1,740 stocks advancing, 1,505 declining and 131 stocks remaining unchanged on the BSE. While 520 stocks hit an upper circuit, 209 were locked in the lower circuit. As many as 538 stocks touched 52-week high level, and 13 touched a 52-week low. Titan, HDFC, IndusInd Bank, Nestle India and Ultratech Cement were the top gainers on the Nifty 50, while JSW Steel, Shree Cements, Bajaj Auto, UPL and Tata Steel were the top laggards.  
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-jumps-nearly-245-points-in-early-trade-nifty-tops-15900/article35693683.ece>
- **Rupee gains 6 paise to close at 74.28 against US dollar:** The rupee rose by 6 paise to close at 74.28 (provisional) against the US dollar on Tuesday amid a firm trend in domestic equities and a weak American currency. At the interbank forex market, the local unit opened at 74.36 against the greenback and witnessed an intra-day high of 74.21 and a low of 74.36. It finally ended at 74.28 against the American currency, registering a rise of 6 paise over its previous close. On Monday, the rupee had settled at 74.34 against the US dollar.  
[https://www.business-standard.com/article/markets/rupee-gains-6-paise-to-close-at-74-28-against-us-dollar-121080301165\\_1.html](https://www.business-standard.com/article/markets/rupee-gains-6-paise-to-close-at-74-28-against-us-dollar-121080301165_1.html)

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