



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

June 8, 2021

- **Central Bank of India Q4 results: Lender's net loss narrows to Rs 1,349 crore:** State-owned Central Bank of India on Monday reported narrowing of its net loss to Rs 1,349.21 crore on a standalone basis in the last quarter of the fiscal ended March 2021. The bank had posted a net loss of Rs 1,529.07 crore in the same quarter of the preceding fiscal year. Sequentially, there was a net profit of Rs 165.41 crore in the December quarter of FY21. Net profit (standalone) for the entire fiscal 2020-21 was down by 20.84 per cent to Rs 887.58 crore as against Rs 1,121.35 crore in 2019-20, Central Bank of India said in a regulatory filing. Income (standalone) during Q4FY21 also fell to Rs 5,779.84 crore from Rs 6723.73 crore in Q4FY20.  
<https://economictimes.indiatimes.com/markets/stocks/earnings/central-bank-of-india-q4-results-lenders-net-loss-narrows-to-rs-1349-crore/articleshow/83307006.cms>
- **Central Bank of India inks co-lending pacts with Indiabulls Housing, IIFL Home Finance:** State-owned Central Bank of India on Monday announced co-lending partnerships with NBFC players Indiabulls Housing Finance and IIFL Home Finance. Under this arrangement, non-banking finance companies (NBFCs) will originate and process retail home loans while Central Bank of India will take into its book 80 per cent of the housing loan under direct assignment transactions, the lender said in separate regulatory filings. The bank said it has entered into strategic co-lending partnership with Indiabulls Housing Finance and IIFL Home Finance to offer housing loans under priority sector to homebuyers at competitive rates. The partnership will result in a greater disbursement of housing loans by Central Bank of India, Indiabulls HFL and IIFL HFL, the bank said. NBFCs will service the loan account throughout the life cycle of the loan. The lender said this arrangement will help all the three players expand their reach across India.  
<https://www.moneycontrol.com/news/business/central-bank-of-india-inks-co-lending-pacts-with-indiabulls-housing-iifl-home-finance-6998351.html>
- **Central Bank of India, IOB could be the two state-run banks to be privatised in current fiscal:** The Centre could privatise Central Bank of India and Indian Overseas Bank (IOB) after the names of the two state-run banks were shortlisted by the government think-tank NITI Aayog, according to a report in Times of India. The report further added that Bank of India could be a potential candidate for privatisation too. NITI Aayog had submitted the names of the two state-run banks and one general insurer to the committee of secretaries on disinvestment. The government think tank was tasked with zeroing in on the names of two state-run banks and one general insurer that will be privatised in the current fiscal. The announcement regarding the privatisation of these banks was made in the Union Budget of 2021-22.  
<https://www.news18.com/news/business/govt-may-privatize-central-bank-of-india-indian-overseas-bank-this-fiscal-3819002.html>



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- **Union Bank reports 83% QoQ jump in net profit:** Union Bank of India (UBI) reported an 83 per cent quarter-on-quarter (QoQ) jump in standalone net profit at Rs 1,330 crore in the fourth quarter ended March 31, 2021, against Rs 727 crore in the third quarter ended December 31, 2020. A write-back in standard assets provisions and other income supported the bottomline. Since the bank's financial results for Q4FY21 are for the post-amalgamation (Andhra Bank and Corporation Bank merged with the bank with effect from April 1, 2020) period, they are not comparable with results for the year-ago period (Q4FY20), which are of the pre-amalgamation period. In the year ago period, the bank had reported a net loss of 2,503 crore. The bank's net interest income (difference between interest earned and interest expended) was down 18 per cent QoQ to Rs 5,403 crore (Rs 6,589 crore in Q3FY21).  
<https://www.thehindubusinessline.com/money-and-banking/union-bank-reports-83-qoq-jump-in-net-profit/article34753009.ece>
- **PSU bank privatisation plan could face hurdles amid Covid: Fitch:** Fitch Ratings on Monday said the plan to privatise two state-owned banks in the current financial year ending March 2022 could face delays amid renewed challenges for the Indian banking sector due to the second wave of Covid-19. The government in the Budget announced plans to privatise two public-sector banks. NITI Aayog has been entrusted with the task of selecting the banks and one general insurance company for the privatisation. "The Indian government's plan to privatise two state-owned banks in the current financial year (FY22, ending March 2022) could face delays amid renewed challenges for the Indian banking sector," Fitch said in a statement.  
<https://economictimes.indiatimes.com/news/economy/policy/psu-bank-privatisation-plan-could-face-hurdles-amid-covid-fitch/articleshow/83306715.cms>
- **Reserve Bank of India imposes penalty on Bank of India, PNB totalling Rs six crore:** The RBI on Monday imposed penalty aggregating to Rs 6 crore on Bank of India and Punjab National Bank for contravention of norms, including one related to "Frauds - Classification and Reporting". A penalty of Rs 4 crore has been imposed on Bank of India and Rs 2 crore on Punjab National Bank. In a statement, the RBI said the statutory Inspection for Supervisory Evaluation (ISE) of Bank of India was conducted with reference to its financial position as on March 31, 2019. The bank had also conducted a review and submitted a Fraud Monitoring Report (FMR) dated January 1, 2019 pertaining to detection of fraud in an account. Examination of the risk assessment report pertaining to the ISE and the FMR revealed non-compliance with/contravention of directions, viz., breach of stipulated transaction limits; delay in transfer of unclaimed balances to DEA Fund; delay in reporting a fraud to RBI and sale of a fraudulent asset, the statement said.  
[https://www.business-standard.com/article/finance/reserve-bank-imposes-penalty-on-bank-of-india-pnb-totalling-rs-6-crore-121060701122\\_1.html](https://www.business-standard.com/article/finance/reserve-bank-imposes-penalty-on-bank-of-india-pnb-totalling-rs-6-crore-121060701122_1.html)
- **UCO Bank requests RBI to lift business restrictions placed on it:** State-owned Uco Bank has again reached out to the Reserve Bank of India with a request to lift the business restrictions placed on it under the prompt corrective action (PCA) framework. The bank has informed the regulator that it has met all the criteria required to get out of the PCA framework. Uco managing director AK Goel told ET that the lender has approached the regulator after its announcement of the March quarter results in



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which it reported annual net profit after five consecutive years of losses. This means, the lender's returns on assets for the full financial year turned positive for the first time in half a decade.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/uco-bank-requests-rbi-to-lift-business-restrictions-placed-on-it/articleshow/83305751.cms?from=mdr>

- **Banks to transfer 22 loan accounts worth Rs 89,000 crore to proposed Bad Bank, says IBA Chairman:** Indian banks have identified 22 loan accounts worth a total outstanding of Rs 89,000 crore to shift to the proposed National Asset Reconstruction Company (NARCL), according to Rajkiran Rai, chairman of the industry lobby Indian Banks' Association (IBA). Rai is also the chief of state-run Union Bank of India. The establishment of the NARCL was announced in the Union Budget for 2021-22 for aggregating the chunky bad assets in the banking system that still remain unresolved. It is expected to be largely funded by public sector banks and it may begin functioning in July 2021. These numbers indicate only the accounts where lead banks have been able to hold discussions with other consortium banks, Rai said in a press conference with reporters on Monday. Asked about the terms of transfer, Rai explained that what NARCL eventually buys will depend on its own appetite. "What we have done is preliminary work to keep the ground ready so that when the ARC is registered, they can start the process. We have broadly identified accounts where there are close to 100 percent provision and which are accounts above Rs 500 crore," Rai said, adding that for these accounts, lead banks have been asked to call for meetings with other consortium members and keep approvals ready. Eventually, about Rs two lakh crore worth of bad assets could be transferred to the NARCL in stages.  
<https://www.moneycontrol.com/news/business/banks-to-transfer-22-loan-accounts-worth-rs-89000-crore-to-proposed-bad-bank-says-iba-chairman-6998601.html>
- **Hopeful to come out of PCA framework very soon: UCO Bank MD:** State-owned UCO Bank is hopeful of coming out of the Prompt Corrective Action (PCA) framework very soon, a top bank official said on Monday. The government in the last round had infused Rs 14,500 crore of equity in Central Bank of India, Indian Overseas Bank, Bank of India, and UCO Bank by issuing non-interest-bearing, non-transferable bonds to these state-owned lenders. "I don't foresee any hurdle and remain hopeful that we will get the regulators' approval to come out of PCA," UCO bank managing director and CEO A K Goel told when asked about the issue of the latest capital infusion through zero-coupon bonds. PCA is triggered when banks breach certain regulatory requirements such as return on asset, minimum capital, and quantum of the non-performing asset. He said the bank had already written to RBI requesting it to withdraw PCA after the capital infusion.  
<https://www.businesstoday.in/sectors/banks/hopeful-of-coming-out-of-pca-framework-soon-uco-bank-md/story/441052.html>
- **Bank lending could remain subdued despite low rates:** Bank lending rates are likely to remain low for a few more quarters as deposit growth remains double that of the loans growth amid subdued demand from the corporates. The addition in deposits at Rs.13.4 lakh crore over last 12 months ended May 21, 2021, was more than double the Rs. 6.1 lakh crores of credit outstanding during the same period data from the RBI shows. While demand may be muted, banks are also unwilling to cater to the lesser rated credits to avoid future bad loans. Despite the low base effect of the previous year -as the country was in a complete lockdown last year- the credit growth grew at a slower pace compared with



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the same fortnight in FY'20.-6,3 per cent. This could be due to risk aversion and regional lockdown imposed by states this year to curb the spread of coronavirus amid the second wave of the pandemic in April and May. " Though the interest rates (monthly fresh loans WALR) of SCBs have reduced by 42 bps from April 2020 to April 2021, the overall credit growth continued to remain subdued due to risk aversion and continued parking of excess liquidity with RBI" said a report by Care Ratings.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-lending-could-remain-subdued-despite-low-rates/articleshow/83283631.cms>

- **Resolutions gather pace, but recoveries take time for banks:** The insolvency process has resulted in the resolution of 363 cases involving Rs 5.3 lakh crore in outstanding claims from financial creditors. For banks, however, the resolution is not the end of the road because NCLT orders are still being challenged by other creditors and debtors as the bankruptcy code is put to the test in higher courts. The top 25 of the 363 resolved cases account for over 70% of the financial claims by value (Rs 3.8 lakh crore), according to data released by the Insolvency and Bankruptcy Board of India (IBBI). Financial creditors are expected to recover around Rs 2 lakh crore against this Rs 3.8 lakh crore, which is nearly twice the liquidation value of Rs 1.1 lakh crore. While this is an excellent result, the banks' journey is far from over because the process does not end with the NCLT approval, they are yet to receive their money in 30% of the cases.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/resolutions-gather-pace-but-recoveries-take-time-for-banks/articleshow/83299957.cms>
- **HSBC appoints Hitendra Dave as India CEO:** Foreign lender HSBC on Monday announced the appointment of bank veteran Hitendra Dave as its new chief executive for India. Dave, who had been heading the largest profit contributing segment of global banking and markets, succeeds Surendra Roshia, as per an official statement. Roshia is moving to Hong Kong as the co-chief executive of HSBC Asia-Pacific, it added. India is the third-largest profit contributor for the HSBC Group after Hong Kong and mainland China and delivered a pre-tax profit of USD 1.024 billion in 2020. The bank has 26 branches in 14 Indian cities and employs 39,000 people, including those in back-offices helping its global operations.  
<https://www.livemint.com/companies/news/hsbc-appoints-hitendra-dave-as-india-ceo-11623042923575.html>
- **NCLT approves Piramal Group's resolution plan for bankrupt financier DHFL:** The Mumbai bench of the National Company Law Tribunal (NCLT) has approved the Piramal Group's resolution plan for Dewan Housing Finance Limited (DHFL). The order is subject to the outcome of the appeal in the appellate tribunal and the Supreme Court. Piramal's plan offers to pay Rs 37,250 crore, with upfront cash of Rs 12,700 crore; it has already been approved by the committee of creditors (CoC), the Reserve Bank of India (RBI), and the Competition Commission of India (CCI). NCLT has asked the committee of creditors to allocate more funds to the fixed deposit holders and small investors, but it has left the final decision to the CoC. It has also rejected the erstwhile promoter's plea to get a copy of the resolution plan. "We are pleased with the judgment today by the Honorable NCLT for approving our resolution plan for DHFL. This follows the endorsement of 94% of lenders, and the subsequent



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approvals from RBI and CCI, and reiterates the strength and quality of our bid", the Piramal Group said in a statement.

<https://www.moneycontrol.com/news/business/dhfl-piramal-groups-overall-resolution-plan-for-dhfl-is-approved-by-nclt-6995441.html>

- **Lenders can realise Rs 55,000-60,000 crore from IBC cases in FY22:** Financial creditors could realise Rs 55,000-60,000 crore in FY22 from cases in the bankruptcy court, largely driven by the likely resolution of a large housing finance company. However, the second Covid-19 wave could again delay resolutions and increase haircuts, according to Icra. The realisation for financial creditors from the resolutions under the Insolvency and Bankruptcy Code (IBC) 2016 declined significantly in FY21 with a total resolution amount of about Rs 260 billion, almost a quarter of the realisations in FY2020. Abhishek Dafria, Vice President and Group Head–Structured Finance, Icra, said besides the fate of the HFC case, realisation by financial creditors would depend on the successful resolution of 8-9 big-ticket accounts. Over 20 per cent of Icra’s estimated realisation for the year could be from these alone.  
[https://www.business-standard.com/article/finance/lenders-can-realise-rs-55-000-60-000-crore-from-ibc-cases-in-fy22-121060700880\\_1.html](https://www.business-standard.com/article/finance/lenders-can-realise-rs-55-000-60-000-crore-from-ibc-cases-in-fy22-121060700880_1.html)
- **IOB, Central Bank of India, Bank Of India share prices up 7-14% on privatization buzz:** Shares of Indian Overseas Bank (IOB), Central Bank of India and Bank Of India (BoI) rose 7-14 percent intraday on June 7 as these companies are the suitors for the privatization. IOB, Central Bank of India, Bank Of India are the suitors for the privatization and the government is not adhering to a PCA/non PCA criterion for public sector banks privatization, reported CNBC-TV18, quoting Sources. The government is open to options outside NITI recommendations on the bank, insurance companies privatization, it added. Sources hoping to bring banking, insurance law amendments in next parliament session for privatization to move ahead, Source added. Indian Overseas Bank was quoting at Rs 21.40, up Rs 2.15, or 11.17 percent and Central Bank of India was quoting at Rs 23.10, up Rs 1.80, or 8.45 percent. Bank Of India was quoting at Rs 85.20, up Rs 2.90, or 3.52 percent.  
<https://www.moneycontrol.com/news/business/stocks/iob-central-bank-of-india-bank-of-india-share-prices-up-7-14-on-privatization-buzz-6997921.html>
- **Sensex up 228 points at closing, Nifty scales new peaks :** The BSE Sensex is just 200 points away from its all-time high of 52516.76, closed at 52,328.51, up 228.46 points or 0.44 per cent. It hit an intraday high of 52,378.69 and a low of 52,054.76. The Nifty 50 recorded a fresh closing high of 15,751.65, up 81.40 points or 0.52 per cent. It also recorded a new all-time high of 15,773.45. It hit an intraday low of 15,678.10. Adani Ports, Power Grid, NTPC, Tata Motors and Ultratech Cement were the top gainers on the Nifty 50, while Bajaj Finance, Bajaj Finserv, HDFC, Divi's Lab and Cipla were the top laggards.  
<https://newsbundleonline.com/indian-markets/sensex-up-228-points-at-closing-nifty-scales-new-peaks/>
- **Rupee closes 19 paise firmer against US dollar:** The rupee appreciated by 19 paise to end at 72.80 (provisional) against the US dollar on Monday, buoyed by persistent fund inflows into the capital markets. Besides, softening crude oil prices also strengthened domestic forex market sentiment. However, a stronger dollar overseas against key rivals capped the rupee's gain, according to forex





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traders. At the interbank forex market, the local unit opened at 72.85 against the greenback and witnessed an intra-day high of 72.74 and a low of 72.88. It finally ended at 72.80 against the American currency, a rise of 19 paise over its previous close.

<https://www.thehindubusinessline.com/markets/forex/rupee-rises-12-paise-against-us-dollar-in-early-trade/article34748689.ece>

- **Gold prices today drop for second time in 2 days, down ₹7000 from record high:** Gold and silver rates in India edged lower amid muted global cues. On MCX, gold futures were down 0.08% to ₹48,953 per 10 gram while silver futures were down 0.3% to ₹71,308 per kg. MCX gold has support at ₹48,020 levels while resistance remains near ₹49,100, say analysts. In India, gold rates turned volatile after they hit near five-month high of ₹49,800 last week. In August last year, gold had risen to a record high of ₹56,200. In international markets, gold rates moved lower, hurt by a stronger US dollar. Spot gold was down 0.2% at \$1,886.76 per ounce. However, softer US bond yields capped losses in the precious metal. Among other precious metals, silver dropped 0.7% to \$27.58 per ounce while platinum rose 0.2% to \$1,164.72.

<https://www.livemint.com/market/commodities/gold-prices-today-drop-for-second-time-in-2-days-down-rs-7000-from-record-high-11623035869835.html>

#### **Business Standard**

- Indian Oil signs up to invest Rs 24,000 crore in Gujarat refinery expansion, petrochemical project
- PSU bank privatisation plan could face hurdles amid Covid: Fitch
- Curb excess import of edible oils from Nepal, trade body SEA tells government
- Homebuyers' body FPCE says RERA's project completion objective yet to be achieved
- Second Covid wave may restrict CV sales growth to 23-28 % in FY22: Crisil
- Govt extends free foodgrains scheme till Nov for 80 crore beneficiaries

#### **Business Line**

- Lenders can realise Rs 55,000-60,000 crore from IBC cases in FY22
- Reserve Bank imposes penalty on Bank of India, PNB totalling Rs 6 crore
- Sebi fines Franklin MF Rs 5 cr, asks it to return Rs 512 cr fund mgt fees
- Anil Ambani to raise stake in Reliance Infra via creeping acquisition
- US FDA approves Biogen's drug aducanumab to treat Alzheimer's disease



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- ED transfers Rs 5,600-cr UBL shares to recovery officer's demat account

#### **Mint**

- Lenders approve Tata Steel arm's bid for Rohit Ferro-Tech
- Tata Digital to invest \$75 million in CureFit
- India to add 20GW wind capacity by 2025: GWEC
- IREDA extends CPSU scheme phase II deadline till June 15
- CIE-IIITH, SucSEED join hands to invest in deep tech startups
- MRF posts ₹431-cr profit in Q4

#### **Financial Express**

- America offers the backdrop for global economic trends
- Sebi tweak prompts companies to advance listing plans
- Paytm said to move ahead with planned \$3 billion IPO
- Ques Corp's new dividend policy gives hope to investors
- Jaypee insolvency: Suraksha group sweetens bid just before lenders' meet
- DHFL shares may get delisted post acquisition by Piramal

#### **Business World**

- NCLT approves Piramal Group's offer for DHFL on certain conditions
- Businesses struggling with rising cost of raw materials: PHDCCI survey
- Goodyear Acquires Cooper Tire & Rubber Company
- Union Bank Of India Q4 Profit At Rs 1,330 Cr



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