



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
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

August 9, 2021

- **Central Bank of India enters into strategic co-lending partnership with Dhanvarsha Finvest:** Central Bank of India (CBoI) has entered into a strategic co-lending partnership with Dhanvarsha Finvest Ltd (DFL) to offer loans against gold ornaments under priority sector to Micro, Small and Medium Enterprise (MSME) borrowers at competitive rates. Under this partnership, DFL will originate and process loans against gold ornaments as per jointly formulated credit parameters and eligibility criteria and CBoI will take into its book 80 per cent of the gold loans under mutually agreed terms, as per the public sector bank's stock exchange filing. DFL will service the loan account throughout the life cycle of the loan. The participation by both the entities in this co-lending arrangement will result in greater expansion of portfolio by CBoI and DFL, the Bank said.
<https://www.thehindubusinessline.com/money-and-banking/central-bank-of-india-enters-into-strategic-co-lending-partnership-with-dhanvarsha-fininvest/article35797179.ece>
- **IDBI Bank strategic sale: 7 firms in race for transaction advisor:** As many as seven firms, including JM Financial, Ernst and Young and Deloitte, have bid for managing the strategic sale of IDBI Bank. These firms would make a virtual presentation before the Department of Investment and Public Asset Management, which is handling the sale process, on August 10, according to a notice by DIPAM. The firms that have bid for acting as transaction advisor are Deloitte Touche Tohmatsu India LLP, Ernst and Young LLP, ICICI Securities, JM Financial Ltd, KPMG, RBSA Capital Advisors LLP and SBI Capital Markets. DIPAM would appoint one transaction advisor for the strategic sale of IDBI Bank, in which the central government and LIC together own more than 94 per cent. LIC, currently having management control, has a 49.24 per cent stake, while the government holds 45.48 per cent in the bank. Non-promoter shareholding stands at 5.29 per cent. The exact quantum of stake dilution would be decided later.
https://www.business-standard.com/article/finance/idbi-bank-strategic-sale-7-firms-in-race-for-transaction-advisor-121080800210_1.html
- **Indian bankers in talks as court rulings threaten over \$6 billion in loans :** Informal talks are taking place to deal with the fall-out from two rulings by India's Supreme Court that threaten the repayment of loans totalling nearly 500 billion rupees (\$6.73 billion) to some of India's largest banks, bankers close to the matter say. Any failure to recoup the money adds to stress in the banking sector, which is already dealing with an increased level of bad loans and reduced profits because of the impact of the pandemic. Last week, India's Supreme Court effectively blocked Future Group's \$3.4 billion sale of retail assets to Reliance Industries, jeopardising nearly \$2.69 billion the retail conglomerate owes to Indian banks. That ruling was delivered days after the Supreme Court rejected a petition to allow telecom companies to approach the Department of Telecommunications to renegotiate outstanding dues in a long-running dispute with Indian telecom players.
<https://www.reuters.com/world/india/indian-bankers-talks-court-rulings-threaten-over-6-billion-loans-2021-08-08/>



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
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

- **RBI plans to buy additional office space in Mumbai:** The Reserve Bank of India (RBI) is looking for additional office space in the financial capital near its head office in south Mumbai, or in the Bandra Kurla Complex area. According to the RBI, it wants office space with a size of 2,601 to 7,681 square metres, for which it has issued a Request for Proposals (RFP) for "outright purchase of office premises" in Mumbai. The central bank "intends to purchase vacant and peaceful possession of office space having clear and marketable title, for its use in south Mumbai and/or in Bandra Kurla Complex (BKC) area near to its existing establishments...", the RFP document said.
<https://www.moneycontrol.com/news/business/real-estate/rbi-plans-to-buy-additional-office-space-in-mumbai-7294191.html>
- **UCBs: RBI may nix norm to constitute Board of Management:** The Reserve Bank of India (RBI) may do away with the stipulation that requires Urban Co-operative Banks (UCBs) to constitute a Board of Management (BoM) as the September 2020 amendment to the Banking Regulation Act, 1949, gives the central bank full control over their functioning. The lack of regulatory and supervisory powers, which the top officials of the RBI cited in the past as affecting the central bank's ability to take prompt corrective action in case of irregularities in UCBs, has been addressed through the amendment to the BR Act. Therefore, there is no need to create an organisational tier under the BoD, say co-operative banking experts.
<https://www.thehindubusinessline.com/money-and-banking/ucbs-rbi-may-nix-norm-to-constitute-board-of-management/article35800678.ece>
- **FPIs invest Rs 1,210 cr in Indian markets in first 5 trading sessions of Aug:** Overseas investors were net buyers to the tune of Rs 1,210 crore in Indian markets in the first five trading sessions of August on the back of domestic factors. In equities, they invested Rs 975 crore during August 2-6, as per depositories data. In the debt segment, foreign portfolio investors (FPIs) pumped in Rs 235 crore. This took the total net investment during the period under review to Rs 1,210 crore. In July, FPIs were net sellers at Rs 7,273 crore.
<https://www.thehindubusinessline.com/markets/stock-markets/fpis-invest-rs-1210-cr-in-indian-markets-in-first-5-trading-sessions-of-aug/article35797225.ece>
- **CBI registers case for ₹6,833.82 cr. alleged bank fraud :** The CBI has registered a case against Kanpur-based Shri Lakshmi Cotsyn Limited and its directors for allegedly cheating a consortium of 23 banks to the tune of ₹6,833.82 crore. "Searches are being conducted at nine locations, including Noida, Roorkee, Fatehpur and Kanpur," said a CBI official. Among the accused persons named in the First Information Report (FIR) are Dr. Mata Prasad Agarwal, Pawan Kumar Agarwal, Devesh Narain Gupta and Sharda Agarwal. The role of bank officials, chartered accountants, statutory auditors, stock auditors and empanelled valuers responsible for preparing company balance sheets, financial papers and issuing various compliance certificates, would also be investigated by the agency to determine if they were also involved in the fraud.
<https://www.thehindu.com/news/national/cbi-registers-case-for-683382-cr-alleged-bank-fraud/article35788794.ece>



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
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

- **Corporate lending by major PSBs declines:** In what could be a matter of concern in rekindling the Covid-hit economy, corporate lending by major public sector banks has been on the wane. The Q1 data of banks show a significant decline of corporate advances compared to the year-ago period. For instance, State Bank of India's domestic corporate advances decreased 2.23 per cent at ₹7,90,494 crore in the quarter ended June 30, 2021, compared to ₹8,09,322 crore in the same quarter last year. However, in the first quarter of FY21, SBI reported 3.41 per cent growth in corporate advances. According to SS Mallikarjuna Rao, Managing Director and CEO, Punjab National Bank: "Corporate growth was almost muted or negative" during the quarter. For PNB, corporate advances marginally decreased by 0.57 per cent at ₹3,264,66 crore in June 2021 compared to ₹3,28,350 crore in the year-ago period.
<https://www.thehindubusinessline.com/money-and-banking/corporate-lending-by-major-psbs-declines/article35804103.ece>
- **'Ethereum Improvement Proposal' all set to bring major change to crypto world :** Ethereum 2.0's latest upgrade could make it outperform Bitcoins. Known as Ethereum Improvement Proposal (EIP)-1559, which went live on Thursday, is touted to be the most significant update since the launch of the cryptocurrency. The upgrade will not only help reduce cost of transaction fees involved on Ethereum network but introduce several other fundamental changes to how Ethereum is perceived. Industry players said with the current updates, Ether stands a chance to outperform Bitcoins. Known as the second most valued cryptocurrency, two of the key changes the update will bring include settling on a fixed base fee instead of an uncertain 'gas fee' users pay in ether to miners to process their transactions over the Ethereum network.
<https://www.thehindubusinessline.com/money-and-banking/ethereum-improvement-proposal-all-set-to-bring-major-change-to-crypto-world/article35803996.ece>
- **Banks stare at higher provisioning as Voda-Idea sings books:** Banks may go for pre-emptive provisioning in the next couple of quarters to insulate their balance sheet from the possible impact of troubles at the loss-making and debt-laden Vodafone Idea Ltd (VIL). Bankers say they are helpless in this matter and only the government can show a way out from the imbroglio. Banking industry executives met officials at the Department of Telecom on Friday to express concern over the fate of the telecom company. According to VIL's quarterly report, gross debt (excluding lease liabilities) as of March 31, 2021 was ₹1,80,310 crore, comprising deferred spectrum payment obligations of ₹96,270 crore and AGR liability of ₹60,960 crore. Debt from banks and financial institutions stood at ₹23,080 crore.
<https://www.thehindubusinessline.com/money-and-banking/banks-stare-at-higher-provisioning-as-voda-idea-singes-books/article35803722.ece>
- **Banking tech firm Zeta eyes \$300 m in revenue by 2025:** With 25 fintechs and 10 banks onboarded, banking SaaS unicorn Zeta is targeting a revenue of \$250-\$300 million by 2025 followed by an IPO in 2026, co-founder and CEO Bhavin Turakhia told BusinessLine. Currently present in Vietnam, the Philippines, Brazil, India, Italy, Spain, UK and the US, Zeta plans to hire and appoint presidents for Europe, UK, Latin America and APAC regions this year. The start-up is expanding its sales and



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
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

marketing team in North America adding 30-35 people and another 40-50 people across regions this year.

<https://www.thehindubusinessline.com/money-and-banking/banking-tech-firm-zeta-eyes-300-m-in-revenue-by-2025/article35803452.ece>

- **M-cap of nine most-valued companies jump over Rs 2.22 lakh crore:** Nine of the top-10 most valued domestic companies together added a whopping Rs 2,22,591.01 crore in market valuation last week, with heavyweights RIL, TCS and HDFC twins gaining the most. During the last week, the BSE benchmark Sensex rallied 1,690.88 points or 3.21 per cent. The index reached its all-time high of 54,717.24 on August 5. Barring Bajaj Finance, rest nine companies -- Reliance Industries Ltd (RIL), Tata Consultancy Services (TCS), HDFC Bank, Infosys, Hindustan Unilever Ltd (HUL), ICICI Bank, HDFC, State Bank of India and Kotak Mahindra Bank -- logged gains. The market valuation of TCS jumped Rs 52,766.97 crore to Rs 12,24,441.49 crore. HDFC Bank saw its market capitalisation (m-cap) zoom by Rs 37,563.09 crore to reach Rs 8,26,332.67 crore, and HDFC added Rs 34,173.81 crore to take its valuation to Rs 4,74,912.16 crore.

<https://www.thehindubusinessline.com/markets/stock-markets/m-cap-of-nine-most-valued-companies-jump-over-rs-222-lakh-crore/article35796516.ece>

Disclaimer

Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICAI.

*For Restricted Circulation only A Compilation of News in this regard from Secondary Sources.