



**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

June 21, 2021

- **Bank of Maharashtra tops PSU bank chart in MSME loan growth in FY21:** State-owned Bank of Maharashtra (BoM) has become top performer among public sector lenders in terms of retail and MSME loan growth during 2020-21. The Pune-based lender recorded a 35 per cent growth in MSME loans at Rs 23,133 crore in 2020-21, according to the BoM data. It was followed by the Chennai-based Indian Bank which posted a 15.22 per cent growth in loan disbursement to MSMEs with aggregate loans at Rs 70,180 crore at the end of March 2021. When it came to loans to retail, BoM with nearly 25.61 per cent growth was ahead of even the country's largest lender State Bank of India, which recorded 16.47 per cent rise. However, in absolute terms SBI's asset base to retail segment was a whopping 30 times higher at Rs 8.70 lakh crore as against Rs 28,651 crore of BoM. Bank of Baroda increased its retail loan portfolio by 14.35 per cent to Rs 1.20 lakh crore during the last fiscal year, the data showed.
https://www.business-standard.com/article/finance/bank-of-maharashtra-tops-psu-bank-chart-in-msme-loan-growth-in-fy21-121062000484_1.html
- **Karnataka Bank declares loan over Rs 160 crore to Reliance Home, Reliance Commercial as fraud:** Private sector Karnataka Bank has declared accounts of Reliance Home Finance and Reliance Commercial Finance a fraud with combined loan outstandings of over Rs 160 crore to the lender. The bank has reported to the Reserve Bank regarding frauds in the credit facilities extended earlier to two listed companies -- Reliance Home Finance with loan outstanding of Rs 21.94 crore and Reliance Commercial Finance Rs 138.41 crore as fraud, Karnataka Bank said in a regulatory filing. The lender said it has been dealing with Reliance Home Finance since 2015 and with Reliance Commercial Finance since 2014. With regard to loan to Reliance Home Finance, as many as 24 lenders were part of a multiple banking arrangement, while in case of Reliance Commercial Finance as many as 22 lenders were part of the loan arrangement.
<https://www.livemint.com/companies/news/karnataka-bank-reports-rs-160-cr-loan-as-fraud-to-rbi-11624117786755.html>
- **SEBI halts PNB Housing Finance's Rs 4,000 crore deal with Carlyle Group:** The Securities and Exchange Board of India (SEBI) has asked PNB Housing Finance to temporarily stall the proposed preferential issue of shares worth up to Rs 4,000 crore to entities led by the Carlyle Group Inc. The market regulator has said preferential issue shall not be acted upon till the company undertakes valuation of shares from an independent registered valuer. The company has acted in compliance with all relevant applicable laws, said PNB Housing in the exchange filing. PNB Housing Finance received a letter from the SEBI on June 18 calling it to comply with the legal provisions in the matter.
<https://www.moneycontrol.com/news/business/sebi-halts-pnb-housing-finances-rs-4000-crore-deal-with-carlyle-group-7060351.html>
- **EPFO net new enrolments rise 13.73 per cent to 12.76 lakh April:** Defying the trend of job losses during the lockdown, more formal jobs were created under the Employees Provident Fund Organisation in April, which had seen local lockdowns in several states. EPFO added 1.27 million net



**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

new subscribers in the month, a growth of 13.7% compared to March at 1.12 million, shows the payroll data of EPFO on Sunday. Net new subscribers under the scheme had declined by 0.28 million in April last year during the nationwide lockdown. As per the labour ministry's provisional payroll data, of the 1.27 million net subscribers added during the month, around 0.68 million new members have come into the social security coverage of EPFO for the first time.

<https://economictimes.indiatimes.com/jobs/epfo-net-new-enrolments-rise-13-73-per-cent-to-12-76-lakh-april/articleshow/83689281.cms>

- **PNB Housing-Carlyle deal in a regulatory fix:** The Rs 4,000-crore Carlyle deal with PNB Housing Finance could be in a regulatory fix as the mortgage lender is likely to challenge a Securities & Exchange Board of India order that required an independent valuation of the business before the company sought shareholder approval for the transaction. Carlyle and Salisbury Investments, which are set to be the new promoters of the company, are also expected to support the PNB Housing plans to challenge the regulatory order. Making an appeal to the Securities Appellate Tribunal against the Sebi order is an option before PNB Housing Finance now, a person familiar with the matter told ET.
https://m.economictimes.com/industry/banking/finance/pnb-housing-carlyle-deal-in-a-regulatory-fix/amp_articleshow/83691453.cms
- **FPIs invest Rs 13,667 cr in Indian markets in June so far:** Foreign portfolio investors (FPIs) pumped in a net Rs 13,667 crore so far in June as Indian markets continued to remain attractive to overseas investors. However, market experts noted that FPIs withdrew money from Indian equities this week. According to depositories data, FPIs invested Rs 15,312 crore in equities between June 1 and June 18."The US Federal Reserve has signalled that it will start raising interest rates in 2023. This caused a sell-off on a global level that caused some money to be withdrawn from Indian equities," said Harsh Jain, co-founder and COO at Groww. However, India is not a destination where investors put in money based on short-term trends. India has always been an attractive spot for FPIs and these short-term trends will have short-term effects only, he added.
<https://economictimes.indiatimes.com/markets/stocks/news/fpis-invest-rs-13667-cr-in-indian-markets-in-june-so-far/articleshow/83685491.cms>
- **Centrum-Bharatpe joint venture to pump Rs 1,800 crore into PMC on merger:** The joint venture floated by Centrum Group and digital payments startup Bharatpe for launching a small finance bank will infuse Rs 1,800 crore capital into troubled Punjab & Maharashtra Cooperative Bank (PMC) on its merger with the proposed bank, a top Centrum official has said. Last Friday, the Reserve Bank gave an in-principle approval to Centrum Financial Services, a step-down arm of the diversified financial services group, to set up a small finance bank (SFB) provided it took over the troubled PMC Bank. The in-principle approval has been in specific pursuance to Centrum Financial Services' offer on February 1, 2021 in response to the expression of interest notification dated November 3, 2020 published by the PMC Bank, the RBI said.
<https://www.businesstoday.in/current/corporate/centrum-bharatpe-jv-to-infuse-rs-1800-crore-into-pmc-bank-on-merger/story/442092.html>



**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

- **PMC Bank depositors should get back deposits without any condition: NCUI:** Cooperative body NCUI has welcomed the RBI's in-principle nod to Centrum Financial Services for the takeover of PMC Bank, but said all depositors should get back their deposits without any condition. Paving the way for the takeover of crisis-ridden Punjab and Maharashtra Cooperative Bank (PMC), the Reserve Bank of India on Friday granted in-principle approval to the Centrum Financial Services to set up a small finance bank. Centrum Financial Services was one of the applicants for the takeover of the PMC Bank. Reacting to RBI's in principle approval to Centrum Financial Services, NCUI President Dileep Sanghani in a statement said, "This is indeed welcome. However, it should be ensured that all the depositors should get back their deposits without any conditionality."
<https://www.livemint.com/industry/banking/pmc-bank-depositors-should-get-back-deposits-without-any-condition-ncui-11624200114099.html>
- **Muthoot Capital Services net profit declines to Rs 8.9 crore in Q4 of FY21:** Muthoot Capital Services Ltd has posted a net profit of Rs 8.9 crore in Q4 of FY21 as against Rs 13.6 crore in the same quarter last year. The net profit for the whole year was Rs 52.2 crore against Rs 60.2 crore of previous year. The total income for the quarter touched Rs 109.6 crore. With things slowly starting to return back to normal, the company while continuing to adopt a conservative approach disbursed total loans amounting to Rs 290.9 crore during the quarter. The total AUM reached Rs 2088.5 crore at the end of the quarter, including the assigned portfolio of Rs 16.6 crore.
<https://www.thehindubusinessline.com/money-and-banking/muthoot-capital-services-net-profit-declines-to-rs-89-crore-in-q4-of-fy21/article34863509.ece>
- **Insurers seek re-pricing of Corona Kavach, Corona Rakshak policies:** Worried by rising claims and low premium, insurers have approached the insurance regulator IRDAI for a re-pricing of the Corona Kavach and Corona Rakshak policies. Insurers point out that these low ticket policies were expected to be for a short duration, but with the pandemic continuing, they are turning out to be expensive propositions for them and hitting their balance sheets. "The industry as a whole has asked for repricing of Corona Kavach and Corona Rakshak. We priced it around June 2020, and the actual peak has been five to 10 times of the expectation. These products are a guaranteed loss of money," said a source privy to the development. Sources said general insurers discussed the issue with IRDAI recently and shared data on losses.
<https://www.thehindubusinessline.com/money-and-banking/insurers-seek-re-pricing-of-corona-kavach-corona-rakshak-policies/article34865002.ece>
- **Life after LIBOR: MCA shows the way on corporate financial reporting:** Corporate India and the financial sector, including banks, now have guidance on financial reporting of the transactions undertaken with new interest rate benchmarks that are to replace the London Interbank Offered Rate (LIBOR) at the end of this year. The Ministry of Corporate Affairs (MCA) has effected amendments to several accounting standards to cover the International Accounting Standards Board's Phase 2 amendments, Interest Rate Benchmark Reform finalised in August last year. These changes to existing Indian accounting standards are expected to smoothen financial reporting under the replacements for LIBOR.



**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

<https://www.thehindubusinessline.com/money-and-banking/life-after-libor-mca-shows-the-way-on-corporate-financial-reporting/article34868222.ece>

- **PMC Bank's resolution could become a template for rescuing other weak UCBs:** Depositors of about 50-odd weak urban co-operative banks (UCBs), which are currently under the Reserve Bank of India's Directions, may now have some hope of getting back their deposits. This hope arises from the proposed amalgamation of the scam-hit Punjab and Maharashtra Co-operative (PMC) Bank with a small finance bank (SFB) that will be floated by the Centrum Financial Services and BharatPe combine. Co-operative sector experts say if the amalgamation fructifies, it could become a template for rescuing other weak UCBs in the country. Since April 1, 2015, 52 UCBs (as on December 11, 2020) have been placed under All Inclusive Directions by the Reserve Bank, as per the RBI's latest Report on Trend and Progress of Banking in India.
<https://www.thehindubusinessline.com/money-and-banking/pmc-banks-resolution-could-become-a-template-for-rescuing-other-weak-ucbs/article34868091.ece>
- **PMC Bank depositors plan to move Bombay High Court seeking early refund, merger with a running bank:** Aggrieved depositors of crisis-ridden Mumbai-based Punjab and Maharashtra Co-operative Bank (PMC) are planning to move the Bombay High Court seeking urgent resolution of the crisis and early refund to depositors, citing lack of clarity from the bank or the regulator on a clear time-frame to refund the depositors. Depositors may also seek a merger of PMC Bank with any of the running private or public sector banks arguing that it will enable a quicker resolution, Manjeet Sabharwal, PMC Bank Depositors Action Team coordinator in Mumbai told Moneycontrol on June 20. The depositors are planning to move the petition against the Reserve Bank of India (RBI) and PMC Bank Board, Sabharwal said. "We are planning to move the Bombay High Court within the next few days and are currently preparing the petition in consultation with our lawyers. We are in no position to wait for another four to six months for deposit refund. It has been 20 months since the crisis began. How long can we wait?" asked Sabharwal.
<https://www.businesstoday.in/current/economy-politics/pmc-bank-depositors-to-move-bombay-hc-for-early-refund-merger-with-running-bank/story/442085.html>
- **Four of top-10 firms add Rs 68,458.72 crore in m-cap:** Four of the 10 most valued companies together added Rs 68,458.72 crore in market valuation last week, with Hindustan Unilever Limited (HUL) and Infosys emerging as the biggest gainers. While Reliance Industries Limited (RIL), Tata Consultancy Services (TCS), Infosys and HUL were the gainers from the top-10 list, HDFC Bank, HDFC, ICICI Bank, SBI, Bajaj Finance and Kotak Mahindra Bank witnessed a cumulative erosion of Rs 43,703.55 crore from their market valuation last week. The market valuation of HUL zoomed Rs 26,832.3 crore to reach Rs 5,82,874.25 crore. The valuation of Infosys jumped Rs 24,628.79 crore to Rs 6,41,108.34 crore. TCS added Rs 9,358.6 crore to its valuation to stand at Rs 12,19,577.24 crore, while the market capitalisation of RIL climbed by Rs 7,639.03 crore to Rs 14,10,557.79 crore.
<https://www.thehindubusinessline.com/markets/stock-markets/four-of-top-10-firms-add-rs-6845872-crore-in-m-cap/article34863452.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

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.