



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

June 23, 2021

- **DIPAM seeks bids for transaction advisor for IDBI Bank strategic disinvestment, last date July 13:** The department of investment and public asset management (DIPAM) Tuesday issued a request for proposal for appointing transaction advisor for strategic disinvestment and transfer of management control in IDBI Bank Limited. Among several criteria listed for eligibility, bidders should have completed at least one transaction of strategic disinvestment, strategic sale or merger and acquisition of Rs 5000 crore or more in size, between April 2016 and March, 2021. The last date for submissions is July 13. The professional financial consulting firm, investment banker, merchant banker, financial institution or bank bidding for the contract, should have at least five years' experience in providing advisory service in such transactions. "The Transaction Advisor (TA) will be required to undertake tasks related to all aspects of the proposed strategic disinvestment culminating into successful completion of the transaction and would, inter alia include but not limited to advising and assisting government of India on modalities of disinvestment and the timing," the department said as it set out terms of reference for the advisor in the RFP.
<https://economictimes.indiatimes.com/news/economy/policy/dipam-seeks-bids-for-transaction-advisor-for-idbi-bank-strategic-disinvestment-last-date-july-13/articleshow/83750006.cms>
- **Public money being stolen through 80-90% haircuts in NCLT resolution cases, says Harsh Goenka:** RPG Enterprises Chairperson Harsh Goenka on Tuesday said the NCLT should be the next institution to be cleansed by the government to prevent "hard earned public money being stolen" as companies' promoters stash away money on the side and get "80-90% haircut" from bankers during the insolvency resolution process. In an apparent reference to recent cases of insolvency proceedings of some firms wherein creditors have taken huge haircuts on their dues, Goenka said it is the "new game in town". Insolvency resolution plans require approval of the National Company Law Tribunal (NCLT). While tagging the Prime Minister's Office, Goenka tweeted, "Promoters stash away money on the side, take the company to the cleaners, get an 80-90% haircut from bankers/NCLT – that's the new game in town."
<https://www.moneycontrol.com/news/business/public-money-being-stolen-through-80-90-haircuts-in-nclt-resolution-cases-says-harsh-goenka-7073011.html>
- **Govt mulling measures to bolster governance & HR practices in public sector bank:** The government is considering measures to further strengthen corporate governance and human resource practices in nationalised banks through a diversified board structure, strengthening of board-level committees and a robust performance management system for employees. "The merger process is complete and now its high time to revamp the corporate governance and HR practices on the lines followed by banks such as State Bank of India," said an executive aware of the developments. Some of the key proposals include longer tenure for executive directors, hiring of specialists in areas such as NPA management and fast track promotion for high performers. The idea is to further professionalise the boards of PSBs and bring experts in risk management, information technology and human resource management,"



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the above quoted executive said, adding that after merger, these banks are as big as State Bank of India.

<https://economictimes.indiatimes.com/news/economy/policy/govt-mulling-measures-to-bolster-governance-hr-practices-in-public-sector-banks/articleshow/83735541.cms>

- **Gang steals Rs 48 lakh from SBI cash deposit machines; lender puts withdrawal on hold:** Abusing technology that is meant to help customers, a gang has stolen Rs 48 lakh from various cash deposit machines of State Bank of India NSE -0.26 % in Tamil Nadu, police said here on Tuesday. The government owned top lender meanwhile said it has halted the facility to withdraw cash from these machines across the country, as an immediate preventive measure and these could be used only to deposit cash. According to police, totally Rs 48 lakh has been stolen from Automated Cash Withdrawal and Deposit Machines also known as Cash Deposit Machines (CDM) located in various places including Velachery here. The CDMs provide a 20-second window to customers to take cash away and if it was not done, the cash went back into the machines. If cash was taken, the lid of the machine would slide and get closed.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/gang-steals-rs-48-lakh-from-sbi-cash-deposit-machines-lender-puts-withdrawal-on-hold/articleshow/83754492.cms?from=mdr>
- **Covid 2.0 may bring a recast surge at NBFCS:** With non-bank financial companies rushing to mitigate the impact of the second Covid wave on their balance sheets, estimates suggest that about a tenth of their loan books could be recast — nearly three times that during the first wave. Chief executives that ET spoke with said that profitability, too, could take a beating in the June quarter despite collection efficiencies improving in the past month. “The recast levels in the second wave will be at least 2-3 times of what we had seen last year because there is no benefit of a blanket moratorium this time; so we need to salvage whatever we can,” said the CEO of a large non-bank lender. “We expect a significant drop in profits for this (June) quarter.”
https://m.economictimes.com/industry/banking/finance/banking/covid-2-0-may-bring-a-recast-surge-at-nbfcs/amp_articleshow/83735057.cms
- **Muthoot Pappachan Group acquires equity stake in Paymatrix:** Muthoot Pappachan Group (MPG) has announced investment in fintech start-up Paymatrix through its flagship entity - Muthoot FinCorp Limited, and the associate company, The Thinking Machine Media Private Limited (TMM). MPG acquired 54 per cent equity shareholding in Paymatrix through a combination of primary and secondary investment. Paymatrix is a fintech start-up that was set up in 2016 by Mukesh Chandra Anchuri, Muralidhar Nayak Guguloth and Anusha KP, with a vision to streamline property rent payments and collections for tenants and landlords. It was incubated at IIIT-Hyderabad and Paypal accelerator had secured early-stage investments from investors including Xseed venture partners, IIIT-H seed fund, IIIT-H foundation, SucSEED Angel Network and Smartcity Dubai.
<https://www.thehindubusinessline.com/companies/muthoot-pappachan-group-acquires-equity-stake-in-paymatrix/article34899910.ece>



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- **No plan to merge IIFCL with new NaBFID, says IIFCL Chief Jaishankar:** India Infrastructure Finance Company Ltd (IIFCL), a State-owned entity, on Tuesday made it clear that it was not looking to merge itself with the newly set up National Bank for Financing Infrastructure and Development (NaBFID), which is being positioned as the principal Development Financial Institution (DFI) for infrastructure financing in the country. "There are no such plans. We have our plans for the future for IIFCL. Of course we would like to take the objectives of the Government forward. That is very very clear", P.R.Jaishankar, Managing Director, IIFCL said when asked if there are any plans to merge IIFCL with NaBFID.
<https://www.thehindubusinessline.com/companies/no-plan-to-merge-iifcl-with-new-nabfid-says-iifcl-chief-jaishankar/article34901208.ece>
- **Centrum Capital's board approves ₹1,500-cr fund raise:** Centrum Capital is planning to raise funds aggregating up to ₹ 1,500 crore, possibly to fund the proposed small finance bank venture of its step-down subsidiary, even it reported a consolidated net loss of ₹ 5.54 crore in the fourth quarter ended March 31, 2021 against a consolidated net profit of ₹25.05 crore in the year ago period. . The fund raising in the backdrop of Centrum Financial Services Ltd (CFSL) getting 'in-principle' approval from the Reserve Bank of India to set up a small finance bank, which in turn is expected to takeover the scam-hit Punjab and Maharashtra Co-operative (PMC) Bank.
<https://www.thehindubusinessline.com/money-and-banking/centrum-capitals-board-approves-1500-cr-fund-raise/article34908808.ece>
- **HDFC Bank creates Digital and Enterprise factories to roll-out new digital products :** Private sector lender HDFC Bank on Tuesday announced that it is setting up a Digital Factory and an Enterprise Factory to roll-out new digital products and services in the future and augment its IT Infrastructure. The Digital and Enterprise factories will be pivoted on APIs (Application Programming Interface), data and cloud. The dual approach of building the Digital Factory along with an Enterprise Factory is part of the bank's technology transformation agenda to run and transform the bank, it said in an official release. The bank has faced multiple outages in its mobile and net banking services over the past couple of years.
<https://www.thehindubusinessline.com/money-and-banking/hdfc-bank-creates-digital-and-enterprise-factories-to-roll-out-new-digital-products/article34905167.ece>
- **I-T dept tool to identify 'specified persons' who have to pay higher taxes:** The income tax department has developed a new utility to help TDS deductors and TCS collectors identify the 'specified persons' on whom higher rate of taxes will be levied from July 1. The Budget 2021 had brought in a provision which mandated that non-filers of income tax returns for past two fiscal years would be subjected to higher tax deducted at source (TDS) and tax collected at source (TCS) rate if such tax deduction was Rs 50,000 or more in each of those two years. The Central Board of Direct Taxes (CBDT) issued a circular on Monday on implementation of Sections 206AB and 206CCA with respect to higher tax deduction/collection for certain non-filers. "New functionality issued for compliance checks for sec 206AB & 206CCA to ease compliance burden of tax deductors/collectors," the I-T department had tweeted.



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https://www.business-standard.com/article/finance/i-t-dept-tool-to-identify-specified-persons-who-have-to-pay-higher-taxes-121062200606_1.html

- **PNB Housing controversy puts spotlight on independent valuer rule:** PNB Housing Finance fund infusion controversy has put a spotlight on the rule around appointing an independent valuer while making a preferential allotment of shares. Market regulator Securities and Exchange Board of India (Sebi) has put a spanner in the works on private equity major Carlyle-led capital infusion of Rs 4,000 crore in the mortgage lender for not getting the company valued from an independent registered valuer before arriving at the allotment price. PNB Housing, which needs these funds to tide over financial difficulties, believes that its board has complied with all the regulations while clearing the deal on May 31. The bone of contention is whether a valuation report from an independent valuer is required for this deal. Sebi in its communication to the company has said that the preferential allotment is “ultra-vires of articles of association (AOA)”. The regulator is of the view that under the section 19(2) of AOA valuation of shares need to be done by an independent registered valuer. Legal experts say if one reads the AOA along with the provisions of the Companies Act an independent valuer’s report would be required.
https://www.business-standard.com/article/current-affairs/pnb-housing-saga-puts-spotlight-on-independent-valuer-rule-121062201558_1.html
- **Indian Bank opens ₹4,000-cr QIP issue; sets floor price at ₹142.15/share:** State-owned Indian Bank on Monday launched its qualified institutional placement (QIP) of shares to raise around ₹4,000 crore, setting the floor price at ₹142.15 per share. The committee of directors on capital raising in its meeting held on Monday approved and authorised the opening of the QIP on June 21, Indian Bank said in a regulatory filing.
<https://www.livemint.com/industry/banking/indian-bank-opens-rs-4-000-cr-qip-issue-sets-floor-price-at-rs-14215share-11624297579216.html>
- **HDFC Bank to hire 500 workers to curb online outages:** HDFC Bank Ltd. will set up digital and enterprise units to strengthen its online infrastructure and handle a larger volume of transactions after customers faced repeated outages. The lender plans to hire as many as 500 people in the next two years for its “digital and enterprise factories,” it said in the statement. It has tied up with technology firms to move to a cloud-based architecture. The announcement follows repeated glitches in HDFC Bank’s online platform that caused the Reserve Bank of India to ban the country’s most valuable lender in December from launching new digital products. The regulator appointed an external audit firm in February to look into the recurring outages. The RBI ban would lift after “satisfactory compliance,” the lender had said. The audit was in the final stages, the bank said in April.
<https://www.livemint.com/industry/banking/hdfc-bank-to-hire-500-workers-to-curb-online-outages-11624374686169.html>
- **Indian Bank share price gains on launch of Rs 4,000 crore QIP:** Indian Bank share price rose 2 percent at open on June 22 after the state-owned bank launched its qualified institutional placement (QIP) of shares to raise around Rs 4,000 crore. The floor price for the QIP has been set at Rs 142.15 per share. The committee of directors in its meeting held on June 21 approved and authorised the opening of the



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QIP on June 21, Indian Bank said in a regulatory filing. Further, a meeting of the committee is scheduled to be held on June 24, 2021, to consider and approve the issue price, including a discount for the equity share to be allotted to eligible qualified institutional buyers (QIBs), pursuant to the QIP, it said.

<https://www.moneycontrol.com/news/business/stocks/indian-bank-share-price-gains-on-launch-of-rs-4000-crore-qip-7068811.html>

- **IOB, Central Bank of India hit 52-week high on divestment buzz:** Shares of state-run banks Indian Overseas Bank (IOB) and Central Bank of India (CBI) rose 18 percent and 16 percent, respectively, in early trade on June 22 on reports that the government has shortlisted these banks for divestment. Central Bank of India touched a 52-week high of Rs 28.30 and Indian Overseas Bank touched a 52-week high of Rs 27.95. The Centre has shortlisted the CBI and IOB for divestment, CNBC Awaaz has reported on June 21. In the previous session, the share prices were locked at 20 percent upper circuit. The two state-run banks might see a 51 percent sale in the first phase of disinvestment, according to the report.
<https://www.moneycontrol.com/news/business/stocks/iob-central-bank-of-india-hit-52-week-high-after-govt-shortlists-banks-for-divestment-7068871.html>
- **Axis Bank stock has jumped 72% in a year, brokerages believe it can rise 35% more:** The shares of Axis Bank have logged strong gains in the last year, outperforming the benchmark index Sensex by a significant margin and yet analysts and brokerages believe it has more legs to go in the medium term. Axis Bank has logged a gain of 72 percent on BSE in the last year against a 51 percent gain in the Sensex. In 2021 so far, the stock is up 19 percent, while the Sensex is up 10 percent. Brokerages believe the stock will rise further as the fundamentals of the stock are intact and the impact of the second wave of COVID-19 will be lower than the first wave due to the absence of a moratorium.
<https://www.moneycontrol.com/news/business/markets/axis-bank-stock-has-jumped-72-in-a-year-brokerages-believe-it-can-rise-35-more-7066481.html>
- **ED seizes over Rs 40-crore assets of Pune businessman in FEMA case:** Assets worth over Rs 40 crore, including equity and preference shares in three luxury hotels, of Pune-based builder Avinash Bhosale and his family members have been seized by the Enforcement Directorate (ED) in a probe linked to alleged violation of the forex law, the agency said on Monday. "These properties have been seized as equivalent value of foreign securities or properties held by Bhosale and his family members in contravention of the Foreign Exchange Management Act (FEMA), 1999 which provides for seizure of equivalent value, situated in India, of foreign security or immovable properties held outside India," the agency said in a statement.
<https://www.moneycontrol.com/news/business/ed-seizes-over-rs-40-cr-assets-of-pune-businessman-in-fema-case-7070611.html>
- **Rupee falls for second day, settles 27 paise down at 74.37/USD:** The Indian rupee depreciated 27 paise to close at 74.37 against the US dollar on Tuesday in its second straight day of losses following a stronger dollar overseas. At the interbank forex market, the domestic unit opened weak at 74.18 against the American currency, lost further ground and finally closed at 74.37, showing a fall of 27



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paise over its previous close. On Monday, the rupee had settled at 74.10. The local unit witnessed an intra-day high of 74.05 and a low of 74.40 against the greenback during the trading session. The domestic currency has lost 51 paise in the two trading sessions to Tuesday.

https://www.business-standard.com/article/finance/rupee-falls-for-second-day-settles-27-paise-down-at-74-37-against-usd-121062201070_1.html#:~:text=The%20Indian%20rupee%20depreciated%2027,following%20a%20stronger%20dollar%20overseas.

- **Market surrenders all gains to end flat amid sell-off in FMCG, financial stocks:** The BSE Sensex which recorded a fresh all-time high of 53,057.11, closed at 52,588.71, up 14.25 points or 0.03 per cent. It hit an intraday low of 52,520.55. The Nifty 50 closed at 15,772.75, up 26.25 points or 0.17 per cent. It hit an intraday high of 15,895.75 and a low of 15,752.10. The breadth of the market remained positive with 2,026 stocks advancing, 1,212 declining and 125 remaining unchanged on the BSE. As many as 546 securities hit the upper circuit and 210 the lower circuit; 452 hit their 52-week high while 18 touched a 52-week low. Maruti, UPL, Shree Cements, Wipro and SBI Life were the top gainers on the Nifty 50 while Asian Paints, Bajaj Finance, Nestle India, Hindustan Unilever and IndusInd Bank were the top laggards.
<https://www.thehindubusinessline.com/markets/stock-markets/market-surrenders-all-gains-to-end-flat-amid-sell-off-in-fmcg-financial-stocks/article34905961.ece>
- **Gold prices today rise but down ₹2,500 this month, silver rates drop:** Gold and silver prices were mixed today in Indian markets after a sharp drop in rates the previous week. On MCX, gold futures edged 0.24% higher to ₹47,185 per 10 gram while silver futures edged 0.05% lower to ₹67,730 per kg. The precious metal has corrected sharply this month in India, falling from ₹49,500 levels, tracking a decline in global rates. MCX gold has support at ₹46800-46600 levels, say analysts.
<https://www.livemint.com/market/commodities/gold-prices-today-rise-but-down-rs-2-500-this-month-silver-rates-drop-11624331984726.html>

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