



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

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- **BoM Q1 net profit soars 106% to ₹208 crore:** Bank of Maharashtra's (BoM) standalone net profit soared 106 per cent year-on-year (y-o-y) to ₹208 crore in the first quarter ended June 30, 2021, on the back of a healthy growth in net interest income and total non-interest income. The Pune-headquartered public sector bank had reported a net profit of ₹101 crore in the year ago period. However, BoM restructured higher quantum of advances, mainly in the retail and corporate segments, even as its asset quality, in terms of non-performing asset (NPA) ratios, showed improvement in the reporting quarter. Net interest income (difference between interest earned and interest expended) was up 29 per cent y-o-y to ₹1,406 crore (₹1,088 crore in the year ago quarter).
[https://www.thehindubusinessline.com/money-and-banking/bom-q1-net-profit-soars-106-to-208-crore/article35469864.ece#:~:text=Bank%20of%20Maharashtra's%20\(BoM\)%20standalone,and%20to%20non%2Dinterest%20income](https://www.thehindubusinessline.com/money-and-banking/bom-q1-net-profit-soars-106-to-208-crore/article35469864.ece#:~:text=Bank%20of%20Maharashtra's%20(BoM)%20standalone,and%20to%20non%2Dinterest%20income).
- **CSB Bank's Q1 net rises 14% y-o-y to ₹61 crore:** CSB Bank reported a 14 per cent year-on-year (yoy) increase in net profit at ₹61 crore in the first quarter ended June 30, 2021 even as it saw a rise in delinquencies in gold loans, which account for a major share of its credit portfolio. The Thrissur-headquartered private sector bank had reported a net profit of ₹54 crore in the year-ago quarter. CVR Rajendran, Managing Director and CEO said, "Covid second wave coupled with the LTV (loan to value) management of gold loans did pose some challenges in the first quarter of FY22. "...We are confident of managing the NPAs as the challenges are mainly from the gold segment where recovery is only a matter of time."
<https://www.thehindubusinessline.com/money-and-banking/csb-banks-q1-net-rises-14-y-o-y-to-61-crore/article35472976.ece>
- **South Indian Bank net profit slips on higher credit cost:** Higher credit cost had its impact on the profitability of South Indian Bank in the first quarter of FY22. The bank has posted a net profit of ₹10.31 crore in Q1 compared to ₹81.65 crore in the corresponding period of the previous year. However, the operating profit has registered a 26.86 per cent growth in Q1 at ₹512.12 crore as against ₹403.68 crore during the corresponding period of the previous year. Murali Ramakrishnan, MD & CEO said that slippages during the quarter was on the higher side by which the gross NPA and net NPA stood at 8.02 and 5.05 per cent, respectively, as on June 30 in view of Covid scenario, affecting various sectors.
<https://www.thehindubusinessline.com/money-and-banking/south-indian-bank-net-profit-slips-on-higher-credit-cost/article35471542.ece>
- **'Mastercard's dual record maintenance led to RBI ban':** The Reserve Bank of India barred Mastercard Inc. from issuing new cards in India after it found the US-based payments major was storing customers' data on servers located outside the country and also failing to erase from overseas servers the Indian leg of the transactions data within 24 hours as mandated, three sources aware of the matter told ET. The card network may also have been non-compliant with Indian central bank's



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requirement to appoint a domestic auditor certified by the country's nodal cybersecurity agency— Indian Computer Emergency Response Team (CERT-in)—to conduct its external compliance audit, the sources added. “Some part of the transaction data is being kept in India, but a significant part of information related to transaction processing and fraud checks is going out of the geography. Effectively, it is a dual record maintenance and that is what the regulator is not okay with,” a senior bank official aware of the matter told ET.

<https://economictimes.indiatimes.com/news/economy/finance/mastercards-dual-record-maintenance-led-to-rbi-ban/articleshow/84623039.cms>

- **IDFC gains 18.67% after RBI approves exit as promoter of IDFC First Bank:** Shares of IDFC Ltd gained as much as 18.67% after the company said that the Reserve Bank of India (RBI) has allowed it to exit as the promoter of IDFC First Bank as the five-year lock-in period expires. At 03.15 pm, IDFC was trading at ₹59.25 up 12.32% from its previous close, while the benchmark index, Sensex gained 1.22% to 52,836.91. The five-year lock-in period ended on 30 September 2020. IDFC currently owns a 100% stake in IDFC Financial Holding Co., which, in turn, holds 100% in IDFC Asset Management and 36.56% in IDFC First Bank.
<https://www.livemint.com/industry/banking/idfc-gains-19-after-rbi-approves-exit-as-promoter-of-idfc-first-bank-11626947520241.html>
- **UCBs fear disruption as RBI's deadline on the appointment of MDs looms large:** Hundreds of urban co-operative banks (UCBs) may have to change their Managing Directors by August 25, 2021, if the Reserve Bank of India (RBI) does not give them leeway on its directions on the appointment of Managing Director (MD) and Whole-Time Director (WTD), according to an apex body of co-operatives. The National Federation of Urban Cooperative Banks and Credit Societies (NAFCUB) has requested the RBI to allow incumbent MDs of UCBs to complete their tenure and make its directions on appointment of MD/WTD applicable only to fresh appointments. The Federation emphasised that the aforementioned arrangement will be least disruptive and also give banks time to comply with the RBI directions.
<https://www.thehindubusinessline.com/money-and-banking/ucbs-fear-disruption-as-rbis-deadline-on-the-appointment-of-mds-looms-large/article35463900.ece>
- **Citi appoints Rahul Saraf as Head of Investment Banking, India:** Citi has appointed Rahul Saraf as Head of Investment Banking, India. “In this new role, Saraf will support the growth of Citi India’s renewed focus on the institutional business, leveraging his deep relationships with large Indian conglomerates and some of our other key clients, and will continue to report to Ravi Kapoor, Head of Banking, Capital Markets and Advisory, Citi South Asia,” it said in a statement. Prior to this new role, Saraf led coverage of several large clients across the industrials and infrastructure sectors, and has led many marquee deals across M&A, equity and debt capital markets.
<https://www.thehindubusinessline.com/money-and-banking/citi-appoints-rahul-saraf-as-head-of-investment-banking-india/article35470953.ece>



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- **Visa to acquire Currencycloud at 700 million pounds valuation:** Visa Inc said on Thursday it had agreed to buy British cross-border payments provider Currencycloud at a valuation of 700 million pounds (\$962.01million). Visa has been a Currencycloud shareholder since 2020, and the financial consideration will be reduced by the equity that the card network company already owns in the start-up, the company said. Launched in 2012, Currencycloud facilitates cross-border payments for nearly 500 banking and technology companies, including well-known European fintechs Klarna, Monzo, Starling and Revolut. Since its launch, it has moved more than \$75 billion in payments to over 180 countries.
<https://www.thehindubusinessline.com/money-and-banking/visa-to-acquire-currencycloud-at-700-million-pounds-valuation/article35468907.ece>
- **Magma Fincorp is now Poonawalla Fincorp:** Magma Fincorp has been renamed Poonawalla Fincorp and has initiated rebranding activity. This comes after the Adar Poonawalla-led Rising Sun Holdings acquired a controlling stake in the NBFC on May 21. “Along with this, its fully-owned housing finance subsidiary Magma Housing Finance is also renamed as Poonawalla Housing Finance,” the company said in a statement on Thursday.
<https://www.thehindubusinessline.com/companies/magma-fincorp-is-now-poonawalla-fincorp/article35470446.ece>
- **RBI working towards phased implementation for a digital currency:** The Reserve Bank of India (RBI) is currently working towards a phased implementation strategy for a central bank digital currency (CBDC) and examining use cases to ensure there is little or no disruption, deputy governor T Rabi Sankar said on Thursday. According to Sankar, some key issues under examination are, whether CBDCs should be used in retail payments or also in wholesale payments; whether it should be a distributed ledger or a centralized ledger; whether direct issuance by the RBI or through banks and the degree of anonymity it would provide.
<https://economictimes.indiatimes.com/tech/technology/rbi-working-towards-phased-introduction-of-digital-rupee/articleshow/84645381.cms>
- **South Korea's KakaoBank to raise \$2.2 bn as IPO boom continues:** KakaoBank Corp. is set to raise 2.55 trillion won (\$2.2 billion) after the internet-only retail lender backed by South Korea's Kakao Corp. priced its initial public offering at the top of a marketed range. The bank, which operates no brick-and-mortar branches, priced 65.45 million new shares at 39,000 won apiece, according to a filing Thursday, giving it a value of 18.5 trillion won. That would make it the nation's most valuable retail lender after KB Financial Group Inc. and Shinhan Financial Group Co.
<https://www.livemint.com/industry/banking/south-korea-s-kakaobank-to-raise-2-2-bn-as-ipo-boom-continues-11626969012212.html>
- **Bajaj Finserv will enter asset management business: Sanjiv Bajaj:** Bajaj Finserv will enter the asset management business, Sanjiv Bajaj- chairman and managing director, Bajaj Finserv, said on Wednesday at the company's annual general meeting. The company has applied for a licence to start an asset management company and is awaiting approval from the Securities and Exchange Board of India. Through this, they would first launch mutual funds and later, portfolio management services



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business, Bajaj said. The business would leverage the digital platform to provide low-cost, but high-value services, he said. The MD is looking forward to be a market player offering all financial services, and deliver them seamlessly through an app-based platform. The company at present has three main businesses — finance and two insurance ventures. The company added housing finance business and also entered retail stock broking services with demat, broking and margin trade financing. It has forayed into healthtech with Bajaj Finserv Health that combines technology, healthcare and financial services for corporate and individual customers.

<https://www.financialexpress.com/industry/banking-finance/bajaj-finserv-will-enter-asset-management-business-sanjiv-bajaj/2295202/>

- **COVID-19 impact: ICICI Lombard General Insurance Q1 net profit declines 62%:** Private non-life insurer ICICI Lombard General Insurance posted a 61.9 percent year-on-year (YoY) drop in its June quarter (Q1) net profit at Rs 151.63 crore due to an underwriting loss amidst rise in COVID-19 claims. For the quarter (Q1FY22), the insurer posted an underwriting loss of Rs 508.16 crore. In the year-ago period, there was an underwriting profit of Rs 38.16 crore. The rise in underwriting loss was on account of increase in health claims amidst the second wave of COVID-19. Loss ratios in health segment rose to 153.2 percent in Q1 as against 75.5 percent a year ago. This means that for every Rs 100 collected as premium, Rs 153.2 is paid out as claim. Underwriting loss in health retail stood at Rs 182.81 crore in Q1 as against loss of Rs 15.
<https://www.moneycontrol.com/news/business/companies/covid-19-impact-icici-lombard-general-insurance-q1-net-profit-declines-62-7209831.html>
- **Gold prices fall below Rs 48,000/10 gm on firm rupee, improved risk sentiment; silver slides by Rs 214:** Gold prices plunged by Rs 552 to Rs 47,670 per 10 gram in the Mumbai retail market on firm rupee and negative global trends owing to improved risk sentiment. The yellow metal was also weighed down by worries about rising inflation and the growing number of coronavirus cases. The price of 10 gram, 22-carat gold in Mumbai was Rs 43,666 plus 3 percent GST, while 24-carat 10 gram stood at Rs 47,670 plus GST. The 18-carat gold is quoted at Rs 35,753 plus GST in the retail market. Silver prices fell by Rs 214 to Rs 66,766 per kg against its closing price on July 20.
<https://www.moneycontrol.com/news/business/commodities/gold-prices-fall-below-rs-4800010-gm-on-firm-rupee-improved-risk-sentiment-silver-slides-by-rs-214-7209071.html>
- **Market rebounds sharply on positive global cues:** The BSE Sensex closed at 52,837.21, up 638.70 points or 1.22 per cent. It hit an intraday high of 52,867.26 and a low of 52,471.23. The Nifty 50 closed at 15,824.05, up 191.95 points or 1.23 per cent near the day's high of 15,834.80. It hit an intraday low of 15,726.40. The breadth of the market turned positive, with 2,184 stocks advancing, 1,066 declining and 138 remaining unchanged on the BSE. As many as 521 securities hit the upper circuit and 213 lower; 460 hit their 52-week high while 17 touched a 52-week low. JSW Steel, Tech Mahindra, Bajaj Finance, Bharti Airtel and Tata Steel were the top gainer on the Nifty 50, while Hindustan Unilever, Asian Paints, Bajaj Auto, Cipla and Mahindra & Mahindra were the top laggards.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-jumps-over-400-points-nifty-tops-15750/article35458162.ece>



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- **Rupee gains 15 paise to close at 74.46:** The rupee strengthened against the US currency for the second straight session on Thursday, closing 15 paise higher at 74.46 amid a rally in the domestic stocks. At the interbank forex market, the rupee opened at 74.46, and hit an intra-day high of 74.33 and a low of 74.53. It finally finished at 74.46, higher by 15 paise over its last close.
<https://www.thehindubusinessline.com/markets/forex/rupee-gains-15-paise-to-close-at-7446/article35471816.ece>

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