



**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 27, 2021

- **SBI ready to meet credit growth spike, expects loan book to grow 9% in FY22:** Being “cautiously optimistic” about its prospects, State Bank of India, the country’s largest lender, expects its loan book to grow 9 per cent in FY22 and is intensifying efforts in recovering stressed assets. Notwithstanding the second wave of Covid-19, the Indian economy, through its resilience, is poised for a recovery in FY22. “I am cautiously optimistic that the performance trajectory of FY21 will continue in FY22 as well,” said Chairman Dinesh Khara in his address to the shareholders at the virtual annual general meeting. The bank’s loan book had grown 4.8 per cent in FY21. Khara said FY22 had begun with an unexpected second wave of Covid-19 infections. Although the containment strategy this time included avoiding a complete lockdown and managing the situation through micro-containment zones, the impact on the economy will nevertheless be felt. The bank is well equipped (with capital adequacy) to take care of credit growth, he said. As of now, capital adequacy stands at about 13.74 per cent, which is fairly comfortable, the chairman said in response to queries.
https://www.business-standard.com/article/finance/sbi-ready-to-meet-credit-growth-spike-expects-loan-book-to-grow-9-in-fy22-121062600032_1.html
- **Covid-19 impact: Federal Bank provides about 400 part-time jobs in Kerala:** Federal Bank on Saturday said it has provided 400-odd part-time jobs with a monthly salary of Rs 18,000 at its branches in Kerala so far, in a bid to help those who lost their employment due to the Covid-19 pandemic. Designated as 'Covid Wardens', these people were hired to manage crowds, provide masks and sanitiser to the public visiting the branches in the State, it said. The livelihood enhancement project was started as part of its corporate social responsibility (CSR) initiative in August 2020 and is continuing even now. Federal Bank Chief Human Resource Officer Ajith Kumar K K said, "This is a part-time job given to tide over the situation, not a full-time employment." The bank hired these people at a monthly salary of Rs 18,000 per month. About Rs 6 crore has been spent towards salary in the last 10 months, he said.
<https://www.thehindubusinessline.com/money-and-banking/covid-19-impact-federal-bank-provides-about-400-part-time-jobs-in-kerala/article34985170.ece>
- **PNB HFC-Carlyle pact: Deal complies with guidelines, PNB board told:** Punjab National Bank (PNB) has informed its board members that all regulatory guidelines were followed by its associate company — PNB Housing Finance (PNB HFL) — while finalising the fundraising deal with the Carlyle Group and other investors. According to an official present in the meeting, there was no change in the opinion of the PNB management towards the proposed investment of Rs 4,000 crore by the Carlyle Group and others in PNB Housing Finance. Although the capital raising plan by PNB Housing was not a part of the listed agenda of the board meeting, the issue was discussed at the lender’s board meeting. “No doubts were raised on PNB Housing’s deal with Carlyle and other investors falling through,” the official said. PNB and its associate PNB HFL can’t escape any regulations or mandated norms, the official said, adding that there has been misleading information about the mortgage lender’s deal. All processes



**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

have been followed transparently to ensure nothing goes wrong, board members were told by PNB officials.

https://www.business-standard.com/article/finance/pnb-hfc-carlyle-pact-deal-complies-with-guidelines-pnb%E2%80%88board-told-121062600036_1.html

- **LIC, SBI Life, Canara Bank pick up stakes in Indian Bank under QIP:** Life Insurance Corporation (LIC), SBI Life and Canara Bank were among the top investors picking up stakes in Indian Bank under a QIP, according to a regulatory filing. The country's largest and the only state-owned life insurer, LIC, picked up 17.80 per cent of the shares issued under the qualified institutional placement (QIP), which closed on Thursday. It was followed by SBI Life Insurance (11.87 per cent), SBI Mutual Fund and its various schemes (11.87 per cent), Societe Generale and its various schemes (9.74 per cent) and Canara Bank subscribing to 5.93 per cent of the shares offered in the issue, according to the regulatory filing by Indian Bank.
<http://www.businessworld.in/article/LIC-SBI-Life-Canara-Bank-Pick-Up-Stakes-In-Indian-Bank-Under-QIP/26-06-2021-394499/>
- **HDFC Bank ups lending to state-run entities:** HDFC Bank has lately been raising its lending to state-run entities, considered the safest corporate borrowing segment in a pandemic year. MSME exposure has also crossed the Rs 2-lakh-crore threshold, underscoring the importance of rural and smaller businesses in expanding the asset base at India's most valuable bank. "While we continue to focus on the Corporate Cluster and Government Business to increase penetration, we have created a new business segment of Commercial (MSME) and Rural Banking to capture the next wave of growth," Sashidhar Jagdishan, MD, HDFC Bank, said in the latest annual report. Even as the world remains largely indoors due to the episodic Covid waves, Jagdishan said the focus would be on expanding footprint.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-ups-lending-to-state-entities/articleshow/83854588.cms>
- **In Covid year, banks see record profit of Rs 1 lakh crore:** The banking sector has recorded its highest ever profits of Rs 1,02,252 crore in FY21, a year when the economy was battered by the pandemic. This is a significant turnaround compared to a net loss of nearly Rs 5,000 crore for the industry in FY19. Two banks — HDFC Bank and SBI — contributed half of the industry's profits. Of the total profits, HDFC Bank at Rs 31,116 crore accounted for 30%, an 18% increase over the previous year. The country's largest lender SBI accounted for another 20% at Rs 20,410 crore. The third-highest was ICICI Bank, which earned Rs 16,192 crore, more than double what it earned in the previous year. Private banks also gained market share as public sector banks (PSBs) went slow in lending. The biggest turnaround was among PSBs which reported a collective net profit for the first time in five years. Only two of the 12 PSU banks — Punjab & Sind Bank and Central Bank of India — reported a net loss for the year.
<https://timesofindia.indiatimes.com/business/india-business/in-covid-year-banks-see-record-profit-of-rs-1-lakh-crore/articleshow/83860739.cms>



**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

- **PNB Housing shareholders okay board appointments:** Shareholders of PNB Housing Finance Ltd voted in favour of Hardayal Prasad's appointment as managing director and CEO and several other independent and non- executive directors including one from private equity firm Carlyle, the mortgage lender said in an exchange filing on Friday. But it refused to disclose the voting numbers on a resolution proposing a ₹4,000 crore capital raise via a preferential allotment of shares to a clutch of investors led by American PE giant Carlyle Group and the family investment firm of former HDFC Bank chief executive officer Aditya Puri, Salisbury investments Pvt. Ltd. The voting numbers on the Carlyle resolution will be kept in a sealed cover until the Securities Appellate Tribunal delivers its final verdict on the fund-raising proposal, expected on 5 July.
<https://www.livemint.com/industry/banking/pnb-housing-shareholders-okay-board-appointments-11624640329530.html>
- **Banks added 47% fewer credit cards in April than previous month:** The Indian banking system reported net additions of around 211,000 new credit cards in April, down 47% from the previous month, according to data from the Reserve Bank of India (RBI) analysed by Motilal Oswal Financial Services. Total credit card base rose 8.5% year-on-year (y-o-y) to 62.3 million as against a 7.5% y-o-y growth in March. Meanwhile, credit card spends fell 18% month-on-month to Rs59,400 crore in April, but surged a massive 183% on year due to a low base in April last year, the report said. ICICI Bank reported the lowest decline of 12.5% month-on-month in April, while other major players reported a 15-21% dip, mostly a result of the lockdown in various states over the last few months. Among major players, ICICI Bank reported strong growth of 18% y-o-y in outstanding cards, followed by IndusInd Bank (15.2%), RBL Bank (14.4%), and SBI Card (13.6%). Foreign players like Citi and American Express witnessed a 5.5% and 9.6% decline, respectively, Motilal Oswal said in the report.
<https://www.livemint.com/industry/banking/banks-added-47-fewer-credit-cards-in-april-than-previous-month-11624678260179.html>
- **Govt's total liabilities rise to Rs 116.21 lakh crore at end-March 2021:** The government's total liabilities stood at Rs 116.21 lakh crore at the end of March 2021, up 6.36 per cent from the previous quarter, according to official data released on Friday. The total liabilities (including liabilities under the 'Public Account') of the government were Rs 109.26 lakh crore at end-December 2020. "This represented a quarter-on-quarter increase of 6.36 per cent in Q4, FY21," said the Public Debt Management report for the January-March 2021 quarter, released by the finance ministry. Public debt accounted for 88.10 per cent of total outstanding liabilities at end-March 2021. Nearly 29.33 per cent of the outstanding dated securities had a residual maturity of less than 5 years. The ownership pattern shows the share of commercial banks at 37.8 per cent and 25.3 per cent for insurance companies. "The yields on Government securities hardened in the secondary market due to increase in supply of G-secs during the quarter."
<https://economictimes.indiatimes.com/news/economy/finance/govts-total-liabilities-rise-to-rs-116-21-lakh-crore-at-end-march-2021/articleshow/83845220.cms>



**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.