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DAILY UPDATES BY BFSI BOARD, ICAI

May 29, 2021

- **Canara Bank announces three loan schemes amid fight against COVID-19:** State-run Canara Bank on Friday announced three loan schemes as part of the fight against the pandemic under which it will offer healthcare credit, business and personal loan to individuals. The Canara Chikitsa healthcare credit facility will offer loans from over Rs 10 lakh to Rs 50 crore to registered hospitals, nursing homes, medical practitioners, diagnostic centres, pathology labs and all other units engaged in the servicing healthcare infrastructure. The loan to be offered at a concessional rate of interest will have tenor of 10 years with moratorium up to 18 months, Canara Bank said in an advertisement. The Canara Jeevanrekha healthcare business loan will offer loan up to Rs 2 crore at a concessional interest rate for manufacture and supply of healthcare products such as medical oxygen and oxygen cylinders and oxygen concentrators to registered hospitals and nursing homes or other manufacturers and suppliers.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/canara-bank-announces-three-loan-schemes-amid-fight-against-covid-19/articleshow/83029522.cms?from=mdr>
- **Indian Bank posts net profit of Rs 1,709 cr for March quarter:** Total income during the January-March quarter of 2020-21 increased to Rs 10,647.87 crore. It was Rs 6,334.37 crore in the same period of 2019-20, Indian Bank said in a regulatory filing. Indian Bank on Friday reported a net profit of Rs 1,708.85 crore in the March-ended quarter. The lender had posted a net loss of Rs 217.74 crore in the same quarter of the preceding financial year 2019-20. Sequentially, the bank had posted a net profit of Rs 514.29 crore in the December quarter of the financial year 2020-21. The bank said figures of March 31, 2020, are related to standalone Indian Bank financing for the pre-amalgamation period, hence not comparable with the post amalgamation financials of December 2020 and March 2021. The erstwhile Allahabad Bank was amalgamated into Indian bank with effect from April 1, 2020.
<https://www.financialexpress.com/industry/banking-finance/indian-bank-posts-net-profit-of-rs-1709-cr-for-march-quarter/2260883/>
- **UCO Bank gets board nod for Rs 3,000-cr equity capital raise in FY22:** State-owned UCO Bank on Thursday said its board has approved raising Rs 3,000 crore equity capital for the current fiscal year. "The board of directors of the bank, this day May 27, 2021, approved the proposal for raising of equity capital aggregating to Rs 3,000 crore during the financial year 2021-22," UCO Bank said in a regulatory filing. The fundraise can take place through various modes, such as follow on public offer (FPO), qualified institutional placement (QIP) and preferential issue, subject to necessary approvals from shareholders, government, RBI and Sebi, it added. The Kolkata-headquartered lender said the capital raise plan will be placed before the shareholders for their approval in its ensuing annual general meeting. The bank also reported - Business Standard
https://www.business-standard.com/article/finance/uco-bank-gets-board-nod-for-rs-3-000-cr-equity-capital-raise-in-fy22-121052701561_1.html



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- **UCO Bank allots 203 cr preferential shares to govt for capital infusion:** UCO Bank on Friday said it has allotted over 203 crore preferential shares to the government in lieu of Rs 2,600 crore capital infusion for 2020-21. "We hereby inform that the competent authority this day allotted 203,76,17,554 equity shares of Rs 10 each to Government of India at an issue price of Rs 12.76 per share against capital contribution of Rs 2,600 crore received by the Bank on 31.03.2021," UCO Bank said in a BSE filing. On Thursday, the bank said its board has approved a proposal to raise up to Rs 3,000 crore equity capital in 2021-22 through various means including preferential issue, follow on public offer or qualified institutional placement. UCO Bank stock closed 2.81 per cent up at Rs 13.52 on BSE.
https://www.business-standard.com/article/finance/uco-bank-allots-203-cr-preferential-shares-to-govt-for-capital-infusion-121052801482_1.html
- **HDFC Bank commits Rs 100 cr towards COVID relief in FY22:** The country's largest private sector lender HDFC Bank on Friday committed Rs 100 crore for setting up medical infrastructure for COVID-19 relief in 2021-22. The Mumbai-headquartered bank is planning to set up 20 oxygen plants in hospitals besides three 100-bed COVID care facilities as part of the plan. In a statement, the bank said the Rs 100 crore commitment for the ongoing fiscal year is an initial amount, and comes on top of a Rs 120 crore contribution done in 2020-21 as part of its initiative christened 'Parivartan'. Underlining the need for the community and organisations to come together in the current crisis, its group head for corporate social responsibility, Ashima Bhat said the bank's efforts are a small token of its commitment towards the society. 'Parivartan' focuses on creating long-term sustainable infrastructure and the bank will be working with NGO partners and local infrastructure to render the help being announced, she added.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-commits-rs-100-cr-towards-covid-relief-in-fy22/articleshow/83033535.cms?from=mdr>
- **ICICI Bank to use satellite data to assess creditworthiness of farmers:** ICICI Bank has announced a unique way to assess creditworthiness of a specific group of customers. The bank will use satellite data imagery to assess the creditworthiness of its customers belonging to the farm sector. With the introduction of this new method, ICICI Bank will become the first in India and among few globally to use satellite data to measure an array of parameters related to the land, irrigation and crop patterns and use it in combination with demographic and financial parameters to make quicker lending decisions for farmers.
<https://www.livemint.com/industry/banking/icici-bank-to-use-satellite-data-to-asses-creditworthiness-of-farmers-11622202059475.html>
- **Bank credit growth decelerates to 5.6% in March from 6.4% last year:** Bank credit growth decelerated to 5.6 per cent in March 2021 from 6.4 per cent a year ago, the Reserve Bank said on Friday. On the other hand, aggregate deposits growth accelerated to 12.3 per cent in March 2021 from 9.5 per cent in the same month of the previous year. Lower growth in credit vis-a-vis deposits led to decline in the all-India credit-deposit (C-D) ratio to 71.5 per cent in March 2021 from 76 per cent a year ago. Combined credit by bank branches in top six centres (Greater Mumbai, Delhi, Bengaluru, Chennai, Hyderabad and Kolkata) declined marginally during 2020-21. These six centres together accounted for over 46 per cent of total bank credit. "Bank branches in urban, semi-urban and rural



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areas, on the other hand, recorded 9.4 per cent, 14.3 per cent and 14.5 per cent credit growth, respectively, during the year," the RBI said while releasing the 'Quarterly Statistics on Deposits and Credit of SCBs: March 2021'. Public sector and private sector banks recorded 3.6 per cent and 9.1 per cent credit growth, respectively, whereas lending by foreign banks declined during 2020-21.

https://www.business-standard.com/article/finance/bank-credit-growth-decelerates-to-5-6-in-march-from-6-4-last-year-121052801364_1.html#:~:text=Bank%20credit%20growth%20decelerated%20to,Reserve%20Bank%20said%20on%20Friday.

- **RBI imposes Rs 10 crore penalty on HDFC Bank for irregularities in auto loan book:** The Reserve Bank of India on Friday fined HDFC Bank Rs 10 crore for irregularities found in its auto loan book. The regulator found the bank deficient in compliance. The regulator said that after receiving a complaint from a whistle blower it had conducted an examination in the marketing and sale of third-party non-financial products to the bank's auto loan customers. The regulator said that it had found that the bank was in contravention of regulatory directions. "The RBI has imposed a monetary penalty of Rs 10 crore on HDFC Bank for contravention of provisions of section 6(2) and section 8 of the Banking Regulation Act," the regulator said in a statement. "This action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers."
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-imposes-rs-10-crore-penalty-on-hdfc-bank-for-irregularities-in-auto-loan-book/articleshow/83038385.cms?from=mdr>
- **SBI Card expects to return to 'business-as-usual' in Sept quarter:** The second Covid-19 wave may have, to some extent, dented SBI Card's business growth in May, albeit on a lower scale than May last year, but the company sees a return to business-as-usual (BAU) scenario in the July-September quarter, its Chief Executive Officer Rama Mohan Rao Amara said. However, the return to BAU depends on the pace of vaccination, return of consumer confidence and India being able to avoid a third wave, he told BusinessLine. The first two months of this fiscal (April-May 2021) saw increased overall card spends as well as higher onboarding of customers compared to the same period last year. "If we are able to avoid another wave before March 2022, I don't have any doubt that our performance in the current fiscal will be equal to our performance last year or even better," he said.
<https://www.thehindubusinessline.com/money-and-banking/sbi-card-expects-to-return-to-business-as-usual-in-sept-quarter/article34667148.ece>
- **Shriram Life Insurance eyes 15-20% growth:** Private sector Shriram Life Insurance, which has been focussing on rural markets, is hoping to grow by 15-20 per cent on an annual basis. "The expectation is that the life insurance industry will grow by about 15 per cent or so for the next number of years. So we hope to grow slightly faster than that — maybe between 15 per cent and 20 per cent per year," said Casparus Kromhout, Managing Director and CEO, Shriram Life Insurance. While the second wave of the Covid-19 pandemic has raised further uncertainties on the economic outlook, Kromhout said the life insurer has been putting a lot of things in place for supporting its existing channels. It has also been working on innovation and creating new business models.



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<https://www.thehindubusinessline.com/money-and-banking/shriram-life-insurance-eyes-15-20-growth/article34666539.ece>

- **More Indians are now tapping mobiles to pay than cards:** Indians, facing restrictions due to the Covid-19 pandemic over the course of the last fiscal, used more of mobile-based digital payments such as Unified Payments Interface (UPI) and Bharat Bill Payment System (BBPS) and less of their credit and debit cards, according to data released by the Reserve Bank of India.
<https://economictimes.indiatimes.com/markets/stocks/news/digital-rules-card-swipes-make-way-for-mobile-taps/articleshow/83017738.cms?from=mdr>
- **Banks in better position to manage stress in second Covid-19 wave: RBI:** Banks are better placed in this Covid wave to manage stress in balance sheets than before, the RBI said, helped by higher capital buffers, improvement in recoveries and a return to profitability. As the country battles a second wave of infections, state governments have imposed localised lockdowns to contain the spread. These curbs have hit economic activity, leading to job and business loss and increased stress in the system. In its annual report released on Thursday, the Reserve Bank of India (RBI) said banks' asset quality will need to be closely monitored in the coming quarters, with preparedness for higher provisioning against the backdrop of the Supreme Court lifting an interim stay on asset classification. The waiving of 'interest on interest' charged on loans during the moratorium period (March 1, 2020, to August 31, 2020) may also impinge on lending institutions' finances.
https://www.business-standard.com/article/finance/banks-in-better-position-to-manage-stress-in-second-covid-19-wave-rbi-121052800056_1.html#:~:text=Banks%20are%20better%20placed%20in,and%20a%20return%20to%20profitability
- **Every third banknote in circulation is a Rs 500: RBI annual report:** There were more banknotes in circulation in 2020-21 than the year before as people hoarded cash in the middle of a pandemic, with Rs 500 denomination notes making up for over 31 per cent of the total. The share of Rs 500 notes, in volume terms, increased from 25.4 per cent in 2020. It was just about 15 per cent in 2018. In value terms, Rs 500 denomination notes constitute 68.4 per cent of the total value of banknotes in circulation. In 2020, that share was 60.8 per cent and in 2019 it was 51 per cent. The share of Rs 2,000 notes, however, has been declining both in value and volume terms.
https://www.business-standard.com/article/finance/every-third-banknote-in-circulation-is-a-rs-500-rbi-annual-report-121052800063_1.html#:~:text=The%20share%20of%20Rs%20500,value%20of%20banknotes%20in%20circulation
- **Northern Arc completes Rs 350 cr MLD for Shriram Transport Finance:** Northern Arc, a digital debt platform, said on Friday it has concluded an Rs 350 crore market-linked debentures transaction with Shriram Transport Finance. STFC is one of the largest asset financing NBFCs for the commercial vehicle industry in the country, working with small truck owners for assets-related needs. This is the latest in a series of MLD transactions structured, executed, and invested in by Northern Arc, through which it has



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facilitated debt funding for its partners across MSME financing, commercial vehicle (CV) financing, and gold loans.

https://www.business-standard.com/article/finance/northern-arc-completes-rs-350-cr-mld-for-shriram-transport-finance-121052800490_1.html

- **Standard and Poors affirms BB/B ratings on IDBI Bank with negative outlook:** S & P Global Ratings has affirmed BB long-term and B short-term foreign currency issuer credit ratings on IDBI Bank. It also affirmed BB programme rating on the senior unsecured notes under its medium-term notes (MTN) programme and then withdrew the ratings at the bank's request. S & P said the outlook was negative at the time of withdrawal. "We affirmed the ratings because we expect IDBI Bank's improving financial performance to offset the risk of bank's weakening link with the government." The Union Cabinet has approved strategic disinvestment along with the transfer of management control in IDBI Bank. "We considered this as a key transition risk for the rating over the next 12 to 18 months."
https://www.business-standard.com/article/finance/s-p-affirms-bb-b-ratings-on-idbi-bank-with-negative-outlook-121052800587_1.html#:~:text=%C2%ABBack-Standard%20and%20Poors%20affirms%20BB%2FB%20ratings,IDBI%20Bank%20with%20negative%20outlook&text=S%20%26%20P%20Global%20Ratings%20has,credit%20ratings%20on%20IDBI%20Bank.&text=The%20Union%20Cabinet%20has%20approved,management%20control%20in%20IDBI%20Bank.
- **Paytm Visa physical debit cards soon; Paytm Payments Bank eyes 45 lakh cards in FY22:** Paytm Payments Bank will launch physical debit cards issued by Visa. Currently, it offers physical debit cards by Rupay, and virtual debit cards by Visa to customers. Paytm said that Visa physical debit cards will allow customers to use these at over 50 lakh Visa acceptance points and will allow them to tap and pay for contactless transactions. Paytm Payments Bank has already issued over 45 lakh virtual debit cards. It has now set a target to issue over 10 lakh physical debit cards by the end of this fiscal. Paytm is among largest issuer of RuPay Debit Cards in the country, which can be used by customers at all the major online merchants which accept Rupay cards
<https://www.financialexpress.com/industry/banking-finance/paytm-visa-physical-debit-cards-soon-paytm-payments-bank-eyes-45-lakh-cards-in-fy22/2260611/>
- **Sebi asks banks to transfer money available in accounts of PACL's 640 group entities to its a/c:** In a bid to recover investors' money, Sebi has ordered banks to transfer to its account all the money available in the bank accounts of 640 group entities of PACL Ltd by Wednesday. The markets regulator in September 2016 had ordered freezing of bank accounts as well as demat and mutual fund holdings of these entities. In a directive to all banks on Thursday, Sebi has asked them to remit the entire amount available in the banks and fixed deposits accounts of 640 group entities of PACL to the regulator's accounts by June 2. It, further, said that attachment of the bank accounts as well as other accounts of these entities would continue. PACL had raised Rs 49,100 crore from nearly 5 crore investors that it needs to refund along with promised returns, interest payout and other charges, which took the total amount due to over Rs 60,000 crore.



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<https://www.moneycontrol.com/news/business/sebi-asks-banks-to-transfer-money-available-in-accounts-of-pacls-640-group-entities-to-its-ac-6957741.html>

- **India's forex reserves hit lifetime high, rise \$2.8 billion to \$592.894 billion:** The country's foreign exchange reserves rose by USD 2.865 billion to a record high of USD 592.894 billion for the week ended May 21, boosted by gold and currency assets, RBI data showed on Friday. The previous all-time high for the forex kitty was USD 590.185 billion for the week ended January 29, 2021. For the previous week ended May 14, the reserves had increased by USD 563 million to reach USD 590.028 billion. Foreign currency assets (FCA), a major component of the overall reserves, swelled by USD 1.649 billion to USD 548.519 billion for the reporting week, the RBI said.
<https://www.moneycontrol.com/news/business/economy/indias-forex-reserves-hit-lifetime-high-rise-2-8-billion-to-592-894-billion-6957691.html>
- **Gold falls for second successive day to Rs 48,654/10 gm; silver eases:** Gold prices dropped for the second straight day by Rs 156 to Rs 48,654 per 10 gram at Mumbai retail market on a stronger dollar and subdued global trend. The upbeat US GDP data, rally in global equity markets and appreciation in rupee also put downward pressure on the precious metal. The rate of 10 gram 22-carat gold in Mumbai was Rs 44,567 plus 3 percent GST, while 24-carat 10 gram was Rs 48,654 plus GST. The 18-carat gold quoted at Rs 36,491 plus GST in the retail market. Silver prices eased by Rs 150 to Rs 70,500 per kg against its closing price on May 27.
<https://www.moneycontrol.com/news/business/commodities/gold-falls-for-second-successive-day-to-rs-4865410-gm-silver-eases-6957541.html>
- **Nifty scales new peak, Sensex up 300 points at close:** At 1 pm, Nifty 50 which breached its all-time high of 15,431.75, was ruling at 15,436.20, up 98.35 or 0.64 per cent. During the day it touched an all-time high of 15,455.55. The index hit a low of 15,394.75. The BSE Sensex was at 51,416.18, up 300.96 points or 0.59 per cent. It hit an intraday high of 51,477.05 and a low of 51,258.69. Reliance, Adani Ports, Eicher Motors, Grasim and Coal India were the top gainers on the Nifty 50 while Sun Pharma, Mahindra & Mahindra, NTPC, IOC and ICICI Bank were the top laggards.
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-up-300-points-nifty-scales-new-peak/article34665132.ece>
- **Rupee closes 18 paise higher at 72.42 against US dollar:** The rupee strengthened for the third straight session on Friday and closed 15 paise higher at 72.45 (provisional) against the US dollar, tracking positive domestic equities. At the interbank forex market, the local unit opened at 72.46 against the greenback and witnessed an intra-day high of 72.31 and a low of 72.49 during the session. It finally ended at 72.45 against the American currency, registering a rise of 15 paise over its previous close.
<https://www.thehindubusinessline.com/markets/stock-markets/rupee-surges-18-paise-to-7242-against-usd-in-early-trade/article34663708.ece>



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