



**THE INSTITUTE OF
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DAILY UPDATES BY BFSI BOARD, ICAI

May 30, 2021

- **BoB slips into loss in Q4 on account of one-time tax charge:** Bank of Baroda (BoB) has slipped into the red, reporting a standalone net loss of Rs 1,046.50 crore in the fourth quarter ended March 31, 2021 against a net profit of Rs 507 crore in the year-ago quarter. The loss is mainly on account of a one-time tax charge of Rs 3,837 crore on account of the public sector bank exercising the option of moving to a lower tax rate. The management does not foresee any further implications of this option being exercised by it. Operating profit before provisions and contingencies were, however, up 27 per cent year-on-year (yoy) at Rs 6,266 crore (Rs 4,922 crore in the year-ago quarter). Net interest income (difference between interest earned and interest expended) was up 4.50 per cent yoy at Rs 7,107 crore (Rs 6,798 crore). Other income, including income from non-fund based activities such as brokerage, commission, fees, income from foreign exchange fluctuation, profit/ loss on sale of investments, recovery from written-off accounts and income from sale of priority sector lending certificates, etc., jumped 71 per cent to Rs 4,848 crore (Rs 2,835 crore).
<https://www.thehindubusinessline.com/money-and-banking/bob-slips-into-loss-in-q4-on-account-of-one-time-tax-charge/article34675890.ece?homepage=true#:~:text=Reports%20Rs%201%2C046%2Dcr%20net,in%20the%20year%2Dago%20quarter.>
- **Indian Bank posts ₹1,709-cr net in Q4:** Indian Bank on Friday reported a standalone net profit of ₹1,709 crore for the fourth quarter of FY21 as opposed to a net loss of ₹1,641 crore posted in Q4 of FY20. It is to be noted that Allahabad Bank was amalgamated with Indian Bank with effect from April 1, 2020 and all the figures for FY20 were arrived at by aggregating the audited numbers of the two banks. “Despite all the challenges this year, the bank has emerged a very strong, steady and consistent good performer. The bank has not only moved in the right direction but also made significant improvements in all the key parameters,” Padmaja Chundurur, MD and CEO of Indian Bank, said at the virtual press conference to announce the financial results. The bank’s operating profit on a year-on-year basis grew by 6 per cent to ₹2,548 crore (₹2,401 crore) in Q4FY21. Net revenues (net interest income plus other income) on a Y-o-Y basis grew by 1 per cent to ₹5,078 crore (₹5,038 crore) while the non-interest income rose marginally to ₹1,744 crore (₹1,728 crore) during this period. The net revenue for full FY21 increased by 16 per cent to ₹21,745 crore.
<https://www.thehindubusinessline.com/money-and-banking/indian-bank-posts-1709-cr-net-in-q4/article34670329.ece>
- **City Union Bank posts ₹111-cr net:** City Union Bank (CUB) on Friday reported net profit at ₹111.18 crore for the quarter ended March 31. The private sector lender had reported a net loss at ₹95.29 crore during corresponding quarter previous year. Operating profit on a Y-o-Y basis dropped 15 per cent to ₹284.7 crore (₹335.08 crore) during Q4FY21. The total income of the bank grew marginally to ₹1,121.43 crore (₹1,220.98 crore) during the comparable quarters while interest income fell by 6 per cent to ₹976 crore (₹1,042 crore). For the full year, the bank’s net profit grew by 24 per cent to



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₹592.82 crore (₹476.31 crore). For the year ended March 31, total income stood at ₹4,839.45 crore (₹4,848.54 crore).

<https://www.thehindubusinessline.com/money-and-banking/city-union-bank-posts-111-cr-net/article34670239.ece>

- **Karur Vysya Bank Q4 net profit rises 23% to Rs 104 crore:** Private sector Karur Vysya Bank on Friday posted nearly 23 percent rise in its net profit at Rs 104 crore in the last quarter of the fiscal ended March 2021, on account of good growth in retail loan portfolio as well as gold loan. Provisions for bad loans and contingencies too fell, which helped in profit numbers. The bank had reported a net profit of Rs 84 crore during the same period of the preceding fiscal year FY20. Total income during Q4 FY21, however, fell to Rs 1,565.78 crore from Rs 1,803.15 crore in the year-ago same quarter. For the entire fiscal year 2020-21, its net profit jumped by about 53 percent to Rs 359 crore from Rs 235 crore in 2019-20, Karur Vysya Bank said in a regulatory filing.
<https://www.moneycontrol.com/news/business/earnings/karur-vysya-bank-q4-net-profit-rises-23-to-rs-104-crore-6958111.html>
- **SBI, HDFC Bank don't want sensitive data made public:** The two largest banks in the country — State Bank of India and HDFC Bank — moved the Supreme Court on Friday and sought a stay on the Reserve Bank of India's directive to banks to provide financially sensitive data under the RTI Act, saying they feared that it could be detrimental to their business operations and compromise confidentiality of customer information. Though the direction was sought against RBI, it was aimed at the SC's order that allowed divulging of such data. The SBI, through advocate Sanjay Kapur, said, "In view of the judgment in Jayantilal N Mistry case, the RBI is seeking disclosure of confidential and sensitive information of the applicant bank, including information of its employees and its customers, purportedly under the Right to Information Act, 2005, which are otherwise exempt under the provisions of Section 8 of said Act."
<https://timesofindia.indiatimes.com/business/india-business/sbi-hdfc-bank-dont-want-sensitive-data-made-public/articleshow/83053822.cms>
- **Bank of Baroda relying on corporate book to face second covid wave:** State-owned Bank of Baroda (BoB) will rely on the strength of its corporate book to tide over the second wave, even as small businesses and retail loans could cause some discomfort. Sanjiv Chadha, chief executive of the bank said on Saturday that as far as the second wave is concerned, the bank is likely to see pretty much a repeat of what it witnessed last year. "Last year, we were not confident what would happen to the corporate sector. This time, we can say with confidence that the second wave has largely left the large corporate businesses untouched," said Chadha. The lender has a corporate loan book of ₹2.92 trillion, almost unchanged from the last financial year. It's retail and micro, small and medium enterprises (MSME) book stood at ₹1.2 trillion (14.4% higher than FY20) and ₹96,200 crore (10.2% growth), respectively.
<https://www.livemint.com/industry/banking/bank-of-baroda-relying-on-corporate-book-to-face-second-covid-wave-11622297714075.html>



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- **HDFC Bank to set up Covid infrastructure facilities including oxygen plants:** Private lender HDFC Bank announced a slew of measures to set up and enhance medical infrastructure across the country to assist the fight against the COVID-19 pandemic. The measures comprise setting up permanent medical infrastructure such as oxygen plants, medical equipment, and ICU facilities, in addition to providing medical supplies to hospitals across India. The bank said it has committed an initial amount of Rs 100 crore in the current fiscal year for Covid-19 relief initiatives. Last year, the bank had contributed Rs 120 crore towards relief measures. The bank will set up 20 Oxygen plants across various hospitals in India along with setting up three, 100-bed Covid care facilities. It will also create two Isolation centres and provide medical equipment and supplies to more than 200 hospitals across the country.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-to-set-up-covid-infrastructure-facilities-including-oxygen-plants/articleshow/83065751.cms>
- **RBI devolves ₹7,436 crore worth 2030 G-Sec on PDs:** The Reserve Bank of India (RBI) devolved about 53 per cent of the notified amount of ₹14,000 crore on primary dealers (PDs) at the auction of the benchmark Government Security (G-Sec/GS) maturing in 2030. However, the auction of the other two G-Secs (4.26 per cent GS 2023 and 6.76 per cent GS 2061) sailed through. Marzban Irani, CIO-Fixed Income, LIC Mutual Fund, observed that RBI set relatively higher cut-off rate for additional competitive underwriting (ACU) commission for PDs for the 2030 G-Sec, indicating that market participants were not too keen on buying the paper. The ACU commission was 13 paise for 2061 G-Sec and 0.42 paise for 2023 G-Sec. RBI devolved ₹7,436.458 crore worth of the 2030 G-Sec (coupon rate: 5.85 per cent) on PDs. It accepted bids aggregating ₹6,563.542 crore for this paper.
[https://www.thehindubusinessline.com/money-and-banking/rbi-devolves-7436-crore-worth-2030-g-sec-on-pds/article34670212.ece#:~:text=RBI%20devolved%20%E2%82%B97%2C436.458%20crore,99.015%20\(5.9873%20per%20cent\).](https://www.thehindubusinessline.com/money-and-banking/rbi-devolves-7436-crore-worth-2030-g-sec-on-pds/article34670212.ece#:~:text=RBI%20devolved%20%E2%82%B97%2C436.458%20crore,99.015%20(5.9873%20per%20cent).)
- **Karur Vysya Bank posts 24% growth in Q4 net:** Karur Vysya Bank (KVB) on Friday reported a 24 per cent year-on-year growth in net profit for the fourth quarter of FY21 at ₹104 crore supported by lower provisions for bad loans and contingencies. The bank reported a net profit of ₹84 crore in the year-ago quarter. The bank's provisions (other than tax) and contingencies fell by 84 per cent to ₹71.45 crore (₹429.27 crore). Operating profit of the bank, on a YoY basis, fell by 50 per cent to ₹249.78 crore (₹499.83 crore) after expending ₹62 crore towards arrears payable under XI Bi-partite settlement (BPS) and interest on interest reversal of ₹25 crore as per an order of the Supreme Court. For the full year, the bank's net profit grew 52.76 per cent to ₹359 crore (₹235 crore) while operating profit during the period fell to ₹1,429 crore (₹1,761 crore).
<https://www.thehindubusinessline.com/money-and-banking/karur-vysya-bank-posts-24-growth-in-q4-net/article34670220.ece>
- **Banks to remain closed only on second, fourth Saturdays in West Bengal:** Bank branches will now be closed only on second and fourth Saturdays as per the circulars issued by the State Level Bankers Committee (SLBC) and management of leading banks. As per the new circular, bank branches will be open on May 29, as it is the fifth Saturday of the month. When contacted, Nabin Chandra Dash, convener of SLBC West Bengal, told TOI that there is no specific mention of bank closure on all



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Saturdays in the order of restrictions issued by the state government from May 16. But it specifically mentioned restricted banking hours from 10 am to 2 pm so as per usual rule banks will be closed on 2nd and 4th Saturday and will remain operational on 1st, 3rd and 5th Saturdays. The former deputy chief secretary of SBI Staff Association, Ashok Mukherjee, said that transportation for bank employees is becoming a big problem and Indian Railways is also not allowed in most cases.

<https://timesofindia.indiatimes.com/business/india-business/banks-to-remain-closed-only-on-2nd-4th-saturdays/articleshow/83048100.cms#:~:text=Kolkata%3A%20Bank%20branches%20will%20now,fifth%20Saturday%20of%20the%20month.>

- **PMAY creates over 1.2 crore employment opportunities so far:** The Centre's flagship housing programme - Pradhan Mantri Awas Yojana - has created over 1.2 crore employment opportunities, said Grant Thornton Bharat's 'Affordable Housing in India' report. The report cited that these employment opportunities so far were created through forward and backward linkages across 21 sectors. Besides, the report said that these sectors include 250 auxiliary industries like steel, brick kilns, cement, paint, hardware and sanitary amongst others. In terms of stakeholder impact, the report pointed out that PMAY has benefited nearly 5.8 lakh senior citizens, 2 lakh construction workers, 1.5 lakh domestic workers and 1.5 lakh artisans. "The extent of investment in the housing sector has both direct and indirect effects on other sectors of the economy," said T. Ravinder Reddy, Partner, Public Sector, Grant Thornton Bharat LLP.
<https://economictimes.indiatimes.com/jobs/pmay-creates-over-1-2-crore-employment-opportunities-so-far/articleshow/83064579.cms>
- **Sundaram Finance Q4 net profit rises to ₹209 crore:** Sundaram Finance has managed to post an impressive result despite a challenging year 2020-21 which not only tested but also re-enforced its core belief of customer centricity. For the fourth quarter of FY21, the non-banking financial company (NBFC) registered a net profit of ₹209 crore compared to ₹131 crore in the same period previous year. Its disbursements in Q4 saw an increase of 13 per cent to ₹3,305 crore. Despite a washout in the first quarter and sluggish business in the second, the NBFC posted a 21 per cent growth in its net profit in FY21. Its profit stood at ₹809 crore (₹724 crore in FY20 which also included a one-time income of ₹53 crore). This performance came amidst lower disbursement which fell to ₹11,742 crore from ₹15,175 crore in FY20.
<https://www.thehindubusinessline.com/money-and-banking/sundaram-finance-records-595-jump-in-q4-pat/article34670094.ece>
- **Private sector banks increased share in deposits, credit at the cost of PSBs in FY21: RBI :** Bank credit growth decelerated while aggregate deposit growth accelerated in March even as the share of private sector banks in total deposits and credit of scheduled commercial banks (SCBs) increased during 2020-21 at the cost of public sector banks, according to the Reserve Bank of India (RBI). Bank credit growth decelerated to 5.6 per cent year-on-year (yoy) in March from 6.4 per cent a year ago, according to RBI's 'Quarterly Statistics on Deposits and Credit of SCBs: March 2021'. Public sector and private sector banks credit growth slowed to 3.6 per cent (4.2 per cent in March 2020) and 9.1 per cent (9.3



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per cent), respectively, during 2020-21. Lending by foreign banks contracted 3.3 per cent vs 7.2 per cent growth.

<https://www.thehindubusinessline.com/money-and-banking/private-sector-banks-increased-share-in-deposits-credit-at-the-cost-of-psbs-in-fy21-rbi/article34669897.ece>

- **Covid-19: Depositors' body seeks suspension of penalty on premature FD withdrawal :** The All India Bank Depositors' Association (AIBDA) wants the Reserve Bank of India (RBI) to direct banks to suspend penalty charges on premature withdrawal of Fixed Deposits (FDs) in view of the Covid-19 pandemic. In its "Addendum to Memorandum to the Reserve Bank of India," the AIBDA observed that many depositors are under compulsion to prematurely withdraw their savings to defray the excessive medical bills for treatment of Covid virus and many have lost their jobs. Hence, the association requested the RBI for a moratorium on penalty charges for premature deposit withdrawal up to ₹5 lakh.
<https://www.thehindubusinessline.com/money-and-banking/covid-19-depositors-body-seeks-suspension-of-penalty-on-premature-fd-withdrawal/article34675237.ece>
- **New norms may revive fortunes of digital wallets:** Digital wallets may regain some ground, with India's payments body and the Reserve Bank of India (RBI) allowing more flexibility to the digital payment mechanism that lost some relevance following the introduction of unified payments interface (UPI) transactions. According to experts, allowing the use of UPI to load money to e-wallets will help make the payment instrument more popular. "With interoperability coming in, it will become easier to move funds from one wallet to another and make payments. Currently, UPI is only limited to bank accounts, but going forward, wallets will use the UPI channel to ensure interoperability," said Mihir Gandhi, partner and leader (payments transformation) at PwC.
<https://www.livemint.com/industry/banking/new-norms-may-revive-fortunes-of-digital-wallets-11622226236625.html>
- **ESAF Small Finance Bank expects normalcy in business from July, may list as early as September:** ESAF Small Finance Bank expects normalcy in business from July with collections already seen improving in some states like Maharashtra. The bank could also list as early as September 2021 after refiling the draft red herring prospectus (DRHP) for its initial public offering (IPO) with the market regulator Sebi. The Thrissur-based lender feels that total business this fiscal would be not be as bad as FY21 as the lockdown is only regional unlike last year. "Already Maharashtra is showing good promise and collections are good at 75%. In Tamil Nadu too, the collections were at 65% when the new lockdown was imposed. Last year there was a national lockdown and collections were stopped for almost five months due to the moratorium. Once the lockdowns are over things will be back to normal," K Paul Thomas, MD & CEO of ESAF, said. He estimates advances to grow by 65% in the current fiscal while deposits could increase year-on-year by 50%. In FY21, total business registered a 25.85% growth from Rs 13,846 crore for the year ended March 31, 2020, to Rs 17,425 crore for the year ended March 31, 2021.
<https://www.financialexpress.com/industry/banking-finance/esaf-small-finance-bank-expects-normalcy-in-business-from-july-may-list-as-early-as-september/2261112/>



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- **Northern Arc executes Rs 350-crore MLD deal for Shriram Transport:** Chennai-headquartered digital debt platform Northern Arc on Friday announced that it has concluded a Rs 350-crore market-linked debentures (MLD) transaction with Shriram Transport Finance Company (STFC). STFC is one of the largest asset financing NBFCs for the commercial vehicle industry in the country, partnering with small truck owners for all their 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 facilitated debt funding for its partners across MSME financing, CV financing and gold loans. Northern Arc said the issuance was subscribed by multiple reputed capital market investors. As part of its commercial vehicle finance segment, Northern Arc has focused on the financing of used CVs that cater to the needs of driver-turned owners, first-time users, first-time buyers and small road transporters. These customers, who have been impacted due to the pandemic, will benefit from the proceeds of the transaction. STFC's ability to reach these customers and enable access to credit for borrowers at the grassroots level will ensure substantial economic and social impact.
<https://www.financialexpress.com/industry/banking-finance/northern-arc-executes-rs-350-crore-ml-deal-for-shriram-transport/2261130/>
- **Gold prices end flat on firm rupee, inflation hedge; to hover around Rs 51,200 per 10 gm in June:** Gold prices were steady during the week to settle at Rs 48,542 per 10 gram as players sat on the sidelines ahead of inflation data. Precious metal prices saw little reaction to the GDP and new jobless claims data. However, upbeat US data showed that a recovery in the world's largest economy was on track. The yellow metal rose in three out of five trading sessions on the MCX and ended the week with a gain of Rs 138. COMEX gold, on the other hand, rose \$21 or 1.16 percent during the same period.
<https://www.moneycontrol.com/news/business/commodities/gold-prices-end-flat-on-firm-rupee-inflation-hedge-to-hover-around-rs-51200-per-10-gm-in-june-6959851.html>

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