



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

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- **State Bank of India puts two corporate bad loan accounts worth Rs 410 crore on sale:** State Bank of India (SBI), the country's largest lender, has put up two corporate non-performing assets (NPAs) worth Rs 409.45 crore for sale to asset reconstruction companies (ARCs) as part of its ongoing efforts to make recoveries from accounts that have gone bad, according to a notification on the bank's website. SBI has sought buyers for Kamachi Industries and Tantia Agrochemicals. The bank's exposure to Kamachi Industries stands at Rs 355.93 crore and that to Tantia at Rs 53.52 crore. SBI has set a reserve price of Rs 150 crore for Kamachi, implying a recovery of roughly 42 percent of the outstanding amount. ARCs will have the option of paying 42 percent of the sale amount as upfront cash and issuing security receipts (SRs) towards the remaining 58 percent. The account is backed by a corporate guarantee and the net worth of the guarantors was Rs 118.57 crore, as on March 31, 2018, according to the notification.
<https://www.moneycontrol.com/news/business/state-bank-of-india-puts-two-corporate-bad-loan-accounts-worth-rs-410-crore-on-sale-6965091.html>
- **RBI extends banking license of Rupee Co-operative Bank till August 31:** The Reserve Bank of India has extended the banking license of the Rupee Co-operative Bank till August 31. Till March-2021, the Bank has made total recovery of Rs.263.93 crores and aggregate operating profit of Rs.70.70 crores during the last five years, a release from the Bank said. "The Bank has taken steps like attachment of properties of defaulter borrowers, public auctions of the same, filing criminal suits against defaulter borrowers/guarantors, etc. The Bank has also informed the names of its defaulter borrowers/guarantors to other banks for effective recovery," said Sudhir Pandit, administrator, Rupee Bank. Till March-2021, the Bank had paid Rs.366.54 Crores to 92602 needy depositors under the Hardship Scheme. "The proposal for merger with The Maharashtra State Co-op. Bank Ltd., (MSC Bank) is pending with RBI. In the meantime, the Bank is exploring the possibility of various options such as merger with any other strong bank including co-operative banks, conversion into a Small Finance Bank with the help of a strategic investor and Reconstruction or Revival of the Bank. The Bank has requested the RBI to extend its co-operation and guide to explore these options which also require a significant amount of cooperation from high value depositors," said Pandit.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-extends-banking-license-of-rupee-co-operative-bank-till-august-31/articleshow/83115494.cms?from=mdr>



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- **Relief for investors as RBI clarifies on banks' warning to crypto-dealing clients:** The cryptocurrency investment community breathed a huge sigh of relief on Monday after the Reserve Bank of India made its stance clear on the recent moves by lenders of denying services to clients dealing in virtual currencies. The RBI said that it has been brought to its notice via several media reports that banks have cautioned their customers from dealing in cryptocurrencies by making a reference to a circular issued by the banking regulator on April 6, 2018. "Such references to the above circular by banks/regulated entities are not in order as this circular was set aside by the Hon'ble Supreme Court on March 04, 2020," the RBI said. "As such, in view of the order of the Hon'ble Supreme Court, the circular is no longer valid from the date of the Supreme Court judgement, and therefore cannot be cited or quoted from," it added.
<https://economictimes.indiatimes.com/markets/cryptocurrency/relief-for-investors-as-rbi-clarifies-on-banks-warning-to-crypto-dealing-clients/articleshow/83116747.cms>
- **Covid treatment: Banks offer unsecured loans of up to Rs 5 lakh:** Banks will offer off-the-shelf unsecured loans of up to Rs 5 lakh to individuals for Covid treatment, and business loans up to Rs 100 crore for setting up healthcare facilities. The launch of the new schemes was announced by SBI chairman Dinesh Khara and Indian Banks' Association chairman Rajkiran Rai on Sunday. Khara said that SBI has decided to price its unsecured loans at 8.5%. The bankers also provided an update on the restructuring offer made to small businesses under the scheme announced by the RBI earlier this month. Rai said that up to April, banks did not see any problem in the servicing of loans. However, in May, there was a drop in collections but it was too early to get an idea of the number.
<https://timesofindia.indiatimes.com/business/india-business/covid-treatment-banks-offer-unsecured-loans-of-up-to-5-lakh/articleshow/83100237.cms>
- **BNP Paribas appoints Aymar de Liedekerke Beaufort as head of India operations:** French bank BNP Paribas has elevated Aymar de Liedekerke Beaufort as head of territory, India which includes the bank's back office operations and retail brokerage arm Sharekhan. This is in addition to Beaufort's current responsibility as the head of the bank's eight branches and chief of corporate and institutional banking (CIB) in India. Beaufort will take over his additional responsibilities from September 1, the bank said in a statement. Beaufort has been with BNP Paribas for 30 years and in charge of the bank's India branches and CIB since December 2019. He has previously headed the bank's operations in Vietnam, Czech Republic, Slovakia, Hungary and South Eastern Europe. He succeeds Franciska Decuyper, who was head of territory for India since 2018. Decuyper will relocate to Europe to take on another senior role within BNP Paribas, the bank said.
<https://www.livemint.com/companies/news/bnp-paribas-announces-new-head-of-territory-for-india-11622439822171.html>



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- **Paytm cuts down losses, revenue improves to ₹3,115 crore:** Fintech major Paytm, which is getting ready for listing, has been cutting down on its losses and has also been diversifying into other businesses from just focussing on payments. One97 Communications Ltd, which is the parent company of Paytm, posted a net loss of ₹2,833.18 crore in the year ended March 31, 2020, according to data sources from Tofler. This was an improvement from the net loss of ₹3,959.64 crore in 2018-19, it revealed. Revenue from operations and net worth had touched an all time high in 2019-20. Its revenue from operations also improved marginally to ₹3,115 crore in 2019-20 from ₹3,049.87 crore in the previous fiscal. Its net worth had increased by 39.35 per cent to ₹8,411 crore as on March 31, 2020. Vijay Shekhar Sharma, founder and CEO of Paytm, has earlier indicated that the company would look at a possible listing after cutting down on losses.
<https://www.thehindubusinessline.com/money-and-banking/paytm-cut-down-losses-revenue-from-operations-net-worth-rise/article34686827.ece>
- **Group health insurance start-up Plum raises \$15.6 million in Series A led by Tiger Global:** Plum, a group health insurance start-up has raised a \$15.6 million in Series A led by Tiger Global. The fundraise saw participation from earlier investors, Sequoia Capital India's Surge, Tanglin Venture Partners, Incubate Fund and Gemba Capital. Angel investors in this round include Kunal Shah (founder, Cred), Gaurav Munjal, Roman Saini and Hemesh Singh (founders of Unacademy), Lalit Keshre, Harsh Jain and Ishan Bansal (founders of Groww), Ramakant Sharma and Anuj Srivastava (founders of Livspace), and Douglas Feirstein (founder of Hired). Plum has raised \$5million in earlier rounds last year. The funds raised will be used to scale up engineering, business development and operations teams.
<https://www.thehindubusinessline.com/companies/group-health-insurance-start-up-plum-raises-156-million-in-series-a-led-by-tiger-global/article34686496.ece>
- **PNB Housing Fin board approves capital raise of up to ₹4,000 crore :** PNB Housing Finance Limited (PNBHFL), on Monday, announced that its board has approved a capital-raise of up to ₹4,000 crore, led by entities affiliated to The Carlyle Group. Pluto Investments S.a.r.l., an affiliated entity of Carlyle Asia Partners IV, LP and Carlyle Asia Partners V, LP (together, 'Carlyle') has agreed to invest up to ₹3,185 crore through a preferential allotment of equity shares and warrants at a price of ₹390 per share. Existing shareholders of PNBHFL, funds managed by Ares SSG and General Atlantic, are also participating in the capital-raise. PNB will continue to be the promoter and key stakeholder in the company. PNB had earlier conveyed it will not be participating in any capital-raise of PNBHFL.
<https://www.thehindubusinessline.com/money-and-banking/pnb-housing-fin-board-approves-capital-raise-of-up-to-4000-crore/article34687833.ece>



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- **A sizzling rally lures HDFC Bank to do more equity deals:** A hot equity market in India is prompting HDFC Bank Ltd. to try to muscle in on the action as companies raise record levels of funding. The government has flooded the market with money in response to one of the world's worst outbreaks of coronavirus, pushing stocks to dizzying levels and helping companies to boost capital buffers. Despite being India's most valuable lender, HDFC Bank so far hasn't been able to exploit its strong balance sheet to make inroads into this competitive market. "We will do whatever it takes to reach there – hire more people, grow more people from inside and even enter into partnerships," Rakesh Singh, group head of investment banking, private banking, marketing and products at HDFC Bank, said in an interview. "As we build our distribution network a larger share of the equity capital market deals will come our way."
<https://www.thehindubusinessline.com/money-and-banking/a-sizzling-rally-lures-hdfc-to-do-more-equity-deals/article34687076.ece>
- **Canara Bank appoints S K Majumdar as CFO:** Canara Bank has designated S K Majumdar, General Manager of the Bank as Chief Financial Officer (CFO) with effect from May 31, 2021 in place of V Ramachandra, Chief General Manager. "Majumdar, aged 52 years, Chartered Accountant and Cost Accountant by qualification has vast banking experience of more than 21 years in various branches and administrative offices in various capacities. He has been associated with the bank since January 2000," the bank in a regulatory filing to exchanges said.
<https://www.thehindubusinessline.com/money-and-banking/canara-bank-appoints-s-k-majumdar-as-cfo/article34691052.ece>
- **Rally lures HDFC Bank to do 'whatever it takes' to make more equity deals:** A hot equity market in India is prompting HDFC Bank Ltd. to try to muscle in on the action as companies raise record levels of funding. The government has flooded the market with money in response to one of the world's worst outbreaks of coronavirus, pushing stocks to dizzying levels and helping companies to boost capital buffers. Despite being India's most valuable lender, HDFC Bank so far hasn't been able to exploit its strong balance sheet to make inroads into this competitive market. "We will do whatever it takes to reach there -- hire more people, grow more people from inside and even enter into partnerships," Rakesh Singh, group head of investment banking, private banking, marketing and products at HDFC Bank, said in an interview. "As we build our distribution network a larger share of the equity capital market deals will come our way."
https://www.business-standard.com/article/finance/a-sizzling-rally-lures-india-s-second-largest-bank-to-do-more-equity-deals-121053100083_1.html



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- **RBI cancels the licence of Maharashtra's Shivajirao Bhosale Sahakari Bank:** The Reserve Bank of India (RBI) on May 31 cancelled the licence of Shivajirao Bhosale Sahakari Bank in Maharashtra citing poor finances of the co-operative bank. Consequently, the bank ceases to carry on banking business, with effect from the close of business on May 31, 2021, the RB said in a release. As per the data submitted by the bank, more than 98 percent of the depositors will receive full amounts of their deposits from Deposit Insurance and Credit Guarantee Corporation (DICGC), the RBI said. The Registrar of Cooperative Societies, Maharashtra has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank, the RBI said.

<https://www.moneycontrol.com/news/business/rbi-cancels-the-licence-of-maharashtras-shivajirao-bhosale-sahakari-bank-6966921.html>

- **Rupee drops 17 paise to 72.62/USD:** Halting its three-day winning run, the rupee on Monday declined by 17 paise to close at 72.62 (provisional) against the US dollar tracking the strengthening of the American currency in the overseas market. At the interbank foreign exchange market, the domestic currency opened at 72.38 but pared the gains to close at 72.62 a dollar, registering a decline of 17 paise over its previous close of 72.45. During the session, the local unit hit an intra-day high of 72.34 and a low of 72.65. Meanwhile, the dollar index, which gauges the greenback's strength against a basket of six currencies, rose 0.04 per cent to 90.07.

<https://www.thehindubusinessline.com/markets/forex/rupee-rises-9-paise-to-7236-against-us-dollar-in-early-trade/article34686266.ece>

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