



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
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## DAILY NEWS DIGEST BY BFSI BOARD, ICAI

June 4, 2021

- **Niti Aayog submits names of PSU banks to be privatised:** The names of two state-run banks and one general insurance company that can be privatised have been submitted by NITI Aayog to the Core Group of Secretaries on Disinvestment as was announced in the Union Budget for 2021-22. Finance minister Nirmala Sitharaman has assured that the "interests of workers of banks which are likely to be privatised will absolutely be protected whether their salaries or scale or pension all will be taken care of". Along with these two state-run banks and one general insurer, the government wants to conclude the privatisation process for Air India, BPCL and Shipping Corporation in this fiscal. The government has budgeted Rs 1.75 lakh crore from disinvestment during the current financial year. As the second wave of the coronavirus threatens to disrupt the projected economic growth in the current fiscal, the government is banking on meeting its non-tax revenue targets. The government is aiming at creation of bigger banks.  
<https://economictimes.indiatimes.com/news/economy/policy/niti-aayog-submits-names-of-psu-banks-to-be-privatised-to-core-group-of-secretaries-on-disinvestment/articleshow/83202140.cms>
- **Banks, asset managers want RBI to allow sale of fraud loans to ARC:** Increasing instances of fraud have led top banks and asset managers to seek central bank nod to allow the sale of such accounts to asset reconstruction companies (ARCs), something the banking regulator currently prohibits. These stakeholders also want ARCs to be granted indemnity from any prosecution arising out of a fraudulent account. "During the central bank consultation process, some stakeholders flagged off this issue with the committee and sought a review to allow the sale of fraudulent accounts and give ARCs the legal immunity against further prosecution by any investigating agency," an official involved in the consultative process with the Reserve Bank of India (RBI) told ET.  
[https://m.economictimes.com/industry/banking/finance/banking/banks-asset-managers-want-rbi-to-allow-sale-of-fraud-loans-to-arc/amp\\_articleshow/83176692.cms](https://m.economictimes.com/industry/banking/finance/banking/banks-asset-managers-want-rbi-to-allow-sale-of-fraud-loans-to-arc/amp_articleshow/83176692.cms)
- **PSBs sanction 95% of all loans under PM SVANidhi scheme for street vendors:** Public sector banks have been at the forefront for advancing loans under the PM Street Vendors Atmanirbhar Nidhi (PM SVANidhi), and have sanctioned 2.316 million loans, about 95% of total loans sanctioned under this scheme as on May 31. About 2.421 million loans have been sanctioned as on May 31, and 2.064 loans have been disbursed as on May 31, the Department of Financial Services said in a tweet. About 2.427 million loans have been sanctioned, and 2.065 million have been disbursed under the PM SVANidhi scheme as on date. The PM-SVANidhi was launched to provide working capital loans up to Rs 10,000 to about 5 million street vendors. The loan has a tenure of one year, and is to be repaid in monthly instalments. Street vendors availing themselves of loans under the scheme get a 7 per cent interest subsidy from the government, and banks get graded guarantee cover for the loans sanctioned. The scheme is administered by Ministry of Housing and Urban Affairs (MoHUA).  
[https://www.business-standard.com/article/economy-policy/psbs-sanction-95-of-all-loans-under-pm-svanidhi-scheme-for-street-vendors-121060301149\\_1.html](https://www.business-standard.com/article/economy-policy/psbs-sanction-95-of-all-loans-under-pm-svanidhi-scheme-for-street-vendors-121060301149_1.html)



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- **Banks can now sell Mallya's Rs 5,646 cr properties, securities:** A State Bank of India-led consortium can now move to sell certain real estate properties and securities belonged to Vijay Mallya to recover unpaid loans, after a court lifted the claim of the Enforcement Directorate on the assets it had seized. The assets including several floors of the UB City commercial tower in Bengaluru's central business district and shares in United Breweries and United Spirits that Mallya had controlled are estimated to be valued at ₹5,646.54 crore. The special court in Mumbai dealing with cases under the Prevention of Money Laundering Act (PMLA), however, asked banks to execute a bond undertaking to return the properties if Mallya was acquitted in the case or if the trial could not be concluded.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-can-now-sell-mallyas-rs-5646-cr-properties-securities/articleshow/83183766.cms?from=mdr>
- **Public sector banks list Rs 82,500 crore NPAs for bad bank:** Public sector banks have shortlisted 28 loan accounts to be transferred to the National Asset Reconstruction Company (NARCL). Of these, lead banks have completed the process of obtaining approval from co-lenders in 22 accounts with Rs 82,500 crore of loans due. Within this amount, borrowers such as VOVL, Amtek Auto, Reliance Naval, Jaypee Infratech, Castex Technologies, GTL, Visa Steel and Wind World account for 80%. Other large companies that are to be sold to the NARCL include Lavasa Corporation, Ruchi Worldwide, Consolidated Construction and a few toll projects. According to banking sources, work is progressing on multiple fronts to ensure that the bad bank starts operations as soon as possible. On Wednesday, bankers met to finalise the capital structure of the bad bank (NARCL). Sources said that the company would need at least Rs 6,000-crore capital of equity and debt to start operations. In terms of Reserve Bank of India (RBI) regulations, asset reconstruction companies (ARCs) must pay 15% of the purchase consideration in cash upfront. Even if these 22 non-performing assets (NPAs) were valued at 50% of the loan amount, the ARCs would have to pay over Rs 12,000 crore to banks. The NARCL can, however, raise money on its own.  
<https://timesofindia.indiatimes.com/business/india-business/banks-list-rs-83k-cr-npas-for-bad-bank/articleshow/83186133.cms#:~:text=Of%20these%2C%20lead%20banks%20have,Wind%20World%20account%20for%2080%25>
- **HDFC Bank plans to become carbon neutral by 2031-32:** Ahead of the World Environment Day on June 5, private sector lender HDFC Bank on Thursday announced its plans to become carbon-neutral by 2031-32. As part of this initiative, the bank is looking at reducing its emissions, energy, and water consumption. It will continue to incorporate and scale up the use of renewable energy in its operations. "As one of the largest banks in the country, I think the onus is on us to be not just a socially responsible corporate but also environmentally conscious. "Today, we want to pledge that we, as a bank, want to become carbon neutral by the financial year 2031-32," its Group Head (CSR, Business Finance and Strategy, Administration and Infrastructure) Ashima Bhat told reporters. She said a broad strategy is in place and going forward, the bank will fine-tune it and introduce new measures if necessary.  
<https://www.livemint.com/companies/news/hdfc-bank-plans-to-turn-carbon-neutral-by-203132-11622717515056.html>



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- **IDBI Bank invites applications for post of IT head on contract basis:** IDBI Bank has invited applications for the post of information technology head from eligible candidates by mid of this month. The post is being offered for a contract period of three years and extendable up to five years. The overall work experience of the candidate should be of 20 years in the field of information technology, of which at least 10 years should be at a senior level, preferably in an IT unit of a bank or financial institution, IDBI Bank said in a notice. The candidate will be responsible for the entire IT operations and IT infrastructure of the bank, including digitisation of the entire gamut of banking operations, identification of security threats, overseeing systems development and others. The minimum age to apply for the post is 45 years and the maximum is 55 years.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/idbi-bank-invites-applications-for-post-of-it-head-on-contract-basis/articleshow/83205366.cms>
- **State Bank of India torn between BlackRock and funding coal:** India's biggest bank is caught between Larry Fink and Narendra Modi. State Bank of India needs to finance coal projects to meet the Indian leader's push to electrify more homes, yet it wants to back renewable projects to appease investors like BlackRock Inc. For now it's doing a bit of both. "Investors' concerns are very important to us, we take them into consideration," the lender's head of corporate banking and global markets, Ashwani Bhatia, said in an interview. "But we also have commitments to the country. There are so many coal mines being developed in India because we need them to produce steel, aluminum, electricity." The listed state-owned lender has a tough balancing act on its financial support for coal-fired power plants, which are a major contributor to air pollution. International investors are increasingly restricting support to companies involved in extracting or consuming coal, yet nearly 70% of India's electricity comes from coal plants and demand for power is set to rise as the economy recovers from the blows of the pandemic.  
<https://www.livemint.com/industry/banking/state-bank-of-india-torn-between-blackrock-and-funding-coal-11622677609194.html>
- **IDBI Bank secures \$239 mn debt judgment in UK High Court:** IDBI Bank has secured a USD 239 million judgment in the commercial division of the High Court of London against a Cypriot subsidiary of India-based Essar Shipping Group, among one of the largest debt judgments obtained by an Indian bank in the English courts. IDH International Drilling Holdco Ltd (IDH), the Cypriot-registered parent company of the borrowers, is disappointed with the judgment and is considering its position with regard to an appeal of this judgement, a spokesman for the Essar Group said. Mumbai-headquartered IDBI had entered into loans totalling USD 148 million with two Singapore registered companies – Varada Drilling One Pte Ltd and Varada Drilling Two Pte Ltd – for the construction of two jack up drilling rigs in March 2013. IDH gave a corporate guarantee in respect of the loan. The loan and guarantee were governed by English law and were therefore subject to the jurisdiction of the English courts.  
<https://www.livemint.com/industry/banking/idbi-bank-secures-239-mn-debt-judgment-in-uk-high-court-11622729920435.html>
- **Spice Money looks to expand beyond payments, scale up network:** Rural fintech Spice Money is looking to expand beyond payments into other financial products and scale up its network. "We want to go beyond just payments to other financial products like credit, savings and insurance. As we are a



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tech platform, we are also being leveraged by manufacturers for building digital products around mobile health, mobile education and jobs, which can integrate into our platform and reach out to our customers,” said Dilip Modi, founder, Spice Money. Many customers are already using the Spice Money platform for booking online medical consultations. E-commerce companies are also using the platform to book orders, deliver goods, collect cash.

<https://www.thehindubusinessline.com/money-and-banking/spice-money-looks-to-expand-beyond-payments-scale-up-network/article34714904.ece>

- **Gold prices fall for second day to Rs 49,002/10 gm on stronger rupee, ETF outflow; silver slips:** Gold prices slid for the second day by Rs 216 to Rs 49,002 per 10 gram at Mumbai retail market on firm rupee and weak global trend. The yellow metal was pressured by an uptick in Treasury yield and dollar following Fed officials' comment on tapering stimulus and ETF outflow. The rate of 10 gram 22-carat gold in Mumbai was Rs 44,886 plus 3 percent GST, while 24-carat 10 gram was Rs 49,202 plus GST. The 18-carat gold quoted at Rs 36,752 plus GST in the retail market.  
<https://www.moneycontrol.com/news/business/commodities/gold-prices-fall-for-second-day-to-rs-4900210-gm-on-stronger-rupee-etf-outflow-silver-slips-6984131.html>
- **Sensex up 191 pts intraday, Nifty hits new peak:** At 1 pm, the BSE Sensex was at 52,041.36, up 191.88 points or 0.37 per cent. It hit an intra-day high of 52,240.61 and a low of 52,000.62. Nifty 50 remained above the 15,600 levels and was ruling at 15,640.75, up 64.55 points or 0.41 per cent. It surpassed its previous all-time high of 15,660.75 to hit a fresh high of 15,693.15. It hit an intra-day low of 15,628.90. Notably, the volatility index softened 9.18 per cent to drop below 16 to 15.63, signaling the confidence of bulls. Titan, ONGC, Eicher Motors, Adani Ports and Axis Bank were the top gainers on the Nifty 50 while IndusInd Bank, Bajaj Auto, Tech Mahindra, HCL Tech and Cipla were the top laggards.  
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-up-191-pts-intraday-nifty-hits-new-peak/article34715309.ece>

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