



**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

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- **SBI sanctions ₹3725 crore for Noida International Airport:** Country's largest lender State Bank of India (SBI) has sanctioned a loan of ₹3725 crore for the development of Noida International Airport (NIA) which is being developed by Yamuna International Airport (YIAPL) and will be the second airport in National Capital Region (NCR). A statement issued by YIAPL said that the funding is a crucial milestone for the project as it validates the financial viability of the project while also outlining the next steps for the establishment of NIA. "The entire loan of ₹3725 crore has been underwritten by SBI on a door-to-door loan tenor of 20 years," Christoph Schnellmann, Chief Executive Officer of YIAPL said. Further he mentioned that the project will not only boost the Indian economy but will also help in employment generation in Uttar Pradesh and Delhi NCR region. The airport is being developed in close partnership with the government of Uttar Pradesh and the Central government. The State government's continued support towards the project has been vital in the process so far. YIAPL now looks forward to the conclusion of the UP government's resettlement and rehabilitation process and the start of the construction of the airport, the statement mentioned.
<https://www.thehindubusinessline.com/money-and-banking/sbi-sanctions-3725-crore-for-noida-international-airport/article34727096.ece>
- **BoB board approves setting off ₹11,048 cr losses against share premium account:** State-run Bank of Baroda has received board approval to set off the accumulated loss of over ₹11,048 crore against the share premium account of the bank. The Board of Directors of the bank has approved the proposal on June 5, 2021, Bank of Baroda said in a regulatory filing. The bank is to set off its accumulated losses of ₹11,048.44 crore as of March 31, 2021, by utilising an equivalent amount standing to the credit of share premium account of bank as on the date of set off and take the same into account during current financial year 2021-22, it said.
<https://www.livemint.com/industry/banking/bob-board-approves-setting-off-rs-11-048-cr-losses-against-share-premium-account-11622893274634.html>
- **FM Nirmala Sitharaman meets heads of insurers; stresses on faster claim settlement:** Finance Minister Nirmala Sitharaman on Saturday reviewed the progress made under the Pradhan Mantri Garib Kalyan Package (PMGKP) insurance scheme for health workers fighting COVID-19 and asked insurers to accelerate the disbursement of pending claims under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY). During a virtual meeting with the heads of insurance companies, she stressed on the importance of streamlining the process and documentation requirements under the schemes so that the claims are disbursed speedily, an official statement said. The finance minister observed that under the PMGKP scheme, a total of 419 claims have been paid as on date, amounting to Rs 209.5 crore disbursed in the account of their nominees. To address the issue of delays arising out of states sending documents, Sitharaman said that a new system has been put in place whereby a simple certificate from the District Magistrate (DM) and endorsed by the nodal state health authority will be sufficient to process these claims.



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<https://www.financialexpress.com/economy/fm-nirmala-sitharaman-meets-heads-of-insurers-stresses-on-faster-claim-settlement/2265897/>

- **PNB to transfer Rs 8,000 crore loans to bad bank:** State-run lender Punjab National Bank will transfer bad loans of Rs 8,000 crore to the proposed bad bank, said its chief SS Mallikarjuna Rao. The lender on Friday declared a standalone net profit of Rs 586.33 crore for the quarter ended March 31, 2020. National Asset Reconstruction Company or NARCL is expected to be operational by next month. "In the first tranche roughly Rs 8,000 crore of assets is identified by PNB," said Rao, adding that bank will take equity participation in the bad bank but it will be less than 10%. "We are expecting that by June 30, everything will be put in place," he said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/pnb-to-transfer-rs-8000-crore-loans-to-bad-bank/articleshow/83257819.cms?from=mdr>
- **PNB eyes 3-fold rise in profit at nearly Rs 6,000 crore in FY'22:** Country's second-largest lender Punjab National Bank (PNB) on Saturday said it is expecting nearly three-fold jump in its net profit to Rs 6,000 crore during the current fiscal as consolidation process is over. Despite COVID-19, the bank's profit surged over five times to Rs 2,022 crore during the financial year ended March 2021, against Rs 363.34 crore during 2019-20. "Our projection for FY'22...overall net profit should not be less than Rs 6,000 crore at the conservative level. It all depends on credit growth, demand in the economy," PNB Managing Director SS Mallikarjuna Rao said while speaking to media on FY21 fourth quarter numbers. He, however, said accurate estimation could be done after the end of the first quarter of FY22. On the loan growth, Rao said, it should be between 8 and 10 per cent for the banking industry on the assumption that the economy will grow at 9.5 per cent in 2021-22. "At the conservative level, we would like to show a growth rate of 8 per cent if the economy moves on expected lines where the GDP growth is 9.5 per cent and the COVID impact is reduced or eliminated by June," he said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/pnb-eyes-3-fold-rise-in-profit-at-nearly-rs-6000-crore-in-fy22/articleshow/83258367.cms>
- **IndusInd Bank to raise climate financing to 3.5 pc in two years:** Private sector IndusInd Bank on Saturday said it will reduce carbon emissions to 50 per cent in next four years and raise climate financing to 3.5 per cent in two years. The bank will be increasing the allocation of capital towards climate finance to 3.5 per cent of its loan book over the next two years, which is currently at 2.7 per cent, IndusInd Bank said on the occasion of the World Environment Day. The bank has also committed to reducing its specific carbon emission by 50 per cent over the next four years, it said in a release. The bank promoted by the Hinduja group also said it has made it to the Carbon Disclosure Project (CDP) list for the sixth consecutive time, making it the only Indian bank to get featured in this prestigious list. Among others, IndusInd Bank Managing Director and CEO Sumant Kathpalia said the bank is transforming all its pioneer branches /lobbies into green and plastic free zones and getting them LEED certified. The bank is also supporting tree plantation drive under which 50,000 trees will be planted in cities with high pollution index.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/indusind-bank-to-raise-climate-financing-to-3-5-pc-in-two-years/articleshow/83260769.cms?from=mdr>



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- **RBI doubles exposure threshold to ₹50 crore:** To expand the coverage of the Resolution Framework 2.0, the Reserve Bank of India on Friday announced a doubling of the maximum aggregate exposure to ₹50 crore. “With a view to enabling a larger set of borrowers to avail of the benefits under Resolution Framework 2.0, it has been decided to expand the coverage of borrowers under the scheme by enhancing the maximum aggregate exposure threshold from ₹25-50 crore for MSMEs, non-MSME small businesses and loans to individuals for business purposes,” RBI Governor Shaktikanta Das said on Friday as part of the Monetary Policy Statement. The Resolution Framework 2.0 was announced by the RBI on May 5 to help small borrowers tide over the impact of the second Covid-19 wave and State-level lockdowns.
<https://www.thehindubusinessline.com/money-and-banking/rbi-increases-exposure-threshold-for-resolution-framework-20/article34723859.ece>
- **Religare Enterprises eyes fundraise to infuse capital into Religare Finvest, other businesses:** Religare Enterprises Ltd (REL) Board will meet on June 8 to consider fund-raising to, among other things, infuse capital into its wholly owned subsidiary Religare Finvest Ltd (RFL) and other businesses, Rashmi Saluja, Chairperson, REL, said on Friday. Saluja, however, declined to comment on the mode of fundraising and the quantum being looked at by REL. It could be through a rights issue or a preferential allotment to investors or even a combination of both, sources said. “We are happy about the positive developments of the debt restructuring process of Religare Finvest Ltd (RFL). Religare Enterprises Ltd, continuing as promoter of RFL, shall be a testament towards the merit of the organisation and win-win for all.
<https://www.thehindubusinessline.com/money-and-banking/religare-enterprises-eyes-fundraise-to-infuse-capital-into-religare-finvest-other-businesses/article34730863.ece>
- **‘Consumer confidence slips to a new low in May’:** Our Bureau The Consumer Confidence Survey released by the Reserve Bank of India for the month of May showed that the consumer confidence for the current period weakened further. The current situation index (CSI), which has been in the negative territory since July 2019, fell to a new all-time low as consumer perceptions on general economic situation and employment scenario lowered further. The future expectations index (FEI) moved to pessimistic territory for the second time since the onset of the pandemic. This was driven by sharp fall in expectations on general economic situation, employment scenario and household income over one-year horizon. Household spending, too, weakened in the latest survey round, with essential spending showing signs of moderation while non-essential spending continues to contract.
<https://www.thehindubusinessline.com/money-and-banking/consumer-confidence-slips-to-a-new-low-in-may/article34730846.ece>
- **RBI approves re-appointment of Vishwavir Ahuja as MD, RBL Bank:** The Reserve Bank of India has approved the appointment of Vishwavir Ahuja as the Managing Director and CEO of RBL Bank for a one-year period with effect from June 30, 2021. “The re-appointment is subject to the approval of shareholders at the ensuing Annual General Meeting,” RBL Bank said in a regulatory filing on Friday.
<https://www.thehindubusinessline.com/money-and-banking/rbi-approves-re-appointment-of-vishwavir-ahuja-as-md-rbl-bank/article34730319.ece>



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- **DSP MF moves court to secure ₹100 cr investment in Sintex NCD:** DSP Investment Managers has filed an intervention application with National Company Law and Tribunal (NCLT) to secure its investment of ₹100 crore in the non-convertible debentures issued by Sintex BAPL. The move follows after Axis Bank declaratory suit claiming first charge over the proceeds from sale of assets by Sintex BAPL. DSP Investment Managers is the asset management company of DSP Mutual Fund. DSP Credit Risk Fund had invested about ₹100 crore in the non-convertible debentures of Sintex BAPL in 2017. Subsequently, the company defaulted on its payment obligation and the fund house had written down the investment to ₹2 crore as of April-end.
<https://www.thehindubusinessline.com/money-and-banking/dsp-mf-moves-court-to-secure-100-cr-investment-in-sintex-ncd/article34738670.ece>
- **India's foreign exchange reserves will help tide global spillovers, RBI says:** India's foreign exchange reserves have by all indications crossed \$600 billion, central bank chief Shaktikanta Das said, a huge buffer that will help insulate Asia's third-largest economy from global spillovers and volatile external flows. Earlier this year, the country's foreign-exchange reserves briefly surpassed Russia's to become the world's fourth-largest, as the Reserve Bank of India continued to hoard dollars to cushion the economy against any sudden outflows. The reserves are enough to cover around 15 months of imports and have been bolstered by rising inflows into the booming stock market and foreign direct investments. "While these flows ease external financing constraints, they also impart volatility to financial markets and asset prices, while producing undesirable and unintended fluctuations in liquidity that can vitiate the monetary policy stance," Das said after announcing the decision to keep interest rates unchanged.
<https://www.livemint.com/industry/banking/indias-foreign-exchange-reserves-will-help-tide-global-spillovers-rbi-says-11622851804302.html>
- **'RBI's Rs 16,000 crore special liquidity facility to Sidbi to help MFIs mitigate Covid-related challenges':** The microfinance industry on Friday said the Reserve Bank of India's (RBI) decision to provide a special liquidity facility of Rs 16,000 crore to the Small Industries Development Bank of India (Sidbi) for on-lending and refinancing purposes will provide support to microfinance institutions (MFIs) to mitigate challenges arising out of the pandemic. Alok Misra, CEO of MFIN, the umbrella body of MFIs, expressed hope that small and medium MFIs will be "prominently" covered under on-lending and refinancing facilities by Sidbi as the industry is facing disruptions in collections due to the second wave of Covid-19. Industry bodies were, however, "slightly disappointed" because the RBI did not announce any measure on including microfinance institutions under the Resolution Framework 2.0. "Over the last few quarters, large MFIs have been maintaining relatively higher liquidity on the balance sheet as a precautionary measure in a Covid-impacted environment. The special liquidity facility of Sidbi will further provide additional support to MFIs in general, but particular to small MFIs to manage their fixed obligations amidst disruption in collections on account of lockdowns during April and May 2021," CreditAccess Grameen MD & CEO Udaya Kumar Hebbar told FE.
<https://www.financialexpress.com/industry/banking-finance/rbis-rs-16000-crore-special-liquidity-facility-to-sidbi-to-help-mfis-mitigate-covid-related-challenges/2265496/>



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