



**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

June 13, 2021

- **Banks firm up plans to sell Vijay Mallya's assets:** Days after the Prevention of Money Laundering Act (PMLA) court allowed restoration of assets worth Rs 5,646.54 crore of beleaguered liquor baron Vijay Mallya with the consortium of banks led by the State Bank of India (SBI), the Indian banks have already started firming up plans for the sale of his assets, sources privy to the development told ET. These sources added that the bank executives recently met officials from the Enforcement Directorate (ED) to discuss the details. "In February last year through an application before the PMLA court, ED consented to the restoration of assets with the banks for the recovery of dues with certain riders, now that the PMLA court has allowed the banks' plea, meetings were held between the two to chalk the plan," said an official in the know. "From now on, the ED will have no role to play as far as the auction of restored assets is concerned. The banks, however, have to execute a bond before the special court before auctioning the assets," the official added. "If things go as per plan, the banks will be able to recover nearly 91% of the principal amount. While the movable and immovable assets are worth Rs 5,646.54 crore, the quantifiable loss suffered by the bank is Rs 6,203 crore."
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-firm-up-plans-to-sell-mallyas-assets/articleshow/83444182.cms?from=mdr>
- **Bank of India allots shares to govt for Rs 3,000 crore capital infusion:** State-owned Bank of India on Friday said it has allotted preference shares to the government for Rs 3,000 crore capital infusion. The bank has allotted 42,11,70,854 fresh equity shares of Rs 10 each to the government (promoter) at Rs 71.23 per share, amounting to Rs 3,000 crore through preference issue, Bank of India said in a regulatory filing. Shares of the bank closed 0.37 per cent up at Rs 80.45 apiece on BSE.
https://www.business-standard.com/article/finance/bank-of-india-allots-shares-to-govt-for-rs-3-000-crore-capital-infusion-121061101325_1.html
- **Home loans grew 76% to Rs 79,043 crore in March quarter, shows data:** Home loans sanctioned by finance companies, including housing finance firms, grew 76 per cent to Rs 79,043 crore in the quarter ended March 2021 over Rs 44,907 crore in Q4FY20. Property loans also showed 21.9 per cent expansion at Rs 23,418 cr against Rs 19,207 cr in Q4FY20. A slew of steps by state governments including reduction in stamp duties drove demand for housing loans. Auto loans showed 28.3 per cent drop in sanctions at Rs 8,646 crore in Q4FY21, from Rs 12,058 crore in Q4FY20. Personal loans were down by 27 per cent at Rs 15,401 cr, from Rs 21,095 crore in Q4FY20. A significant dip was witnessed in sanctions to the MSME segment in Q4 (represented by long-term loans, unsecured business loans and property loans) compared to FY19 & FY20. The industry is yet to catch up to the levels reached in Q4FY19, especially in the case of vehicles, CE & MSME loans.
https://www.business-standard.com/article/finance/home-loans-grew-76-to-rs-79-043-crore-in-march-quarter-shows-data-121061200055_1.html



**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

- **PhonePe goes to Sebi against Ventureast for 'scuttling' Indus OS deal:** PhonePe on Saturday said it has filed a formal complaint with the Securities and Exchange Board of India (Sebi) against early-stage investment fund Ventureast and its top officials. The complaint's main premise is that Ventureast, an investor in homegrown content discovery platform Indus OS, did "side dealings" with Affle Global "deliberately" in a "bad faith attempt to scuttle" PhonePe's acquisition of Indus OS. Affle is also a minority investor in Indus OS, which has objected to the deal. PhonePe said its complaint to the market regulator has highlighted "serious misrepresentations, including a series of unethical and bad faith actions, as well as potentially illegal actions, that have been and are being continually undertaken by the managing partner, general partner and principal of Ventureast involved with this transaction." PhonePe's complaint with Sebi against Ventureast follows allegations that Ventureast sold its stake in IndusOS to Affle, giving it nearly 23% stake while the terms were already agreed for an acquisition by PhonePe.
<https://economictimes.indiatimes.com/tech/startups/phonepe-goes-to-sebi-against-ventureast-for-scuttling-indus-os-deal/articleshow/83462113.cms>
- **Covid-19: SC refuses to pass direction on plea to redress borrower hardship :** Press Trust of India The Supreme Court on Friday refused to pass direction on a plea seeking measures to redress the financial hardship faced by borrowers during the second wave of Covid-19 pandemic, saying it is in the realm of policy decision. "The government has many things to do. They have to spend money on vaccine, on migrant labourers," the apex court said, adding that it is for the Centre and the RBI to consider the issue. "These are issues having financial implications and we are not the experts," a bench of Justices Ashok Bhushan and MR Shah told advocate Vishal Tiwari, who has filed the petition. The top court was hearing the plea which sought directions to the Centre and the Reserve Bank of India (RBI) to take remedial measures to redress the financial stress faced by borrowers during the second wave of the Covid-19 pandemic.
<https://www.thehindubusinessline.com/money-and-banking/covid-19-sc-refuses-to-pass-direction-on-plea-to-redress-borrower-hardship/article34792428.ece>
- **Ravi Parthasarathy, ex-Chairman of IL&FS Group, held on cheating charge:** The Economic Offences Wing of the Tamil Nadu Police has arrested Ravi Parthasarathy, 69, former chairman of the IL&FS Group in connection with alleged cheating of a Chennai-based private limited company of ₹200 crore through IL&FS Transportation Networks India Ltd (ITNL), Mumbai. Ravi Parthasarathy was arrested in Mumbai and brought to Chennai on Thursday. He was produced before the Special Court for cases under the TNPID Act and remanded to judicial custody for 15 days. The Economic Offences Wing of the State police had last January arrested Ramchand Karunakaran, former managing director, and Hari Sankaran, former vice-chairman and director of ITNL, who were also cited as accused in this case.
<https://www.thehindubusinessline.com/money-and-banking/ravi-parthasarathy-ex-chairman-of-ilfs-group-held-on-cheating-charge/article34792437.ece>
- **Shriram Transport Finance Corporation mops up Rs 2,000 crore via QIP:** Societe Generale and BNP Paribas Arbitrage are among the top investors allotted more than 5 per cent of the equity shares in Shriram Transport Finance Company's (STFC) Qualified Institutions Placement (QIP) issue of about Rs 2,000 crore. The investors who have been allotted more than 5 per cent of the 1.398 crore equity



**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

shares offered in the QIP are: Societe Generale (14.27 per cent), BNP Paribas Arbitrage (10.40 per cent), HDFC Trustee Company (7.33 per cent) and ICICI Prudential Life Insurance Company (5.07 per cent). The Securities Issuance Committee of STFC on Saturday approved the allotment of about 1.398 crore equity shares aggregating about Rs 2,000 crore to eligible qualified institutional buyers. The allotment is at the issue price of Rs.1,430 per equity share (including a premium of Rs.1,420 per equity share). This price is at a discount of Rs.3.32 per equity share -- that is 0.23 per cent of the floor price of Rs. 1,433.32 per equity share, the company said in a regulatory filing.

<https://www.thehindubusinessline.com/money-and-banking/shriram-transport-finance-corporation-mops-up-rs-2000-crore-via-qip/article34795815.ece>

- **Edelweiss Financial Services posts net profit of Rs 637 crore in Q4:** Edelweiss Financial Services posted a consolidated net profit of Rs 636.7 crore in the fourth quarter of 2020-21 as against a net loss of Rs 2,281.55 crore in the corresponding quarter a year ago. It registered a net profit of Rs 253.91 crore for the full fiscal 2020-21 versus a loss of Rs 2,043.77 crore in 2019-20. Total consolidated income for the quarter ended March 31, 2021 jumped to Rs 4,480.95 crore as against Rs 1,965.87 crore in the same period in the previous fiscal, Edelweiss said in a regulatory filing.
<https://www.thehindubusinessline.com/money-and-banking/edelweiss-financial-services-posts-net-profit-of-rs-637-crore-in-q4/article34797316.ece>
- **Home finance firms to comply with risk-based internal audit norms:** The Reserve Bank of India (RBI) has mandated Risk-Based Internal Audit (RBIA) framework for all deposit-taking Housing Finance Companies (HFCs), irrespective of their size, and for non-deposit taking HFCs with asset size of ₹5,000 crore and above. The central bank said these entities have to put in place an RBIA framework by June 30, 2022. The RBIA framework has been mandated in the backdrop of the troubles at Dewan Housing Finance Corporation Ltd and Reliance Home Finance. The RBI had mandated an RBIA framework for non-banking finance companies in February 2021. HFCs, which are also NBFCs, have now been brought under the ambit of this framework.
<https://www.thehindubusinessline.com/money-and-banking/home-finance-firms-to-comply-with-risk-based-internal-audit-norms/article34792326.ece>
- **Covid-19 pandemic impact: ICRA downgrades ratings for two MFIs :** Rating agency ICRA has cut rating for two MFIs and securitised loan pool on Covid-19 pressures. It downgraded the rating for ASA International India Microfinance's long term bank lines from "BBB" to "BBB-". Similarly, it cut ratings on debentures of Jagaran Microfin's (JMPL) from "BBB-" to "BB+". The rating action factors in the significant increase in delinquencies and the pressure on profitability and growth in light of the Covid-19 pandemic. It also cut rating for securitised micro-loan pool from "BB" to "BB-". It takes into account the considerably lower-than-expected collections from the sub-pool of Sambandh Finserve Private Limited (Sambandh)
https://www.business-standard.com/article/finance/covid-19-pandemic-impact-icra-downgrades-ratings-for-two-mfis-121061200051_1.html



**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

- **Forex reserves vault over \$600-b mark:** India's foreign exchange (forex) reserves crossed the important milestone of \$600 billion, aided by a whopping \$6.842 billion jump in the reserves in the week ended June 4, 2021. As on June 4, 2021, India's reserves stood at \$605 billion. The increase in reserves in the reporting week came mainly on the back of foreign currency assets (FCA) soaring by \$7.362 billion. FCA comprise multi-currency assets that are held in multi-asset portfolios (investment in securities, deposits with other central banks & BIS, and deposits with commercial banks overseas). The other three components of the reserves, however, declined: Gold (by \$502 million), Special Drawing Rights (\$1 million) and Reserve Position in the IMF (\$16 million).
<https://www.thehindubusinessline.com/money-and-banking/forex-reserves-vault-over-600-b-mark/article34792332.ece>

Disclaimer

Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICAI.

*For Restricted Circulation only A Compilation of News in this regard from Secondary Sources.