



**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 14, 2021

- **Bank of Maharashtra plans to raise up to Rs 2,000 crore through QIP:** State-run Bank of Maharashtra is looking to raise up to Rs 2,000 crore through qualified institutional placement (QIP) route before July-end, its Managing Director and CEO A S Rajeev said. In April this year, the Pune-based lender had received board approval to raise Rs 5,000 crore by way of QIP/rights issue/ preferential issue or by issuing Basel III bonds. "We are planning to raise around Rs 2,000 crore equity through QIP immediately. The process has already started and we will raise it before July-end," Rajeev told PTI in an interaction. The base size of the issue is Rs 1,000 crore and it has a greenshoe option of another Rs 1,000 crore, he said. Following this equity raise, the Government's holding in the bank will reduce to below 85 per cent from 94 per cent currently, and the capital adequacy ratio will improve to 17-18 per cent from around 14.49 per cent as of March 31, 2021, Rajeev said.
https://www.business-standard.com/article/finance/bank-of-maharashtra-plans-to-raise-up-to-rs-2-000-cr-through-qip-121061300219_1.html
- **IDFC FIRST Bank offers four times annual CTC, salary continuation for two years to corona affected employees' families:** MD: Private sector IDFC FIRST Bank is offering compensation equivalent to four times of the CTC as well as continuation of salary for two years to the families of the employees who lost their lives due to the coronavirus infection. Among others, the bank is also offering loan waivers of such employees so that their families do not feel pressured due to the economic burden. "The bank's employees are usually young people. Their families will be taken by shock. So we put together a composite programme covering all angles. We are giving four times the annual CTC as compensation plus continuing the salary for two more years so that the family can get the time to economically recover," V Vaidyanathan, Managing Director and CEO, IDFC FIRST Bank, told PTI.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/idfc-first-bank-offers-four-times-annual-ctc-salary-continuation-for-two-years-to-corona-affected-employees-families-md/articleshow/83480684.cms?from=mdr>
- **Axis Bank stake in Max Life likely to rise to 20 per cent in 12-18 months:** In line with the proposed deal, Axis Bank is likely to raise its stake in Max Life Insurance to about 20 per cent over the next 12-18 months, said the insurance company's CEO Prashant Tripathy said. Currently, Axis Bank and its two subsidiaries -- Axis Capital Ltd and Axis Securities Ltd -- collectively own 12.99 per cent in Max Life Insurance post approval of the deal in April this year. With this, Axis entities have now become co-promoters of Max Life with three board seats. "Axis Bank is to increase to 19.99 per cent in tranches. Thirteen per cent is already done over the next two quarters, we will seek approval for the balance seven per cent. So, it will reach about 20 per cent and that will be the ownership of Axis Bank," Tripathy told. When asked about the timeline for the completion of the remaining stake transfer, he said: "It should happen in the next 12 to 18 months."
https://www.business-standard.com/article/companies/axis-bank-stake-in-max-life-likely-to-rise-to-20-pc-in-12-18-months-121061300343_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

- **Public Sector Bank Privatisation: Modi Govt To Front Load Capitalisation Of State Owned Banks Over Possible Sale:** As the Central government draws a plan to privatise at least two public sector banks (PSB) this fiscal, it has also decided to front load capitalisation of state-owned banks so that the balance sheets of some of these entities are strengthened ahead of possible sale. Sources said that PSBs may be provided this year just after their first quarter results before October. This would be a departure from the practice of previous year when bank capitalisation was undertaken late in the year and towards the end of fiscal. Even in FY21, a substantial portion of capital was released right at end of the fiscal year in March. "Front loading of capital will help PSBs to strengthen their financials that may again get impacted this year with weak lending and stress coming back on a lot of their credit assets with Covid pandemic continuing to disrupt businesses. This could also help in taking out weak banks out of the PCA (prompt corrective action) framework that would be helpful in their possible privatisation this year," said an official source on the condition of anonymity. The Budget 2021-22 has allocated Rs 20,000 crore towards recapitalisation of PSBs to help them consolidate their financial capacity.
<https://swarajyamag.com/insta/public-sector-bank-privatisation-modi-govt-to-front-load-capitalisation-of-state-owned-banks-over-possible-sale>
- **Sharpening income inequalities telling story of 'uneven' economic recovery amid pandemic: D Subbarao:** Former RBI Governor D Subbarao has expressed concerns over "extreme unevenness" in economic recovery and "sharpening inequalities" between upper income segments and lower income households in the country, cautioning that the trend will hit growth prospects going forward. Terming the uneven recovery "morally wrong and politically corrosive", he said liquidity in the domestic market and foreign fund inflows are leading to soaring of prices of stocks and other assets despite disruptions due to Covid pandemic. The ex-central bank governor further said that earlier expectations of a sharp economic recovery this year have been dashed by the new pandemic wave. "The economy contracted last year, for the first time in four decades, by as much as 7.3 per cent. That was less deep than we had first feared but still deep enough to have caused distress to millions of families in the informal sector. There was expectation of a sharp recovery this year but those expectations are now tempered by the impact of the second wave," Subbarao told PTI.
<https://www.financialexpress.com/economy/sharpening-income-inequalities-telling-story-of-uneven-economic-recovery-amid-pandemic-ex-rbi-governor-subbarao/2270476/>
- **Private ARCs moving to retail loans as national bad bank nearing reality:** With RBI-mandated loan restructuring and moratoriums ebbing the tide of bad loans among corporates, ARCs have been banking on retail loans to drive business in the pandemic-hit FY21 and player like Edelweiss ARC expects the industry-wide retail assets under management to hit nearly half of the overall pie. The Rs 1.5-lakh-crore asset reconstruction market comprises over a dozen players led by Edelweiss ARC that controls over 30 per cent of the market, and the soon-to-be operationalised national bad bank, to be funded mostly by public sector banks and guaranteed by the government, will add to the clutter of the market and has private players fearing the government guarantee unlevelling their fields.
<https://www.moneycontrol.com/news/business/private-arcs-moving-to-retail-loans-as-national-bad-bank-nearing-reality-7028991.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

- **NCLT appoints monitoring committee to manage DHFL during transition period: Report:** The NCLT had on June 7 approved Piramal Group's overall resolution plan for DHFL, subject to a few conditions. The National Company Law Tribunal (NCLT) has named a seven-member monitoring committee for interim management and control of Dewan Housing Finance (DHFL), CNBC-TV18 reported. The committee will manage the struggling mortgage lender until Piramal Group's resolution plan is implemented, the report said. The NCLT had on June 7 approved Piramal Group's overall resolution plan for DHFL, subject to a few conditions. During the period between the date of the court approval and the implementation date, the management and control of the corporate debtor would vest with the Monitoring Committee, the NCLT is quoted as saying in the report.
<https://www.moneycontrol.com/news/business/nclt-appoints-monitoring-committee-to-manage-dhfl-during-transition-period-report-7028071.html>
- **FPIs invest Rs 13,424 crore in Indian markets in June so far:** Overseas investors pumped in a net Rs 13,424 crore so far in June as risk-on sentiment improved with declining COVID-19 cases and hopes of early opening of economy. Depositories data showed that foreign portfolio investors (FPIs) invested Rs 15,520 crore in equities during June 1-11. "The robust net inflows over the last two weeks could be attributed to the improvement in investor sentiments on the back of consistently falling coronavirus cases in the country and hopes of an early opening of the economy," said Himanshu Srivastava, associate director - manager research, Morningstar India. At the same time, FPIs withdrew Rs 2,096 crore from the debt segment during the period under review.
<https://economictimes.indiatimes.com/markets/stocks/news/fpis-invest-rs-13424-crore-in-indian-markets-in-june-so-far/articleshow/83479026.cms>
- **Five of top-10 valued firms add more than Rs 1 lakh crore in mcap; TCS, Infosys lead gainers:** Five of the 10 most valued companies together added Rs 1,01,389.44 crore in market valuation last week, with IT majors Tata Consultancy Services and Infosys grabbing the limelight. While Reliance Industries Limited, Tata Consultancy Services, Infosys, Hindustan Unilever Limited and Bajaj Finance were the gainers, HDFC Bank, HDFC, ICICI Bank, State Bank of India and Kotak Mahindra Bank witnessed erosion in their market valuation. The valuation of Tata Consultancy Services (TCS) jumped by Rs 47,551.31 crore to reach Rs 12,10,218.64 crore, becoming the biggest gainer among the top-10 companies. Infosys added Rs 26,227.28 crore to take its valuation to Rs 6,16,479.55 crore. The market capitalisation of Reliance Industries gained Rs 14,200.35 crore to Rs 14,02,918.76 crore and that of Bajaj Finance rose by Rs 7,560.02 crore to Rs 3,69,327.31 crore. The valuation of Hindustan Unilever Limited went higher by Rs 5,850.48 crore to Rs 5,56,041.95 crore.
<https://www.moneycontrol.com/news/business/five-of-top-10-valued-firms-add-more-than-rs-1-lakh-crore-in-mcap-tcs-infosys-lead-gainers-7027631.html>
- **Centre appoints Finance Ministry official Anand Mohan Bajaj to SEBI Board:** The Centre has appointed Anand Mohan Bajaj, Additional Secretary in the Department of Economic Affairs (DEA) as Member of the Board of Securities and Exchange Board of India (SEBI), which is the capital markets as well as commodity derivatives market regulator. Anand Mohan Bajaj, a 1990 batch Indian Audit & Accounts Service officer, has been holding the post of Additional Secretary in the Finance Ministry



**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

since May 2020. He had rejoined the Finance Ministry in September 2018 as Joint Secretary. He had earlier served as Director (capital markets) in the Finance Ministry between July 2006-June 2011.
<https://www.thehindubusinessline.com/markets/stock-markets/centre-appoints-finance-ministry-official-anand-mohan-bajaj-to-sebi-board/article34803002.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.