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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

June 25, 2021

- **SBI to give loans up to Rs 100 crore for healthcare sector under new scheme:** The country's largest lender State Bank of India (SBI) on June 24 said it has launched a new business loan product targeted at the healthcare sector. Under the new product, hospitals, nursing homes, diagnostic centres, pathology labs, and other manufacturing and supply-related businesses engaged in critical healthcare can avail of loans up to Rs 100 crore repayable in 10 years. Called 'Aarogyam' loans, these facilities can be availed either as term loan to support expansion or modernisation or as working capital facilities such as cash credit, bank guarantees or letters of credit. In metro centres, loans under Aarogyam can be availed up to Rs 100 crore, in Tier I and urban centres up to Rs 20 crore and in Tier II to Tier VI centres up to Rs 10 crore.
<https://www.moneycontrol.com/news/business/sbi-to-give-loans-up-to-rs-100-crore-for-healthcare-sector-under-new-scheme-7083801.html>
- **PNB board meeting on Friday; PNB Housing Finance issue may come up:** The board of state-owned Punjab National Bank (PNB) is schedule to meet on Friday, which among other routine agenda may take up the proposed investment of Rs 4,000 crore by US-based private equity firm Carlyle and others in its mortgage arm PNB Housing Finance. According to sources, although it is not part of the agenda, the board may discuss the PNB Housing Finance and Carlyle deal amid regulatory concerns. However, the future course of action on the PNB Housing Finance deal will depend on the final order from Securities Appellate Tribunal (SAT) listed for July 5, the sources added. Meanwhile, PNB Housing Finance on Wednesday said it will disclose the outcome of its shareholders' meeting held a day earlier after SAT's order. The mortgage firm had moved the tribunal on Monday after capital markets regulator Sebi on June 18 asked it not to go ahead with the proposed capital raise by allotting preference shares to the investors until it carried out a valuation of shares from an independent registered valuer.
https://www.business-standard.com/article/companies/pnb-board-meeting-on-friday-pnb-housing-finance-issue-may-come-up-121062301807_1.html
- **Indian Bank focuses on fee income, cost reduction to boost bottom line:** Anticipating a slower economic revival, state-owned Indian Bank said that it would focus on cost optimization and increasing fee income to improve the bottom line in FY22. The second wave of the pandemic at the beginning of FY22 derailed the economic growth outlook. At the same time there is optimism that with a higher proportion of the population getting vaccinated, there will be a turnaround in the economic activity as has been witnessed in other countries. It is looking to realise the full benefit of the amalgamation with Allahabad Bank by way of bringing down the expenses through rationalisation of overheads. While the bank's expenses ratio improved by 149 bps to 47.59% in FY21, its operating expenses rose 12% to Rs 10,349 crore. Its fee income rose by 3% in FY21 to Rs 2,368 crore while interest income rose 2% to Rs 39106 crore.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/indian-bank-focuses-on-fee-income-cost-reduction-to-boost-bottom-lin/articleshow/83810357.cms>



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- **RBI prescribes norms for dividend distribution by NBFCs:** The Reserve Bank on Thursday issued guidelines on distribution of dividends by non-banking financial companies (NBFCs) in order to infuse greater transparency and uniformity in the practice. The guidelines shall be effective for declaration of dividend from the profits of the financial year ending March 31, 2022 and onwards. These will be applicable to NBFCs regulated by the RBI. As per the minimum prudential requirements prescribed for declaration of dividend, the net NPA ratio of the NBFC concerned shall be less than 6 per cent in each of the last three years, including as at the close of the financial year for which the dividend is proposed to be declared. Also, NBFCs (other than Standalone Primary Dealers) should have met the applicable regulatory capital requirement for each of the last three financial years, including the financial year for which the dividend is proposed. The guidelines also prescribe ceilings on dividend payout ratios for NBFCs.
<https://www.financialexpress.com/industry/banking-finance/rbi-issues-norms-for-dividend-distribution-by-nbfc/2277906/>
- **Smaller banks get cold feet, deactivate cryptocurrency accounts:** Smaller banks that had allowed cryptocurrency exchanges and traders to open accounts with them are now getting cold feet and pulling out despite Reserve Bank of India's recent clarification that its old circular banning payments related to cryptocurrencies was no longer valid. While large banks like State Bank of India, HDFC Bank, Axis Bank and ICICI Bank continue to be reluctant, some smaller banks such as IDFC Bank had started offering their services to some exchanges, several people in the know said. Now, more smaller players seem to be pulling back. IDFC, in the last one week, reached out to some exchanges and said that they are "temporarily deactivating accounts." The bank gave no reasons for the move.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/smaller-banks-get-cold-feet-deactivate-cryptocurrency-accounts/articleshow/83797489.cms?from=mdr>
- **Loan default case: CBI conducts searches in Mumbai, Delhi against Avantha Group promoter Gautam Thapar:** The Central Bureau of Investigation (CBI) investigating a loan default case against Gautam Thapar, promoter Avantha Group of companies is conducting raids at multiple locations in Mumbai and Delhi, sources in the know told ET. Earlier this month, the federal agency had booked Thapar, two private companies based at Delhi and Gurugram and their promoters and directors for causing an alleged loss of Rs. 466.51 crore (approx) to Yes Bank. "It was alleged that the private company based at Gurugram/Delhi had availed term loan facility of Rs 515 crore from Yes Bank Limited in December, 2017. The loan amount was declared as NPA on October 30, 2019. Further, the borrower was allegedly declared 'Red Flagged Account' on March 6, 2020, on the basis of Early Warning Signals (EWS)," the FIR registered by the agency said.
<https://economictimes.indiatimes.com/news/india/loan-default-case-cbi-conducts-searches-in-mumbai-delhi-against-avantha-group-promoter-gautam-thapar/articleshow/83803029.cms>
- **Insurers settle Covid claims worth over ₹15,000 cr:** After the second wave of Covid-19 swept India in April-May, insurance companies settled about 80 per cent, or more than 15.39 lakh health claims exceeding ₹15,000 crore as on June 22, said a top IRDAI official. "Over 19.11 lakh Covid health claims have been reported as on June 22 as far as medical insurance or hospitalisation is concerned. "While in terms of death claims, which is handled by life insurers, about 55,276 claims have been intimated



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and, nearly 88 per cent, or 48,484 claims amounting to ₹3,593 crore, have already been settled,” said TL Alamelu, Member (Non-Life), IRDAI, while inaugurating 13th Global Insurance E-Summit organised by industry chamber Assocham. She added that the repudiated claims for health is 4 per cent and in life it is just 0.66 per cent.

<https://www.thehindubusinessline.com/money-and-banking/insurers-settle-covid-claims-worth-over-15000-cr/article34953479.ece>

- **Kapol Co-op bank takes first step towards amalgamation with Pune-based Cosmos Bank:** Action is hotting up in the urban co-operative banking (UCB) space, with Mumbai-based Kapol Co-operative Bank taking its first step towards an amalgamation with Pune-based Cosmos Co-operative Bank. The special general body meeting of the Kapol Co-operative Bank unanimously voted on the resolution “to consider and approve merger of the Bank with The Cosmos Co-operative Bank Ltd” on June 9, 2021. The aforementioned development came about nine days before the Reserve Bank of India (RBI) accorded its “in-principle” approval to Centrum Financial Services to set up a small finance bank (SFB), which in turn is expected to takeover the scam-hit Punjab & Maharashtra Co-operative (PMC) Bank.
<https://www.thehindubusinessline.com/money-and-banking/kapol-co-op-bank-takes-first-step-towards-amalgamation-with-pune-based-cosmos-bank/article34953208.ece>
- **Paytm extends deadline for shareholders to submit documents for share sale to June 30:** Digital payments and financial services firm Paytm has extended the deadline for shareholders, employees and former employees to submit their documents by June 30, if they wish to sell their shares in the planned initial public offering of the company. One97 Communications, which operates services under the Paytm brand name, is planning an initial public offering of its equity shares which is contemplated to include a fresh issue of equity shares by the company and an offer-for-sale of equity shares by the existing shareholders of the company.
https://www.business-standard.com/article/companies/paytm-extends-deadline-to-submit-documents-for-share-sale-to-june-30-121062400423_1.html
- **YES Bank loan fraud: CBI books former CG chairman Gautam Thapar, others:** The CBI on Thursday carried out searches at six locations after registering a fresh case of fraud of Rs 2,435 crore in YES Bank and other consortium banks against former Crompton Greaves chairman Gautam Thapar who is already under probe in more such cases, officials said. The searches took place at six locations in Mumbai, Delhi and Gurgaon. This is a new case against Thapar, who was booked recently in Rs 466 crore fraud case in Yes Bank, the officials said. Along with Thapar, several other executives of the company have been booked in the case.
https://www.business-standard.com/article/finance/yes-bank-loan-fraud-cbi-searches-premises-of-cg-power-in-mumbai-121062401072_1.html
- **Asirvad Microfinance securitises Rs 262-crore loan in deal with PSB:** Asirvad Microfinance, a subsidiary of Manappuram Finance, said on Wednesday it has securitised microfinance loans worth Rs 262 crore in a deal with a public sector bank. Raja Vaidyanathan, MD of Asirvad Microfinance, said, “This deal, closely on the heels of an ECB transaction with US-based WorldBusiness Capital, reaffirms the confidence leading lending institutions have in India’s microfinance sector and its prospects for



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growth.” In May 2021, the company raised \$15-million loan from WorldBusiness Capital, based in Hartford, Connecticut. Proceeds from the loan availed will enable Asirvad to expand its business of providing small loans to low-income women business owners in rural areas to start and expand their businesses, he added.

<https://www.financialexpress.com/industry/banking-finance/asirvad-microfinance-securitises-rs-262-crore-loan-in-deal-with-psb/2277113/>

- **Vijay Mallya & PNB cases: ED transfers Rs 9,371-crore assets to banks, govt:** The Enforcement Directorate (ED) on Wednesday said it had transferred to public-sector banks and the Central government assets worth `9,371 crore belonging to fugitive economic offenders Vijay Mallya, Nirav Modi and Mehul Choksi. The agency has attached/seized assets worth a total of Rs 18,170 crore, constituting over 80% of the losses of Rs 22,586 crore incurred by banks due to the alleged frauds committed by these three businessmen. These also include properties worth Rs 969 crore located abroad.

<https://www.financialexpress.com/industry/banking-finance/vijay-mallya-pnb-cases-ed-transfers-rs-9371-crore-assets-to-banks-govt/2277078/>

- **CBI books SBI cashier for Rs 70L gold loan fraud:** The Central Bureau of Investigation has registered a case against a State Bank of India (SBI) cashier in East Godavari district in connection with Rs 70 lakh gold loan scam. The CBI booked Rapaka Venkata Ramana Murthy, cash incharge at SBI Sakhinetipalli branch, under Indian Penal Code (IPC) sections of cheating and criminal breach of trust after he allegedly siphoned Rs Rs 70 lakh. Murthy fraudulently opened hundreds of accounts between 2016 and 2020, credited gold loan amounts and withdrew the cash, the CBI alleged. The fraud came to light in January this year. “Murthy created gold loans without pledging the required gold ornaments. He credited the loan amounts to 319 savings bank accounts of 246 people involving a sum of Rs 66 lakh. There was a mismatch in the gold loans sanctioned and gold mentioned. In 37 instances alone, gold loans sanctioned were more than the ornaments,” the CBI said.

<https://timesofindia.indiatimes.com/city/hyderabad/cbi-books-sbi-cashier-for-rs-70l-gold-loan-fraud/articleshow/83762682.cms#:~:text=Hyderabad%3A%20The%20Central%20Bureau%20of,70%20lakh%20gold%20loan%20scam.&text=He%20credited%20the%20loan%20amounts,sum%20of%20Rs%2066%20lakh.>

- **Sensex jumps 393 points, Nifty above 15,700 as IT stocks lead rally:** Benchmark indices closed in the green on Thursday on the settlement day of June contracts on the NSE, led by a sharp rebound in IT, metals and financials. The market, which opened on a positive note amid firm global cues, remained firm through the day. Declining Covid-19 cases and the vaccination ramp-up have positively boosted investor sentiments. The BSE Sensex closed at 52,699.00, up 392.92 points or 0.75 per cent. It hit an intra-day high of 52,830.68 and a low of 52,385.05. The Nifty 50 closed at 15,790.45, up 103.50 points or 0.66 per cent. It hit an intra-day high of 15,821.40 and a low of 15,702.70. The market breadth turned in favour of the decliners with 1,746 stocks declining, 1,454 advancing and 150 remaining unchanged on the BSE. As many as 425 securities hit the upper circuit and 282 the lower circuit; 405 hit their 52-week high, while 20 touched a 52-week low. Infosys, TCS, JSW Steel, Tech Mahindra and



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Larsen & Toubro were the top gainers on the Nifty 50, while Reliance, IOC, Coal India, Shree Cements and Bharti Airtel were the top laggards.

<https://www.thehindubusinessline.com/markets/stock-markets/sensex-jumps-393-points-nifty-above-15700-as-it-stocks-lead-rally/article34948780.ece>

- **Rupee gains for 2nd straight day; settles 9 paise higher at 74.18/USD:** The rupee gained for the second straight day and closed 9 paise higher at 74.18 (provisional) against the US dollar on Thursday, supported by a rally in domestic equities and weaker American currency. At the interbank forex market, the rupee opened at 74.20, and hit an intra-day high of 74.16 and a low of 74.25. It finally finished at 74.18, higher by 9 paise over its last close. On Wednesday, the rupee had settled at 74.27 against the US dollar.

https://www.business-standard.com/article/finance/rupee-gains-for-2nd-straight-day-settles-9-paise-higher-at-74-18-usd-121062400959_1.html

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