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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

June 27, 2022

- **Adani Enterprise Subsidiary Raises Rs 6,000 Crore Loan To Set Up Greenfield Copper Plant** :Kutch Copper Limited (KCL), a subsidiary of Adani Enterprises on Sunday said that it has secured a debt of Rs 6,071 crore to set up a copper refinery at Mundra, Gujarat. The funds will go towards setting up a copper refining capacity of 0.5 million tonnes per annum (MTPA) as part of the phase 1 of the greenfield plant. The loan has been extended by a consortium of banks led by SBI.
<https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/adani-enterprise-subsidiaryraises-rs-6000-crore-loan-to-set-up-greenfield-copper-plant/articleshow/92473721.cms>
- **First Semiconductor Project Approval This Year Says Ashwini Vaishnaw** :The indigenous 5G technology developed by the TCS-CDOT-led consortium has the potential to win global deals as people the world over are looking for trusted telecom solutions and no country can match the level of trust India can bring in, Telecom and IT Minister Ashwini Vaishnaw has said. While sharing the government plans to deploy 1.25 lakh mobile sites in the BSNL network based on indigenously developed technology gears, Vaishnaw in an interview expressed concern over the shortage of semiconductors and said the first project proposal for the high-tech electronic chips will be approved in coming few months this year.
<https://m.economictimes.com/news/india/india-can-bring-trusted-solutions-for-world-first-semiconductor-project-approval-this-year-ashwinivaishnaw/articleshow/92472677.cms>
- **Imf's 17.7 Billion Sdr Support Masks Extent Of Slowdown In Reserves Pile-Up In Fy'22**: India added \$47.5 billion to the foreign exchange reserves last fiscal, down nearly half the previous year. But a drill down of the data reveals that nearly \$26 billion of those incremental reserves were due to the sanction of Special Drawing Rights by the IMF and revaluation of gold reserves. Net of valuation losses only \$ 4 billion worth hard foreign currency assets were added to the forex kitty. A \$17.7 billion addition to the reserves was provided by the IMF in terms of SDR allocation and close to \$9 billion addition to the value of gold. Even excluding the SDR gains- which is a one-off (\$17.4billion) and changes in gold \$8.67billion, the gains in foreign currency assets stand at \$20bn. After factoring valuation losses of \$17.2 billion, foreign exchange reserves increased by \$ 30.3 billion during 2021-22 as compared with \$ 99.2 billion during 2020-21, according to the data on variation in Foreign Exchange Reserves released by the Reserve Bank of India.
<https://m.economictimes.com/news/economy/finance/imfs-17-7-billion-sdr-support-masks-extent-of-slowdown-in-reserves-pile-up-in-fy22/articleshow/92472293.cms>
- **India Exported 1.8 Million Tonnes Wheat To Several Countries Since Ban**: India has exported 1.8 million tonnes of wheat to a dozen-odd countries, including Bangladesh and Afghanistan, since the country banned exports of the grain on May 13, according to Food Secretary Sudhanshu Pandey. About 33,000 tonnes of wheat as humanitarian assistance has already been supplied to Afghanistan against the commitment of 50,000 tonne, he said.
<https://m.economictimes.com/news/economy/foreign-trade/india-exported-1-8-million-tonnes-wheat-to-several-countries-since-ban-food-secretary-sudhanshu-pandey/articleshow/92471779.cms>

- 423 Infrastructure Projects Show Cost Overruns Of Rs 4.95 Trillion:** As many as 423 infrastructure projects, each entailing an investment of Rs 150 crore or more, have been hit by cost overruns of more than Rs 4.95 lakh crore, as per a report. According to Ministry of Statistics and Programme Implementation, which monitors infrastructure projects of Rs 150 crore and above, out of 1,568 projects, 423 reported cost overruns and as many as 721 projects were delayed.https://www.business-standard.com/article/economy-policy/423-infrastructure-projects-show-cost-overruns-of-rs-4-95-trillion-122062600214_1.html
- Assam Cabinet Approves Jv Company With Railways To Boost Network:**The Assam Cabinet on Saturday approved formation of a joint venture company between the state government and the railway ministry to increase the railway network in the state, a minister said. In Assam Rail Infrastructure Development Corporation Limited (ARIDCL), the state government will hold a share of 51 per cent and the ministry the remaining 49 per cent, Water Resources Minister and government spokesperson Pijush Hazarika said.The ARIDCL will ensure speedy implementation of ongoing projects, besides working out possible financing avenues, he said.https://www.business-standard.com/article/economy-policy/assam-cabinet-approves-jv-company-with-railways-to-boost-network-122062501009_1.html
- Finmin Asks Banks To Explore Fintech Partnership, Co-Lending Opportunities:**The Finance Ministry has asked public sector banks to explore fintech partnerships and co-lending opportunities to expand their business.In the recently concluded performance review of PSBs by the Finance Ministry, sources said, lenders were asked to focus on technology and data analytics to push their lending.The ministry also urged the heads of the public sector lenders to strengthen IT security systems and cybersecurity to check fraud.Banks were asked to sanction loans for productive sectors to accelerate the revival of the economy facing headwinds, including the Russia-Ukraine war. As per the RBI's latest data, growth in lending by PSBs has improved significantly to 7.8 per cent in March 2022 from 3.6 per cent a year ago. Some of the PSBs recorded 26 per cent growth.Bank of Maharashtra (BoM) recorded a 26 per cent increase in gross advances to Rs 1,35,240 crore at the end of March 2022. It was followed by the State Bank of India and Union Bank of India with 10.27 per cent and 9.66 per cent growth, respectively.The Pune-headquartered BoM witnessed a 16.26 per cent deposit growth and mobilised Rs 2,02,294 crore at the end of March 2022. Union Bank of India was the second with an 11.99 per cent growth in deposits (Rs 10,32,102 crore), while Indian Bank recorded a 10 per cent rise to Rs 5,84,661 crore. The meeting took stock of asset quality and business growth plans of banks, the sources said, adding that non-performing assets (NPAs) of Rs 100 crore and the recovery status were also discussed. It is to be noted that the meeting was held against the backdrop when all PSBs posted a profit in the second financial year in a row. They have more than doubled their net profit to Rs 66,539 crore in FY22. The collective profit of 12 state-owned banks together was Rs 31,820 crore in FY21.https://www.business-standard.com/article/finance/finmin-asks-banks-to-explore-fintech-partnership-co-lending-opportunities-122062600217_1.html
- 4R Strategy To Improve Financial Strength Of Psbs:** To improve the financial health of PSBs, the government implemented a comprehensive 4Rs strategy -- recognition of NPAs transparently, resolution and recovery of value from stressed accounts, recapitalisation of PSBs, and reforms in PSBs and the wider financial ecosystem -- for a responsible and clean system.Comprehensive steps were taken under the 4Rs strategy to reduce NPAs of PSBs. As part of the strategy, the government has infused Rs 3,10,997 crore to recapitalise banks during the last five financial years -- from 2016-17 to 2020-21, out of which Rs 34,997 crore were sourced through budgetary allocation and Rs 2,76,000 crore through issuance of recapitalisation bonds to these banks.<https://www.outlookindia.com/business/finance-ministry-asks-banks-to-explore-fintech-partnership-co-lending-opportunities-news-204761>

- China's Central Bank, BIS Set Up Renminbi Liquidity Arrangement:** China's central bank said on Saturday it had signed an agreement with the Bank for International Settlements to establish a Renminbi Liquidity Arrangement (RMBLA) that will provide support to participating central banks in times of market fluctuations. The People's Bank of China (PBOC) said the arrangement's first participants, in addition to the PBOC, would include Bank Indonesia, the Central Bank of Malaysia, the Hong Kong Monetary Authority, the Monetary Authority of Singapore and the Central Bank of Chile. Each participant will contribute a minimum of 15 billion yuan (\$2.2 billion) or the U.S. dollar equivalent, it said. The BIS said in a separate statement that the funds could be contributed either in yuan or U.S. dollars, and that they would be placed with the BIS, creating a reserve pool. <https://www.moneycontrol.com/news/business/chinas-central-bank-bis-set-up-renminbi-liquidityarrangement-8739111.html>
- US, 3 Other G7 Nations Ban Imports Of Russian Gold:** Members of the Group of Seven wealthy nations on Sunday announced a ban on imports of Russian gold as the G7 summit in the Bavarian Alps begins under the shadow of the war in Ukraine and consequences ranging from energy shortages to a food crisis. The move by Britain, the US, Japan and Canada is part of efforts to tighten the sanctions squeeze on Moscow amid Russia-Ukraine war. <https://www.thehindubusinessline.com/news/world/g7-bans-imports-of-russian-gold/article65567135.ece>
- Govt Extends Gst Compensation Levy Till March 2026 But States/Ut Not To Get Money:** The Finance Ministry has notified the extension of levying compensation cess under GST regime till 2026. However, this does not mean States will continue to get compensation till that period. Levying of cess was coming to end on June 30. On May 31, the Centre said it has released the entire amount of GST compensation payable to States to till date by releasing an amount of ₹86,912 cr <https://www.thehindubusinessline.com/economy/govt-extends-gst-compensation-levy-till-march-2026-but-states-ut-not-to-get-money/article65563494.ece>
- Private Sector Banks Report Significant Increase In Msme Loans Market Share: Crif High Mark:** Private sector banks (PvSBs) reported a significant increase in market share in micro, small and medium enterprise (MSME) loan originations both by value and volume in the last two financial years, with public sector banks (PSBs) and non-banking finance companies (NBFCs) losing market share. <https://www.thehindubusinessline.com/money-and-banking/private-sector-banks-report-significant-increase-in-msme-loans-market-share-crif-high-mark/article65563534.ece>
- Committee Of Creditors Extends Timeline For Reliance Captial Resolution Till November:** Lenders of debt-ridden Reliance Capital Ltd (RCL) on Sunday decided to extend the resolution process timeline by another two months to November 2 as there has been a tepid response from bidders for its acquisition. The timeline was already extended once by 90 days—from June 3 to September 2, 2022. This is the second extension granted by the Committee of Creditors (CoC) for the completion of RCL's resolution process. As per the Insolvency and Bankruptcy Code (IBC) rules, the administrator had to close the resolution of RCL within 180 days—by June 3. <https://www.thehindubusinessline.com/money-and-banking/committee-of-creditors-extends-timeline-for-reliance-captial-resolution-by-two-months-to-november/article65567108.ece/amp/>

RBI KEY RATES

Repo Rate: 4.90%

SDF: 4.65%

MSF & Bank Rate: 5.15%

Fixed Reverse Repo Rate: 3.35%

CRR: 4.50%

SLR: 18.00%

FOREX RATES (AS PER FBIL FRIDAY 1.30 PM)

INR / 1 USD : 78.3308

INR / 1 GBP : 96.1286

INR / 1 EUR : 82.5633

INR / 100 JPY: 58.1200

EQUITY MARKET (FRIDAY CLOSING)

Sensex: 52727.98 (+ 462.26)

NIFTY: 15699.30 (+142.60)

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