



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
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## DAILY UPDATES BY BFSI COMMITTEE, ICAI

May 9, 2021

- **FinMin asks PSU banks to keep high vigil on attempt to seize funds by Cairn** : The finance ministry has asked public sector banks (PSBs) to be on high vigil against any attempt being made to seize their overseas deposits to recover USD 1.2 billion that the UK's Cairn Energy plc has been awarded against India levying retrospective taxes, sources said. Cairn had previously stated that it can seize Indian assets abroad if it is not paid USD 1.2 billion plus interest and cost that an international arbitration panel had awarded against levy of retrospective taxes. Cash of Indian banks lying in nations such as the US and the UK are said to be easy target for seizing and enforcing the arbitration award. To guard against such cash being taken over, the finance ministry has asked PSBs to be extra vigilant and immediately report back any attempt Cairn makes to legally attach the deposits, two sources aware of the matter said.

[https://www.business-standard.com/article/finance/finmin-asks-psu-banks-to-keep-high-vigil-on-attempt-to-seize-funds-by-cairn-121050800561\\_1.html](https://www.business-standard.com/article/finance/finmin-asks-psu-banks-to-keep-high-vigil-on-attempt-to-seize-funds-by-cairn-121050800561_1.html)

- **CSB Bank charts branch expansion fuelled by gold loans** : Canadian billionaire Prem Watsa controlled CSB Bank has doubled down on branch expansion as it seeks to reduce dependence on its home state of Kerala and seek growth in newer markets especially in retail banking. The bank will continue to add more branches as it changes character to pan Indian franchise from a Kerala based lender, CEO CVR Rajendran said. CSB added 100 branches last fiscal as it completed 100 years of existence in 2020. It will add another 200 branches in the fiscal ended 2022, most of them outside Kerala in states like Andhra Pradesh, Telengana, Tamil Nadu, Goa and Madhya Pradesh. "Out of the 100 branches we opened last fiscal just 9 were in Kerala and that too in the northern part of the state where we had limited presence. This fiscal we plan to add another 200 branches most of them outside Kerala in states like Andhra, Tamil Nadu and Telengana," Rajendran said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/csb-bank-charts-branch-expansion-fuelled-by-gold-loans/articleshow/82479893.cms?from=mdr>

- **EIB, SBI to back €100 m Neev Fund II for SMEs** : The European Investment Bank (EIB) and the State Bank of India (SBI) have agreed to back the new Neev Fund II, which will invest up to €100 million in Indian small and medium-sized enterprises (SMEs). Neev II Fund, which is under the management of SBICap Ventures (a step-down subsidiary of SBI), will provide growth and expansion capital to companies offering solutions for clean energy, electric vehicles, efficient use of raw materials, and water and circular economy projects in the country. "The fund will enable Indian innovative and emerging companies to fund their



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growth through equity or quasi-equity instruments,” according to a joint statement issued by EIB, SBI and the European Commission.

<https://www.thehindubusinessline.com/economy/policy/eib-sbi-to-back-100-m-need-fund-ii-for-smes/article34509311.ece>

- **Bandhan Bank registers 80 per cent drop in Q4 net profit :** On the back of higher provisioning for non-performing assets, Bandhan Bank registered a nearly 80 per cent drop in net profit at ₹103 crore for the quarter ended March 31, 2021, compared with ₹517 crore in the same period last year. Provisions increased by nearly 93 per cent at ₹1,594 crore during the quarter under review compared with ₹827 crore in the same period last year. The bank's gross non-performing asset (NPA) as a percentage of advances increased to 6.81 per cent against 1.48 per cent in the same period last year. Sequentially, gross NPAs increased from 1.11 per cent during the quarter ended December 30, 2020. Net NPA also increased to 3.51 per cent against 0.58 per cent in the same period last year. On a sequential basis, net NPA increased from 0.26 per cent registered in December 2020 quarter.

<https://www.thehindubusinessline.com/news/bandhan-bank-registers-80-per-cent-drop-in-q4-net-profit/article34515854.ece>

- **DCB Bank Q4 net profit rises 13% :** DCB Bank has reported a 13 per cent jump in its net profit for the quarter ended March 31, 2021 at ₹78 crore compared with ₹69 crore in the same period the previous fiscal. For 2020-21, its net profit fell marginally to ₹336 crore compared with ₹338 crore in 2019-20. The bank's net interest income fell four per cent to ₹311 crore in the January to March 2021 quarter versus ₹324 crore a year ago.

<https://www.thehindubusinessline.com/news/dcb-bank-q4-net-profit-rises-13/article34515897.ece>

- **US dollar share of global foreign exchange reserves drops to 25-year low: IMF :** The share of US dollar reserves held by central banks fell to 59 per cent -- its lowest level in 25 years -- during the fourth quarter of 2020, according to a recent survey by the International Monetary Fund (IMF). Findings of the IMF's Currency Composition of Official Foreign Exchange Reserves (COFER) survey say this partly reflects declining role of US dollar in global economy in the face of competition from other currencies used by central banks for international transactions. If the shifts in central bank reserves are large enough, they can affect currency and bond markets, said Serkan Arslanalp, Deputy Division Chief in balance of payments division of IMF's statistics department, and economist Chima Simpson-Bell. The share of US dollar assets in central bank reserves dropped by 12 percentage points -- from 71 to 59 per cent -- since the euro was launched in 1999, they said in a blogpost posted on IMF's website.



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<https://www.livemint.com/industry/banking/us-dollar-share-of-global-foreign-exchange-reserves-drops-to-25-year-low-imf-11620471706111.html>

- **Asian Development Bank to end coal, upstream oil and gas financing** : The Asian Development Bank will no longer finance coal mining or oil and natural gas production and exploration, it announced in a draft policy statement on Friday, a move welcomed by environmental groups, which said it was a decade overdue. The multilateral development bank, which focuses on eradicating poverty in Asia, provided no timeline for its commitment. It also laid out conditions under which fossil fuel projects would continue to receive funding, such as where no other cost-effective technology was available. Yongping Zhai, head of the ADB's energy sector, said the draft would be deliberated by its board of directors in October. Green groups had earlier this week urged the ADB to end loans to the entire fossil fuels sector.

<https://www.livemint.com/industry/banking/asian-development-bank-to-end-coal-upstream-oil-and-gas-financing-11620445692265.html>