



**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 UPDATES BY BFSI COMMITTEE, ICAI

May 12, 2021

- **SBI's Padma Nair to be NARC's first CEO** : State Bank of India (SBI) chief general manager (CGM) Padma Kumar Nair is all set to take over as the first chief executive officer (CEO) for the government approved National Asset Reconstruction Company's (NARC), three people familiar with the process said. Nair was selected as the preferred candidate by a five member committee appointed by the Indian Banks' Association (IBA) on Saturday. He is likely to be given a five year term. "His name has now being proposed to head the new company after SBI also gave its no objection to the appointment on Tuesday," said one of the persons cited above. Nair was promoted as CGM in SBI's stressed asset resolution group (SARG) last year after spending more than three years in the department managing bad loans for the bank. His experience with the scale of bad loans managed by SBI resulted in his selection another person cited above said. "He had clear thoughts and ideas to be implemented. - economic times
- **FinMin pitches for PM Jeevan Jyoti Bima Yojana again** : The Finance Ministry has re-energised its effort to get more people, especially from lower-income group and vulnerable sections, to enrol under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), a low-cost life insurance scheme. But bankers are not very enthused about this effort. "In these testing times, let's take a step towards security. Subscribe to PMJJBY and secure the safety of your loved ones. Available to people in the age group 18 to 50 years with a bank account who give their consent to join/enable auto-debit of premium," the Financial Services Department (DFS) said in a tweet. - Business Line
- **Private banks allowed to undertake agency jobs for central and state govts without any fresh approval: RBI** : Private banks, which worked as agency banks for government businesses prior to 2012, are allowed to undertake such agency jobs for central and state governments without any fresh approval, Reserve Bank of India said Monday. Banks seeking fresh approval from RBI for government agency businesses should be healthy and are not under prompt corrective action framework or moratorium at the time of making the application or signing of the agreement with RBI, the central bank said. At present, no private bank is under PCA. The government had in September 2012 put an embargo on further allocation of government business to private sector banks. The Department of Financial Services lifted the ban in February this year. But these banks would need to tap RBI for fresh approval if they look to do additional government agency businesses. - economic times
- **J&K Bank defers board meet on proposed Rs 500 cr-capital infusion from state govt** : Jammu & Kashmir Bank (J&K Bank) has postponed its board meeting to discuss the proposal of Rs 500 crore capital infusion from the state government. The meeting of the board of directors of the bank scheduled for Wednesday, May 12, 2021 to consider/discuss the proposal of capital infusion by the government of Jammu & Kashmir to the tune of Rs 500 crore in the bank stands postponed, the bank said in a regulatory filing. The bank has not given the reason behind the postponement. The new date for the said meeting shall be communicated separately, it added. Stock of J&K Bank traded at Rs 26.10 apiece on BSE, up 2.76 per cent from previous close. - economic times



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- **Jana Small Finance Bank launches I choose my number feature** : Jana Small Finance Bank on Tuesday announced the launch of I choose my number feature for all its customers across India. This new feature gives the banks existing and new customers the option to select their favourite numbers as their savings or current account number, it said in a statement. The allocation of the account number chosen by the customer will be subject to availability of the requested number, the bank said. The bank's MD and CEO, Ajay Kanwal, said: "This added feature will help customers relate and connect to the bank more closely as they choose auspicious or lucky numbers." - economic times
- **YES Bank appoints Indranil Pan as chief economist** : Private sector lender Yes Bank on Tuesday said it has appointed Indranil Pan as its chief economist. Pan joins the bank from rival IDFC First Bank. Pan and his team will provide strategic and policy-level inputs for the bank, based on macroeconomic developments at global and national level, a statement said. - economic times
- **NCLT admits insolvency petition against textile company Sintex Industries** : The Ahmedabad bench of the National Company Law Tribunal (NCLT) has admitted an insolvency petition against textile company Sintex Industries after it failed to pay more than Rs 7000 crore to a group of creditors led by Punjab National Bank (PNB). Sintex is the largest debtor taken to the NCLT since the one year moratorium on filing fresh cases ended in March. Lenders tried to complete a one time settlement with Mumbai based Welspun Group in order to avoid going to NCLT. However, the Welspun offer involved as much as a 74% haircut and a long pay back period which discouraged lenders from taking the offer, three people familiar with the negotiations said. - economic times
- **Microfinance sector seeks RBI's additional support to combat COVID-19 second wave** : The microfinance industry has sought additional support, including an extension of the emergency credit line, from the Reserve Bank of India to combat the challenges arising out of the second COVID-19 wave. Sa-Dhan an association of the microfinance sector, in a letter to the RBI, asked for the Partial Credit Guarantee Scheme 3.0, emergency credit line, special liquidity facility in addition to the recently announced support measures by the central bank. "Just when we were coming out of the effects of the first wave of the pandemic, the second wave has descended on us with a vengeance. "RBI timely intervention for the sector and its recent announcement of special long-term repo operations (SLTRO) of Rs 10,000 crore for Small Finance Banks and categorization of lending by SFBs to MFIs under Priority Sector Lending has been of immense help," Sa-Dhan executive director P Satish said. - economic times
- **Anchor investor Bay Tree India cuts stake in YES Bank to 5.40%** : Bay Tree India Holdings I LLC has cut its stake in YES Bank further from 6.03 per cent as at March-end 2021 to 5.40 per cent now. Bay Tree India Holdings (BTIH) had 7.48 per cent stake in YES Bank as at December-end 2020. BTIH, which is a part of New York-based Tilden Park Capital Management, was the biggest anchor investor in YES Bank's further public offer (FPO) in July 2020. It invested about 55 per cent of the ₹4,098 crore the bank mopped up from anchor investors. Overall, the bank raised ₹14,850 crore (net of share issue expenses) through the FPO. - Business Line



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- **Jana Small Finance Bank launches 'I choose my number' feature** : Jana Small Finance Bank, on Tuesday, said its customers will now have the option of choosing their favourite numbers for their savings or current account. A press statement from the company said that the bank will allow its customers to choose their favourite numbers as the last 10 digits of their bank account, savings or current. The allocation of the account number chosen by the customer will be subject to the availability of the requested number. According to Ajay Kanwal, MD and CEO, Jana Small Finance Bank "We observe that customers want banking to be simple and personalised. This added feature will help customers relate and connect to the bank more closely as they choose auspicious or lucky numbers. At Jana Small Finance Bank, we are committed to providing customers with solutions that are tailored to their preferences." - Business Line
- **Groww to acquire Indiabulls MF for ₹175 cr** : Groww, one of the leading investment platforms, has signed a definitive agreement with Indiabulls Housing Finance to acquire Indiabulls Mutual Fund for ₹175 crore (including cash and cash equivalent of ₹100 crore). The sale of Indiabulls Asset Management Company will be limited only to the Mutual Fund part of the business, while the Alternate Investment Fund will be demerged and retained by Indiabulls Housing Finance. It plans to grow the Real Estate Asset Management business through AIF structures in line with its asset-light strategy. - Business Line
- **IDBI Bank board to consider proposal to raise equity capital on May 15** : The board of IDBI Bank will consider the proposal to raise equity capital through various modes in its meeting on May 15. "The Board Meeting of IDBI Bank Ltd. to be held on Saturday, May 15, 2021 will consider the proposal for approval of Notice of the 17th Annual General Meeting of the Bank which includes the following as one of the items of business for the AGM: (i) To pass enabling Special Resolution in terms of Section 62(1)(c) of the Companies Act, 2013 for issue of equity capital through various modes," the bank said in a regulatory filing. IDBI Bank is the first state-run bank which will be up for disinvestment. On May 5, the Cabinet Committee on Economic Affairs (CCEA) gave its in-principle approval for strategic disinvestment along with transfer of management control in IDBI Bank Ltd. - Business Standard
- **RBI imposes monetary penalty on two Maharashtra-based co-operative banks** : The Reserve Bank of India (RBI) on May 11 imposed monetary penalty on two Maharashtra-based co-operative banks. These are Siddheshwar Sahakari Bank Ltd., Latur and Shankar Nagari Sahakari Bank Limited. The regulator slapped a monetary penalty of Rs 3.50 lakh on Siddheshwar Sahakari Bank for non-compliance with the directions issued by RBI to Urban Cooperative Banks on exposure norms and income recognition and asset classification norms. Also, the RBI imposed a fine of Rs one lakh penalty on Shankar Nagari Bank for similar rule violations. The RBI imposed penalties based on inspection reports of these banks and after issuing show cause notices, the RBI said. - moneycontrol.
- **Google Pay users from US can now send money to users in India, Singapore** : Tech giant Google on May 11 said that Google Pay users in the United States can now send money to GPay users in India and Singapore. For this move, the American multinational technology company has partnered with Western Union and Wise. Both the firms have integrated their services into Google Pay. With this new approach, it is the first time that cross-border payments firms have inked such a deal. Google is also



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planning to expand the initiative worldwide by the end of the year. "As we do with a number of Google products, we will test, learn, and iterate and then start scaling," TechCrunch quoted Google's Director of Product Management Josh Woodward as saying. Google is soon making two-step verification mandatory for all users - moneycontrol.

- **Market ends four-day winning streak :** The BSE Sensex closed at 49,161.81, down 340.60 points or 0.69 per cent. It hit an intraday high of 49,304.47 and a low of 48,988.18. The Nifty 50 index closed at 14,850.75, down 91.60 points or 0.61 per cent. It briefly slipped below 14,800 during the day to hit an intraday low of 14,771.40. It touched an intraday high of 14,900. The breadth of the market, however, remained positive with 1,845 stocks advancing, 1,204 declining and 190 remaining unchanged on the BSE. As many as 476 securities hit the upper circuit and 153 the lower circuit; 349 hit their 52-week high while 30 touched 52-week low. Coal India, NTPC, IOC, ONGC and BPCL were the top gainers on the Nifty 50 while JSW Steel, Hindalco, Kotak Bank, HDFC and Divi's Labs were among the top laggards.
- **Rupee ends flat at 73.34 against US dollar :** The rupee pared its early losses to close almost flat at 73.34 (provisional) against the US dollar on Tuesday amid a lacklustre trend in the domestic equity markets. At the interbank forex market, the local unit opened lower at 73.47 against the greenback and declined to the day's low of 73.53. The rupee later cut losses and finally ended at 73.34, registering a rise of 1 paisa over its previous close of 73.35 against the US dollar.