



**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 16, 2021

- **SBI eyes over Rs 10K-crore credit pipeline for health infrastructure:** State Bank of India (SBI), the country's largest lender, expects over a Rs 10,000-crore credit pipeline for large and medium health care firms for augmenting infrastructure and capacities. Ashwani Bhatia, managing director, SBI, said the bank had held discussions with firms that needed funds for building hospital infrastructure. On a conservative basis, the bank can lend Rs 10,000-15,000 crore. The loans will fructify only in the medium to long term as players would look to assess demand over a period beyond immediate requirements emerging from the pandemic. The Reserve Bank of India (RBI) will provide on-tap liquidity of Rs 50,000 crore with tenors of up to three years at the repo rate till March 31, 2022. The purpose of this window is to boost provisions for immediate liquidity for ramping up pandemic-related health care infrastructure and services in the country. - Business Standard
- **SBI board to consider FY21 results, dividend on May 21, 2021:** A meeting of the Board of Directors of State Bank of India is scheduled on 21/05/2021, to consider and approve the audited financial results for year ended 31st March, 2021 and dividend, if any. Shares of STATE BANK OF INDIA was last trading in BSE at Rs.360.5 as compared to the previous close of Rs. 367.85. The total number of shares traded during the day was 3228608 in over 38185 trades. The stock hit an intraday high of Rs. 372.6 and intraday low of 359.6. The net turnover during the day was Rs. 1180339280. - equibulls
- **PNB raises ₹ 1,800 crore via QIP offering:** Punjab National Bank (PNB), the country's second largest public sector bank, has raised ₹ 1799.99 crore through its latest Qualified Institutional Placement (QIP) offering that saw the bank issue 53.33 crore shares at ₹ 33.75 per share, which is about 5 percent discount to the floor price of ₹ 35.51 per share, to institutional investors. The QIP issue, which had opened on Monday and closed on Friday, saw several marquee institutional investors including Life Insurance Corporation (₹400 crore), Societe Generale (₹417 crore), BNP Paribas Arbitrage ₹240 crore), Morgan Stanley Asia (Singapore) Pte (₹ 150 crore) getting allotments more than 5 per cent of the equity shares offered in the QIP, sources said. PNB was through this QIP looking to raise about ₹ 1800 crore including an option to retain oversubscription of up to ₹ 600 crore. - Business Line
- **IDBI Bank settles loan with Aircel founder Siva:** IDBI Bank has said that it has accepted the one-time settlement offer by Siva Industries's promoters — a part of Aircel founder C Sivasankaran's group — as it would lose more money otherwise. IDBI Bank had initiated bankruptcy proceedings against Siva Industries in 2019. The loans were availed by a group company that later merged with Siva Industries. Sivasankaran is facing investigations by the



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authorities for causing a loss to banks. According to banking sources, IDBI Bank has already written to the CBI, which has confirmed that commercial dealings will not affect the criminal investigation process. “Recovery for the bank through one-time settlement will be higher vis-a-vis recovery through NCLT liquidation based on the valuation of assets available as security. This OTS (one-time settlement) and exit from NCLT does not prejudice the CBI complaint. The case with CBI continues,” IDBI Bank said. - economic times

- **Sitaram and Sarkar to take charge as CFO and Internal Auditor of IDBI Bank :** The Board of Directors of IDBI Bank has approved the appointment of P Sitaram, Executive Director (ED), as Chief Financial Officer (CFO) and Key Managerial Personnel with effect from June 1, 2021. Sitaram will take charge from incumbent ED & CFO Ajay Sharma. IDBI Bank, in a regulatory filing, said the change in CFO is as per the Reserve Bank of India’s directions to the Bank to ensure adherence to the minimum qualification criteria for CFO. Sitaram is a qualified Chartered Accountant and has over 15 years experience in handling finance & accounts and taxation matters in IDBI Bank. - Business Line
- **Assam to discuss microfinance future with industry leaders :** The Himanta Biswa Sarma government in Assam has called a meeting with microfinance business leaders on Saturday, as the state looks to break an impasse over local micro-lending operations, plagued by non-repayment of loans amid uncertainties over a state-level microfinance Bill and an election promise to waive micro loans. The new government has already set the ball rolling to fulfil its election promise of waiving microfinance loans. A committee has been formed to look into issues related to loan waiver. The government committee will talk to lenders and other stakeholders to assess the size of outstanding loans, chief minister Sarma said. “It will submit its report in the next one month,” he told ET. - economic times
- **Second Covid wave to hit banks’ growth harder than asset quality: Analysts :** The second wave of surging Covid cases in India could pose a greater risk to banks’ loan growth than to their asset quality, analysts said. The extent and nature of lockdowns across states will impact credit growth for banks and non-banks by about 140-160 basis points (bps), analysts at Emkay Global Financial Services have said. Industry experts expect the Reserve Bank of India’s (RBI) latest round of relief measures to support asset quality. According to Emkay’s estimates, the severely affected states account for about 48% of retail credit and 56% of overall credit. The self-employed categories will bear much of the brunt of localised lockdowns. “We estimate that within retail assets (~31% of overall credit), the self-employed category accounts for nearly a third – though the impact will largely be restricted to BL (business loan)/LAP (loans against property) and MFI (microfinance) portfolio,” the report said. - financial express.