

PSBs will need up to ₹2-lakh crore recap in the next 2 years: Moody's

MOODY'S Investors Service has estimated that public sector banks (PSBs) will need ₹1.9-lakh crore to ₹2-lakh crore (\$25 billion to \$26 billion) in external capital over the next two years under its base scenario to restore their loss-absorbing buffers.

Moody's warned that a sharp slowdown in India's economic growth, exacerbated by the coronavirus outbreak, will hurt PSBs' asset quality, and result in sharp increases in credit costs, which will hurt profitability. Consequently, PSBs' already weak capital buffers will be depleted.

Of the total amount of required capital, the agency estimated that PSBs will need about ₹1.0-lakh crore to build loan-loss provisions to about 70 per cent of NPLs, which will grow from its current level to ₹1.5-lakh crore by 2022, and expect the government to infuse fresh funds into them as it has done in the past. If PSBs, which dominate the banking system in India, fail to function properly in the

absence of state capital support, the country will face a deepening credit crunch, hampering its economic recovery, the agency said in a note.

"Coronavirus fallout will leave banks with capital shortages again," Moody's expects the Indian economy will contract sharply in fiscal year ending March 2021 (fiscal 2020) before returning to growth, though modestly, in fiscal 2021. As a result, formation of new NPLs will accelerate substantially, driven by the retail and micro, small and medium enterprises (MSME) segments.

UBI posts Q1 net profit of ₹333 cr

OUR BUREAU Mumbai, August 21 In its first quarterly results after the amalgamation of Andhra Bank and Corporation Bank with it, Union Bank of India (UBI) reported a standalone net profit of ₹333 crore in the quarter ended June 30, 2020.

'Loan restructuring to help revive economy'

BLOOMBERG August 21 New measures to allow lenders to restructure loans will provide a durable resolution for cash-strapped businesses and help revive the economy, according to the central bank's chief.



On one hand health of banks is very important and on the other hand businesses are under a lot of stress due to Covid, said Reserve Bank of India Governor Shaktikanta Das in an interview on Friday.

Indiabulls Housing Fin Q1 net profit falls to ₹273 cr

OUR BUREAU Mumbai, August 21 Indiabulls Housing Finance's consolidated net profit for the first quarter of the fiscal dipped by 65.9 per cent to ₹273.84 crore against ₹801.53 crore a year ago.

However, it was almost double the net profit of ₹137.06 crore in the fourth quarter of last fiscal.

With a sharp drop in interest income, its total income slid to ₹2,578.23 crore in the April to June 2020 quarter from ₹3,886.12 crore a year ago.

New paradigm of maximisation of stakeholder's value, the need of the hour: IRDAI Chairman

OUR BUREAU PUNE, August 21 Insisting on the need to veer the focus on human relationships and not accumulating wealth, SC Khuntia, Chairman, Insurance Regulatory and Development Authority of India (IRDAI), said that the new paradigm of maximisation of stakeholder's value is the need of the hour.

"Maximisation of welfare does not mean that one section of the society is against another, but an equilibrium must be established in which everyone feels valued"

the nucleus of all functions of any organisation, and organisations have the governance committee to take care of the interests of their stakeholders - shareholders, employees, suppliers, government, environment, and the society as a whole.

Govt panel to submit report on pre-pack insolvency framework soon: IBBI chief

KR SRIVASTAV New Delhi, August 21 A government-appointed panel to recommend a framework for pre-packaged insolvency under the current insolvency regime in the country will submit its report this month-end. A pre-pack is an agreement between secured creditors and investors, instead of going in for public bidding process.

What has been suspended is that portion where a very microscopic keyhole surgery has been done under the IBC. But it is being perceived that the entire IBC has been suspended or complete ban is there," said Sahoo.



pointment of insolvency professional, role and responsibility of committee of creditors, moratorium, and expected cost of process timelines for the completion of process.

He was speaking at the National Insurance Academy's (NIA) first annual International Colloquium (virtual) titled 'Transition to Stakeholders Value Creation'.

satisfaction are the keys to creating more value, he said, adding that maximisation of welfare does not mean that one section of the society is against another, but an equilibrium must be established in which everyone feels valued.

Corporate governance G Srinivasan, Director, NIA, said that corporate governance has assumed a lot of importance in India and the world, and the government and regulators are taking a conscious effort to safeguard the interests of stakeholders.

Speaking at the ASSOCHAM-organised summit on the future of Insolvency and Bankruptcy Code post-pandemic, MS Sahoo, Chairman of Insolvency and Bankruptcy Board of India (IBBI), clarified that the entire IBC was not suspended for six months due to Covid-19 but only a tiny fraction of the code (Sections 7, 9 and 10 of the IBC).

The IBBI Chairman also indicated that MSME promoters will continue to stay in charge of the enterprise during the resolution process, and this would be enabled in the proposed special insolvency framework for MSMEs.

propose a detailed scheme for implementing pre-pack and prearranged insolvency resolution process. This seven-member panel was also asked to look into pre-conditions for initiation of pre-packaged insolvency resolution process (PPRP) in terms of default and threshold, ap-

Alternative mechanism Having a pre-pack like those in developed jurisdictions will help in achieving faster insolvency resolution under the IBC. The process would likely be completed much faster than the traditional Corporate Insolvency Resolution Process. Having a pre-pack framework would act as an important alternative resolution mechanism to the CIRP and would help lower the burden on the National Company Law Tribunal, say insolvency experts.

KVGB-SBI General sign pact

OUR BUREAU MANGALURU, August 21 The Dhavard-headquartered Karnataka Vikas Grameen Bank (KVGB) and SBI General Insurance Co Ltd have signed an MoU to sell general insurance products through the branches of KVGB.

Gopi Krishna, Chairman of KVGB, said the bank has consistently enhanced its portfolio to meet the diverse financial needs of its customers, and this alliance is a step in that direction.

Members are hereby requested to submit the details of their email id, mobile nos, and contact person's details to the Registered Office of the Association, Office No. 3, 8th Floor, Swasthikadri Business Centre, Anna Salai, Chennai 600 006 or by email to adm@kvgsai.in or kvgsai@kvgsai.in for updating the Members' Register on or before 25-08-2020.

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NOTICE TO THE MEMBERS CALLING THE 37th ANNUAL GENERAL MEETING, INFORMATION ON REMOTE E-VOTING / E-VOTING The 37th Annual General Meeting (AGM) of the shareholders of the Company is scheduled to be held on Wednesday, September 16, 2020 at 10.00 A.M. through Video Conference (VC) / Other Audio Visual Means (OAVM) in compliance with the applicable provisions of the Companies Act, 2013 and Rules framed thereunder and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with General Circular No. 14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 15, 2020 respectively issued by the Ministry of Corporate Affairs (MCA Circulars) and Circular No. SEBI/HO/CFD/CMD/1/CIRP/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (SEBI Circular), without the physical presence of the Members at a common venue.

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EXTRACT OF THE STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2020 (₹ in lakhs-Except EPS)

GMR Infrastructure Limited For GMR Infrastructure Limited 5d/- T. Venkat Ramana Company Secretary & Compliance Officer GMR GROUP - GL / 115 / PREM ASSOCIATES

RAJAPALAYAM MILLS LIMITED Regd. Office: Rajapalayam Mills Premises P.A.C. Ramasamy Raja Salai, Post Box No. 1, Rajapalayam - 626 117, Tamil Nadu. CN: L17111TIN1939P002296 Telephone: 04563 - 235666, Fax: 04563 - 236520 Email: rajapalayam@rajapalayam.com Website: http://www.rajapalayam.com

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Completion of sending Notice of 25th AGM and Annual Report 2019-2020 The Company has sent electronic copy of the Notice of the 25th AGM along with Annual Report for FY 2019-20 on Wednesday, August 19, 2020 through email mode only to those Members whose e-mail addresses are registered with the Depository Participants or Company's Registrar & Transfer Agent, Cameo Corporate Services Limited. The requirement of sending physical copies of the Notice of the AGM and Annual Report for the financial year 2019-20 has been dispensed with vide MCA Circulars and the SEBI Circular. Members who have not yet registered their e-mail addresses are requested to contact our RTA, Cameo Corporate Services Limited through email investor@cameoindia.com or Phone +91 44 2846 0390 to know further details.