



**THE INSTITUTE OF  
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## DAILY NEWS DIGEST BY BFSI BOARD, ICAI

June 8, 2022

- **Bank credit grows by 11.04 pc; deposits by 9.27 pc:** Bank credit grew by 11.04 per cent to Rs 120.27 lakh crore and deposits by 9.27 per cent to Rs 165.74 lakh crore in the fortnight ended May 20, RBI data showed on Tuesday. In the fortnight ended May 21, 2021, bank advances stood at Rs 108.31 lakh crore and deposits at Rs 151.67 lakh crore, according to the 'Scheduled Banks' Statement of Position in India as on May 20, 2022'. In the previous fortnight ended May 6, bank credit grew by 10.82 per cent and deposits at 9.71 per cent. In FY 2021-22, bank credit rose by 8.59 per cent and deposit by 8.94 per cent.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-credit-grows-by-11-04-pc-deposits-by-9-27-pc/articleshow/92065331.cms>
- **Govt wants state-run banks to tap markets:** The government wants state-run lenders to tap the markets on account of their stellar financial performance and give a credit push to the economy, which looks upbeat with all key metrics pointing towards high growth. Around eight banks have more than 75% government holding. "State-run banks have performed exceedingly well and with all high frequency indicators pointing towards growth, it is time that banks strengthen their balance sheet to give a credit push," said a finance ministry official, adding that the timing and size of the issue will be decided by each bank's respective board.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/govt-wants-state-run-banks-to-tap-markets/articleshow/92046007.cms>
- **SBI reshuffles top executive after new MD takes charge:** State Bank of India (SBI) chairman Dinesh Kumar Khara has reshuffled the portfolios of top executives after the government confirmed the appointment of Alok Choudhary as the fourth managing director (MD) last night. Choudhary was cleared as MD by the Banks Board Bureau (BBB) in March after another MD Ashwini Bhatia was selected to be wholetime director (WTD) at stock market regulator Securities and Exchange Board of India (SEBI). Bhatia took over as SEBI director earlier this month after retiring from SBI on May 31. As MD Choudhary will be incharge of the growing retail banking portfolio of the bank and will be MD till his retirement on June 30 2024. CS Setty who was the MD for retail and digital banking will now look after international banking, technology and markets. Ashwini Kumar Tewari the MD who was incharge of international banking, technology and subsidiaries has now been given the responsibility of risk, compliance, audit and stressed assets resolution group (SARG). J Swaminathan who was MD incharge of SARG along with risk, compliance and audit will now look after corporate banking and subsidiaries of the bank.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/sbi-reshuffles-top-executive-after-new-md-takes-charge/articleshow/92064181.cms>
- **World Bank cuts India's economic growth forecast to 7.5 pc for FY23:** The World Bank on Tuesday cut India's economic growth forecast for the current fiscal to 7.5 per cent as rising inflation, supply chain disruptions and geopolitical tensions taper recovery. This is the second time that the World Bank has revised its GDP growth forecast for India in the current fiscal 2022-23 (April 2022 to March 2023). In April, it had trimmed the forecast from 8.7 per cent to 8 per cent and now it is projected at 7.5 per cent. The GDP growth compares to an 8.7 per cent expansion in the previous 2021-22 fiscal. "In India, growth is forecast to edge down to 7.5 percent in the fiscal year 2022/23, with headwinds from rising inflation, supply chain disruptions, and geopolitical tensions offsetting buoyancy in the recovery of services consumption from the pandemic," the World Bank said in its latest issue of the Global Economic Prospects.



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<https://indianexpress.com/article/india/world-bank-cuts-indias-economic-growth-forecast-to-7-5-pc-for-fy23-7957614/#:~:text=%E2%80%9CIndia%2C%20growth%20is%20forecast,issue%20of%20the%20Global%20Economic>

- **PSBs to hold credit outreach event as a part of Azadi Ka Amrit Mahotsav:** All public sector banks will be holding a credit outreach drive across districts on Wednesday June 8, as a part of the Azadi Ka Amrit Mahotsav (AKAM). As a part of the drive, authorities will be hearing out customers and the public about their queries on credit facilities and on enrollment in various government schemes, the Finance Ministry said in a press release on Tuesday. These district level programmes are being coordinated by all Public Sector Banks and State Level Bankers Committees (SLBCs), the MoF said. The programmes are part of the MoF's celebrations, which will take place from June 6 to 12, 2022.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/psbs-to-hold-credit-outreach-event-as-a-part-of-azadi-ka-amrit-mahotsav/articleshow/92051607.cms>
- **Home loan market will double, HDFC merger will help scale up business: Chairman Deepak Parekh:** India will be able to double its home loans to around \$ 600 billion within the next five years as the aspiration to own a home will only increase and the merger with HDFC Bank will help Housing Development Finance Corp Ltd (HDFC) to scale up its business, chairman Deepak Parekh said in his annual address to shareholders. "At HDFC, we know that this is the right time for strategic choices as we prioritise pathways for future growth. Our moment of truth is that the optimum path to scale up housing finance is to be housed within a banking structure. The pool of resources for lending will be significantly larger and at lower costs. From a regulatory perspective, it is prudent for all large providers of housing finance to operate on a level playing field, with the same rules. Globally too, the scale of mortgage assets is exponentially larger in banks compared to non-banking financial entities," Parekh said explaining the rationale for the merger with its banking subsidiary which was announced in early April.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/home-loan-market-will-double-hdfc-merger-will-help-scale-up-business-chairman-deepak-parekh/articleshow/92054113.cms>
- **Axis Bank and Indian Oil launch co-branded RuPay Contactless credit card:** Axis Bank and Indian Oil Corporation Limited (IOCL) in partnership with National Payments Corporation of India (NPCI), have launched co-branded contactless INDIANOIL AXIS BANK RuPay Credit Card. The card offers 100% cashback up to Rs 250 on all fuel spends within the first 30 days of card issuance. It also offer waiver of 1% fuel surcharge on fuel spends between Rs 200 to Rs 5000. Apart from a surcharge waiver at fuel outlets and cashback on fuel spends, the credit card comes with a host of other benefits on everyday transactions through accelerated reward points, instant discount on movie tickets, and dining delights at partner restaurants.  
<https://www.livemint.com/companies/news/axis-bank-indian-oil-launch-co-branded-rupay-contactless-credit-card-11654597656769.html>
- **There is a massive opportunity for credit to MSMEs: HSBC India CEO:** Even as a number of foreign banks have re-calibrated their strategies for India, HSBC India sees "endless opportunities" in the country, said Hitendra Dave, General Manager and CEO, HSBC India. While converting to a wholly owned subsidiary is not in its plans, it would consider inorganic plans for customer acquisition, Dave told BusinessLine in an interview.  
<https://www.thehindubusinessline.com/money-and-banking/there-is-a-massive-opportunity-for-credit-to-msmes-hsbc-india-ceo/article65503429.ece>
- **HDFC Bank hikes MCLR by 35 basis points:** The country's largest private sector lender HDFC Bank has hiked its marginal cost of funds-based lending rates (MCLR) by 35 basis points across all tenors. The new rates are effective from Tuesday and comes just ahead of the Reserve Bank of India's monetary policy announcement on Wednesday when another round of rate hike is expected. According to HDFC Bank's website, overnight MCLR is



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now at 7.5 per cent while the one year MCLR is at 7.85 per cent. The three-year MCLR stands revised to 8.05 per cent. The increased rate will lead to costlier EMIs for borrowers.

[https://www.business-standard.com/article/finance/hdfc-bank-hikes-mclr-by-35-bps-across-all-tenures-effective-june-7-122060700285\\_1.html](https://www.business-standard.com/article/finance/hdfc-bank-hikes-mclr-by-35-bps-across-all-tenures-effective-june-7-122060700285_1.html)

- **Crypto exchanges getting ready to implement 1 per cent TDS** : Cryptocurrency exchanges are readying their systems for the one per cent tax deducted at source that will kick in from next month. Exchanges said they are awaiting more clarity from the government on the mechanism for collecting the tax and various aspects of the TDS. Concerns remain rife that investor sentiment, which is already muted, will be hit further once the tax comes into play on July 1. The tax department is understood to have held a series of meetings with crypto exchanges on the roll out of the tax in the last few weeks.  
<https://www.thehindubusinessline.com/money-and-banking/crypto-exchanges-getting-ready-to-implement-1-per-cent-tds/article65503066.ece#:~:text=Cryptocurrency%20exchanges%20are%20readying%20their, various%20aspects%20of%20the%20TDS.>
- **Fintech start-up Rupeek lays off 10-15 per cent of its team**: Gold loans start-up Rupeek has laid off 10-15 per cent of its team, which is estimated to be around 200 employees. Rupeek has about 1,249 employees on LinkedIn and the layoffs are said to have impacted all verticals at the company. In an internal email, CEO Sumit Maniyar said the subdued macro economic environment had compelled Rupeek to re-calibrate its strategy, relook its costs and make the organisation structure leaner.  
<https://www.thehindubusinessline.com/companies/fintech-start-up-rupeek-lays-off-10-15-per-cent-of-its-team/article65503435.ece>
- **ONDC: Govt lines up banks for e-commerce effort to take on Amazon, Walmart**: India's effort to break Amazon and Walmart's dominance of its e-commerce sector, by establishing its own open network, has begun lining up banks and other key players needed to move it forward, sources familiar with the matter said. Some of the country's biggest banks are in discussions about setting up "buyer platforms" to let their customers place orders for goods and services over the Open Network for Digital Commerce (ONDC), which the Indian government soft-launched in April, the sources told Reuters.  
<https://www.thehindubusinessline.com/info-tech/ondc-govt-lines-up-banks-for-e-commerce-effort-to-take-on-amazon-walmart/article65486588.ece>
- **FlexiLoans.com raises \$90 million in Series B funding**: MSME-focused fintech lender FlexiLoans.com has raised about \$90 million in Series B funding from marquee investors including MAJ Invest, Fasanara Capital and the family offices of Harry Banga and Yogesh Mahansaria along with many existing shareholders such as Sanjay Nayar. "This investment round provides a strong runway to the firm for its growth journey at a time when there is fintech push by the government especially for the MSME sector," it said in a statement. The fundraise will help FlexiLoans.com in scaling up its micro SME lending and creating technological edge for its Buy Now Pay Later (BNPL), supply chain and co-lending services.  
<https://www.thehindubusinessline.com/money-and-banking/flexiloanscom-raises-90-million-in-series-b-funding/article65502942.ece>
- **PNB board approves investing Rs 500 cr in PNB Housing's rights issue**: The board of Punjab National Bank (PNB) has approved an investment of Rs 500 crore by participating in the rights issue of PNB Housing Finance. The investment by state-owned lender in its housing finance arm will help PNB in maintaining its shareholding at 30 per cent or below, but below 26 per cent, and retain its status as a promoter, the bank said in an exchange filing. PNB Housing Finance is looking to raise Rs 2,000 crore by issuing non convertible debentures (NCD) on a private



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placement basis. The board of the mortgage lender will consider and approve the proposal of issuance of NCDs on June 14.

[https://www.business-standard.com/article/finance/pnb-board-approves-investing-rs-500-cr-in-pnb-housing-s-rights-issue-122060701142\\_1.html](https://www.business-standard.com/article/finance/pnb-board-approves-investing-rs-500-cr-in-pnb-housing-s-rights-issue-122060701142_1.html)

- **Banks to take Rs 37,200-cr hit by liquidating 10 power projects: BofA:** Indian lenders are in the process of liquidating ten power projects, with a capacity of 10.5 gigawatts, across the country after these projects failed to find any takers under the insolvency process. With this, banks will take a hit of Rs 37,200 crore on their exposure to these projects, as per an estimate by BofA Securities. In fiscal 2018, the Indian government had identified 34 stressed coal projects with a capacity of 40 Gw and bank exposure of Rs 1.7 trillion for resolution under the bankruptcy code. Of this, till now only 12 projects with debt Rs 59,200 crore are resolved by providing coal linkages and signing power purchase agreements with customers till March this year. Another five projects with a debt of Rs 35,100 crore were resolved through asset sale with banks making a recovery of 44 per cent on their dues. "Most of these projects do not have any coal linkages or power purchase agreements and could not find any buyers despite an electricity shortage in the country," said the CEO of a power firm asking not to be named.  
[https://www.business-standard.com/article/finance/banks-to-take-rs-37-200-cr-hit-by-liquidating-10-power-projects-bofa-122060700689\\_1.html](https://www.business-standard.com/article/finance/banks-to-take-rs-37-200-cr-hit-by-liquidating-10-power-projects-bofa-122060700689_1.html)
- **Sitharaman set to launch single nodal agency dashboard on Tuesday:** Finance minister Nirmala Sitharaman will on Tuesday launch a Single Nodal Agency (SNA) dashboard which will provide a platform for ministries/departments to monitor transfer of funds to states and their utilisation. In a statement the finance ministry said in order to give the stakeholders of SNA model the necessary feedback and monitoring tools in the operation of the schemes, Public Financial Management System (PFMS) has developed the SNA dashboard. "The dashboard depicts releases made to different states by ministries, further releases made by state treasuries to the SNA accounts, expenditure reported by the agencies, interest paid by banks to SNA accounts etc. in intelligible, informative and visually appealing graphics," it said.  
[https://www.business-standard.com/article/finance/sitharaman-set-to-launch-single-nodal-agency-dashboard-on-tuesday-122060601120\\_1.html](https://www.business-standard.com/article/finance/sitharaman-set-to-launch-single-nodal-agency-dashboard-on-tuesday-122060601120_1.html)
- **Collection efficiency for NBFCs, HFCs at 97-101% in April: Report:** The collection efficiency of non-banking finance companies and housing finance companies was in the healthy range of 97-101 per cent in April, according to a report. The collections had seen a modest decline of about 3 per cent following the third wave of infections in January 2022, but the recovery was prompt, given the lower severity of the COVID variant and limited restrictions on movements during this period, Icra Rating said in a report on Tuesday. The analysis is based on Icra-rated retail pools securitised by non-banking finance companies (NBFCs) and housing finance companies (HFCs).  
[https://www.business-standard.com/article/finance/collection-efficiency-for-nbfc-hfcs-at-97-101-in-april-report-122060700676\\_1.html#:~:text=%22The%20collection%20efficiency%20for%20NBFCs,strong%20in%20May%2C%20it%20added.](https://www.business-standard.com/article/finance/collection-efficiency-for-nbfc-hfcs-at-97-101-in-april-report-122060700676_1.html#:~:text=%22The%20collection%20efficiency%20for%20NBFCs,strong%20in%20May%2C%20it%20added.)
- **Markets fall for 3rd day; Sensex down 568 pts, Nifty ends below 16,500:** The BSE Sensex closed at 55,107.34, down 567.98 points or 1.02 per cent. It recorded an intraday high of 55,387.77 and a low of 54,882.41. The Nifty 50 closed at 16,416.35, down 153.20 points or 0.92 per cent. It recorded an intraday high of 16,487.25 and a low of 16,347.10. ONGC, Coal India, NTPC, Maruti and Hero Motocorp were the top gainers on the Nifty 50 while Titan, Dr Reddy's, UPL, Britannia and L&T were the top laggards.  
<https://www.thehindubusinessline.com/markets/markets-fall-for-3rd-day-sensex-down-568-pts-nifty-ends-below-16500/article65503552.ece>



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- **Rupee declines 7 paise to close at 77.73 against US dollar:** The rupee slipped 7 paise to close at 77.73 (provisional) against the US dollar on Tuesday. The domestic unit was weighed down by a massive sell-off in domestic equities and stronger greenback overseas. Persistent foreign capital outflows and elevated global crude oil prices also impacted the domestic unit, forex traders said. At the interbank foreign exchange market, the local currency opened at 77.72 and an intra-day high of 77.69 and a low of 77.73 against the US dollar. The local unit  
<https://economictimes.indiatimes.com/markets/forex/rupee-declines-7-paise-to-close-at-77-73-against-us-dollar/articleshow/92060581.cms>

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