



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

May 10, 2022

- **Central Bank of India reports ₹310 cr net profit in Q4FY22:** Central Bank of India (CBoI) reported a standalone net profit of ₹310 crore in the fourth quarter against a net loss of ₹1,349 crore in the year-ago quarter. The bottom line improved on the back of healthy growth in net interest income (NII), sharp decline in loan loss provisions and write-back in standard asset provisions. The public sector bank reported a net profit of ₹1,045 crore in FY22 against a net loss of ₹888 crore in FY21. In the reporting quarter, NII (difference between interest earned and interest expended) jumped 59 per cent year-on-year (yoy) to ₹2,416 crore (₹1,516 crore in the year-ago quarter). Non-interest income, comprising fee-based income, trading income, recovery in written-off accounts, and others, declined about 26 per cent yoy to ₹632 crore (₹851 crore). Provisions towards non-performing assets (NPAs) declined about 73 per cent yoy to ₹893 crore (₹3,259 crore). Write-back in standard asset provisions was at ₹293 crore. Net interest margin improved to 3.26 per cent in the reporting quarter against 2.04 per cent in the year ago quarter.
<https://www.thehindubusinessline.com/money-and-banking/central-bank-of-india-reports-310-cr-net-profit-in-q4fy22/article65397447.ece>
- **Canara Bank to launch soundbox, revamped bank app with 282 features by June, ED says:** Canara Bank is aiming to generate 12 lakh QR codes through its branches in the current financial year and will start distributing Paytm-like soundbox machines to merchants across India in a month, the bank's Executive Director K.S. Raju told Moneycontrol on May 9. A soundbox is an audio-assisted smart device that provides instant notifications when you receive a payment. It is a small portable speaker for daily payment alerts, which comes with a SIM-based connectivity. The state-led lender has tied up with the National Payments Corporation of India (NPCI) for generation of both UPI and BHIM QR codes. It has already distributed 12.5 lakh QR codes and standees in the last six months through its branches, earning about Rs 1,781 crore in low-cost current account and savings account (CASA) deposits.
<https://www.moneycontrol.com/news/business/banks/canara-bank-to-launch-soundbox-revamped-bank-app-with-282-features-by-june-ed-says-8477391.html>
- **BoB launches digital co-lending platform to facilitate NBFC partnerships:** Public sector banks Bank of Baroda on Monday announced the launch of an end-to-end Digital Platform to facilitate co-lending of loans in partnership with NBFCs. The platform will provide seamless integration between the Bank and multiple NBFC partners to strengthen, accelerate and simplify the co-lending process. The company said in a statement, the platform uses rule-based algorithms for underwriting, enables credit assessment checks, enables Retail, MSME, Agri co-lending product offerings and increases process efficiency. The digital co-lending platform has state-of-the-art capabilities to handle both the option 1 (Non-Discretionary) and option 2 (Discretionary) models of co-lending for secured as well as unsecured products as per the latest RBI guidelines on the co-lending model, it added.



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<https://www.livemint.com/industry/banking/bob-launches-digital-co-lending-platform-to-facilitate-nbfc-partnerships-11652099351879.html>

- **Bank of Maharashtra, Karur Vysya raise lending rates following RBI repo rate hike:** Bank of Maharashtra and Karur Vysya Bank have raised the marginal cost of the funding-based lending rate (MCLR) following RBI repo rate hike. Bank of Maharashtra raised the marginal cost of funding-based lending rate (MCLR) across tenors by 0.15%, while Karur Vysya Bank revised the external benchmark rate to 7.45% from 7.15%. Following the increase, Bank of Maharashtra said in a regulatory filing, this is to inform that the bank has reviewed the marginal cost of funds based lending rate, which has come to effect from May 7, 2022. Private sector lender Karur Vysya Bank in a separate filing said that it has revised the external benchmark rate -- Repo Linked (EBR-R) -- of the bank with effect from May 9, 2022, to 7.45% from 7.15%.
<https://bfsi.economictimes.indiatimes.com/news/banking/bank-of-maharashtra-karur-vysya-raise-lending-rates/91455675#:~:text=Further%2C%20the%20bank%20said%20it,4.40%20per%20cent%20last%20week.>
- **Indian Overseas Bank hikes repo based lending rate to 7.25% from May 10:** Indian Overseas Bank has revised the external benchmark linked lending rate to 7.25 per cent from May 10, the bank said on Monday. "Our bank has revised the Repo Linked Lending Rate (RLLR) to 7.25 per cent (ie 4.40 per cent +2.85 per cent = 7.25 per cent) with effect from May 10, 2022," the state-owned lender said in a regulatory filing. Earlier in the day, HDFC Bank, Canara Bank, Bank of Maharashtra and Karur Vysya Bank also said they have revised their lending rates based on marginal cost of funds (MCLR) and repo rate. With the RBI's decision to raise the policy rate by 0.40 per cent to 4.40 per cent last week, several banks have revised their lending rates based on repo and marginal cost of funds.
<https://www.thehindu.com/business/indian-overseas-bank-hikes-repo-based-lending-rate-to-725/article65399219.ece>
- **Rate hike: HDFC Bank raises MCLR by 25 basis points across all tenures:** HDFC Bank on Monday hiked its marginal cost of funds-based lending rate (MCLR) by 25 basis points across all tenures, effective May 7. This comes after the monetary policy committee raised the benchmark repo rate by 40 basis points to 4.40 per cent in an off-cycle meeting to tame rising inflation. According to the private lender's website, the overnight MCLR stands at 7.15 per cent compared to 6.9 per cent earlier. Similarly, its one year MCLR and 2 year MCLR now stand at 7.50 per cent and 7.60 per cent, respectively. The three year MCLR stands at 7.70 per cent. As of December 2021, a little over 39 per cent of loans by banks are linked to the external benchmark, shows Reserve Bank of India (RBI) data. And, 53 per cent of loans of the banking system are linked to the MCLR.
https://www.business-standard.com/article/finance/hdfc-bank-raises-mclr-by-25-bps-across-all-tenures-after-repo-rate-hike-122050900239_1.html



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- **Can Fin Homes: Fake ITRs found in 37 accounts; no impact on operations:** An investigation by the inspection team of Canara Bank following a complaint forwarded by the National Housing Bank had found fake ITRs (Income tax returns) in 37 accounts in Bhilwara branch of Can Fin Homes. In a stock exchange filing on Monday, Can Fin Homes said the borrowers are available in all the accounts, securities provided by them intact and the accounts are maintained regular. However, submission of fake ITRs falls under the definition of 'fraud' and so all the 37 accounts with the aggregate loan amounts of ₹3.93 crore were classified as fraud accounts and reported to the regulator — NHB, the filing said.
<https://www.thehindubusinessline.com/money-and-banking/can-fin-homes-fake-itrs-found-in-37-accounts-no-impact-on-operations/article65397505.ece#:~:text=The%20fraud%20has%20no%20material,26%2C711%20crore%2C%E2%80%9D%20it%20said.>
- **HDFC Bank launches 30 minute 'Xpress Car Loan':** Private sector lender HDFC Bank has launched a 30-minute 'Xpress Car Loans', which is an end-to-end digital new car loan journey for existing customers as well as non-customers. "The bank has integrated its lending application with automobile dealers across the country," it said in a statement on Monday. It expects about 20 per cent to 30 per cent of customers to avail of the facility for loans up to ₹20 lakh. Arvind Kapil, Country Head, Retail Assets, HDFC Bank said the facility will be available across all the bank's branches, dealerships, and eventually on third-party aggregator platforms.
<https://www.thehindubusinessline.com/money-and-banking/hdfc-bank-launches-30-minute-xpress-car-loan/article65397262.ece>
- **RBI penalises two co-operative banks citing rule violations:** The Reserve Bank of India (RBI) on May 9 said it has imposed monetary penalties on Noida Commercial Co-operative Bank and Abhyudaya Co-operative Bank for non-compliance with certain directives. The central bank has penalised Ghaziabad-based Noida Commercial Co-operative Bank with Rs one lakh for non-compliance with directives related to dividend payment. The bank had failed to adhere to the RBI directions prohibiting payment of dividends when it had paid unclaimed dividends of previous periods, the central bank said in a statement.
<https://www.moneycontrol.com/news/business/rbi-penalises-noida-commercial-co-operative-bank-over-non-compliance-with-norms-8477461.html>
- **HDFC Bank, Canara, BoM, Karur Vysya raise lending rates:** HDFC Bank, Canara Bank, Bank of Maharashtra and Karur Vysya Bank on Monday said they have revised their lending rates based on marginal cost of funds and repo rate. The country's largest private sector lender HDFC Bank has raised the marginal cost of funds based lending rates (MCLR) by 0.25 per cent across tenors to up to 7.70 per cent with effect from May 7, 2022. The benchmark one-year MCLR — to which most of the consumer loans are tied to — will cost customers 7.50 per cent, HDFC Bank said on its website.
<https://timesofindia.indiatimes.com/business/india-business/hdfc-bank-canara-bom-karur-vysya-raise-lending-rates/articleshow/91450927.cms>



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- **Banks forgo bumper fees for managing LIC IPO to get league table ranking:** Investment banks advising on the initial public offering of Life Insurance Corp. of India are forgoing large fees expected from the country's biggest ever listing, and settling instead for glory in the league table rankings. The 10 advisers managing the IPO will receive around 10 million rupees (\$129,000) each for their role in the offering, a fraction of what they'd typically pocket for a deal of this size. Earnings are further trimmed because India's government, which owns LIC, won't compensate the banks for expenses such as printing forms for the issue. What bankers stand to gain is outsized credit in rankings that compare rivals by the volume of deals they handle, which can be influential in winning them future work. The fee estimates are from people familiar with the developments, who asked not to be identified because the information is still private.
https://www.business-standard.com/article/finance/banks-forgo-bumper-fees-for-managing-lic-ipo-to-get-league-table-rankings-122050900675_1.html
- **CSB Bank hopes to double its credit growth annually for next three years:** Kerala-based CSB Bank expects to double its credit growth on an annual basis for the next three financial years, from 9-10 per cent in 2021-22, a top bank executive told Business Standard. The lender is backed by Canadian billionaire Prem Watsa's Fairfax Financial Holdings. "Our growth is slightly less than 10 per cent this year. We want to grow faster. For that we have to grow faster than the system. We will double our credit growth on a CAGR basis in the coming three years," said Pralay Mondal, managing director and chief executive officer (Interim), CSB Bank. He added that if the bank wants to grow, it will have to focus on segments other than gold loans too.
https://www.business-standard.com/article/finance/csb-bank-hopes-to-double-its-credit-growth-annually-for-next-three-years-122050900489_1.html
- **Bank frauds may have started to dip now, but wait a bit before you cheer:** The number of bank frauds in the first half of FY22 fell dramatically to Rs 36,342 crore, from Rs 64,261 crore in the year-ago period. Remarkable as this is, there is no getting away from the fact that the banking system saw "frauds of Rs 100 crore per day over the past seven years," as Minister of State for Finance Bhagwat Karad told the Rajya Sabha in a written reply in March. The Reserve Bank of India's (RBI's) Annual Report for 2020-21 notes that the average time lag between the date of occurrence of a fraud and its detection was 23 months; for large frauds (Rs 100 crore and above), it was 57 months. A two-decadal analysis by the Financial Stability Report of June 2019 (FSR).
https://www.business-standard.com/article/finance/frauds-may-have-started-to-dip-now-but-wait-a-bit-before-you-cheer-122050800912_1.html
- **Loan portfolio lapses cloud growth plans of IndoStar Capital Finance:** Plans for growth, including branch expansion, of Indo-Star Capital Finance have come under a cloud after irregularities in its commercial vehicle loan portfolio came to light. Deep Jaggi took charge in January as chief executive officer (CEO) of the NBFC, which is backed by private equity firm Brookfield. Then the company had articulated plans to expand its network to 700-800 branches in the next four-five years, grow the loan book four-five times, and finance used cars and tractors. Jaggi had joined the NBFC as chief business officer in October 2020. R Sridhar, executive vice-chairman, relinquished office on completing a five-year term in April.



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https://www.business-standard.com/article/finance/loan-portfolio-lapses-cloud-growth-plans-of-indostar-capital-finance-122050900025_1.html

- **DHFL resolution: SC to hear Piramal Group, top banks' appeals on Tuesday:** The Supreme Court will Tuesday together hear the separate appeals of both Piramal Group and certain top banks in the erstwhile DHFL resolution matter. The matter will come up on Tuesday and has also been listed in the SC's cause list, sources said. It may be recalled that the apex court had on April 11 stayed the National Company Law Appellate Tribunal's (NCLAT) order that ruled a stipulation in the DHFL resolution plan as "illegal", on recovery of avoidance transactions.
<https://www.thehindubusinessline.com/money-and-banking/dhfl-resolution-sc-to-together-hear-piramal-group-top-banks-appeals-on-tuesday/article65397468.ece>
- **LIC IPO met with tremendous success, allotment on May 12: DIPAM Secretary:** DIPAM Secretary Tuhin Kanta Pandey on Monday said that the much-awaited IPO of Life Insurance Corporation was a tremendous success and the issue was subscribed nearly 3 times at the close today. "We are pleased to inform you that the IPO offer which started on the 4th of May has closed today at 7 pm and it has met with tremendous success from all categories of investors; this will eventually lead to listing of LIC and deepen the capital market," Pandey said while addressing a press briefing in the evening today.
<https://economictimes.indiatimes.com/news/economy/finance/lic-ipo-met-with-tremendous-success-allotment-on-may-12-dipam-secretary/articleshow/91446045.cms>
- **India wants central bank to lower bond yields: Government source:** India has asked its central bank to either buy back government bonds or conduct open market operations to cool yields that have hit their highest since 2019, as inflation risks push foreign investors to sell, a government source told Reuters on Monday. The 10-year benchmark bond ended at 93.69 rupees on Monday, yielding 7.46%, after earlier reaching a high of 7.49%. "The discussion with the RBI (Reserve Bank of India) is at an advanced stage as current yields are not at comfortable levels," the government official, with direct knowledge of the matter, said on condition of anonymity.
<https://economictimes.indiatimes.com/news/economy/finance/india-wants-reserve-bank-of-india-to-lower-bond-yields-government-source/articleshow/91443999.cms>
- **LIC IPO final day: QIB portion fully subscribed:** The qualified institutional buyers' portion of the initial public offering of Life Insurance Corporation of India was fully subscribed on Monday morning. According to data from the stock exchanges, the QIB quota was subscribed 1.07 times by 10:18 am. The overall issue is subscribed 1.93 times with bids for 31.07 crore shares against 16.2 crore shares. The government is on track to raise ₹21,000 crore from the LIC IPO, the biggest such exercise to date in the country. The offer opened on May 4 and will close today.
<https://www.thehindubusinessline.com/markets/stock-markets/lic-ipo-final-day-qib-portion-fully-subscribed/article65397136.ece>



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- **Crypto exchange Giottus eyeing user base of 8 million investors in next 12-14 months:** Giottus, a Chennai-headquartered cryptocurrency exchange, is aiming to add over seven million new investors on its platform over the next one year. “Currently, we have an investor base of one million customers. In the next 12-14 months, we are planning to take our customer base to 8 million,” Vikram Subburaj, Co-founder & CEO, Giottus, said recently.
<https://www.thehindubusinessline.com/money-and-banking/cryptocurrency/crypto-exchange-giottus-eyeing-user-base-of-8-million-investors-in-next-12-14-months/article65394109.ece>
- **Sensex down 365 points at closing, Nifty slips below 16,400:** The BSE Sensex closed at 54,470.67, down 364.91 points or 0.67 per cent. It recorded an intraday high of 54,795.47 and a low of 53,918.02. The Nifty 50 closed at 16,301.85, down 109.40 points or 0.67 per cent. It recorded an intraday high of 16,403.70 and a low of 16,142.10. Powergrid, Infosys, HCL Tech, Bajaj Auto and Divi’s Lab were the top gainers on the Nifty 50, while Reliance, Nestle India, Hero Motocorp, IndusInd Bank and Tata Steel were the top losers.
<https://www.thehindubusinessline.com/markets/sensex-down-365-points-at-closing-nifty-closes-below-16400/article65397740.ece>
- **Rupee closes at record low as Fed rate hike boosts dollar; equities crumble:** After hurtling past the 77/\$1 in trade today, the rupee weakened further versus the US dollar on Monday, hitting a fresh all-time low of 77.58/\$1. The domestic currency finally settled the day at 77.50, down 60 paise over its previous close. The previous record closing low for the Indian currency was 76.9800/\$1 on March 7. So far in the day, the rupee moved in a band of 76.9580-77.5800/\$1. The key factor driving the rupee lower was a surge in the US dollar globally, following the US Federal Reserve’s 50-basis-point rate hike last week and its guidance for more rate hikes in coming months. - Economic times.
<https://economictimes.indiatimes.com/markets/forex/rupee-falls-to-all-time-low-vs-us-dollar-fed-hikes-plunging-equities-create-perfect-storm/articleshow/91430398.cms>

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