



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

March 16, 2022

- **PNB declares IL&FS Tamil Nadu Power Company's loan as fraud:** Punjab National Bank reported a fraud of Rs 2,060 crore in the non-performing account of IL&FS Tamil Nadu Power Company Ltd. The state-owned lender said that it made a provision of Rs 824 crore as per Reserve Bank of India's prudential norms. "A fraud of Rs. 2060.14 crore is being reported by the bank to RBI in the accounts of the company," PNB said in a regulatory filing to stock exchanges. Exactly a month ago, another state-owned lender Punjab & Sind Bank had declared the same account with outstanding dues of Rs 148 crore as fraud. The company had a payment due of Rs 7181 crore at the end of March 31, 2021, according to its annual report. It was a special purpose vehicle set up by Infrastructure Leasing & Financial Services Ltd (IL&FS) under its energy platform for implementation of thermal power projects at Cuddalore in Tamil Nadu.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/pnb-declares-ilfs-tamil-nadu-power-companys-loan-as-fraud/articleshow/90229872.cms>
- **Bank of India refers over 3 lakh cases involving Rs 5,700 cr to National Lok Adalat:** State-run Bank of India (BOI) on Tuesday said it has referred 3,20,116 cases amounting to Rs 5,700.16 crore to National Lok Adalat conducted on March 12, 2022. Of these, 12,224 cases were settled involving an amount of Rs 102.53 crore, the bank said in a release. "An amount of Rs 23.76 crore have been recovered upfront on March 12, 2022. Efforts are on to recover the balance of compromised amount within the time frame stipulated in the award," the bank said adding that due consideration was given to Covid-affected customers while arriving at settlement terms. The lender participated in the first National Lok Adalat of 2022 organised on March 12 by the Legal Services Authorities across the country, under the aegis of National Legal Services Authority (NALSA).
<https://www.moneycontrol.com/news/business/bank-of-india-refers-over-3-lakh-cases-involving-rs-5700-crore-to-national-lok-adalat-8235951.html>
- **PSBs disburse Rs 41,269 cr 'loans in 59 minutes' over three years:** Public sector banks have disbursed business and retail loans of about Rs 41,269 crore through the psbloansin59minutes.com portal, between September 2018 and February 2022. About 201,000 loan proposals of Rs 39,580 crore have been disbursed in the business loan category and 17,791 proposals amounting to Rs 1,689 crore have been disbursed in the retail loan category through psbloansin59minutes.com from September 25, 2018 to February 28, 2022, Minister of State Bhagwat Kisanrao Karad informed Rajya Sabha.
https://www.business-standard.com/article/finance/psbs-disburse-rs-41-269-cr-loans-in-59-minutes-over-three-years-122031500946_1.html
- **Govt plans to float EoI for its stake sale in IDBI Bank next month:** The government plans to invite expression of interest to sell its stake in LIC-controlled IDBI Bank by the next month-end, a senior official has said. As part of the divestment, the government plans to sell its entire 45.48 per cent stake eventually. The government may look to sell around a 26 per cent stake in the bank, along with management control to attract investors, the official said. IDBI Bank became a subsidiary of LIC with effect from January 21, 2019, following the acquisition of an additional 8,27,590,885 equity shares. On December 19, 2020, IDBI Bank was reclassified as an associate company due to the reduction of LIC shareholding to 49.24 per cent following the issuance of additional equity shares by the bank under a Qualified Institutional Placement (QIP).
<https://www.business-standard.com/article/finance/govt-plans-to-float-eoi-for-its-stake-sale-in-idbi-bank-next-month->



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[122031500029_1.html#:~:text=The%20government%20plans%20to%20invite,45.48%20per%20cent%20stake%20eventually.](#)

- **NaBFID to commence operations from first quarter of FY23: Kamath:** The National Bank for Financing Infrastructure and Development (NaBFID) will begin its operations from the first quarter of the next financial year, its chairman K V Kamath said on Tuesday. NaBFID was set up by the government last year as a development financial institution (DFI) to support the development of long-term infrastructure financing in the country. "The board structure (for NaBFID) is in place. The basic foundation and policy framework have been built. From the next quarter, which is the quarter starting April, we should be operationalised," Kamath said at an event organised by the Indian Construction Equipment Manufacturers' Association (ICEMA).
<https://www.thehindubusinessline.com/money-and-banking/nabfid-to-kickstart-operations-in-q1-fy23-kamath/article65227966.ece#:~:text=The%20selection%20of%20CEO%20to,board%20structure%20is%20in%20place.>
- **No public sector bank faced loss in three quarters to Dec'21 of this fiscal:** No public sector bank has faced any loss in the April-December period of the current fiscal year, and clocked a collective net profit of Rs 48,874 crore during this period, the government said in Parliament on Tuesday. "No PSB has suffered losses in the current financial year up to December 31, 2021. During the said period of the first three quarters of the current financial year, all the PSBs have registered net profit of Rs 48,874 crore," Minister of State for Finance Bhagwat Karad said in a written reply in the Rajya Sabha. Responding to a query on profit earned by PSBs since 2010, the minister citing the data from the Reserve Bank, said the public sector banks earned a combined net profit of Rs 31,820 crore in 2020-21. However, there were collective losses for five straight years during 2015-16 to 2019-20.
<https://economictimes.indiatimes.com/news/economy/finance/no-public-sector-bank-faced-loss-in-three-quarters-to-dec21-of-this-fiscal/articleshow/90227057.cms>
- **RBI letter to Paytm Bank does not talk about data access, says Vijay Shekhar Sharma:** The Reserve Bank of India in its letter to Paytm Payments Bank has not mentioned anything about data access but has asked the company to carry out an audit from a third party, a top official of the company said on Monday. Vijay Shekhar Sharma, the chairman of digital financial services firm One97 Communications and the promoter of Paytm Payments Bank (PPBL), told PTI that the bank is a completely Indian owned controlled entity and has built its own system based on technology "made in India". The RBI last week directed PPBL to stop opening new accounts amid "material supervisory concerns" observed in the bank. The bank has also been directed to appoint an IT audit firm to conduct a comprehensive system audit of its IT system.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-letter-to-paytm-bank-does-not-talk-about-data-access-says-vijay-shekhar-sharma/articleshow/90209381.cms>
- **No PSB employees found involved in Rs 14,349 cr ABG Shipyard fraud case: Sitharaman:** Finance Minister Nirmala Sitharaman on Tuesday said no public sector bank employees were found to be involved in the Rs 14,349 crore bank fraud by ABG Shipyard Ltd (ABGSL), and CBI has registered a case against the company and its directors last month. ABG Shipyard was sanctioned loan under consortium arrangement led by ICICI Bank, and the account was declared as non-performing asset (NPA) by the lender banks in August 2013 and afterwards, Sitharaman said in a written reply to the Rajya Sabha. The loan to the company was later approved for restructuring under corporate debt restructuring (CDR) in March 2014 by CDR empowered group.
<https://www.moneycontrol.com/news/business/no-psb-bank-employees-found-involved-in-rs-14349-crore-abg-shipyard-fraud-case-fm-nirmala-sitharaman-8234831.html>



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- **Banks recover over Rs 7.34 lakh cr in six-and-a-half years till Dec 2021:** Banks recovered over Rs 7.34 lakh crore in the past six years and the first six months of the current fiscal year, the government said in Parliament on Tuesday. During the past six financial years and the first six months of the current financial year, banks have effected an aggregate recovery of Rs 7,34,542 crore, in non-performing assets and written-off loan accounts, including those reported as fraud, Minister of State for Finance Bhagwat Karad said in a written reply to the Rajya Sabha. On recovery of fraud amounts, the minister said Rs 55,895 crore have been recovered in the past six financial years and the current financial year up to December 31, 2021, he said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-recover-over-rs-7-34-lakh-cr-in-six-and-a-half-years-till-dec-2021/articleshow/90224156.cms>
- **India's banking sector is in a healthier position: Kamath:** India's banking sector is in a healthier position than he has ever seen during his five decades career as a banker, according to KV Kamath, Chairperson, National Bank for Financing Infrastructure Development. "I look at the banking sector very positively. In the last 3-4 years, Banks have done a stupendous job in terms of cleaning up their balance sheets and they are in a very healthy position in terms of capital adequacy. "They are in a healthy position in terms of non-performing assets also. I dare say that they are in a healthier position than I have ever seen during my career as a banker," he said at the 3rd Annual Finance Conclave of the Indian Construction Equipment Manufacturers' Association.
<https://www.thehindubusinessline.com/money-and-banking/indias-banking-sector-is-in-a-healthier-position-kamath/article65228130.ece#:~:text=India's%20banking%20sector%20is%20in%20a%20healthier%20position%20than%20he,the%20banking%20sector%20very%20positively.>
- **ICICI Bank launches co-branded credit cards with Emirates Skywards:** ICICI Bank on Tuesday announced its partnership with Emirates Skywards to launch a range of co-branded credit cards. Named, 'Emirates Skywards ICICI Bank Credit Card', the bouquet of cards enables customers to earn reward points-- called Skywards Miles-- on travel, lifestyle and everyday spends, it said in a statement.
<https://www.livemint.com/companies/news/icici-bank-launches-co-branded-credit-cards-with-emirates-skywards-11647327828665.html>
- **HDFC Bank set for new launches after RBI lifts restrictions:** Private sector lender HDFC Bank, which has been working on strengthening its IT and digital infrastructure, is set to launch a number of products over the next two to three quarters, including a new version of PayZapp and a digital credit card. This comes after the Reserve Bank of India (RBI) on March 11 lifted restrictions on the lender's business generating activities under its Digital 2.0 programme. "We've got a large number of launches planned... All of these products are work in progress and at various stages of completion. We'll go through the testing of the tech platform, we'll also pilot it out with select sets of customers to get feedback in advance and then actually go to the market with a big bang as and when they're ready for launch," said Parag Rao, Group Head-Payments, Consumer Finance, Digital Banking and IT, HDFC Bank.
<https://www.thehindubusinessline.com/money-and-banking/hdfc-bank-set-for-new-launches-after-rbi-lifts-restrictions/article65227301.ece>
- **DHFL resolution: Fixed deposits holders move Supreme Court:** Fixed deposit holders of Dewan Housing Finance Corporation have approached the Supreme Court over the resolution plan. "A section of the fixed deposit holders of DHFL have filed a petition in the Supreme Court against the order by the National Company Law Appellate Tribunal. We feel that the NCLAT is unjust," said Vinay Kumar Mittal, a lead petitioner on behalf of the FD holders of the housing finance company. The matter is likely to be listed in the next eight to 10 days, he said. FD holders of DHFL have been unhappy with the resolution plan and have been seeking 100 per cent repayment of their claims.



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<https://www.thehindubusinessline.com/money-and-banking/dhfl-resolution-fixed-deposits-holders-move-supreme-court/article65227050.ece>

- **NaBFID to fund projects in Rs 6 trillion asset monetisation pipeline:** The National Bank for Financing Infrastructure and Development (NaBFID) will finance projects that are part of the country's Rs 6 trillion National Monetisation Pipeline. The asset monetisation will free up resources that will come back to industry. There is large aggregate demand for resources, K V Kamath, chairman NABFID said addressing convention of Indian Construction Equipment Manufacturer's Association in Mumbai. The aggregate asset pipeline under NMP over the four-year period, FY 2022-2025, is indicatively valued at Rs six trillion. The top five sectors (by estimated value) capture about 83 per cent of the aggregate pipeline value. These five sectors include: Roads (27%) followed by Railways (25%), Power (15%), oil & gas pipelines (8%) and Telecom (6%).
https://www.business-standard.com/article/finance/nabfid-to-fund-projects-in-rs-6-trillion-asset-monetisation-pipeline-122031500737_1.html#:~:text=The%20National%20Bank%20for%20Financing,will%20come%20back%20to%20industry.
- **HDFC Bank biz in Karnataka tops Rs 2 trn, lender leads pvt sector in state:** HDFC Bank announced on Tuesday that its total business in Karnataka has crossed Rs two trillion, making it the largest private sector bank in the state in terms of overall business volume. The bank's total advances in the state stood at Rs 73,655.39 crore on September 30, 2021, which included loans to retail, corporate, MSME and Microfinance customers, the bank said in a press release. The lender enjoys a market share of nine per cent in total advances in the state. HDFC Bank's total deposits in Karnataka were at Rs 1,39,387.46 crore at the end of the first half of this financial year. The share of deposits was 11.68 per cent of total deposits as on September 30, 2021.
https://www.business-standard.com/article/finance/hdfc-bank-biz-in-karnataka-tops-rs-2-trn-lender-leads-pvt-sector-in-state-122031500698_1.html
- **NBFCs, housing finance firms need Rs 2.2 trn in fresh funds in FY23: ICRA :** The finance companies and housing finance companies would require Rs 1.8-2.2 trillion of incremental fresh funding to meet its growth requirement in FY23 while maintaining the liquidity buffers, according to rating agency ICRA. The liquidity (on-balance sheet and undrawn sanctions) for the sector has remained adequate with entities typically maintaining coverage for their next three months' repayments. Lower growth in Assets Under Management (AUM) in the current financial year (FY22) warranted limited incremental funding requirement vis-à-vis previously envisaged. Rating agency in its report said the entities have worked to diversify sources of funds, even if the money came at a higher cost.
https://www.business-standard.com/article/finance/nbfc-housing-finance-firms-need-rs-2-2-trn-in-fresh-funds-in-fy23-icra-122031500031_1.html
- **Reserve Bank of India removes interest cap for microfinance loans:** The Reserve Bank of India (RBI) has increased eligibility criteria for microfinance loans to a household having an annual income of up to Rs 3 lakh while removing the interest rate cap on such loans. It has also asked all lenders to put in place a board-approved policy on pricing. In the final guidelines for microfinance loans released on Monday, the RBI said it will scrutinise the rates charged by the lenders so that they do not charge usurious rates, and has asked the lenders to put in place a ceiling on pricing of loans and related fees.
https://www.business-standard.com/article/finance/reserve-bank-of-india-removes-interest-cap-for-microfinance-loans-122031500028_1.html



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- **Wells Fargo CEO Charles Scharf gets 20% pay raise:** Wells Fargo & Co. Chief Executive Charles Scharf earned \$24.5 million last year, receiving a 20% raise as the bank recovered from its pandemic slump. The compensation, like in 2020, included \$2.5 million of base pay, according to a regulatory filing on Monday. He also received a \$5.4 million cash bonus. The remainder, \$16.6 million, is long-term incentive compensation that vests over time and is paid in common stock. Mr. Scharf earned \$20.3 million for 2020, a 12% pay cut from the prior year, as the coronavirus shut down the economy, weighing on the bank's profits and shares. But both rebounded last year, with Wells Fargo's share price surging 59%.
<https://www.livemint.com/industry/banking/wells-fargo-ceo-charles-scharf-gets-20-pay-raise-11647347212583.html>
- **DBS Bank India launches green deposits programme:** DBS Bank India has announced the launch of its Green Deposit Programme for corporate clients providing a simple way for companies to support environmentally friendly projects or avenues. "DBS Bank is one of the few banks globally to integrate Sustainable Development Goals by offering lending & trade credit solutions to sustainable and environmentally friendly green sectors and now offering a Green Deposit product. Under the Bank's sustainability programme, Green Deposits will fund green industries and initiatives such as green building sustainable water initiatives that include wastewater management, renewable energy and clean transportation," according to its release.
https://www.business-standard.com/content/press-releases-ani/dbs-bank-india-launches-green-deposits-programme-enabling-institutions-to-support-sustainable-projects-122031500715_1.html#:~:text=ESG%20friendly%20future,-.DBS%20is%20bolstering%20support%20for%20customers%20to%20adopt%20sustainable%20business,managing%20wastewater%20and%20clean%20transport.%22
- **'Exide Life acquisition will help us grow business in tier-II, tier-III cities':** HDFC Life Insurance is hopeful of getting various regulatory approvals for its merger with Exide Life Insurance within this calendar year, says chief financial officer Niraj Shah. In an interview with Mithun Dasgupta, Shah said through this acquisition, the insurer aims to grow its business in Tier- II and -III cities, primarily in South and East India. And, the good quality business of Exide Life will add to HDFC Life's embedded value.
<https://www.financialexpress.com/industry/banking-finance/exide-life-acquisition-will-help-us-grow-business-in-tier-ii-tier-iii-cities/2461202/#:~:text=In%20an%20interview%20with%20Mithun,to%20HDFC%20Life's%20embedded%20value.>
- **Dhanlaxmi Bank plans to augment paid-up capital:** Kerala-based Dhanlaxmi bank is planning to augment the paid-up capital by issuing equity shares on a rights basis. The bank board and prominent shareholders are currently fighting it out in the court over representation on the board. The lender said, in a regulatory filing on Monday, the board of directors are scheduled to meet on Thursday, March 17, 2022, to discuss the augmentation of the paid-up capital. Managing director & CEO JK Shivan told FE on Monday that the shareholders had earlier approved increasing the authorised capital to Rs 4,000 million from the current Rs 2,530 million and the board has to take the final decision.
<https://www.financialexpress.com/industry/banking-finance/dhanlaxmi-bank-plans-to-augment-paid-up-capital/2461195/>
- **Ujjivan Small Finance Bank appoints M.D. Ramesh Murthy as Chief Financial Officer:** Ujjivan Small Finance Bank has appointed MD Ramesh Murthy as the new Chief Financial Officer (CFO). As CFO, Murthy will be responsible for formulating and guiding the bank's strategy for growth, while also leading the Finance and Accounts functions. Murthy joins Ujjivan SFB from Karur Vysya Bank where he was the CRO and subsequently, the CFO, leading and directing the Finance, Accounts, Analytics & MIS, Tax and Regulatory functions of the Bank.



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<https://www.moneycontrol.com/news/business/ujjivan-small-finance-bank-appoints-m-d-ramesh-murthy-as-chief-financial-officer-8235771.html>

- **Rupee gains 21 paise to 76.33 against US dollar in early trade:** The rupee surged 21 paise to 76.33 against the US dollar in opening trade on Tuesday, tracking moderating global crude oil prices amid hopes that negotiations between Russia and Ukraine might provide a resolution to the current geopolitical crisis. However, persistent foreign capital outflows and volatile domestic equities restricted the rupee's gain, forex traders said. At the interbank foreign exchange, the rupee opened strong at 76.40 against the US dollar and gained further momentum to quote 76.33, a rise of 21 paise over the last close. On Monday, the rupee had settled at 76.54 against the US dollar. The dollar index, which gauges the greenback's strength against a basket of six currencies, slipped 0.13 per cent to 98.89.

<https://www.moneycontrol.com/news/business/markets/indian-rupee-gains-21-paise-to-76-33-against-us-dollar-in-early-trade-8233671.html>

- **Sensex falls 709 points at closing; Nifty below 16,700:** The BSE Sensex closed at 55,776.85, down 709.17 points or 1.26 per cent. It recorded an intraday high of 56,720.60 and a low of 55,418.95. The Nifty 50 closed at 16,663.00, down 208.30 points or 1.23 per cent. It recorded an intraday high of 16,927.75 and a low of 16,555.00. Tata Consumer, M&M, Cipla, Shree Cement and Maruti were the top gainers on the Nifty 50 while Tata Steel, Hindalco, ONGC, Coal India and JSW Steel were the top losers.

<https://www.thehindubusinessline.com/markets/sensex-down-709-pts-at-closing-nifty-ends-below-16700/article65227307.ece>

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