



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
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## DAILY NEWS DIGEST BY BFSI BOARD, ICAI

June 17, 2022

- **PNB stops 0.75 per cent incentive on fuel purchases via digital modes:** With the oil marketing companies discontinuing to pay the incentive of 0.75 per cent while buying fuel via any digital mode at petrol pumps, state-owned Punjab National Bank has stopped passing on the benefit to its customers. The city-headquartered Punjab National Bank (PNB) discontinued to pass on the benefit from last month, citing that the facility has been withdrawn by the OMCs (Oil Marketing Companies). Bharat Petroleum Corporation has informed that the OMCs (IOCL/BPCL/HPCL) have decided to discontinue 0.75 per cent incentive on fuel purchases across all digital modes of payments, according to a PNB notification on its website. The lender said it has discontinued to pass on the 0.75 per cent petro incentives from May this year. "Punjab National Bank has implemented the said changes with effect from May 10, 2022 and as such no incentive be passed on to the cardholders for their transactions on PNB PoS (Point of Sale) terminal at any fuel outlet henceforth," PNB said.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/pnb-stops-0-75-per-cent-incentive-on-fuel-purchases-via-digital-modes/articleshow/92257678.cms>
- **Indian Overseas Bank gets board nod to raise up to Rs 1k cr equity capital:** Indian Overseas Bank (IOB) on Wednesday said its board has approved raising of up to Rs 1,000 crore equity capital through issuance of shares via various modes. The board approved the capital plan of the bank for 2022-23, IOB said in a regulatory filing. It approved issuance of equity shares to a maximum of Rs 1,000 crore with appropriate premium to the public, by way of follow on public offer/rights issue with or without participation from government or issue of equity shares to Qualified Institutional Buyers (QIBs), the bank said. Besides, it may issue shares to employees under Sebi regulations based on employee benefits and sweat equity, or issue shares on preferential basis to LIC and other insurance companies/mutual funds or QIBs. The Chennai-based state-owned lender said it will seek shareholders' approval for raising the equity capital.  
[https://www.business-standard.com/article/finance/indian-overseas-bank-gets-board-nod-to-raise-up-to-rs-1k-cr-equity-capital-122061501194\\_1.html](https://www.business-standard.com/article/finance/indian-overseas-bank-gets-board-nod-to-raise-up-to-rs-1k-cr-equity-capital-122061501194_1.html)
- **Canara Bank, HSBC see growth potential in life insurance JV :** While the state-owned Punjab National Bank (PNB) is in the process of selling its stake in Canara HSBC Oriental Bank of Commerce Life Insurance due to regulatory reasons, remaining shareholders Canara Bank and HSBC India are not planning to sell their stake as of now, as both the entities expect the business of the life insurance joint venture (JV) to grow going ahead. The JV can tap the vast network of branches operated by Canara Bank, along with the synergies created by the collaboration with HSBC, Hitendra Dave, CEO of HSBC India, told reporters. He was speaking at an event where the insurer was rechristened as Canara HSBC Life Insurance.  
<https://www.financialexpress.com/industry/banking-finance/canara-bank-hsbc-see-growth-potential-in-life-insurance-jv/2562421/>



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- **Finance Ministry meets Banks to look at ways to support Agniveers:** The finance ministry on Thursday held meeting with state run banks and financial institutions to identify ways in which they can support the 'Agniveers', short term army recruits, on completion of their tenure. Earlier this week, cabinet approved a new recruitment scheme for armed forces called Agnipath, the youth selected under this scheme will be known as Agniveer and will serve in the armed forces for a period of four years. In a statement the finance ministry noted state run banks, insurers and financial institutions will explore employment opportunities for 'Agniveers' in suitable capacities based on their educational qualifications and skills through suitable benefits or relaxations.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/finance-ministry-meets-banks-to-look-at-ways-to-support-agniveers/articleshow/92257738.cms>
- **Equitas Small Finance Bank gets RBI nod to reappoint Vasudevan as MD & CEO:** Equitas Small Finance Bank (ESFB) on Wednesday said that the Reserve Bank of India has okayed its proposal to reappoint MD and CEO Vasudevan P N for one year. "We wish to inform that pursuant to the bank's application vide its letter dated May 23, 2022, RBI vide its letter dated June 15, 2022 has approved the proposal to reappoint Vasudevan P N as the Managing Director & Chief Executive Officer (MD &CEO) of the bank, for a period of one year with effect from July 23, 2022," it said in a regulatory filing.  
[https://www.business-standard.com/article/finance/equitas-small-finance-bank-gets-rbi-nod-to-reappoint-md-ceo-122061501151\\_1.html](https://www.business-standard.com/article/finance/equitas-small-finance-bank-gets-rbi-nod-to-reappoint-md-ceo-122061501151_1.html)
- **Indian Bank makes pregnant women 'temporarily unfit' for joining:** After State Bank of India, another public sector lender Indian Bank has made pregnant women with over three months pregnancy "temporarily unfit" to join the bank, inviting criticism from various organisations. As per the guidelines and criteria for physical fitness for pre-employment recently issued by Indian Bank, candidates would be re-examined six weeks after delivery for the appointment of selected post. "A woman candidate, who as a result of tests, is found to be pregnant of 12 weeks' standing or over, should be declared temporarily unfit until the confinement is over. The candidate should be re-examined for a fitness certificate six weeks after the date of labour, subject to the production of medical certificate of fitness from a registered medical practitioner," it said. As a result, the joining of such women would be delayed and such candidates would lose seniority.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/indian-bank-makes-pregnant-women-temporarily-unfit-for-joining/articleshow/92237617.cms>
- **ED attaches Rs 17.70 crore worth assets of company in bank fraud case:** Assets worth Rs 17.70 crore of a company have been attached under the anti-money laundering law in a probe linked to an alleged bank loan fraud of over Rs 804 crore, the ED said on Friday. A provisional order, under sections of the Prevention of Money Laundering Act (PMLA), for the attachment of the movable and immovable properties of the firm identified as ABC Cotspin Pvt. Ltd and related entities was issued on June 10, the agency said in a statement. "During the period 2014-15, the prime accused Ashish S Jobanputra without making any genuine exports, got prepared and signed the fake export documents and presented them to the State Bank of India and Bank of Baroda," the Enforcement Directorate said.



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<https://economictimes.indiatimes.com/industry/banking/finance/banking/ed-attaches-rs-17-70-crore-worth-assets-of-company-in-bank-fraud-case/articleshow/92259165.cms>

- **RBI lifts business restrictions on Mastercard:** The Reserve Bank of India on Thursday lifted business restrictions imposed on Mastercard, almost a year after imposing it. The regulator said MasterCard had achieved “satisfactory compliance.” “In view of the satisfactory compliance demonstrated by Mastercard Asia / Pacific Pte. Ltd. with the Reserve Bank of India (RBI) circular dated April 6, 2018 on Storage of Payment System Data, the restrictions imposed, vide order dated July 14, 2021, on onboarding of new domestic customers have been lifted with immediate effect,” RBI said in a statement. <https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-lifts-business-restrictions-on-mastercard/articleshow/92257057.cms>
- **Banks, financial institutions should proactively undertake stress testing of loan books: RBI Deputy Governor M Rajeshwar Rao:** Despite improvement in asset quality, financial institutions, including banks, need to proactively undertake stress testing of their loan books to examine loss absorption limits and take steps to improve them, if required, RBI Deputy Governor M Rajeshwar Rao said on Thursday. The gross non-performing assets (GNPAs) and net NPAs of banks improved to 5.97 per cent and 1.7 per cent as of March 31, 2022, from 9.23 per cent and 3.66 per cent as of September 2019, respectively, he said. During the pandemic the financial sector witnessed an increase in liquidity, flow of credit and spending on relief programs, the Deputy Governor said. <https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-financial-institutions-should-proactively-undertake-stress-testing-of-loan-books-rbi-deputy-governor-m-rajeshwar-rao/articleshow/92250923.cms>
- **HDFC to sell four large stressed accounts before merger:** In an attempt to clean up its books before the announced merger with its subsidiary bank, HDFC Ltd is in the final stages of selling four large distressed accounts, including that of Subhash Chandra-promoted Siti Networks, to Assets Care and Reconstruction Enterprise (ACRE), two people aware of the discussions told ET. ACRE, a buyer of soured loans, has given a binding bid of Rs 270 crore to acquire mortgage-financier HDFC's Rs 577-crore portfolio of the four corporate accounts, the people cited above said. Its offer equates to a recovery of 47% for India's biggest home financier. <https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-to-sell-four-large-stressed-accounts-before-merger/articleshow/92240636.cms>
- **Microfinance gross loan portfolio grows 10 pc to Rs 2,85,441 cr as of March 2022: MFIN:** The microfinance industry's Gross Loan Portfolio (GLP) grew by 10.04 per cent to Rs 2,85,441 crore as of March 2022, according to a report by Microfinance Institutions Network (MFIN). The industry's GLP stood at Rs 2,59,377 crore in March 2021. MFIN is an industry association of 58 NBFC-MFIs and 39 associates, including banks, Small Finance Banks (SFBs) and Non-Banking Financial Companies (NBFCs). On Wednesday, it released the Micrometer report for January to March 2022 i.e., Q4 FY2021-22 quarter. The report said 12 banks hold the largest share of portfolio in micro-credit with total loan outstanding of Rs 1,14,051 crore, which is 40 per cent of total micro-credit universe.



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<https://economictimes.indiatimes.com/industry/banking/finance/banking/microfinance-gross-loan-portfolio-grows-10-pc-to-rs-285441-cr-as-of-march-2022-mfin/articleshow/92236184.cms>

- **Finance Minister Sitharaman meets AIBEA honcho:** The All India Bank Employees Association (AIBEA), a key bank union, on Thursday raised with the Finance Minister Nirmala Sitharaman the issue of undue delay in appointment of workman/officer directors in Boards of public sector banks. The issue of improvement in ex-gratia pension paid to pre-1986 retirees/surviving spouses also came up for discussion during the meeting that AIBEA General Secretary C H Venkatachalam had with Sitharaman at latter's North Block office in the capital. Venkatachalam told BusinessLine after the meeting that the need for exemption of GST on premium paid by retired employees/officers on their group medical insurance policy was also taken up with the Finance Minister.  
<https://www.thehindubusinessline.com/money-and-banking/finance-minister-sitharaman-meets-aibea-honcho/article65533935.ece>
- **Visa targets mass adoption for its contactless payments offering in India:** Visa, a global leader in digital payments, is positioning its Contactless payments offering as a convenient and simple solution for the "Aam Admi" (common man) also and not just for the affluent consumers, who are leading its adoption in India, Ramakrishnan Gopalan, Vice President, Head of Products and Solutions, for India and South Asia has said. "This (contactless payments) is not something that works only for the affluent customer. In my view, contactless is for Aam Aadmi in India where every customer in every possible pyramid in Indian social ecosystem can benefit", Gopalan told BusinessLine.  
<https://www.thehindubusinessline.com/money-and-banking/visa-targets-mass-adoption-for-its-contactless-payments-offering-in-india/article65532663.ece>
- **RBI weighs introducing expected credit loss framework for loan loss provisioning for banks:** The Reserve Bank of India is weighing the possibility of introducing the "expected credit loss" (ECL) approach for loan loss provisioning for banks as against the current "incurred loss" approach being followed by them. Under the incurred loss framework, banks recognise loan losses only when evidence of a loss is apparent. If banks' move to the ECL impairment framework, they will be required to recognise ECLs at all times, taking into account past events, current conditions and forecast information, and update the amount of ECLs recognised at each reporting date to reflect changes in an asset's credit risk.  
<https://www.thehindubusinessline.com/money-and-banking/rbi-weighs-introducing-expected-credit-loss-framework-for-loan-loss-provisioning-for-banks/article65533241.ece>
- **Fed rolls out biggest rate hike since 1994, flags slowing economy:** The Federal Reserve on Wednesday approved its largest interest rate increase in more than a quarter of a century to stem a surge in inflation that U.S. central bank officials acknowledged may be eroding public trust in their power, and being driven by events seen increasingly out of their hands. The widely expected move raised the target federal funds rate by three-quarters of a percentage point to a range of between 1.5% and 1.75%, still comparatively low by historic standards.  
<https://www.thehindubusinessline.com/money-and-banking/fed-rolls-out-biggest-rate-hike-since-1994-flags-slowing-economy/article65532205.ece>



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- **RCap debt resolution deadline pushed to November 2:** Piramal Enterprises, YES Bank, Zurich Insurance and Blackstone are among the companies ahead in the race to acquire assets of Reliance Capital (RCap) under the insolvency process, according to sources. However, the debt resolution process may get delayed further as some of the bidders have asked for more time. “The lenders, in their meeting today, decided to extend the resolution process timeline by another two months, to November 2, 2022,” said a source.  
<https://www.thehindubusinessline.com/money-and-banking/rcap-debt-resolution-deadline-pushed-to-november-2/article65533408.ece#:~:text=However%2C%20the%20debt%20resolution%20process,2022%2C%E2%80%9D%20said%20a%20source.>
- **52-week low: Sensex slips 1,045 points at closing, Nifty below 15,400:** The BSE Sensex, which recorded a fresh 52-week low of 51,425.48 during the day, closed at 51,495.79, down 1,045.60 points or 1.99 per cent. It recorded an intraday high of 53,142.50. The Nifty 50 slipped below the 15,400-mark, closing at 15,360.60, down 331.55 points or 2.11 per cent, near its new 52-week low of 15,335.10. It recorded an intraday high of 15,863.15. Only two stocks — Nestle India and Britannia — closed in the green on the Nifty 50. Hindalco, Tata Steel, ONGC, Coal India and Tata Motors were the top losers.  
<https://www.thehindubusinessline.com/markets/52-week-low-sensex-slips-1045-points-at-closing-nifty-below-15400/article65532986.ece>
- **Rupee recovers from record low, spurts 12 paise to 78.10:** The rupee on Thursday recovered from its record low to close 12 paise higher at 78.10 (provisional) against the American currency, tracking the overnight weakness of the dollar and falling crude oil prices. The dollar index fell from its elevated levels after the Federal Reserve raised interest rates by 75 basis points in a historic move to fight inflation and projected a slowing economy and rising unemployment in the months to come, traders said. At the interbank forex market, the rupee opened at 78.06 against the greenback and moved in a narrow range. It finally ended at 78.10, higher by 12 paise over its previous close.  
<https://www.thehindu.com/business/markets/rupee-recovers-from-record-low-spurts-12-paise-to-7810-per-us-dollar/article65533211.ece>

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