



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

DAILY NEWS DIGEST BY BFSI BOARD, ICAI

March 19, 2022

- **HDFC Bank's total business in Karnataka tops Rs 2 lakh crore; bank to hire 1,500 more employees :** HDFC Bank's total business crossed Rs 2 lakh crore in Karnataka in the first six months of the financial year 2022, making it the largest private sector bank in the state in terms of overall business volume. Total business includes the bank's total advances as well as its total deposits. The lender also said earlier this week that it will hire 1,500 employees in the state in the coming year and plans to add another 130 branches in Karnataka, taking the total to 450 branches. HDFC Bank said its total advances in the state stood at Rs 73,655 crore at the end of September 30, 2021, and included loans to retail, corporate, MSME and microfinance customers. The bank has a market share of 9% in total advances in Karnataka. While its total deposits in Karnataka were at Rs 1.39 lakh crore at the end of the first half of the financial year 2022.
<https://www.financialexpress.com/industry/hdfc-banks-total-business-in-karnataka-tops-rs-2-lakh-crore/2464109/>
- **Karnataka Bank gets ASSOCHAM award:** Karnataka Bank bagged an ASSOCHAM award at the 8th 'MSMEs Excellence Awards Ceremony and Summit' in New Delhi recently. A statement by the bank said, it had received the 'Best MSME Bank of the year - Winner' award among the private banks. Quoting Mahabaleshwara MS, Managing Director and Chief Executive Officer of Karnataka Bank, the statement said Karnataka Bank has been focusing on MSME sector with various digital products. The bank had ensured expeditious disposal of MSME credit proposals duly adhering to all quality standards. It is actively participating in various public and private initiatives to promote the cause of MSME. This award strengthens the bank's resolve to continue to focus on MSME sector going forward, he said.
<https://www.thehindubusinessline.com/money-and-banking/karnataka-bank-gets-assochem-award/article65237724.ece>
- **Dhanlaxmi Bank board approves rights issue to raise up to Rs 130 crore:** The board of Kerala-based private lender Dhanlaxmi Bank on March 17 approved a rights issue of equity shares worth up to Rs 130 crore, aimed to augment its paid up capital. "It is hereby informed that the Board of Directors at its meeting held on March 17, 2022, has inter-alia considered and approved the augmentation of paid up capital by issue of equity shares on a rights basis for an aggregate amount not exceeding Rs 130 crore (including premium) to the eligible shareholders of the bank," the bank said in a regulatory filing. Further details of the rights issue, including the pricing, record date, ratio and other details will be informed in due course, the bank said.
<https://www.moneycontrol.com/news/business/banks/dhanlaxmi-bank-board-approves-rights-issue-to-raise-up-to-rs-130-crore-8246031.html>



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

- **RBI March bulletin: Transition to green energy may affect banks' NPAs :** The transition to a net-zero carbon emission target could have implications for incomes of industries that indirectly use fossil fuels, and consequently their interest coverage ratio (ICR). This, in turn, could affect gross non-performing asset (NPA) ratios of banks with exposure to such industries, the Reserve Bank of India (RBI) said in a report contained in its March 2022 bulletin. "Therefore, the gross non-performing assets (GNPA) ratio of such industries may be sensitive to green energy transition, and their impact on the overall banking system needs to be monitored closely," the report said.
<https://www.financialexpress.com/industry/banking-finance/rbi-march-bulletin-transition-to-green-energy-may-affect-banks-npas/2464347/>
- **Direct tax collections top revised budget estimate by ₹1 lakh crore:** India's direct tax collections have surpassed the Revised Estimates by over ₹1 lakh crore. Net direct tax collections till March 16 in the current fiscal year (FY22) stood at ₹13.63 lakh crore, a growth rate of over 48.4%, showed official data released on Thursday. Advance tax collections for FY22, including the fourth installment in March, stood at ₹6.63 lakh crore, a growth rate of about 41%, underscoring the sustained economic recovery even after the second Covid-19 wave. With 14 more days to go, officials expect the numbers to go up further. "This amount is expected to increase as further information is awaited from banks. Refunds amounting to ₹1,87,325.9 crore have also been issued in FY22 so far," the finance ministry said in a statement.
<https://economictimes.indiatimes.com/news/economy/direct-tax-collections-top-revised-budget-estimate-by-1-lakh-crore/articleshow/90299594.cms>
- **PayPal enables customers to send money to Ukrainians:** PayPal said on Thursday that its users will now be able to send money to Ukrainians, both in the war-ravaged country as well as those now refugees across Europe. Previously, people in Ukraine were only able to use the payments platform to send money out of the country. They will now be able to receive funds, as well as make transfers within Ukraine and abroad. It's the latest measure by banks and other financial services companies looking for ways to help Ukrainians impacted by Russia's invasion. PayPal cut off Russia from its services last week. Since the war began, Americans and other supporters of Ukraine have been looking for ways to financially support Ukrainian refugees as well as those still in the country. People have booked Airbnbs in Kyiv or sent cryptocurrencies to Ukrainians. Money transfer companies like MoneyGram and Western Union have seen surges in demand as people look for ways to send money to friends and family in the region.
<https://www.thehindubusinessline.com/money-and-banking/paypal-enables-customers-to-send-money-to-ukrainians/article65236676.ece>
- **Cryptocurrencies are now legal in Ukraine:** Ukrainian President Volodymyr Zelenskyy has signed the virtual assets bill legalising cryptocurrencies. The bill was adopted by the parliament last month. The bill will allow foreign and Ukrainian cryptocurrency exchanges to operate legally and will also allow banks to open accounts for crypto companies. The decision arrives as the country has received millions of dollars worth of cryptocurrency donations from individuals and groups to support the country's conflict against Russia. Virtual assets will be regulated by the National Securities and Stock



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

Market Commission, alongside the National Bank of Ukraine, the Ministry of Digital Transformation of Ukraine said in its statement.

<https://www.thehindubusinessline.com/money-and-banking/cryptocurrency/cryptocurrencies-are-now-legal-in-ukraine/article65236939.ece>

- **Muthoot Mercantile on branch opening spree:** Muthoot Mercantile Limited, flagship company of the Muthoot Ninan Group, has been on a branch opening spree. Recently, it has entered Madhya Pradesh by setting up the first branch at Kolar Road in Bhopal. The company intends to set up 15 more branches in the State in the next two months, a company spokesperson said. The Muthoot Mercantile branches will offer a bouquet of products and services including gold loans, health insurance and money transfer. Madhya Pradesh has been chosen as a target area for business for the company since it has a huge base of lower-income and middle-class population. The company has opened its 25th branch at Bhajanpura in the National Capital Region. It plans to set up more branches in the NCR in the coming two months.

<https://www.thehindubusinessline.com/money-and-banking/muthoot-mercantile-on-branch-opening->

[spre/article65236929.ece#:~:text=Muthoot%20Mercantile%20Limited%2C%20flagship%20company,months%2C%20a%20company%20spokesperson%20said.](https://www.thehindubusinessline.com/money-and-banking/muthoot-mercantile-on-branch-opening-spre/article65236929.ece#:~:text=Muthoot%20Mercantile%20Limited%2C%20flagship%20company,months%2C%20a%20company%20spokesperson%20said.)

- **GNPAs of industries using fossil fuels may be sensitive to green energy transition: RBI study :** The gross non-performing assets (GNPA) ratio of industries such as cement, metals, paper, petroleum and textiles may be sensitive to green energy transition, and their impact on overall banking system need to be monitored closely, according to an article in the Reserve Bank of India's latest monthly bulletin. The article assessed that three sectors with direct exposure to fossil fuels — electricity, chemicals, and automobiles — account for around 24 per cent of credit to overall industrial sector, but only 10 per cent of total outstanding non-retail bank credit, which implies a limited spillover to the banking system. Several other industries such as cement, basic metals, paper, textiles, wood, rubber & plastic, IT & telecom, beverage & tobacco, leather, food manufacturing & processing, however, indirectly use fossil fuels and therefore any transition to green energy can have implications for their income and consequently their interest coverage ratio (ICR).

<https://www.thehindubusinessline.com/money-and-banking/gnpas-of-industries-using-fossil-fuels-may-be-sensitive-to-green-energy-transition-rbi-study/article65237127.ece>

- **PM Crop Insurance: Insurance companies reaping benefits in Maharashtra? :** The Maharashtra government is all set to launch its own crop insurance scheme, alleging that the insurance companies participating in Pradhan Mantri Fasal Bima Yojana (PMFBY) are reaping financial benefits while farmers paying crop insurance are left high and dry. However, the union government has stated that the major reason for pending claims is the non-receipt of the State government share in premium subsidy. During the ongoing Maharashtra Assembly Session, Deputy Chief Minister Ajit Pawar, while presenting the annual budget, referred to the crop insurance scheme and complaints raised by farmers. While answering the budget discussions, Pawar told the State Assembly that farmers have repeatedly complained about the majority of companies involved in PMFBY. He said that Maharashtra Chief Minister, State Agriculture Minister and Chief Secretary have already discussed the issue with



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

the union government. Pawar said that Gujarat has started its own crop insurance scheme; Maharashtra wants to take a similar step and needs the union government's approval.

<https://www.thehindubusinessline.com/money-and-banking/pm-crop-insuranceinsurance-companies-reaping-benefits-in-maharashtra/article65237228.ece>

- **Lenders expand doorstep gold loan services on increased demand:** Doorstep gold loans seem to be slowly catching the fancy of customers with several lenders looking to expand services. Players including IIFL Finance, gold loan NBFC Indel Money and asset-backed digital lending platform Rupeek are expanding such services as they see demand picking up. "I think the model is good. But like any other new thing that comes up, it's a matter of customer trust and adoption," said Rajesh Rajak, CFO, IIFL Finance, pointing out that even net-banking and online shopping took some time for widespread customer acceptance and adoption.
<https://news.123hindinews.com/lenders-expand-doorstep-gold-loan-services-owing-to-increased-demand-trending-news/>
- **CBI books J&K Bank former chairman, 18 others in ₹800-cr REI Agro case:** The CBI has booked former J&K Bank chairman Mushtaq Ahmad Shaikh and 18 others for a ₹800 crore loss to the bank in REI Agro case. The loans were issued in violation of the guidelines, without tangible security and on fake documents, officials said. In addition to officials of the bank, the Central Bureau of Investigation (CBI) has also booked REI Agro chairman Sanjay Jhunjhunwala, and vice president and managing director Sandeep Jhunjhunwala. The case was earlier probed by the anti-corruption branch of Jammu and Kashmir and it had found during its preliminary inquiry that loans worth ₹800 crore were sanctioned to the group based on the fake documents between 2011 and 2013 and in violation of guidelines, the officials said. This caused a loss of ₹800 to the bank, they said.
<https://www.thehindubusinessline.com/money-and-banking/jk-bank-loan-case-chairman-mushtaq-ahmad-shaikh-18-others-booked/article65237592.ece>
- **Forex reserves decline \$9.65 billion to \$622.27 billion:** The country's foreign exchange reserves declined USD 9.646 billion to USD 622.275 billion in the week ended March 11, according to the latest data from the RBI. In the previous week ended March 4, the reserves rose USD 394 million to USD 631.92 billion. It touched a lifetime high of USD 642.453 billion in the week ended September 3, 2021. During the reporting week, the decline in the reserves was due to a fall in the foreign currency assets (FCA), a major component of the overall reserves, the Reserve Bank of India's (RBI) weekly data released on Friday showed. FCA decreased by USD 11.108 billion to USD 554.359 billion in the week ended March 11.
<https://www.moneycontrol.com/news/business/economy/forex-reserves-decline-9-65-billion-to-622-27-billion-8249571.html>

Disclaimer

Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICAI takes no responsibility for the accuracy and reliability of information



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICAI.

*For Restricted Circulation only A Compilation of News in this regard from Secondary Sources.