



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

January 20, 2022

- **Cabinet sanctions Rs 973 cr to SBI for ex-gratia payment to borrowers:** The government on Wednesday approved sanction of Rs 973.74 crore to State Bank of India (SBI) as reimbursement related to loan moratorium that was implemented in 2020 amid the pandemic. Briefing media on the Cabinet decision, Information and Broadcasting Minister Anurag Singh Thakur said the Budget had made provision of Rs 5,500 crore for the scheme of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts. Of this, Rs 4,626 crore payment was made in 2020-21, he said, adding, an additional claim of Rs 1,846 crore is pending. To clear this, he said, the Union Cabinet has approved sanction of remaining Rs 973.74 crore to SBI towards payment of these dues.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/cabinet-sanctions-rs-973-cr-to-sbi-for-ex-gratia-payment-to-borrowers/articleshow/88996443.cms>
- **Axis Bank subsidiary sends legal notice to Zee promoters over non-payment of dues:** Axis Bank's subsidiary has sent a legal notice to promoters of Zee Entertainment over non-repayment of loans worth Rs 146 crore, The Economic Times reported. In case of non-recovery before closure of the Zee-Sony Pictures Network India merger, Axis Finance said it will drag Subhash Chandra and his son Punit Goenka to court and write to the market regulator. In its notice, Axis Finance has demanded the clearing of the dues of two entities of the Essel Group, namely, Cyquator Media Services and Primat Infrapower & Multiventures.
<https://www.moneycontrol.com/news/business/axis-bank-subsiidiary-sends-legal-notice-to-zee-promoters-over-non-payment-of-dues-7955481.html>
- **IBA seeks extension of Rs 4.5L cr loan guarantee scheme by 1 year:** The Indian Banks' Association (IBA) has suggested that the government extend the validity of its Rs 4.5-lakh-crore guaranteed loan scheme for companies and individuals preferably by one year through March 2023. It has also pitched for providing an additional dose of 10% of the eligible finance for all eligible borrowers, who continue to be affected by the Covid-induced extended disruptions, under the existing Emergency Credit Line Guarantee Scheme (ECLGS).
<https://www.financialexpress.com/industry/banking-finance/iba-seeks-extension-of-rs-4-5l-cr-loan-guarantee-scheme-by-1-year/2410051/>
- **United Forum of Bank Unions-Kerala urges for reduced working hours:** United Forum of Bank Unions- Kerala has requested the State Level Bankers Committee to implement reduced working hours in banks or working on alternate days, considering the rampant spread of Covid. "We are highly apprehensive of the situation and the condition warrants more safety precautions and actions on the part of the banks and employees to combat the situation. We request SLBC view the entire aspects in its entirety and take necessary steps", C.D.Josson, convenor, UFBU said.



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<https://www.thehindubusinessline.com/money-and-banking/united-forum-of-bank-unions-kerala-urges-for-reduced-working-hours/article64909931.ece>

- **ICICI Pru Life posts improvement in PAT:** ICICI Prudential Life Insurance Company's net profit nudged up about 2 per cent year-on-year (y-o-y) to ₹311 crore in the third quarter against ₹305 crore in the year ago quarter. Investment income (net of provision for diminution in value of investments) declined sharply to ₹734 crore in the reporting quarter (₹19,491 crore in the year ago quarter). Premium earned, including new business premium (NBP), edged up about 2 per cent y-o-y to ₹9,344 crore in the reporting quarter (₹9,152 crore), and the NBP increased 10 per cent y-o-y to ₹3,787 crore. Benefits paid (net) was up 12 per cent y-o-y to ₹7,665 crore (₹6,817 crore). This is inclusive of the interim bonus.

<https://www.thehindubusinessline.com/money-and-banking/icici-pru-lifes-pat-nudges-up-2-in-q3fy22/article64908019.ece>

- **Federal Bank, Equirus Wealth launch exclusive USD Fixed Maturity Fund:** Federal Bank, in association with Equirus Wealth, has launched a "US Dollar offshore fund" exclusively for their customers. This is in collaboration with SCUBE Capital, a Singapore-based global fund management company. Both NRI and Resident customers of Federal Bank will be able to invest in this fund. The fund offers a portfolio return (IRR) guidance of around \$6.50 per cent per annum with a fund tenor of three years from the date of fund closure with an option to extend by one year. "The Portfolio is managed by a highly skilled team with a cumulative experience of over 70 years in managing investments of over \$50 billion," as per an official release.

<https://www.thehindubusinessline.com/money-and-banking/federal-bank-equirus-wealth-launch-exclusive-usd-fixed-maturity-fund/article64910025.ece>

- **Cholamandalam launches three new business verticals for consumer & SME loans:** Murugappa Group's Cholamandalam Investment and Finance Company has created three new business divisions to drive the next wave of growth – Consumer & Small Enterprise Loan (CSEL), Secured Business & Personal Loan (SBPL) and SME Loan (SME). "While consolidating the company's position as a leading player in the vehicle finance, loan against property, and housing finance businesses, the company has also launched these three new business divisions," said a company statement.

<https://www.thehindubusinessline.com/money-and-banking/cholamandalam-launches-3-new-biz-verticals-for-consumer-sme-loans/article64910107.ece>

- **BharatPe's Ashneer Grover takes voluntary leave of absence :** BharatPe co-founder and MD, Ashneer Grover, will be taking a voluntary leave of absence from BharatPe till the end of March. "Ashneer Grover has today informed the Board of his decision to take voluntary leave of absence from BharatPe till March end. Ashneer has co-built BharatPe from scratch and his decision is consistent with his passionate commitment to the future success of the company. The Board has accepted Ashneer's decision which we agree is in the best interests of the company, our employees and investors, and the millions of merchants we support each day," the company said in a statement.

<https://www.business-standard.com/article/companies/ashneer-grover-co-founder-bharatpe-on-voluntary-leave-till-march-end->



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[122011901060_1.html#:~:text=Ashneer%20Grover%2C%20co%2Dfounder%20and%20MD%2C%20BharatPe%20is%20going,board%20has%20accepted%20his%20decision.&text=it%20added%20that%20%22Ashneer%20has,future%20success%20of%20the%20company%22.](#)

- **Cryptocurrencies crash 40% since November on mounting regulatory uncertainties:** Cryptocurrencies including bitcoin, etherium and dogecoin, which had attracted lot of interest in 2021 due to the stellar rally in prices are currently passing through a rough patch. Bloomberg galaxy crypto currency index, which is designed to measure the performance of the largest cryptocurrencies traded in US dollars, is down 40 per cent since the peak recorded in November 10, 2021. The index has lost 11 per cent since the beginning of 2022.
<https://www.thehindubusinessline.com/data-stories/data-focus-cryptocurrencies-crash-40-per-cent-since-november-on-mounting-regulatory-uncertainties/article64910153.ece>
- **RBL Bank to seek PE funding amid concerns over financial health: Report:** RBL Bank Ltd., the Indian lender at the center of turmoil after the nation's banking regulator appointed a director last month, is seeking to raise new capital in a bid to allay investor concerns over its financial health, according to people familiar with the matter. The Mumbai-based bank has approached private equity firms for funds in exchange for a stake, the people said, asking not to be identified as the information is private. The bank is looking to raise as much as Rs 1,500 crore (\$201 million) in "confidence capital," one of the people said. Deliberations are at an early stage and RBL Bank could still decide against the fundraising plan, which may be subject to approvals by the Reserve Bank of India, the people said.
https://www.business-standard.com/article/finance/rbl-bank-to-seek-pe-funding-amid-concerns-over-financial-health-report-122011900921_1.html
- **RBI seeks details of NBFCs' 'buy now, pay later' deals with e-tailers:** The 'buy now, pay later' (BNPL) game is set for a big change. The Reserve Bank of India (RBI) has sought details of shadow banks' BNPL arrangements with e-commerce (e-com) players. The central bank has also asked for information on their roles as transferor or transferee for loans under its "Master Direction on Transfer of Loan Exposures", issued on September 24, 2021. The urgency of the issue was evidenced in the RBI's email to non-banking financial companies (NBFCs) on Monday: That the data is to be submitted by the end of the day. Senior officials in NBFCs and the BNPL universe are unanimous that "the RBI appears to have taken the first steps towards sizing up this market, and usher in stricter regulations", and also "ring in transparency to the growing BNPL segment within the wider retail consumer finance".
https://www.business-standard.com/article/finance/rbi-seeks-details-of-nbfc-s-buy-now-pay-later-deals-with-e-tailers-122011900037_1.html
- **Power Finance Corporation, REC reduce lending rates across all types of loans:** State-owned non-banking financial companies (NBFCs), Power Finance Corporation and REC Ltd have further reduced their lending rates across all types of loans by 40 bps, according to an official statement. Union Power Minister RK Singh expressed satisfaction at the continued efforts by both companies to reduce rates and remain competitive, the ministry of power said in a statement.
<https://www.livemint.com/industry/banking/power-finance-corporation-rec-reduce-lending-rates-across-all-types-of-loans-11642582374305.html>



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- **Digital Payments see 40% jump in Sept 2021: RBI index:** Digital payment transactions reported a 40% year on year jump as of September 2021, as per the RBI's latest index that measures the extent of digitization of payments. The newly constituted RBI's digital payment index (RBI-DPI) stood at 304.06 during September 2021 as against 270.59 in March 2021 and 217.74 in September 2020. "The RBI-DPI Index continues to demonstrate significant growth in adoption and deepening of digital payments across the country," RBI said in a press release on Wednesday.
<https://www.livemint.com/industry/banking/digital-payments-see-40-jump-in-sept-2021-rbi-index-11642600128349.html>
- **Borrower Can't Claim Loan Moratorium As A Right Based On RBI's Circular Of March 2020 : Karnataka High Court:** The Karnataka High Court recently set aside the directions issued to Reserve Bank of India by a single judge bench of the High Court directing it to monitor the implementation of Covid-19 package announced on March 27, 2020, by which RBI had allowed Banks to declare a three-month moratorium on all term loans, outstanding as on March 1, 2020. The High Court also held that the RBI's circular was a guideline and cannot be construed as a mandatory requirement, creating a right in favour of a borrower to avail loan moratorium.
<https://www.livelaw.in/news-updates/borrower-cant-claim-loan-moratorium-as-a-right-based-on-rbis-circular-of-march-2020-karnataka-high-court-189854#:~:text=t%20Claim...-Borrower%20Can't%20Claim%20Loan%20Moratorium%20As%20A%20Right%20Based,March%202020%203A%20Karnataka%20High%20Court&text=The%20High%20Court%20also%20held,borrower%20to%20avail%20loan%20moratorium.>
- **Sensex ends down by 656 pts; Nifty slips below 18,000:** The BSE Sensex closed at 60,098.82, down 656.04 points or 1.08 per cent. It recorded an intraday high of 60,870.17. The BSE Sensex slipped below 60k during the day to record an intraday low of 59,949.22. The Nifty 50 slipped below the 18,000 mark to close at 17,938.40, down 174.65 points or 0.96 per cent. It recorded an intraday high of 18,129.20 and a low of 17,884.90. ONGC, Tata Motors, UPL, Coal India and Maruti were the top gainers on the Nifty 50 while Infosys, Shree Cement, Asian Paints, Adani Ports and Hindustan Unilever were the top losers.
<https://www.livemint.com/market/stock-market-news/sensex-plunges-656-pts-nifty-ends-below-18-000-oil-gas-metal-outperform-11642590464261.html>
- **Indian rupee falls 12 paise to 74.70 against US dollar in early trade:** The rupee declined by 12 paise to 74.70 against the US dollar in opening trade on Wednesday, as muted domestic equities and elevated crude oil prices weighed on investor sentiments. At the interbank foreign exchange, the rupee opened weak at 74.70 against the US dollar, registering a decline of 12 paise from the last close.
<https://www.moneycontrol.com/news/business/markets/indian-rupee-falls-12-paise-to-74-70-against-us-dollar-in-early-trade-7956011.html>



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