



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

May 20, 2022

- **Staying virtual: SBI to hold AGM via video conferencing this year too:** State Bank of India (SBI), the country's largest public sector bank, will conduct its annual general meeting (AGM) through the video conferencing mode this year too. The virtual AGM is slated for June 22, sources close to the development said. This will be the third year in a row that SBI would hold shareholder meetings in the virtual mode (video conferencing and other audio visual means ). The only agenda for this year's meeting is to discuss and adopt the balance sheet and the profit and loss account for the financial year ended March 31, 2022, besides the auditor's report, sources added. During the pandemic, the government had allowed companies to conduct their AGMs and other corporate compliance businesses in the virtual mode. Most of the compliance related relaxations, which began in 2020, continue to be available today, a corporate observer pointed out.  
<https://www.thehindubusinessline.com/money-and-banking/staying-virtual-sbi-to-hold-agm-via-video-conferencing-this-year-too/article65429379.ece#:~:text=The%20AGM%20is%20scheduled%20to,close%20to%20the%20development%20said.>
- **Bank credit grows 10.82%; deposits rise 9.71% in fortnight ended May 6: RBI:** Bank credit grew by 10.82 per cent to Rs 120.46 lakh crore and deposits by 9.71 per cent to Rs 166.95 lakh crore in the fortnight ended May 6, 2022, RBI data showed. In the fortnight ended May 7, 2021, bank advances stood at Rs 108.70 lakh crore and deposits at Rs 152.16 lakh crore, according to the RBI's scheduled banks' statement of position in India as on May 6, released on Thursday. Bank advances rose by 10.07 per cent to Rs 119.54 lakh crore and deposits by 9.84 per cent to Rs 166.24 lakh crore in the previous fortnight ended April 22, 2022. In FY 2021-22, bank credit rose by 8.59 per cent and deposit by 8.94 per cent.  
[https://www.business-standard.com/article/finance/bank-credit-grows-10-82-deposits-rise-9-71-in-fortnight-ended-may-6-rbi-122051901530\\_1.html#:~:text=Bank%20credit%20grew%20by%2010.82,%2C%202022%2C%20RBI%20data%20showed.](https://www.business-standard.com/article/finance/bank-credit-grows-10-82-deposits-rise-9-71-in-fortnight-ended-may-6-rbi-122051901530_1.html#:~:text=Bank%20credit%20grew%20by%2010.82,%2C%202022%2C%20RBI%20data%20showed.)
- **Union Bank classifies accounts of Srei Equipment Fin, Srei Infra Fin as 'fraud':** The Union Bank of India on May 19 classified the accounts of Srei Equipment Finance and Srei Infrastructure Finance over charges of fraud due to diversion of funds. Union Bank will be initiating the appropriate legal proceedings in this regard in due course of time, the lender said in an exchange filing. On October 4, the Reserve Bank of India (RBI) announced the takeover of Srei Infrastructure Finance Ltd (SIFL) and Srei Equipment Finance citing governance issues and payment defaults. The RBI also appointed Rajneesh Sharma, the former chief general manager at Bank of Baroda, as administrator.  
<https://www.moneycontrol.com/news/business/union-bank-classifies-accounts-of-srei-equipment-finance-srei-infrastructure-finance-over-fraud-charges-8541481.html>
- **HDFC Bank announces new vertical for rural, semi-urban areas:** Betting big on opportunities in rural areas, HDFC Bank on Thursday announced that it has carved out a rural banking function. "Tasked to take banking products further in the hinterland, rural banking will consolidate the bank's existing initiatives in this direction, and take it closer to the last mile," the private sector lender said in a statement. Carved out of retail branch banking, the rural banking business to focus on semi-urban and rural areas, a large part of which remains



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untapped and will offer the entire bouquet of services available with the bank. Anil Bhavnani, who has been with the bank for over 19 years, has been appointed National Rural Banking Head.

<https://www.thehindubusinessline.com/money-and-banking/hdfc-bank-announces-new-vertical-for-rural-semi-urban-areas/article65429325.ece>

- **Punjab & Sind Bank stages a turnaround in FY22; Q4 net surges:** Punjab & Sind Bank (PSB), a public sector bank, reported a 115 per cent increase in net profit for the fourth quarter ended March 31, 2022 at ₹346 crore (₹161 crore). The latest quarterly bottomline performance was 15 per cent higher than the net profit of ₹301 crore recorded in the third quarter ended December 31, 2021. For the entire fiscal 2021-22, PSB reported a net profit of ₹1,039 crore against the net loss of ₹2,733 crore in 2020-21, showed the public sector lender's filings with the stock exchanges.  
<https://www.thehindubusinessline.com/money-and-banking/punjab-sind-bank-stages-a-turnaround-in-fy22-q4-net-surges/article65430705.ece>
- **Indian Overseas Bank reports 58% jump in March quarter profit after tax :** Chennai-based Indian Overseas Bank (IOB) reported a 58% jump in profit after tax (PAT) to Rs 552 crore in the quarter ended March 2022. The operating profit stood at Rs 1,614 crore in Q4FY22 against Rs 1,724 crore in the year-ago period. The net interest margin for Q4FY22 was 2.41% compared with 2.39% in the December 2021 quarter. The bank posted 12% year-on-year growth in gross advances, which stood at Rs 1,55,801 crore as against Rs 1,39,597 crore a year ago. The bank is expected to continue on its growth trajectory even as the interest rate cycle has reversed aided by a well-diversified loan portfolio, Partha Pratim Sengupta, MD & CEO of Indian Overseas Bank, said in a press meeting.  
<https://www.financialexpress.com/industry/banking-finance/indian-overseas-bank-reports-58-jump-in-march-quarter-profit-after-tax/2530236/>
- **Bandhan Bank may not require microfinance loan recast:** Private sector lender Bandhan Bank does not expect any requirement for microfinance loan restructuring going forward, though the lender may have to write-off some bad loans depending on situations. For the fourth quarter last fiscal, the bank's collection efficiency, other than non-performing assets (NPAs) accounts, returned to the pre-Covid level. At the end of the March quarter, for the emerging entrepreneurs business (EEB) segment, which is erstwhile microbanking segment, collection efficiency, excluding NPA, stood at 99%, compared with 97% at the end of the December quarter of the previous fiscal. "In microfinance loans, there was no restructuring in Q4FY22. Going forward, there is no necessity of microfinance loan restructuring. Some technical write-offs could happen and it would depend on different factors," Chandra Shekhar Ghosh, MD and CEO, told FE.  
<https://www.financialexpress.com/industry/banking-finance/bandhan-bank-may-not-require-microfin-loan-recast/2530351/>
- **Tamilnad Mercantile Bank wants more time to list shares:** Tamilnad Mercantile Bank (TMB) has requested the Reserve Bank of India (RBI) to extend the timeline for listing its shares. "Despite the best efforts of your bank, the timeline of December 31, 2021, given by RBI for listing of shares could not be met for reasons beyond the bank's control. "Hence, your bank requested RBI to extend the timeline further so that your bank's endeavour to become a listed entity becomes a reality," Managing Director and Chief Executive Officer KV Rama Moorthy and Director A Niranjan Sankar told shareholders in a written communication. Headquartered in Thoothukudi (Tamil Nadu), the bank had filed its draft red herring prospectus (DRHP) in early September 2021 and subsequently with the NSE and BSE.  
<https://www.thehindubusinessline.com/money-and-banking/tmb-wants-more-time-to-list-shares/article65429115.ece>



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- **RBI allows settlement of government-backed \$1 billion credit facility to Sri Lanka in rupee terms:** The Reserve Bank of India (RBI) on May 19 said that the government of India-backed \$1 billion term loan granted to Sri Lanka through the State Bank of India (SBI) for financing purchase of essential goods can be settled in rupee terms, outside the purview of the Asian Clearing Union (ACU) arrangement. This is in view of “difficulties experienced by exporters in receipt of export proceeds from Sri Lanka,” the central bank said in a statement. In March, the government had said that State Bank of India will provide \$1 billion credit facility to Sri Lanka for procurement of food, medicines and other essential items.  
<https://www.moneycontrol.com/news/business/rbi-allows-settlement-of-government-backed-1-billion-credit-facility-to-sri-lanka-in-rupee-terms-8540841.html>
- **Axis AMC removes fund manager for irregularities:** Axis Asset Management Company has suspended Viresh Joshi, Chief Trader and Fund Manager as part of the ongoing investigation into serious allegations against its fund managers. Further, the fund house said the employment of Joshi with Axis AMC has been terminated with effect from May 18 and he will no longer have any association whatsoever with Axis AMC and Axis Mutual Fund. Accordingly, Joshi ceases to be a Key Person of Axis AMC, it added. "We take compliance with legal and regulatory requirements seriously and have zero tolerance towards any instance of non-compliance, it said.  
<https://www.thehindubusinessline.com/markets/axis-amc-removes-fund-manager-for-irregularities/article65429525.ece>
- **Dhanlaxmi Bank's net profit higher at Rs 23.4 crore, asset quality improves:** Thrissur-based private sector lender Dhanlaxmi Bank reported nearly five-fold jump in net profit at Rs 23.4 crore in the fourth quarter ending March 31 helped by higher interest and non-interest income. Net profit was Rs 5.3 crore in the year ago period. Interest income stood at Rs 234.9 crore against Rs 212.8 crore while other income was at Rs 68.7 crore against Rs 20.7 crore. The bank's operating profit for the reporting quarter was at Rs 63.6 crore against an operating loss of Rs 12.9 crore in the corresponding period last year. Its asset quality improved with gross non-performing assets ratio being at 6.32% at the end of March as compared with 9.23% a year back. Net NPA ratio stood at 2.85% against 4.76%.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/dhanlaxmi-banks-net-profit-higher-at-rs-23-4-crore-asset-quality-improves/articleshow/91664462.cms>
- **RBI: Banks, ATM networks and WLA operators can provide interoperable cardless cash withdrawal:** The Reserve Bank of India has said all banks, ATM networks and white label ATM operators may provide the option of interoperable cardless cash withdrawal at their ATMs. “National Payments Corporation of India has been advised to facilitate Unified Payments Interface (UPI) integration with all banks and ATM networks,” the RBI said on Thursday. While UPI would be used for customer authorisation in such transactions, settlement would be through the National Financial Switch (NFS) or ATM networks. The on-us / off-us interoperable cardless cash withdrawal transactions will be processed without levy of any charges other than those prescribed under the circular on interchange fee and customer fee.  
<https://www.thehindubusinessline.com/money-and-banking/rbi-banks-atm-networks-and-wla-operators-can-provide-interoperable-cardless-cash-withdrawal/article65430441.ece>
- **Bank credit demand sees turnaround in FY23 so far:** Credit extended by all scheduled banks since the beginning of the new financial year and up to May 6 has shown a robust growth against a decline in the year-ago period, according to RBI data. Banks' disbursed credit aggregated to ₹1,58,719 during the reference period against a de-growth of ₹87,959 crore in the year-ago period. In an article in the latest monthly bulletin, RBI officials noted that the growth in scheduled commercial banks' credit to the commercial sector crossed double digits for the



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first time since August 2019 and accelerated to 11.1 per cent as on April 22, 2022, as compared with 5.7 per cent a year ago.

<https://www.thehindubusinessline.com/money-and-banking/bank-credit-demand-sees-turnaround-in-fy23-so-far/article65431207.ece>

- **Equitas SFB Managing Director & CEO PN Vasudevan to step down:** Equitas Small Finance Bank founder cum managing director PN Vasudevan has announced his desire to step down as he wants to pursue his dreams in the development field. "I request the board to look for a successor to my current position. I would be happy to be of help in identifying my successor, who, I am confident, would steer the bank in its next phase of growth." Vasudevan said in a letter to chairman of the board Arun Ramanthan. He told ET that he owns around 2% in Equitas Holdings, the holding company for the bank, and this shareholding would not help create a large enough corpus for running the trust on a sustainable basis. "Unfortunately, our shareholding in Equitas is too small to create a large enough corpus to be able to create a meaningful and long term impact and I need to do something to create this," he also said in the letter dated May 19, 2022.  
<https://www.thehindubusinessline.com/money-and-banking/equitas-sfb-managing-director-ceo-vasudevan-to-step-down/article65430983.ece>
- **RBI apprises on card-less cash withdrawal at ATMs:** The Reserve Bank of India (RBI) issued a directive on Thursday requiring all banks and ATM operators to offer ICCW (Interoperable Card-less Cash Withdrawal) at their machines. While UPI will be utilised for customer authorization in such transactions, the National Financial Switch (NFS)/ATM networks would be used for settlement, according to the RBI. Furthermore, as per the RBI mandate, card-less cash transactions would be processed free of charge. The government's payment system, the National Payments Corporation of India (NPCI), has been advised to promote Unified Payments Interface (UPI) integration with all banks and ATM networks, according to the central bank.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-apprises-on-card-less-cash-withdrawal-at-atms-heres-all-you-need-to-know/articleshow/91668518.cms>
- **SC orders constitution of special court for cheque bounce cases:** The Supreme Court on Thursday directed the constitution of special courts with a retired judge in five states starting September 1 for expeditious disposal of cheque bounce cases. A three-judge bench of Justices L Nageswara Rao, B R Gavai, and S Ravindra Bhat said the special courts under the Negotiable Instruments Act (NI), would be set up in the states of Maharashtra, Delhi, Gujarat, Uttar Pradesh and Rajasthan in view of a large number of cases pending in these states. "We have incorporated the suggestions of the amicus with respect to the setting up of the pilot courts and we have given the timelines also. It is to begin on September 1, 2022 onwards. The secretary general of this court shall ensure that a copy of the present order is directly communicated to the registrar general of the said five high courts, which should put it before the chief justices for immediate action," the bench said.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/sc-orders-constitution-of-special-court-for-cheque-bounce-cases/articleshow/91660800.cms>
- **Rating agencies in a limbo over RBI's new guidance on loans:** Credit rating agencies have sought the intervention of their primary regulator, Sebi, in the wake of new directions from the Reserve Bank of India (RBI) and the contradictions that have surfaced in the views of the two financial market watchdogs. The central bank has said ratings given on loans to a company cannot be notched up on the basis of "diluted and non-prudent support structures" such as letter of comfort, letter of support or undertaking, and other covers like pledge of shares. Such support from the parent or promoters enables companies to reduce the cost of borrowings - as higher the rating, lower the interest charge on debt.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rating-agencies-in-a-limbo-over-rbis-new-guidance-on-loans/articleshow/91651887.cms>



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- **Sensex tanks over 1,400 pts, Nifty ends below 15,900 on weak global cues:** The BSE Sensex closed at 52,792.23, down 1,416.30 points or 2.61 per cent. It recorded an intraday high of 53,356.04 and a low of 52,669.51. The Nifty 50 closed at 15,809.40, down 430.90 points or 2.65 per cent. It recorded an intraday high of 15,984.75 and a low of 15,775.20. Only three stocks — ITC, Dr Reddy's and Powergrid — closed in the green on the Nifty 50, while HCL Tech, Wipro, Infosys, TCS and Tech Mahindra were the top losers.  
<https://www.thehindubusinessline.com/markets/sensex-tanks-over-1400-pts-nifty-ends-below-15900-on-weak-global-cues/article65429895.ece>
- **Rupee slips 12 paise to 77.74 against US dollar in early trade:** The rupee extended its losses and slipped 12 paise to 77.74 against the US dollar in early trade on Thursday, weighed down by a muted trend in domestic equities and unabated foreign fund outflows. At the interbank foreign exchange, the rupee opened at 77.72 against the American dollar, then lost ground to quote at 77.74, registering a fall of 12 paise from the last close. On Wednesday, the rupee declined by 17 paise to close at its fresh lifetime low of 77.61 against the US dollar.  
<https://www.moneycontrol.com/news/business/markets/indian-rupee-slips-12-paise-to-77-74-against-us-dollar-in-early-trade-8535671.html>

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