



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

March 22, 2022

- **PNB board to consider debt raising plan for FY23 on March 29:** Public sector Punjab National Bank will convene a board meeting later this month to decide on its capital raising plan through debt for the next fiscal year. "The meeting of the board of directors of the company is scheduled on 29 March 2022, to consider and approve the proposal for raising of capital through the issuance of Basel-III compliant additional tier-1 bonds and/or tier-2 bonds or a combination thereof, in one or more tranches for FY2022-23," PNB said in a regulatory filing on Monday. However, the bank has not provided details on how much capital it is planning to raise via debt in 2022-23. The shares of PNB closed at Rs 35.70 apiece on BSE, down by 0.83 per cent from the previous close.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/pnb-board-to-consider-debt-raising-plan-for-fy23-on-march-29/articleshow/90356871.cms>
- **HDFC Bank to give a digital push to small business loans:** 'Small' is big business for India's most valuable bank. After the regulator eased all curbs, HDFC Bank has decided to create a dedicated app for mom-and-pop stores to push merchant loans. The bank now clocks at least ₹1,000 crore in merchant loans every month and is looking to triple the run rate. HDFC Bank will also launch an application 'AutoFirst' that will offer fully automated auto loans. "We don't want to wait for the most perfect product to launch, we will put together a minimum viable product and upgrade the offerings," said Parag Rao, country head-payments, HDFC Bank, in an interview with ET.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-to-give-a-digital-push-to-small-business-loans/articleshow/90340932.cms>
- **City Union Bank opens 11 new branches:** City Union Bank on Monday announced opening of 11 new branches in various districts of Tamil Nadu, Rajasthan, Telangana and Jharkhand. In a regulatory filing, the bank shared the list of the new branches inaugurated on Monday. As per the filing, the bank has added seven new branches in Tamil Nadu, two branches in Rajasthan and one new branch each in Jharkhand and Telangana.
<https://www.thehindubusinessline.com/money-and-banking/city-union-bank-opens-11-new-branches/article65245681.ece>
- **IDBI Bank stake sale: Govt holding road shows to assess investors' interest:** The union government is currently holding roadshows to assess the investors' interest for the stake sale of IDBI Bank, the Parliament was informed on Monday. IDBI Bank shares closed over 4.43% higher at ₹44.75 apiece on NSE. In a written reply to Lok Sabha, Minister of State (MoS) for Finance Bhagwat Karad said while deciding the terms and conditions of the strategic sale, legitimate concerns of the existing employees and other stakeholders are suitably addressed through appropriate provisions made in the share purchase agreement. "... roadshows are currently being held to assess the investors' interest before floating the Expression of Interest (Eoi)," Karad said. The government plans to invite expression of interest to sell its stake in IDBI Bank by the next month-end, news agency PTI reported
<https://www.livemint.com/industry/banking/idbi-bank-stake-sale-govt-holding-road-shows-to-assess-investors-interest-11647856509357.html>
- **RBI's retail direct a hit with investors as GSecs trump FDs:** More than 35,000 individual investors are directly buying government bonds on the central bank's Retail Direct platform, raising expectations that such ownership will accelerate due to transactional convenience, asset safety and yield differentials. Sovereign bonds now yield higher than traditional bank deposits - and can be sold easily. A 10-year government bond yields around 6.80%



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semi-annually, compared with 5.40-6.30% offered by the State Bank of India across categories for similar-maturity fixed deposits. Daily transactions, running into lakhs of rupees now, could gain momentum if the government agrees to the central bank suggestion that interest earned on these bonds be tax-exempt for retail buyers, said people aware of the buying trends.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbis-retail-direct-a-hit-with-investors-as-gsecs-trump-fds/articleshow/90341194.cms>

- **Indian Bank Bad Loans At All-Time Low, Says RBI Governor Shaktikanta Das:** The health of the Indian banking sector has improved substantially with bad loans at a record low, provision coverage high, and capital well above regulatory requirements, said Reserve Bank of India's Governor Shaktikanta Das. The gross non-performing assets ratio of the banking sector is at an all-time low of 6.5%, Das said, at an event organised by the Confederation of Indian Industry. In its Financial Stability Report in December, the RBI had said that the gross NPA ratio has fallen to 6.9%, the lowest in six years. Since then, bad loans have fallen further. To be sure, the drop in bad loans has been supported by regulatory dispensations, including one-time restructuring permitted due to the Covid-19 crisis. Banks have also written off bad loans, which helps bring down gross non-performing assets. Das added that banks have also raised adequate capital and set aside higher provisions against stressed assets.
<https://www.bloombergquint.com/business/indian-bank-bad-loans-at-all-time-low-says-rbi-governor-shaktikanta-das>
- **Banks recover Rs 61,000 crore via one-time settlement of loans:** As many as 11 banks have recovered nearly Rs 61,000 crore by way of one-time settlement in nearly four financial years, the government informed Parliament on Monday. The figures are for the last three financial years and up to December 2021 of the current fiscal. As per instructions of the Reserve Bank, banks are required to have a board-approved loan recovery policy, which may cover negotiated settlements through compromise, including one-time settlement (OTS) under which recovery in non-performing assets (NPA) loan accounts are to be effected to the maximum extent possible at minimum expense, Minister of State for Finance Bhagwat Karad said in a written reply to the Lok Sabha. He said the intent of such measures is to help banks promptly recycle their funds with advantage.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-recover-rs-61000-crore-via-one-time-settlement-of-loans/articleshow/90353553.cms>
- **All Covid-related liquidity measures came with a sunset date, says RBI Governor Das:** The Reserve Bank of India (RBI) Governor on Monday said that all Covid-19-related liquidity measures announced by the central bank, except the interest rates, came with a sunset date. Addressing the media at the CII National Council Meeting, Das said that the RBI will come out of the withdrawal of liquidity measures very smoothly. "We will ensure abundant liquidity to meet the requirements of the productive sectors of the economy. Rs 17 lakh crore liquidity support was provided," he added.
<https://economictimes.indiatimes.com/news/economy/policy/all-covid-related-liquidity-measures-came-with-a-sunset-date-says-rbi-governor-das/articleshow/90355636.cms>
- **Paytm launches 'Payment Analytics' to help SMEs make data driven decisions:** Paytm Payments Services Limited (PPSL), a wholly-owned subsidiary of One97 Communications, has launched 'Payment Analytics', a data analysis feature for online and offline merchants. This service, which is available to all Paytm merchants at no extra cost, will enable merchants with data-driven payment insights to help them understand customers and their payment preferences. Praveen Sharma, CEO, PPSL, said "The launch of Payment Analytics is yet another industry-first move, that is aligned with our vision of helping merchant partners and entrepreneurs simplify their businesses, and understand their target audience to offer them the best of services. This will help business owners to devise improved marketing strategies to scale up faster."



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<http://businessnewsthisweek.com/business/paytm-payment-gateway-launches-payment-analytics-to-help-smes-make-data-driven-decisions-on-how-to-grow-their-business/>

- **RBI cancels licence of People’s Co-operative Bank in Uttar Pradesh:** The Reserve Bank of India has cancelled the licence of People’s Co-operative Bank Limited in Uttar Pradesh, the banking regulator said in a press release on March 21, the fourth such bank to face RBI action this year. The bank ceases to carry on banking business, with effect from the close of business on March 21, 2022, the RBI said. The licence was cancelled as the bank didn't have adequate capital and earning prospects, it added.
<https://www.moneycontrol.com/news/business/rbi-cancels-licence-of-peoples-co-operative-bank-in-uttar-pradesh-8256981.html>
- **Easing liquidity stress and steady asset quality: General outlook for MSMEs improving, says ICICI Securities:** The general outlook for micro, small and medium enterprises (MSMEs), though not yet back to pre-Covid levels, is improving, with liquidity stress easing and steady asset quality, according to ICICI Securities (I-Sec). The key takeaways from a meeting, hosted by I-Sec with a representative from a leading MSME rating agency, include: 65 per cent of MSMEs availing of benefit under ECLGS, with cashflow pressures easing for 61 per cent of them and 35 per cent benefitting from reduced rates; and disbursements to Existing to Bank (ETB) MSMEs doubling and credit picking up for New to Bank (NTB) MSMEs as well.
<https://www.thehindubusinessline.com/money-and-banking/easing-liquidity-stress-and-steady-asset-quality-general-outlook-for-msmes-improving-says-icici-securities/article65245294.ece>
- **Piramal Capital initiates bankruptcy proceedings against Reliance Power:** Piramal Capital and Housing Finance Ltd has initiated bankruptcy proceedings against the beleaguered Anil Ambani group, Reliance Power and its subsidiary Reliance Natural Resources . “Bankruptcy proceedings have been initiated by PCHFL against Reliance Power and RNRL under section 7 of the IBC Code 2016, in NCLT Mumbai,” said a person familiar with the development. RNRL had in 2010 merged with Reliance Power. RNRL had defaulted on a loan of ₹526.10 crore, obtained from the erstwhile Dewan Housing Finance Corporation Ltd (DHFL). The Piramal Group had acquired DHFL last year and PCHFL had been merged with DHFL.
<https://www.thehindubusinessline.com/money-and-banking/piramal-capital-initiates-bankruptcy-proceedings-against-reliance-power/article65245473.ece>
- **Centre updates DRHP of LIC IPO with Q3 results:** The Centre has filed updated draft papers with the market regulator SEBI for the initial public offering of Life Insurance Corporation of India. According to sources, the updated draft red herring prospectus includes the third quarter financial results of LIC. “The updated DRHP was filed as per SEBI observations,” sources said. The IPO-bound insurer reported a net profit of ₹235 crore in the third quarter of the fiscal as against ₹90 lakh a year ago. It had earlier only provided financial results until September 2021.
<https://www.thehindubusinessline.com/markets/centre-files-updated-drhp-for-lic-ipo/article65245493.ece>
- **Loss from one crypto not to be set off with gain from another: FinMin:** Loss from sale of one crypto will not be set off against the gain from the sale of another crypto, the Finance Ministry clarified in the Lok Sabha on Monday. The ministry further explained that the cost of mining will not be treated as the cost of acquisition in the case of virtual digital assets (VDA), a clarification that set off a chain of reactions from crypto players and exchanges across the country who were anxious that these clarifications will “cripple” the crypto trade.
<https://www.thehindubusinessline.com/money-and-banking/cryptocurrency/loss-from-one-crypto-not-to-be-set-off-with-gain-from-another-finmin/article65246271.ece>



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- **IPV launches Physis Capital with fund size of \$50 mn for startups:** Inflection Point Ventures (IPV), an angel investment platform, has announced the launch of a new \$50 million fund to promote startups raising early capital. The fund called Physis Capital has the option of financing another \$25 million and aims to have its first close at \$20 million, said the company. Physis Capital will build a portfolio of 15-20 startups with an average ticket size of \$2.5 million and it will start deploying capital after the first close. It is in the final stage of the registration process and is awaiting approval from the Securities and Exchange Board of India.
https://www.business-standard.com/article/finance/ipv-launches-physis-capital-with-fund-size-of-50-mn-for-startups-122032100520_1.html
- **Banks to take Future to debt recovery tribunal:** Lenders to Future Retail Ltd have abandoned plans to sue the company for the unapproved transfer of hundreds of its stores to Reliance Retail, two bankers aware of the plans said, adding that they will enforce their rights through the debt recovery tribunal and bankruptcy tribunal instead. The change in stance comes after Future claimed it was unaware of the takeover, and banks believe suing the company now will only create further complications. Lenders have tasked Bank of Baroda with filing a case under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI) Act before the debt recovery tribunal (DRT), the bankers cited above said on condition of anonymity.
<https://www.livemint.com/industry/banking/banks-to-take-future-to-debt-recovery-tribunal-11647803374187.html>
- **Gold gains Rs 26; silver jumps Rs 173:** Gold in the national capital on Monday gained marginally by Rs 26 to Rs 51,400 per 10 grams in line with firm international precious metal prices, according to HDFC Securities. In the previous trade, the precious metal settled at Rs 51,374 per 10 grams. Silver also gained Rs 173 to Rs 67,956 per kg from Rs 67,783 per kg in the previous trade. In the international market, gold was trading higher at USD 1,924 per ounce and silver was flat at USD 24.99 per ounce.
<https://www.moneycontrol.com/news/business/gold-gains-rs-26-silver-jumps-rs-173-8257191.html>
- **Sensex, Nifty end down 1 per cent on continuing Ukraine crisis, rising crude oil:** The BSE Sensex closed at 57,292.49, down 571.44 points or 0.99 per cent. It recorded an intraday high of 58,127.95 and a low of 57,229.08. The Nifty 50 closed at 17,117.60, down 169.45 points or 0.98 per cent. It recorded an intraday high of 17,353.35 and a low of 17,096.40. Coal India, Hindalco, UPL, ONGC and HDFC Bank were the top gainers on the Nifty 50 while Britannia, Grasim, Tata Consumer, Shree Cement and SBI Life were the top losers.
<https://www.thehindubusinessline.com/markets/sensex-nifty-end-down-1-per-cent-on-continuing-ukraine-crisis-rising-crude-oil/article65245650.ece>
- **Rupee slumps 26 paise to 76.10 against US dollar:** The rupee declined 26 paise to 76.10 against the US dollar in opening trade on Monday, following its Asian peers after crude oil prices and the American dollar reversed their recent declines. Besides, a lacklustre trend in domestic equities also weighed on investor sentiment. At the interbank foreign exchange, the rupee opened at 76.08 against the US dollar, then slipped further to 76.10, registering a decline of 26 paise from the last close.
https://www.business-standard.com/article/finance/rupee-slumps-26-paise-to-76-10-against-us-dollar-in-early-trade-122032100270_1.html#:~:text=The%20rupee%20declined%2026%20paise,also%20weighed%20on%20investor%20sentiment.



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