



**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

March 23, 2022

- **Banks got back two-third of amount defrauded by Mallya, Modi, Choksi: FinMin:** The Finance Ministry on Tuesday informed the Rajya Sabha that banks have got back more than two-third of amounts defrauded by Vijay Mallya, Nirav Modi and Mehul Choksi. In a written reply, Minister of State for Finance Pankaj Chaudhary said the three fugitives have defrauded public sector banks by siphoning off funds through their companies resulting in total loss of ₹22,585.83 crore to the lenders. “As on March 15, assets worth ₹19,111.20 crore have been attached under the provisions of PMLA (Prevention of Money Laundering Act),” he said. Out of this, assets worth ₹15,113.91 crore has been restituted to the public sector banks. In addition, the minister said assets worth ₹335.06 crore have been confiscated to Government of India. “As on March 15, 84.61 per cent of the total defrauded funds in these cases have been attached/seized and 66.91 per cent of total loss to the banks has been handed over to banks/confiscated to Government of India,” Chaudhary said. It is pertinent to mention here that as on March 15, the consortium of banks led by SBI has realised ₹7,975.27 crore by sale of assets handed over to them by the Directorate of Enforcement, he added.  
<https://www.thehindubusinessline.com/money-and-banking/banks-got-back-two-third-of-amount-defrauded-by-mallya-modi-choksi-finmin/article65249353.ece#:~:text=Adds%20the%20consortium%20of%20banks,Nirav%20Modi%20and%20Mehul%20Choksi>
- **HDFC Bank working on ‘Buy Now Pay Later’ strategy:** Private sector lender HDFC Bank is working on a strategy for a ‘Buy Now Pay Later’ product that would enable it to provide small ticket, short tenure loans, and possibly use it as a means for customer acquisition. “We are working on a BNPL type of product,” said Parag Rao, Group Head – Payments, Consumer Finance, Digital Banking and IT at HDFC Bank. The bank already has FlexiPay, a BNPL product for its pre-approved current and savings account customers, which offers loans between ₹1,000 to ₹20,000. “We are clear that BNPL is an important segment and we will be there but we want to do it the right way,” Rao said in an interaction with BusinessLine, but said it will follow a balanced strategy.  
<https://www.thehindubusinessline.com/money-and-banking/hdfc-bank-working-on-buy-now-pay-later-strategy/article65248274.ece>
- **Karnataka Bank board approves proposal to augment capital:** The board of directors of Karnataka Bank Ltd has approved a proposal to augment the capital through Basel-III compliant tier-2 instruments. The bank informed stock exchanges that the board of directors, which met on Tuesday, has approved the proposal for issuance of Basel III compliant unsecured tier-2 subordinated bonds in the nature of debentures with a base issue size of ₹150 crore and a green shoe option to retain over-subscription up to ₹150 crore, aggregating up to ₹300 crore, in one or more tranches on private placement basis to the eligible investors. On BSE, the scrip of the bank was at ₹57.40, down by 1.29 per cent, at 12.30 pm.  
<https://www.thehindubusinessline.com/money-and-banking/karnataka-bank-board-approves-proposal-to-augment-capital/article65248379.ece>
- **Karur Vysya Bank upbeat about loan growth:** Karur Vysya Bank expects loan growth at about 10 per cent this fiscal and believes there will be continued demand for loans as the economy recovers from the Covid-19 pandemic. “This year, we are expecting loan growth at around 10 per cent. Over a period, from what we have inferred, we expect loan growth at about 13 to 14 per cent,” said B Ramesh Babu, Managing Director and CEO, Karur Vysya Bank. The bank plans to focus on housing loans and loan against property in the retail



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segment, as well as small business loans up to ₹2 crore and business banking loans of up to ₹15 crore, he added. "Our ability to have a connect with the customer is better and we can understand their need. Above all, we will be able to have better pricing," Babu said in an interaction with BusinessLine.

<https://www.thehindubusinessline.com/money-and-banking/karur-vysya-bank-upbeat-about-loan-growth/article65248845.ece#:~:text=Karur%20Vysya%20Bank%20expects%20loan,at%20around%2010%20per%20cent.>

- **UPI most preferred payment mode among consumers with 56% share: study:** Unified Payments Interface (UPI) has emerged as the most preferred payment mode among consumers, with a person-to-merchant (P2M) market share of 56 per cent in volume terms in calendar year (CY) 21, according to a report by Wordline India. In value terms, UPI merchant transactions account for 41 per cent of the market share. Having said that, cards are still dominating the merchant acceptance payments ecosystem, with 26 per cent market share in volume terms, and 53 per cent in value terms. Among cards, credit cards have 26 per cent and 8 per cent market share in value and volume terms, respectively. Similarly, debit cards have a market share of 23 per cent and 14 per cent in value and volume terms, respectively.  
[https://www.business-standard.com/article/finance/upi-most-preferred-payment-mode-among-consumers-with-56-share-study-122032200874\\_1.html#:~:text=Unified%20Payments%20Interface%20\(UPI\)%20has,a%20report%20by%20Wordline%20India.](https://www.business-standard.com/article/finance/upi-most-preferred-payment-mode-among-consumers-with-56-share-study-122032200874_1.html#:~:text=Unified%20Payments%20Interface%20(UPI)%20has,a%20report%20by%20Wordline%20India.)
- **Parliamentary panel cautions govt against early euphoria over NPA reduction:** Cautioning the government against "any early euphoria" with regards to reduction in NPA in the banking sector, a Parliamentary panel on Tuesday said that the bad loans may go up due to some lag impact of the Covid pandemic. The Standing Committee on Finance in its report tabled in Parliament observed that the banking system appears to have weathered the pandemic shock well with respect to non-performing assets (NPAs). The panel was informed that contrary to RBI's Financial Stability Report projections of the gross NPA ratio of commercial banks increasing from 7.48 per cent in March 2021 to 9.8 per cent by March 2022, the NPA figures at the gross level for public sector banks have decreased from 9.11 per cent as on March 31, 2021, to 7.9 per cent at end-December, 2021.  
[https://www.business-standard.com/article/pti-stories/par-panel-cautions-govt-against-early-euphoria-over-npa-reduction-122032201125\\_1.html#:~:text=Cautioning%20the%20government%20against%20any,impact%20of%20the%20Covid%20pandemic.](https://www.business-standard.com/article/pti-stories/par-panel-cautions-govt-against-early-euphoria-over-npa-reduction-122032201125_1.html#:~:text=Cautioning%20the%20government%20against%20any,impact%20of%20the%20Covid%20pandemic.)
- **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. The government had filed the DRHP for LIC in February and was hoping to go through with the mega IPO this fiscal. However, due to higher volatility in markets, the IPO dates are yet to be finalised.  
<https://www.thehindubusinessline.com/markets/centre-files-updated-drhp-for-lic-ipo/article65245493.ece>
- **YES Bank in talks with Brookfield, BlackRock to sell 5-10% stake via QIP: Report:** Private sector lender YES Bank has held discussions with Brookfield and BlackRock for raising capital against 5-10 per cent equity stake via qualified institutional placement (QIP), sources told ET NOW. The bank is also in touch with multiple private equity players for raising Rs 10,000 crore, the report said noting that due diligence by investors was yet to be completed. Among other potential investors, YES Bank has also held discussions with Carlyle and Advent, according to the report. The bank board had in January approved raising of Rs 10,000 crore in funds. Brookfield



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and BlackRock did not offer comment to a query sent by ET NOW, nor did YES Bank respond to the queries. Shares of YES Bank were trading 0.77 per cent lower at Rs 12.83 on BSE. The scrip has fallen nearly 9 per cent year-to-date and 13.6 per cent in the last one year.

<https://economictimes.indiatimes.com/markets/companies/yes-bank-in-talks-with-brookfield-blackrock-to-sell-5-10-stake-via-qip-report/articleshow/90369921.cms>

- **Indian banks are unprepared to fight climate change, report says:** Banks in the world's third-biggest polluting nation are poorly prepared to combat rising global warming risks, according to a new study by local research and advisory group Climate Risk Horizons. None of the 34 Indian banks surveyed in the report have a long-term net zero target year with an implementation plan covering so-called scope 1, 2 and 3 emissions, which cover direct green house gas emissions, indirect emissions through electricity or energy purchased, and those attributable to its supply chain or vendors.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/indian-banks-are-unprepared-to-fight-climate-change-report-says/articleshow/90373280.cms>
- **Indiabulls Housing to seek shareholders' nod for Rs 50,000 crore bonds issue:** Indiabulls Housing Finance has sought to enable approval from its shareholders for raising funds worth Rs 50,000 crore through non-convertible debentures (NCD) and/or bonds, the company said in a regulatory filing. The company held its Committee Meeting on March 22, where it gave approval for Indiabulls to raise funds through the issue of NCDs and /or bonds, in one or more tranches, on a private placement basis up to the shareholders existing authorization of Rs 50,000 crore. Now on April 18, when the Extraordinary General Meeting (EGM) will be held, shareholders' approval will be sought for the same.  
<https://www.moneycontrol.com/news/business/indiabulls-housing-to-seek-shareholders-nod-for-rs-50000-crore-bonds-issue-8261921.html>
- **Spandana Sphoorty's founder and former MD Padmaja Reddy moves court:** In a fresh turn of events, Spandana Sphoorty's founder and former managing director Padmaja Reddy has moved court seeking reinstatement as the head of the NBFC-MFI while the company announced the appointment of Shalabh Saxena for the position. Separately, IndusInd Bank has not released Saxena from the position of MD at its wholly owned microfinance subsidiary Bharat Financial Inclusion (BFIL), two people familiar with the matter told ET. "He is now technically in dual employment, which is not allowed. IndusInd Bank may take action on him if the bank wishes to," said one of them cited above.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/spandana-sphoortys-founder-and-former-md-padmaja-reddy-moves-court/articleshow/90381377.cms>
- **Yields of G-Secs surge tracking spike in US Treasury yields:** Yields of Government Securities (G-Secs) surged on Tuesday, tracking spike in US Treasury yields, which rose on Federal Reserve Chairman Jerome Powell's remarks indicating a more aggressive tightening of monetary policy, and also fears of domestic inflation going up due to hike in petrol and diesel prices. Yield of the 10-year benchmark G-Sec (coupon rate: 6.54 per cent) rose about 5 basis points and closed at 6.8311 per cent (previous close: 6.7817 per cent).  
<https://www.thehindubusinessline.com/money-and-banking/yields-of-g-secs-surge-tracking-spike-in-us-treasury-yields/article65250089.ece>
- **Black swan: Govt recapitalisation of banks needs to weigh trade-offs, says RBI paper:** Government-provided recapitalisation packages to save banks from a black swan may need to consider trade-offs, including the possibility that firms may benefit from improved discounted lifetime profits but households may be worse off because of lower government expenditure in social sectors, according to a Reserve Bank of India (RBI) working paper. Government bailout without any deregulation leads to a loss in the household's utility, whereas profit for



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firms increases, RBI officials Saurabh Ghosh, Pawan Gopalakrishnan and Abhishek Ranjan said in the paper. As the government bails out banks, its expenditure on households decreases, they added.

<https://www.thehindubusinessline.com/money-and-banking/black-swan-govt-recapitalisationof-banks-needs-to-weigh-trade-offs-says-rbi-paper/article65249183.ece>

- **Sensex up over 696 pts at closing, Nifty rises above 17,300 amid volatility:** The BSE Sensex closed at 57,989.30, up 696.81 points or 1.22 per cent. It recorded an intraday high of 58,052.87 and a low of 56,930.30. The Nifty 50 closed at 17,315.50, up 197.90 points or 1.16 per cent, near the day's high of 17,334.40. It recorded an intraday low of 17,006.30. Tech Mahindra, BPCL, Tata Motors, Reliance and Bajaj Finserv were the top gainers in the Nifty 50 while Hindustan Unilever, Nestle India, Britannia, Cipla and Eicher Motor were the top laggards.  
<https://www.thehindubusinessline.com/markets/sensex-up-over-696-pts-at-closing-nifty-rises-above-17300-amid-volatility/article65248789.ece>
- **Rupee falls 28 paise against US dollar in early trade:** The rupee declined 28 paise to 76.46 against the US dollar in opening trade on Tuesday, following a negative trend in domestic equities amid heightened concerns over global oil supplies. At the interbank foreign exchange, the rupee opened sharply lower at 76.39 against the US dollar, then slipped further to 76.46, registering a decline of 28 paise from the last close.  
<https://www.thehindubusinessline.com/markets/forex/rupee-falls-28-paiseagainst-us-dollar-in-early-trade/article65248265.ece#:~:text=Rupee%20falls%2028%20paise%20against%20US%20dollar%20in%20early%20trade&text=The%20rupee%20declined%2028%20paise,concerns%20over%20global%20oil%20supplies>.

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