



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

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- **SBI witnessing strong pick up in corporate loans:** State Bank of India (SBI) is witnessing a definite improvement in corporate credit pick up in terms of utilisation of sanctioned working capital limits, according to Chairman Dinesh Kumar Khara. Further, the pipeline of unavailed term loans is coming down. The unutilised working capital limits of India's largest bank are at about ₹2.76 lakh crore. There is an improvement in the drawdown of the limits, Khara told analysts.
<https://www.thehindubusinessline.com/money-and-banking/sbi-witnessing-strong-pick-up-in-corporate-loans/article65443176.ece>
- **Punjab National Bank earns over Rs 645 crore through ATM transaction charges in FY22:** Public sector lender Punjab National Bank has said it earned over Rs 645 crore by levying ATM transaction charges on customers during the financial year 2021-22. Revenue earned by PNB from ATM transaction charges stood at Rs 645.67 crore in financial year 2021-22, the bank said in response to an application seeking information under the Right to Information (RTI) Act. Besides, the country's second largest lender collected Rs 239.09 crore in the form of penalty imposed on customers who failed to maintain minimum balance or quarterly/monthly average balance in their bank accounts, according to the bank's response to Madhya Pradesh-based RTI applicant Chandrashekhar Gaur. In 2020-21, the bank had earned Rs 170 crore by levying charges on customers for not maintaining minimum balance in their accounts.
[https://bfsi.economictimes.indiatimes.com/news/banking/punjab-national-bank-earns-over-rs-645-crore-through-atm-transaction-charges-in-fy22/91728875#:~:text=Exclusive-Punjab%20National%20Bank%20earns%20over%20Rs%20645%20crore%20through%20ATM,to%20Information%20\(RTI\)%20Act.](https://bfsi.economictimes.indiatimes.com/news/banking/punjab-national-bank-earns-over-rs-645-crore-through-atm-transaction-charges-in-fy22/91728875#:~:text=Exclusive-Punjab%20National%20Bank%20earns%20over%20Rs%20645%20crore%20through%20ATM,to%20Information%20(RTI)%20Act.)
- **Punjab National Bank's zero balance accounts rise by over 139% in four years:** State-owned bank Punjab National Bank (PNB) has said the bank recorded a total of 67,637,918 zero-balance accounts as of March 31, 2022. In response to an application seeking information under the Right to Information (RTI) Act, the bank said it witnessed a rise in zero-balance accounts in the past four years. The PNB said it had 28,203,379 zero balance accounts as of March 31, 2019, which increased to 30,583,184 by the end of March 2020 and further to 59,496,731 as of March 31, 2021, the bank responded to Madhya Pradesh-based RTI applicant Chandrashekhar Gaur.
<https://www.livemint.com/industry/banking/punjab-national-bank-zero-balance-accounts-rise-by-over-139-in-four-years-11653200551075.html>
- **Union Bank of India to give these rates on savings accounts w.e.f. 1.06.2022:** Union Bank of India has updated its savings account interest rates, and the revised rates on savings bank deposits will become effective from June 1, 2022. Following the revision of interest rates on savings bank deposits with effect from 01.06.2022, the bank will now provide an interest rate of 2.75 per cent, down from 2.90 per cent before a 15 basis point reduction on savings account balances of up to Rs.50 lakhs. The bank will now give an interest rate of 3.10 per cent on savings account balances of more than Rs.100 crores to Rs.500 crores, up from 2.90 per cent before, a 20 basis point increase.
<https://www.livemint.com/industry/banking/union-bank-of-india-to-give-these-rates-on-savings-accounts-w-e-f-1062022-11653200888848.html>



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- **No capital support from govt needed this year: Punjab & Sind Bank MD:** Punjab & Sind Bank would not require further capital infusion from the government to meet growth needs during the current fiscal year, the top official of the bank said. During the previous two years, the government infused Rs 5,500 crore and Rs 4,600 crore through non-interest bearing recap bonds. With the infusion of Rs 4,600 crore, the government holding in the bank increased to 98.25 per cent as on March 31, 2022. Capital adequacy ratio of the bank improved to 18.54 per cent in March 2022 from 17.06 per cent as at March-end 2021 with the help of capital support from the government, bank's MD and CEO S Krishnan said.
https://www.business-standard.com/article/finance/no-capital-support-from-govt-needed-this-year-punjab-sind-bank-md-122052200436_1.html
- **Bank of Maharashtra eyes 25-30% jump in net profit in FY23 with NII growth:** State-run Bank of Maharashtra is eyeing a 25-30 per cent growth in its net profit in the current financial year, aided by a healthy growth in net interest income (NII) and fall in provisions for bad assets. In the fiscal ended March 31, 2022, the Pune-based lender reported an over two-fold jump in its profit after tax (PAT) at Rs 1,152 crore, as against Rs 550 crore for the year ended March 2021. "Our net profit will increase further this fiscal. Last year we had made more provisioning from our operating profit to improve our asset quality. So we have reached the bottom, with net NPA below one per cent and gross NPA lower than 4 per cent. "Now, more provisioning (for bad loans) may not be required, which will automatically improve our net profit... I think a 25-30 per cent growth in net profit over the previous year's will be there this fiscal," its Managing Director and Chief Executive Officer A S Rajeev told PTI in an interview.
https://www.business-standard.com/article/finance/bank-of-maharashtra-eyes-25-30-jump-in-net-profit-in-fy23-with-nii-growth-122052200211_1.html
- **Bandhan Bank to increase exposure to secured loans: MD & CE:** Private lender Bandhan Bank will gradually increase its exposure to secured loans by enhancing advances to the housing and MSME sectors, its Managing Director and CEO Chandra Shekhar Ghosh said. Presently, the bank's exposure to MFI loans, which are unsecured, is 47 per cent, and the share of its advances to the housing segment is at 24 per cent, retail at two per cent and the micro, small and medium enterprises sector at 27 per cent, he said.
https://www.business-standard.com/article/finance/bandhan-bank-to-increase-exposure-to-secured-loans-to-msme-md-ceo-122052200642_1.html
- **Karur Vysya Bank posts 105% rise in net profit to Rs 213 crore in Q4:** Tamil Nadu-based Karur Vysya Bank has posted a 105 per cent rise in net profit during the fourth quarter of the financial year, ended in March 2022, to Rs 213 crore as against Rs 104 crore during the January to March quarter of 2020-21. The operating profit for the quarter stood at Rs 441 crore – up by 118 per cent from Rs 202 crore for Q4 of the previous year. Net interest income for the quarter was higher at Rs 710 crore for the March 2022 quarter, compared to Rs 613 crore for Q4 of FY 2020-21. "The main reason for our growth is inclusive contribution from all verticals. Disbursement under each vertical has gone up. Our net NPA came down from 3.41 per cent in March 2021 to 2.28 per cent in March 2022. We have given focus for recovery. Our SMA (special mention accounts), which used to be around 3-3.5 per cent of the portfolio is now at 0.82 per cent," said B. Ramesh Babu, managing director and chief executive officer of the bank.
https://www.business-standard.com/article/finance/karur-vysya-bank-posts-105-rise-in-net-profit-to-rs-213-crore-in-q4-122052200209_1.html
- **Paytm forms joint venture general insurance firm; to invest Rs 950 crore in 10 years:** Digital financial services firm One97 Communications, which operates under Paytm brand, on Saturday said it has formed a joint venture general insurance company in which it has committed to invest Rs 950 crore over a period of 10 years. The proposal to set up joint venture firm Paytm General Insurance Limited (PGIL) was approved by the board on May



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20, the company said in a regulatory filing. Initially, One97 Communications (OCL) will hold a 49 per cent stake in PGIL while the rest of the 51 per cent stake is to be owned by OCL's managing director Vijay Shekhar Sharma owned and controlled company VSS Holding Private Limited (VHPL).

<https://economictimes.indiatimes.com/industry/banking/finance/insure/paytm-forms-joint-venture-general-insurance-firm-to-invest-rs-950-crore-in-10-years/articleshow/91709217.cms>

- **After Viresh Joshi, Axis Mutual Fund sacks second fund manager under probe for front-loading:** Axis Mutual Fund has fired Deepak Agrawal, the second fund manager facing probe for front-loading and insider trading. Last Wednesday, India's seventh-biggest asset manager by way of pooled cash under management had sacked its chief dealer Viresh Joshi for the same charges. The fund house, however, has not specified the nature of compliance issues that Agrawal had flouted. Axis Mutual Fund had to change fund management of seven schemes after charges of front-running emerged.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/after-viresh-joshi-axis-mutual-fund-sacks-second-fund-manager-under-probe-for-front-loading/articleshow/91699024.cms>
- **Paytm payments bank expects central bank curbs to be lifted in three-five months:** India's Paytm Payments Bank, which facilitates transactions on mobile commerce platform Paytm, expects the central bank to allow it to resume taking on new customers in the next few months, a top executive told Reuters. In March, the Reserve Bank of India ordered a comprehensive audit of the company's IT systems, citing "material" supervisory concerns, without elaborating further, and barring it from taking on new customers. The bank is working with the RBI to complete the IT audit and address the regulator's concerns. "The process is underway and we think it should take three to five months from where we are right now," Madhur Deora, group chief financial officer, Paytm, told Reuters on Sunday.
<https://www.moneycontrol.com/news/business/paytm-payments-bank-expects-central-bank-curbs-to-be-lifted-in-three-five-months-8554851.html>
- **MSME loans back on track in FY22:** The advances to Micro, Small and Medium Enterprises (MSMEs) are growing at a good pace, as banks are turning liberal in sanctioning loans. The data pertaining to the fourth quarter ended March 31, 2022 as well FY22 show increase in MSME advances compared to previous year, which was hit by the uncertainties of the Covid-19 pandemic. An analysis of last two years data of Reserve Bank of India shows huge surge in loans to MSMEs. The outstanding micro and small loans as on March 2022 grew by 21.5 per cent to ₹4,95,281 crore as against ₹4,07,675 crore as on March 2021. The advances to medium enterprises were more phenomenal and stood at ₹2,42,269 crore as on March 2022 (₹1,41,339 crore as on March 2021), registering 71.4 per cent growth.
<https://www.thehindubusinessline.com/money-and-banking/msme-loans-back-on-track-in-fy22/article65446638.ece>
- **Mutual funds collect ₹1.08-lakh crore via 176 NFOs in FY22:** Riding on intense retail investors' interest and a sharp rally in equity markets, asset management companies (AMCs) launched 176 new fund offerings (NFOs) in 2021-22, garnering a whopping ₹1.08 lakh crore. With liquidity tightening, interest rates on the rise, stock market consolidation in progress, return to work from office, there could be subdued interest in NFOs going forward. While fixed maturity plans (FMPs) category could see considerable launches, the same cannot be expected from other categories, Gopal Kavalireddi, Head of Research at FYERS, said. Also, almost all AMCs have launched new schemes across most categories, thereby fillings the earlier existing product gaps that was created post-recategorisation, he said.
<https://www.thehindubusinessline.com/markets/mutual-funds-collect-108-lakh-crore-via-176-nfos-in-fy22/article65446300.ece>



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- **Overseas Mutual Funds pull out \$1.28 billion in last quarter:** Investment by overseas mutual funds in India witnessed a net outflow for the 16th quarter in a row with a net outflow of \$1.28 billion in three months ended March against the net outflows of \$435 million in the quarter ended last December as the recent interest rate hikes making global markets more attractive even amid the concern over weak economic growth prospects. Offshore mutual funds form an important component of total foreign institutional investments, apart from other large foreign institutional investors such as insurance companies, hedge funds, and sovereign wealth funds.
<https://www.thehindubusinessline.com/news/overseas-mutual-funds-pull-out-128-billion-in-last-quarter/article65446468.ece#:~:text=Investment%20by%20overseas%20mutual%20funds,markets%20more%20attractive%20even%20amid>
- **Capri Global Capital to raise up to ₹1,200 cr via rights issue:** The Board of Capri Global Capital Ltd (CGCL) has approved the issuance of fully paid-up equity shares of the company for an amount not exceeding ₹1,200 crore by way of a rights issue to eligible equity shareholders. For the purposes of giving effect to the rights issue, the detailed terms in relation to the issue, including but not limited to the issue price, rights entitlement ratio, record date, timing, and terms of payment will be determined and disclosed to the exchange in due course by the Board of Directors and/ or the Rights Issue Committee of the Board of Directors authorised in this regard, CGCL said in a stock exchange filing.
<https://www.thehindubusinessline.com/companies/capri-global-capital-to-raise-up-to-1200-cr-via-rights-issue/article65446594.ece#:~:text=The%20Board%20of%20Capri%20Global,issue%20to%20eligible%20equity%20shareholders>
- **Pension regulator PFRDA reconstitutes Advisory Committee:** Pension regulator Pension Fund Regulatory and Development Authority (PFRDA) has reconstituted the Pension Advisory Committee (PAC), which has been tasked to advise the regulator on framing regulations for the pension sector. The reconstituted Panel has 18 members besides the PFRDA Chairman as its ex-officio Chairman and six PFRDA Board members as the ex-officio members of the PAC. It may be recalled that the PFRDA Act stipulates that PAC cannot have more than twenty-five members, excluding ex officio members, to represent the interests of employees' associations, subscribers, commerce and industry, intermediaries, and organizations engaged in pension research.
<https://www.thehindubusinessline.com/economy/policy/pension-regulator-pfrda-reconstitutes-advisory-committee/article65446647.ece>
- **Overseas loan business of 6 Indian banks up 7-33% in FY22, shows data:** The overseas loan book of six Indian banks (SBI, BOB, Canara Bank, Union Bank, PNB and ICICI) rose between 7 and 33 per cent in FY22, primarily on an upturn in trade, which pushed the demand for trade finance. However, external commercial borrowings — loans raised by Indian companies abroad — were muted. This is because they tapped domestic sources due to cheap money available back home amid abundant liquidity. Bank officials said India-centric business had predominant share — funding exports and imports as well as terms loans. Along with this, lenders are also financing high-rated companies in local markets. However, the size of loan and share in local corporate business is small.
https://www.business-standard.com/article/finance/overseas-loan-business-of-6-indian-banks-up-7-33-in-fy22-shows-data-122052100035_1.html
- **Mcap of 3 of top-five valued firms jumps Rs 1.78 trn; Reliance lead gainer:** Three of the top five valued firms together added Rs 1,78,650.71 crore to their market valuation last week, led by Reliance Industries. Last week, benchmark BSE Sensex climbed 1,532.77 points or 2.90 per cent. While Reliance Industries, HDFC Bank and Hindustan Unilever were the gainers from the top-five pack, Tata Consultancy Services and Infosys emerged as



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the laggards. The market valuation of Reliance Industries rallied by Rs 1,31,320.8 crore to reach Rs 17,73,889.78 crore.

<https://www.livemint.com/market/stock-market-news/mcap-of-3-of-top-5-valued-firms-jumps-rs-1-78-lakh-cr-ril-hdfc-bank-hul-lead-11653194112443.html>

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