



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

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- **Indian Bank declares 3 accounts with exposure worth Rs 362 cr as fraud:** Indian Bank on Friday said it has reported three non-performing accounts, including IL&FS Tamil Nadu Power Ltd, as fraud to the RBI and the public sector lender has a combined exposure of over Rs 362 crore to these companies. Three non-performing accounts have been declared as fraud and have been reported to the Reserve Bank of India (RBI) as per regulatory requirement, Indian Bank said in a BSE filing. The nature of fraud comes in the form of diversion of funds in all these cases, the bank said. IL&FS Tamil Nadu Power has a fraud amount of Rs 320.34 crore against the bank, followed by Amico Textiles at Rs 30.98 crore and Sarbamangala Agro Products of Rs 11.26 crore. The bank said it has made provisions of up to 100 per cent in all these three fraud accounts as of March 31, 2022.
https://www.business-standard.com/article/companies/indian-bank-declares-3-accounts-with-exposure-worth-rs-362-cr-as-fraud-122052701252_1.html
- **Yes Bank scam: Bhosale custody is required to probe transactions over Rs.300 crores, CBI tells court:** The Central Bureau of Investigation (CBI) Friday while seeking the custody of Pune-based businessman and Avinash Bhosale Infrastructure Ltd (ABIL) group of companies promoter, Avinash Bhosale told a special court that Bhosale wasn't able to explain transactions over Rs 300 crores with DHFL. Bhosale has been arrested on Thursday in a case related to a scam at Yes Bank, in which its cofounder Rana Kapoor and family members had allegedly received kickbacks for investing in troubled housing finance company DHFL.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/yes-bank-scam-bhosale-custody-is-required-to-probe-transactions-over-rs-300-crores-cbi-tells-court/articleshow/91841460.cms>
- **Government to work out a revamp plan for regional rural banks:** The government is looking to work out a revamp plan for regional rural banks (RRBs), including further consolidation, listing on the bourses and addressing key operational issues such as allowing all RRBs to offer internet banking services. At present there are 43 RRBs in the country, and the government is keen to have one large regional rural bank for each state. "There is a scope for further consolidation and raising capital through the markets," a government official aware of the deliberations said on condition of anonymity. At present, states such as UP, Rajasthan, Andhra Pradesh, Maharashtra and Madhya Pradesh have two or more RRBs. "There is also a suggestion to have a common framework for RRBs, on the lines of core banking solution (CBS), so that all of them can provide online banking services to their customers," said another executive aware of the discussions.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/regional-rural-banks-revamp-in-the-works/articleshow/91821021.cms>
- **Public sector banks to pay record Rs 7,867 crore dividends to government this year:** State-owned banks will give the government a record Rs7,867 crore in dividends this year, an indication of better profitability and capital position, largely driven by the falling stock of non-performing assets (NPAs). Nine out of 12 public sector banks (PSBs) have paid dividends for the fiscal year ended March 2022, led by the country's largest lender State Bank of India (SBI) with Rs3,616 crore followed by Union Bank of India (UBI) with Rs1,084 crore. This is a big improvement from FY21 when only SBI and Indian Bank gave any dividend to the government.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/public-sector-banks-to-pay-record-rs7867-crore-dividends-to-government-this-year/articleshow/91821022.cms>



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- **City Union Bank reports 88% rise in net profit, proposes Rs 1 dividend:** Private sector lender City Union Bank reported 88.3% rise in net profit at Rs 209 crore in the fourth quarter to March 31 against Rs 111 crore in the year ago period, riding on higher total income and lower provisions. The bank's total income grew 10.4% at Rs 1253 crore compared with Rs 1135 crore. Provision was 32.4% lower at Rs 171 crore against Rs 253 crore. Its asset quality improved with gross non-performing assets being at 4.7% at the end of March against 5.1% a year back. Net NPA was almost flat at 2.95% against 2.97%. The bank's operating profit grew 47.2% at Rs 440 crore against Rs 299 crore over the same period. The bank proposed Rs 1 dividend per equity share, i.e, 100% on face value of Rs 1 per equity share.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/city-union-bank-reports-88-rise-in-net-profit-proposes-rs-1-dividend/articleshow/91838803.cms>
- **India's rural economy has more access to banking now:** India's financial inclusion in the hinterland and the credit flow to the rural economy are improving along with a rise in household sector's financial savings, setting a stage for an accelerated growth of non-urban centres. The net financial savings of the household sector grew more than 3 percentage points to 11.5 percent with insurance and pension funds leading the gains, RBI annual report shows. Total banking outlets in villages had grown around 52 percent in the last calendar year led by business correspondents even as the total branches fell. In December last year total banking outlets were over 19 lakh versus 12.53 lakh a year ago. To capture the extent of financial inclusion across the country, the Reserve Bank has constructed a composite FI-Index with three subindices, viz., FI-Access, FI-Usage and FI-Quality, incorporating details of banking, investments, insurance, postal as well as the pension sector in consultation with the government and respective sectoral regulators.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/indias-rural-economy-has-more-access-to-banking-now/articleshow/91839218.cms>
- **RBI imposes Rs 45 lakh penalty on MUFG Bank:** Reserve Bank of India (RBI) on Friday said a penalty of Rs 45 lakh has been imposed on Japan-based MUFG Bank for non-compliance with the directions on 'time-bound implementation and strengthening of SWIFT-related operational controls'. An examination of the compliance position of the bank revealed non-compliances with respect to certain directions. It was found that the bank failed to put in place Straight Through Processing (STP) between Core Banking System(CBS)/accounting system and SWIFT messaging system for transactions creating non-funded exposure/exposure with financial implications, within the time limit of April 30, 2018, according to a RBI release.
[https://bfsi.economictimes.indiatimes.com/news/policy/rbi-imposes-rs-45-lakh-penalty-on-mufg-bank/91847911#:~:text=Reserve%20Bank%20of%20India%20\(RBI,SWIFT%2Drelated%20operational%20controls](https://bfsi.economictimes.indiatimes.com/news/policy/rbi-imposes-rs-45-lakh-penalty-on-mufg-bank/91847911#:~:text=Reserve%20Bank%20of%20India%20(RBI,SWIFT%2Drelated%20operational%20controls)
- **Banks need to support growth, remain watchful of slippages: RBI report:** The Reserve Bank on Friday said banks would need to support growth while being watchful of the credit behaviour of entities whose loans were restructured during the pandemic period to arrest slippages. Banks had extended moratorium on repayment of loans and restructured advances to businesses to help them combat the impact of the COVID-19 pandemic and subsequent lockdowns. In its annual report released on Friday, the RBI said the banking sector has witnessed improved financial parameters despite the pandemic. "There is, however, a need to be watchful of the credit behaviour of the restructured advances and possibility of increased slippages arising from sectors that were relatively more exposed to the pandemic," it noted.
<https://www.financialexpress.com/industry/banking-finance/banks-need-to-support-growth-remain-watchful-of-slippages-rbi-report/2540186/>



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- **Muthoot Finance sees good demand for gold loans in coming quarters:** Muthoot Finance remains upbeat about the gold loan business and believes that there will be more demand as the economy opens up. In an interview with BusinessLine, George Alexander Muthoot, Managing Director, Muthoot Finance, said the company has auctioned ₹4,000 crore of gold in the third and fourth quarter of last fiscal as customers were unable to repay loans. With the economy opening up, small businesses and MSMEs are starting their businesses. We expect the demand for gold loans will start rising in the next quarter and we would see good demand for gold loans in the coming quarters.
<https://www.thehindubusinessline.com/money-and-banking/muthoot-finance-sees-good-demand-for-gold-loans-in-coming-quarters/article65466554.ece>
- **Currency in circulation up 9.9% to ₹31.05-lakh cr in FY22:** Currency in circulation grew by 9.9 per cent in value terms and 5 per cent in volume terms in 2021-22. However, the value and volume of ₹2,000 banknotes came down as the RBI has not printed notes in this denomination for the fourth year running. According to the Annual Report 2021-22 of the Reserve Bank of India, the value and volume of banknotes in circulation increased by 9.9 per cent and 5 per cent, respectively, during 2021-22, compared with 16.8 per cent and 7.2 per cent, respectively, during 2020-21.
<https://www.thehindubusinessline.com/money-and-banking/currency-in-circulation-up-99-to-3105-lakh-cr-in-fy22/article65466620.ece>
- **₹100 is the most preferred banknote, ₹2,000 the least: RBI survey:** The Reserve Bank of India's Banknote Survey of Consumers findings revealed that, among banknotes, ₹100 was the most preferred while ₹2,000 was the least preferred denomination. Among coins, denomination of ₹5 was the most preferred whereas ₹1 was the least preferred. RBI said a diverse sample of 11,000 respondents from rural, semiurban, urban and metropolitan areas, spanning 28 states and three union territories participated in the survey. The survey also included 351 visually impaired respondents. The survey covered respondents from the age of 18 to 79 years with a gender representation of 60:40 for males and females.
<https://www.thehindubusinessline.com/money-and-banking/100-is-the-most-preferred-banknote-2000-the-least-rbi-survey/article65466456.ece>
- **MobiKwik launches 'AutoBill Pay' feature exclusively for ZIP users:** Fintech company MobiKwik has announced the launch of the 'AutoBill Pay' feature for its ZIP users in a bid to simplify recurring bill payments. The Buy Now Pay Later (BNPL) fintech company has launched the feature for its 25 million ZIP users. ZIP is MobiKwik's flagship Buy Now Pay Later (BNPL) product which extends a line of credit to its users. "This feature is exclusively designed for ZIP users to pay multiple bills such as electricity, water, gas, mobile, DTH, etc. automatically every month using the BNPL credit line," the company said in a statement.
<https://www.thehindubusinessline.com/info-tech/mobikwik-launches-autobill-pay-feature-exclusively-for-zip-users/article65466322.ece>
- **RBI to bring out Payment System Vision Document 2025:** The Reserve Bank of India (RBI) will come out with its Payment System Vision 2025 Document this fiscal that would aim to further develop the digital payments landscape. "With the achievement of the intended outcomes and completion of identified actions in Vision 2021, the Reserve Bank shall come out with its Vision for the payments ecosystem in the coming years to ensure continuous development of the payments landscape," it said in the Annual Report 2021-22.
<https://www.thehindubusinessline.com/money-and-banking/rbi-to-bring-out-payment-system-vision-document-2025/article65466316.ece>



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- **IDBI Bank calls AGM to seek nod for fund-raising:** The board of IDBI Bank has approved an annual general meeting (AGM) to raise funds through the equity route. Shareholders will approve the fund-raising in the AGM. “...the board of directors of IDBI Bank at its meeting held on Thursday has approved the notice convening the 18th annual general meeting of the bank which included passing an enabling special resolution for issue of equity capital through various modes,” the lender said in an exchange filing.
<https://www.financialexpress.com/industry/banking-finance/idbi-bank-calls-agm-to-seek-nod-for-fund-raising/2539127/>
- **Market maintains bullish momentum: Sensex up 632 pts at closing, Nifty above 16,300:** The BSE Sensex closed at 54,884.66, up 632.13 points or 1.17 per cent. It recorded an intraday high of 54,936.63 and a low of 54,449.34. The Nifty 50 closed at 16,352.45, up 182.30 points or 1.13 per cent. It recorded an intraday high of 16,370.60 and a low of 16,221.95. Apollo Hospitals, Tech Mahindra, HDFC Life, IndusInd Bank and Wipro were the top gainers on the Nifty 50, while ONGC, NTPC, Powergrid, Bharti Airtel and Tata Steel were the top losers.
<https://www.thehindubusinessline.com/markets/market-maintains-bullish-momentum-sensex-up-632-pts-at-closing-nifty-above-16300/article65466616.ece>
- **Forex reserves rise \$4.23 billion to \$597.51 billion: RBI:** India's forex reserves increased by \$4.23 billion to \$597.509 billion for the week ended May 20 on the back of a high accretion of core currency assets, according to RBI data. The country's foreign exchange reserves had declined by \$2.676 billion to \$593.279 billion in the previous reporting week ended May 13.
<https://timesofindia.indiatimes.com/business/india-business/forex-reserves-rise-4-23-billion-to-597-51-billion-rbi/articleshow/91841692.cms>
- **Rupee inches 2 paise higher to close at 77.59 against US dollar:** The rupee inched 2 paise higher to close at 77.59 (provisional) against US dollar on Friday, supported by positive domestic equities and weakness of the American currency overseas. Forex traders said the rupee consolidated in a narrow range as elevated crude oil prices, fiscal deficit concerns and persistent FII outflows weighed on the local unit. At the interbank forex market, the rupee opened at 77.60 against the greenback and moved in a range of 77.57 to 77.67 in the day's trade. The rupee finally ended at 77.59, higher by 2 paise over its previous close of 77.61.
<https://www.thehindu.com/business/markets/rupee-inches-2-paise-higher-to-7759-against-us-dollar/article65466754.ece#:~:text=Share%20Article-,Forex%20traders%20said%20the%20rupee%20consolidated%20in%20a%20narrow%20range,of%20the%20American%20currency%20overseas.>

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