



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

March 31, 2022

- **Punjab National Bank to raise ₹12,000 crore through bonds:** Punjab National Bank (PNB), the country's second largest public sector bank, has said that its board of directors has given its approval to raise funds up to ₹ 12,000 crore. The capital raising of ₹12,000 crore would be completed in multiple tranches through issue of Basel III compliant AT-1 bonds (upto ₹ 5,500 crore) and tier-II bonds (upto ₹ 6,500 crore), PNB said in a filing with the stock exchanges. PNB's board of directors met on Tuesday evening for the capital raising approval. The latest move comes within two years after the bank decided to mobilise as much as ₹14,000 crore capital through a mix of debt and equity, said a banking industry observer.  
<https://www.thehindubusinessline.com/money-and-banking/punjab-national-bank-to-raise-12000-crore-through-bonds/article65273037.ece>
- **Karnataka Bank allots ₹300-crore tier-2 bonds:** Karnataka Bank Ltd has announced the allotment of Basel III compliant unsecured tier-2 subordinated bonds aggregating to ₹300 crore on private placement basis. The bank informed stock exchanges that the committee of directors of the board of the bank, at its meeting on Wednesday, has approved the allotment of unsecured, subordinated, redeemable, non-convertible, fully paid-up Basel III compliant tier-2 bonds in the nature of debentures of face value of ₹1 crore each, aggregating to ₹300 crore, on private placement basis to the successful bidders on the electronic bidding platform of the NSE-EBP.  
<https://www.thehindubusinessline.com/money-and-banking/karnataka-bank-allots-300-crore-tier-2-bonds/article65273716.ece>
- **ICICI Bank eyes 40% growth in FY22 retail loan disbursement in Gujarat:** On the back of a host of digital initiatives and customer-centric approach in Gujarat, ICICI Bank on Wednesday announced that its retail loan disbursement in the state is likely to grow by 40 per cent to Rs 32700 crore in financial year 2021-22 on a year-on-year (YoY) basis. "In Gujarat, we continue to offer improved products and services through a range of digital initiatives. In this state, our endeavour is to create holistic value propositions for our customers. We are focusing on opportunities across the customer ecosystem and micro markets within the state. We have created cross functional teams to bring the benefit of the entire Bank to all customers," said Anup Bagchi, Executive Director, ICICI Bank.  
[https://www.business-standard.com/article/finance/icici-bank-eyes-40-growth-in-fy22-retail-loan-disbursement-in-gujarat-122033001151\\_1.html](https://www.business-standard.com/article/finance/icici-bank-eyes-40-growth-in-fy22-retail-loan-disbursement-in-gujarat-122033001151_1.html)
- **HDFC Bank, Shoppers Stop launch co-branded credit cards:** HDFC Bank and Shoppers Stop on Wednesday announced the launch of a new range of co-branded credit cards. "The credit cards will be available for over 80 lakh 'First Citizen' customers of Shoppers Stop along with HDFC Bank customers," they said in a statement. The two aim to source over 10 lakh cards in five years through this tie-up. Parag Rao, Country Head -Payment Business, Consumer Finance, Technology and Digital Banking, HDFC Bank said, "As part of our broader strategy to comeback with a bang, we are keen to partner with multiple players in our eco-system from travel, healthcare, fintechs and retail to provide best-in-class payment solutions."  
<https://www.thehindubusinessline.com/money-and-banking/hdfc-bankshoppers-stop-launch-co-branded-credit-cards/article65273689.ece>



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- **India loses Rs 100 crore to banking fraud every day:** India lost at least Rs 100 crore every day to bank fraud or scams over the past seven years, although there was a year-on-year reduction in the total amount involved, according to RBI data. Maharashtra, which houses the country's financial capital, topped the table, accounting for 50% of the money involved, followed by Delhi, Telangana, Gujarat and Tamil Nadu. These five states together accounted for more than Rs 2 lakh crore, or 83%, of the quantum of money lost to financial fraud, the report said. Between April 1, 2015 and December 31 last year, banking fraud worth Rs 2.5 lakh crore was detected across states. The finance ministry, however, said measures put in place for prompt reporting and prevention had led to incidence of fraud decrease year on year.  
<https://timesofindia.indiatimes.com/business/india-business/india-loses-rs-100-crore-to-banking-fraud-every-day/articleshow/90509071.cms>
- **Citibank customers to continue availing rewards, privileges and offers: Axis Bank MD:** With Axis Bank taking over retail banking operations of Citibank in India, 30 lakh account and credit card holders of the US banking giant will have to indicate if they are willing to migrate their business to the new owner. If the customers agree to Axis managing their business, their accounts, credit cards and other business will change over, else the relationship will terminate and they can exit with their deposits. Announcing the Rs 12,325-crore deal to acquire Citigroup's India consumer banking business, Axis Bank managing director Amitabh Chaudhry said Citibank's customers will continue to avail all the rewards, privileges and offers to which they were previously entitled.  
<https://bsfi.economictimes.indiatimes.com/news/banking/citibank-customers-to-continue-availing-rewards-privileges-and-offers-axis-bank-md/90551167#:~:text=Announcing%20the%20Rs%2012%2C325%2Dcrore,which%20they%20were%20previoudly%20entitled.>
- **Bank of Russia, RBI to ready framework for trade, banking:** Russian central bank officials are expected to meet their counterparts from the Reserve Bank of India (RBI) to create a regulatory framework that will help sustain bilateral trade and banking operations despite the global sanctions against Moscow, four people familiar with the developments told ET. They are also likely to work on the creation of a dedicated payment mechanism to facilitate India's energy purchases from Russia. Since the creation of a rupee-rouble exchange channel is likely to feature in the talks, the team of officials from Moscow may also include representatives from Russia's financial sector. A formal meeting between the RBI and visiting Russian officials is expected as early as this week, with the commerce and external affairs ministries preparing broad contours of the proposed Indo-Russian collaboration in the context of Western sanctions against Russian banks.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-of-russia-rbi-to-ready-framework-for-trade-banking/articleshow/90529279.cms>
- **Paytm has got customers by way of cashbacks, not by rendering services: Aditya Puri:** Veteran banker Aditya Puri on Tuesday raised questions about Paytm's business model, saying the recently listed financial services company has earned customers not by rendering services but by way of cashbacks. Puri, who led HDFC Bank from inception and made it into the largest in the private sector space by the time he retired in 2020, further questioned Paytm's model, wondering where are the profits if the company manages so much of payments. The remarks come amid a steep decline in Paytm's shares, which are now trading 75 per cent lower than the price at which investors bought them at the initial public offering. This is not the first time that Puri has gone public with his concerns on the models of such companies. "Paytm... he makes payments, when did he make profit," Puri asked, speaking at an event organised by the IMC Chamber of Commerce at the University of Mumbai.  
<https://economictimes.indiatimes.com/tech/technology/paytm-has-got-customers-by-way-of-cashback-not-by-rendering-services-aditya-puri/articleshow/90537361.cms>



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- **Axis Bank buys Citibank India's consumer businesses for \$1.6 billion:** Citi today announced that it has reached an agreement with Axis Bank for the sale of Citi's consumer businesses in India. Axis was selected by Citi following an extensive and competitive auction process, it said. Axis will pay to Citi cash consideration of approximately US\$1.6 billion for the acquisition of the consumer business. The transaction comprises the sale of the consumer banking businesses of Citibank India, which includes credit cards, retail banking, wealth management and consumer loans. The transaction is expected to close in the first half of calendar year 2023 subject to requisite regulatory approvals.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/axis-bank-buys-citibank-indias-consumer-businesses-for-1-6-billion/articleshow/90541828.cms>
- **Pandemic-related stress on unsecured loan assets over: HDFC Bank:** The country's largest private sector lender HDFC Bank on Wednesday said the elevated stress on unsecured loan assets noticed during the COVID-19 pandemic is over, and the bank is upbeat about the segment now. The unsecured lending book for the bank includes credit cards and personal loans. According to HDFC Bank's country head for consumer finance Parag Rao, the next two years present an interesting opportunity to grow in the segment, which is otherwise considered a bit risky. "A large portion of the issues of the pandemic are gone," he said, adding that customers seeking loans now are relatively better from the risk perspective.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/pandemic-related-stress-on-unsecured-loan-assets-over-hdfc-bank/articleshow/90543673.cms>
- **Consortium of seven banks signs agreement to give Rs 1500 crore for the construction of Amrapali projects:** A consortium of seven public sector banks has agreed to release Rs 1500 crore for the construction of stuck homes of Amrapali projects, giving relief to over 40,000 homebuyers. The Amrapali Stalled Projects Investments Reconstruction Establishment (ASPIRE) executed through NBCC (India) Limited has signed an agreement with the consortium and the fund will expedite the construction of the projects. The seven banks include Bank of Baroda, Indian Bank, UCO Bank, Punjab National Bank, Bank of India, State Bank of India, Punjab & Sind Bank.  
<https://economictimes.indiatimes.com/industry/services/property/-construction/consortium-of-seven-banks-signs-agreement-to-give-rs-1500-crore-for-the-construction-of-amrapali-projects/articleshow/90544159.cms?from=mdr>
- **Bank haircuts: FM says checks in place against questionable resolution:** Finance Minister Nirmala Sitharaman on Tuesday stated that banks have periodically taken steps to counter resolution plans that might force them to take "huge haircuts" on the exposure to companies undergoing insolvency. Making an intervention to a question in the Rajya Sabha on whether there was a mechanism to prevent excesses in resolution plans, Sitharaman wanted to assure members that there were enough checks and balances, which are now being "invoked" to prevent misuse. "If the resolution is seen to be suspect, there are times when the resolution providers or the Committee of Creditors (CoC) are being asked to review the process and only then finalised. When leading to questionable resolutions, there are avenues for banks in this case to go to the court and say this may not be the best solution available," Sitharaman said.  
<https://www.thehindubusinessline.com/economy/bank-haircuts-fm-says-checks-in-place-against-questionable-resolution/article65270581.ece#:~:text=Banks%20have%20spoken%20against%20unreasonable,exposure%20to%20companies%20undergoing%20insolvency.>



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- **Google Pay, Pine Labs collaborate to offer ‘Tap to Pay’ for UPI users:** Google Pay, in collaboration with Pine Labs, on Wednesday, announced the launch of ‘Tap to Pay’ for UPI users in India. Having Tap to Pay functionality available only for cards so far, users can now complete a payment by tapping their phone on the POS terminal and authenticate the payment using their UPI PIN. This makes the process “virtually instantaneous,” as compared to scanning a QR code or entering the UPI-linked mobile number. The functionality will be available to any UPI user wanting to use their NFC-enabled Android smartphone to transact using any Pine Labs Android POS terminal across the country. This was piloted with Reliance Retail and will now be available at other large merchants such as Future Retail and Starbucks.  
<https://www.thehindubusinessline.com/money-and-banking/google-pay-pine-labs-collaborate-offering-tap-to-pay-for-upi-users/article65273276.ece>
- **UCBs with deposit exposure to scam-hit PMC Bank seek provision reversal:** Urban Co-operative Banks (UCBs) with deposits in the erstwhile scam-hit Punjab & Maharashtra Urban Co-operative (PMC) Bank have requested the Reserve Bank of India (RBI) to allow them to reverse the provisions they made towards these deposits. This plea comes as these deposits, which turned into non-performing investments after PMC Bank got into trouble in 2019 due its high exposure to real estate company HDIL, could be deemed as performing investments, going by the scheme of amalgamation of PMC Bank with Unity SFB.  
<https://www.thehindubusinessline.com/money-and-banking/ucbs-with-deposit-exposure-to-scam-hit-pmc-bank-seek-provision-reversal/article65274946.ece>
- **Generali is majority shareholder in Future Generali India Life Insurance:** Generali has acquired the entire stake, about 16 per cent, held by Industrial Investment Trust Limited (IITL) in Future Generali India Life (FGIL) and the subscription of additional shares in the life insurer. This follows approvals from regulatory and competition authorities, it said in a statement on Wednesday. “Generali now holds a stake of around 68 per cent in FGIL, which may increase further to 71 per cent by the end of 2022, following further subscription of shares by Generali,” it said.  
<https://economictimes.indiatimes.com/industry/banking/finance/insure/generali-becomes-majority-shareholder-in-indian-life-insurance-joint-venture/articleshow/90544387.cms?from=mdr>
- **Crisis-hit PTC India Financial Services gets four independent directors:** Crisis-hit PTC India Financial Services (PFS) has now got four new independent directors to temporarily help manage the non-banking finance company, which ran into trouble in January after all its three independent directors resigned over corporate governance issues. All the new four independent directors — Sushama Nath; Devendra Swaroop Saksena; Ramesh Narain Misra and Jayant Purushottam Gokhale — are currently independent directors of parent company PTC India and have now also been appointed as independent directors at PFS. Their appointment — resolution by circulation — in PFS Board has now been disclosed in a stock exchange filing by PFS on Tuesday.  
<https://www.thehindubusinessline.com/companies/crisis-hit-ptc-india-financial-services-gets-four-independent-directors/article65275177.ece>
- **Jammu and Kashmir Bank raises Rs 360 crore through bonds:** Jammu and Kashmir Bank on Wednesday said it has raised Rs 360 crore by issuing bonds. The capital issuance committee of the board of directors, in its meeting held on March 30, 2022, approved the bond issue, the bank said in a regulatory filing. The committee considered and approved allotment of 360 unsecured, subordinated, non-convertible, redeemable fully paid-up Basel III compliant Tier II bonds in the nature of debentures of face value of Rs 1 crore each, aggregating up to Rs 360 crore, it added. Shares of the bank closed at Rs 32 apiece on the BSE, down by 3.18 per cent from previous close.  
[https://www.business-standard.com/article/finance/jammu-and-kashmir-bank-raises-rs-360-crore-through-bonds-122033000883\\_1.html](https://www.business-standard.com/article/finance/jammu-and-kashmir-bank-raises-rs-360-crore-through-bonds-122033000883_1.html)



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- **‘RBI found lapses in compliance, audit functions of lenders’:** The Reserve Bank of India (RBI) has, in recent years, observed weaknesses in compliance, risk management and internal audit functions of financial institutions, leading to greater regulatory focus, deputy governor MK Jain said. Jain pointed out areas where such weaknesses were detected. RBI found that some regulated entities delayed or even failed to detect and report non-compliance. Compliance setup, the regulator found, was not resourced adequately with required number and quality of staff in many cases.  
<https://www.livemint.com/industry/banking/rbi-finds-lapses-in-compliance-risk-management-audit-of-lenders-11648539700898.html>
- **ICICI Bank to buy 10 lakh shares from ONDC for ₹10 cr:** ICICI Bank will acquire 10 lakh equity shares in Open Network for Digital Commerce (ONDC) for ₹10 crore, the private lender said. The bank will hold a 5.97% stake in ONDC after the acquisition. ICICI Bank said in a regulatory filing, the bank has on March 28, 2022, accepted the offer to acquire 10,00,000 equity shares of Open Network for Digital Commerce. Open Network for Digital Commerce (ONDC) was incorporated on December 30, 2021 which is engaged in creating an open public digital infrastructure to develop and transform the Indian digital commerce ecosystem for goods and services. It aims to expand alternatives for buyers and sellers to engage in digital commerce space.  
<https://www.businesstoday.in/industry/banks/story/icici-bank-to-acquire-10-lakh-shares-of-ondc-for-rs-10-crore-327831-2022-03-29>
- **HDFC Bank's co-branded credit cards to account for 25-30% of spends in 3 years:** Private sector lender HDFC Bank expects co-branded credit cards to account for 25-30% of total spends in the next two-three years as it deepens partnerships and looks to claw back market share lost during the nine-month regulatory ban, a senior executive said on Wednesday. Currently, spending through non-bank partnerships stands at about 15% of overall spends, said Parag Rao, group head (payments, consumer finance, digital banking and IT), HDFC Bank.  
<https://www.livemint.com/industry/banking/hdfc-bank-s-co-branded-credit-cards-to-account-for-25-30-of-spends-in-3-years-11648634062072.html>
- **RBI's MPC to meet 6 times next fiscal; first meeting scheduled for April 6-8:** The Reserve Bank's Monetary Policy Committee (MPC) will meet six times during the next financial year. The Reserve Bank of India (RBI) Governor-headed rate setting panel will be holding its first meeting of the next fiscal from April 6-8. The MPC announces the bi-monthly monetary policy after deliberations on the prevailing domestic and economic situations. According to the schedule released by the RBI on Wednesday, the first bi-monthly monetary policy of 2022-23 is scheduled for April 6-8, and next will be held during June 6-8. The third, fourth and fifth meetings have been scheduled for August 2-4, September 28-30, and December 5-7.  
<https://www.livemint.com/industry/banking/rbis-mpc-to-meet-6-times-next-fiscal-first-meeting-scheduled-for-april-68-11648640390728.html>
- **Sensex up 740 points at closing, Nifty above 17,400:** The BSE Sensex closed at 58,683.99, up 740.34 points or 1.28 per cent. It recorded an intraday high of 58,727.78 and a low of 58,176.00. The Nifty 50 closed at 17,498.25, up 172.95 points or 1 per cent. It recorded an intraday high of 17,522.50 and a low of 17,387.20. HDFC Life, Bajaj Finserv, Tata Consumer, Bajaj Finance and Powergrid were the top gainers on the Nifty 50 while ONGC, Hindalco, JSW Steel, ITC and Tata Steel were the top losers.  
<https://www.thehindubusinessline.com/markets/sensex-up-740-points-at-closing-nifty-above-17400/article65273763.ece>
- **Rupee skids 21 paise to 75.94 against dollar as crude oil spikes:** The rupee declined by 21 paise to 75.94 against the US dollar on Wednesday as surging crude oil prices and fuel rate hikes by the oil marketing companies fanned fears of inflation and interest rate hikes. However, a strong rally in the domestic equities capped the



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rupee's loss, forex traders said. At the interbank foreign exchange market, the rupee opened strong at 75.65 against the American dollar but soon entered the negative territory as investors dumped riskier assets. During the session, it swung between a high of 75.62 and a low of 75.97. The local unit finally settled at 75.94 against the dollar, down 21 paise from the previous close.

<https://www.thehindubusinessline.com/markets/forex/rupee-skids-21-paise-to-7594-against-dollar-as-crude-oil-spikes/article65274781.ece>

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