

MBA-II / Semester-IV/ (2024-25)

Comprehensive Concurrent Evaluation

Faculty Name: Prof.Vandana Tripathi

Subject: Current Trends & Cases in Finance (2024-25)

Subject Code: 404

Sr. No.	Component	Marks	Date of Exam/Submission
1	Case Study	50	15th Mar 2025
2	Literature Review	50	15th Mar 2025
3	Open Book test	50	As per Schedule

Important Instructions:

1. The subject is evaluated on the basis above 3 components.
2. Assignments to be submitted in person.
3. Student Name, Contact number, Email-id, Specialization, Component must be clearly mentioned.

Sr. No.	Component	Marks	Date of Exam/Submission
1	Case Study	50	15 th Mar 2025

Case Study I: The ICICI Bank Loan Fraud Case – 2024

Introduction

In 2024, ICICI Bank, one of India's largest private-sector banks, became embroiled in a major financial controversy concerning loan fraud and mismanagement. The case revolved around improper loan sanctions to companies that later turned into non-performing assets (NPAs), causing significant losses to the bank and raising serious questions about internal controls, corporate governance, and credit risk management within the banking sector.

Background

ICICI Bank has long been a prominent player in India's banking sector, with a broad portfolio of financial products catering to retail, corporate, and investment banking. In 2024, the bank came under scrutiny after it was revealed that it had sanctioned large loans to several high-risk corporate clients, which eventually turned into NPAs. These loans were granted despite warnings from lower-level risk management teams and were linked to weak business models or questionable financial health of the borrowing companies.

Key Issues

- Weak Loan Sanctioning Process
- Corporate Governance Failures
- Internal Control Failures
- Regulatory Gaps

Provide analysis for below questions:

Question 1: Analyze and provide details of the fraud done at ICICI Bank?

Question 2: What led to the loan fraud at ICICI Bank in 2024?

Question 3: How did the corporate governance issues contribute to the fraud?

Question 4: What role did internal controls and audit mechanisms play in the fraud?

Question 5: What steps can ICICI Bank take to restore its reputation post-scandal?

Question 6: What broader lessons can the Indian banking sector learn from this case?

Case Study II: The IL & FS Crisis – 2024

Introduction

The IL&FS (Infrastructure Leasing & Financial Services) crisis is one of the most significant financial debacles in India, continuing to have implications for the finance sector even in 2024. This case study highlights the crisis, the role of corporate governance and financial mismanagement, and the broader implications for the Indian financial system. IL&FS was once a major player in India's infrastructure financing but was plunged into a crisis following its default on debt payments in 2018, which led to an investigation into financial practices, corporate governance failures, and systemic risks in India's non-banking financial sector (NBFCs).

Background

IL&FS was a well-known infrastructure financing company in India that operated a large number of subsidiaries and had a significant presence in various sectors like infrastructure development, real estate, and energy projects. The company had huge borrowing exposure, largely through the issuance of debentures and loans, as well as through its subsidiaries.

The financial trouble for IL&FS began when it started experiencing liquidity issues and faced difficulty in repaying debt obligations in past. IL&FS defaulted on several of its debt payments, which caused panic in the financial markets and severely impacted the NBFC sector. The defaults were just the tip of the iceberg. An audit revealed significant financial misreporting, with unreported debt and over-leveraging coming to light.

Key Issues:

1. Corporate Governance Failures
2. Over-leveraging and Financial Mismanagement
3. Regulatory Failures
4. Impact on the Financial Market and NBFC Sector

Provide Analysis for below questions:

Question 1: What were the IL&FS crisis implications of the Indian financial sector?

Question 2: What steps did the Indian government take in response to the IL&FS crisis?

Question 3: What regulatory reforms were introduced after the IL&FS crisis?

Question 4: What role did the lack of internal controls and corporate governance play?

Question 5: What measures can be taken to prevent such financial frauds in the future?

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2	Literature Review	50	15th Mar 2025

Write Literature Review on below questions:

Question 1: Write Literature Review on how has the rise of Fintech Companies reshaped traditional banking models in India and globally?

Question 2: Write Literature Review on how effective are the Insolvency and Bankruptcy Code (IBC) and Debt Recovery Tribunals (DRTs) in addressing the NPA crisis in Indian banks?

Question 3: Write Literature Review on What role does corporate governance play in preventing financial frauds and scandals in Indian financial institutions.

Question 4: Write a Literature Review on what impact does green finance have on India's financial sector, and how are Indian banks adapting to the growing demand for sustainable investments?

Question 5: Write Literature Review on how do global financial crises, like the 2023 Silicon Valley Bank crisis, affect the Indian financial market, and what are the key lessons learned

Kindly refer to research articles and use any 2 papers for each Question. Use APA Styles for references.