



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

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- **SBI to focus on digital agenda; partner with fintech firms, NBFCs to drive growth:** State Bank of India (SBI) on Wednesday said it will endeavour to accelerate its digital agenda and forge partnerships with fintech firms and NBFCs to drive its business growth. Overall FY22 has been a much better year compared to the previous year as the pace of economic activity picked up, SBI chairman Dinesh Khara said. The momentum is expected to continue, he said, adding opening up of the economy has reduced the need for a fresh stimulus package and the current momentum appears sustainable. Thus, for the bank, it is imperative that the business keeps adapting to the new operating environment, he said in his letter to shareholders published in the annual report for FY22.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/sbi-to-focus-on-digital-agenda-partner-with-fintech-firms-nbfc-to-drive-growth/articleshow/91947561.cms>
- **Bank credit to NBFCs rises 10% to Rs 10.5 lakh crore in FY22: Report:** Bank credit to NBFCs grew in double digit in FY22 with outstanding bank credit to them rising by 10.4 per cent to Rs 10.5 lakh crore on the back of improvement in overall economic activities and banks' renewed focus on the NBFC sector following improvement in their balance sheets, says a report. In absolute terms, according to an analysis by Care Ratings, bank credit to non-banking financial companies (NBFCs) expanded by Rs 99,000 crore in FY22, from FY21. The number does not include liquidity given by banks to them through securitization route (direct assignment and pass-through certificates) and also banks' investments in NBFCs' debt instruments.
<https://www.moneycontrol.com/news/business/economy/bank-credit-to-nbfc-rises-10-to-rs-10-5-lakh-crore-in-fy22-report-8629981.html>
- **Axis Bank expects repo rate to rise to 5.75% by end of this fiscal:** With inflation remaining at elevated levels, Reserve Bank of India (RBI) may gradually increase the benchmark lending rate to about 5.75 per cent by the end of this fiscal, Axis Bank chief economist Saugata Bhattacharya said on Thursday. He also said RBI may undertake front loading of interest rate hikes to tame inflation which have been over the central bank's tolerance level for the past 4 months. RBI Governor Shaktikanta Das has already said the possibility of another hike at the June review is a "no-brainer". The next meeting of the Monetary Policy Committee (MPC) is scheduled for June 6-8.
<https://bfsi.economictimes.indiatimes.com/news/banking/axis-bank-chief-economist-expects-repo-rate-to-rise-to-5-75-by-end-of-this-fiscal/91974094#:~:text=Exclusive-,%20Axis%20Bank%20chief%20economist%20expects%20repo%20rate%20to%20rise%20to,off%20cycle%20meeting%20last%20month.>
- **HDFC partners with Accenture for digital transformation:** HDFC Ltd has partnered with Accenture to digitally transform its lending business. The collaboration will revamp HDFC's customer experience and business processes to provide greater operational agility and efficiency, and drive business growth, the two companies said in a statement on Thursday. "The transformation exercise is aimed at making HDFC's lending life cycle paper-less and nimble.
https://www.business-standard.com/article/news-cm/hdfc-ties-up-with-accenture-for-digital-transformation-122060300177_1.html



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- **HDFC Bank targets doubling of balance sheet every five years:** The merger of Housing Development Finance Corporation (HDFC) into HDFC Bank offers a significant opportunity for the bank to scale up and will help it double its balance sheet every five years, HDFC Bank MD and CEO Sashidhar Jagdishan said. Addressing sector analysts at an interaction on Tuesday, Jagdishan sought to allay the investor community's concerns about the proposed merger. "Growth is not going to be an issue at all. It's going to be pouring out of your ears," Jagdishan said. The only limiting factor will be liabilities and the bank has a strategy for that, he said.
<https://www.financialexpress.com/industry/banking-finance/hdfc-bank-targets-doubling-of-balance-sheet-every-five-years/2545559/>
- **ICICI Bank introduces a slew of new digital facilities:** ICICI Bank today announced the launch of an array of new facilities on its online outward remittances platform, 'Money2World' (M2W), to provide improved convenience to users including those who do not have accounts with the Bank. One of the new services empower customers of other banks to complete the KYC (Know Your Customer) process via video conferencing to register themselves on M2W, an industry-first initiative. Another new facility enables customers, having account with any other bank, to remit up to \$ 250,000 in a financial year under the Liberalised Remittance Scheme (LRS), 10 times of their previous limit. Further, ICICI Bank has integrated its mobile banking app 'iMobile Pay' with the M2W platform. This integration enables its customers to send money overseas, choose and set their desired exchange rate, and enter a one-time instruction to schedule recurring payments through 'iMobile Pay'.
<https://www.livemint.com/industry/banking/icici-bank-introduces-a-slew-of-new-digital-facilities-details-here-11654151717960.html>
- **Airtel Payments Bank partners Muthoot Finance to offer gold loans on Airtel Thanks app:** Airtel Payments Bank's customers can now apply for a gold loan from Muthoot Finance within a minute on the Airtel Thanks app. The latest offering, which will add to Airtel Payments Bank's digital banking product portfolio, would enable easy credit access for the payments bank's customers. With this partnership, Airtel Payments Bank customers can get hassle-free gold loans with zero processing fees from Muthoot Finance. Muthoot Finance gives as much as 75 per cent of the pledged gold value as a loan. Customers get doorstep disbursals for loan amounts of ₹50,000 and above.
https://www.business-standard.com/article/pti-stories/airtel-payments-bank-partners-with-muthoot-finance-to-offer-gold-loans-122060201336_1.html
- **UPI payment failures will be resolved in real-time soon: NPCI CEO:** The National Payments Corporation of India (NPCI) is currently working on readying its real-time payment dispute resolution system for the Unified Payment Interface (UPI). Set to be operational by September 2022, the in-app feature is expected to resolve nearly 80-90 per cent of payment failures in real-time, NPCI MD & CEO Dilip Asbe said. Speaking at a virtual conference held by IMF – Singapore Regional Training Institute, Asbe said, "On the regulator's directive, we are trying to get as much as data published to provide complete transparency on data, including on downtime, disputes on NPCI website. We are now working on first-of-its-kind online dispute resolution. Over the next three months' time, 80-90 per cent of disputes caused by payment issues between a variety of participants of the large supply chain of UPI ecosystem will get resolved online." He added, "In next three months' time, customers will no longer need to call the bank or go anywhere else but just get the UPI help on their app and the dispute will be resolved automatically in real time. And by end of September, at least 90 per cent of the UPI failures will be resolved in real-time."
<https://www.thehindubusinessline.com/money-and-banking/upi-payment-failures-will-be-resolved-in-real-time-soon-npci-ceo/article65488385.ece#:~:text=Set%20to%20be%20operational%20by,MD%20%26%20CEO%20Dilip%20Asbe%20said.>



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- **SBI revises up FY23 economic growth forecast to 7.5%:** SBI Research has projected the Indian economy to grow at 7.5 per cent in 2022-23, an upward revision of 20 basis points from its earlier estimate. As per official data, the economy grew by 8.7 per cent in FY22, net adding Rs 11.8 lakh crore in the year to Rs 147 lakh crore, the report said, adding this was however only 1.5 per cent higher than the pre-pandemic year of FY20. "Given the high inflation and the subsequent upcoming rate hikes, we believe that real GDP will incrementally increase by Rs 11.1 lakh crore in FY23. This still translates into a real GDP growth of 7.5 per cent for FY23, up by 20 basis points over our previous forecast," SBI chief economist Soumyakanti Ghosh said in a note on Thursday.
https://www.business-standard.com/article/economy-policy/sbi-research-revises-up-india-s-fy23-economic-growth-forecast-to-7-5-122060200416_1.html#:~:text=SBI%20Research%20has%20projected%20the,points%20from%20its%20earlier%20estimate.
- **Citigroup adds more capacity in its Chennai, Pune CSCs:** US-based bank Citigroup Inc on Thursday said it has inaugurated two state-of-the-art workspaces in Chennai and Pune under its Citi Solution Centres network that would augment the capacity to serve its global clients. The Chennai and Pune locations provide solutions for technology, operations, analytics, finance, risk and allied services for institutional clients as well as personal banking and wealth management businesses. "The Leadership in Energy and Environmental Design (LEED) certified incremental spaces, spread across 4.20 lakh sq ft at the existing locations at DLF Cybercity Chennai and EON IT Park, Pune would augment the capacity to serve global client of Citi," a company statement said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/citigroup-adds-more-capacity-in-its-chennai-pune-cscs/articleshow/91962745.cms>
- **ONDC: Govt lines up banks for e-commerce effort to take on Amazon, Walmart:** The Open Network for Digital Commerce aims to cover at least 100 cities and towns by August India's effort to break Amazon and Walmart's dominance of its e-commerce sector, by establishing its own open network, has begun lining up banks and other key players needed to move it forward, sources familiar with the matter said. Some of the country's biggest banks are in discussions about setting up "buyer platforms" to let their customers place orders for goods and services over the Open Network for Digital Commerce (ONDC), which the Indian government soft-launched in April, the sources told Reuters.
<https://www.thehindubusinessline.com/info-tech/ondc-govt-lines-up-banks-for-e-commerce-effort-to-take-on-amazon-walmart/article65486588.ece>
- **CoinSwitch launches CRE8, a benchmark index for crypto market in INR:** Crypto investing app CoinSwitch has launched the cryptocurrency rupee Index (CRE8), a benchmark index to measure the performance of the Indian rupee-based crypto market. CRE8 tracks the performance of eight crypto assets representing over 85 per cent of the total market capitalisation of cryptos traded in Indian rupee. The index is based on real trades on the CoinSwitch app. Bitcoin (BTC), Ethereum (ETH), Binance Coin (BNB), Ripple (XRP), Cardano (ADA), Solana (SOL), Polkadot (DOT) and Dogecoin (DOGE) will be the eight tokens constituting the index.
https://www.business-standard.com/article/companies/coinswitch-launches-benchmark-index-for-crypto-market-in-indian-rupee-122060201121_1.html
- **ECBs raised by India Inc in April dwindles sharply as credit offtake from banks are up:** Resources raised by India Inc via external commercial borrowings (ECBs) dwindled sharply to \$361.6 million in April 2022 with interest rates in advanced economies going up. Indian corporates had raised \$2.368 billion in April 2021 and \$5.029 billion in March 2022 via the ECB route due to relatively lower global interest rates.
<https://rapidtelecast.com/ecbs-raised-by-india-inc-in-april-dwindles-sharply-as-credit-offtake-from-banks-are-up/>



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- **Reliance General Insurance to focus on retail health portfolio:** Reliance General Insurance remains confident about its growth prospects despite the ongoing resolution of debt-ridden parent company Reliance Capital. The general insurer is looking to diversify into retail health. "This is a good company, which can deliver value. We don't need capital, we have been self sufficient," said Rakesh Jain, CEO, Reliance General Insurance. He highlighted that the company has been registering good growth and continues to services its customers. "We did about ₹9,500 crore of premium with a 13 per cent year-on-year growth in 2021-22. We settled 24 lakh claims in a year," Jain said, highlighting the company's performance and stressed that the resolution proceeding is a group level issue. "My growth shows my customers are not worried," he said.
<https://www.thehindubusinessline.com/money-and-banking/reliance-general-insurance-to-focus-on-retail-health-portfolio/article65486963.ece>
- **IRDAI's 'use and file' norms put greater responsibility on insurers:** Non-life insurers will have to be more responsible and accountable following the insurance regulator's decision to allow general and standalone health insurers to launch products without prior approval. While insurers have welcomed the move as it gives them greater freedom and enhances efficiency in launching products, they also believe that customer protection will have to be even more of a priority. "The new guidelines will support the industry to launch products faster. This also puts a lot of responsibility on insurers," said S Prakash, MD, Star Health and Allied Insurance.
<https://www.thehindubusinessline.com/money-and-banking/irdais-use-and-file-norms-put-greater-responsibility-on-insurers/article65487280.ece>
- **Principal MF ceases to exist as mutual fund from June 2, says Sebi:** Capital markets regulator Sebi on Thursday said Principal Mutual Fund (PMF) now ceases to exist as a mutual fund. This comes after Asset Management Private Limited (Principal AMC) had informed Sebi that it wanted to surrender the registration granted to PMF by the regulator. Following this, Sebi accepted the request for surrender of certificate of registration of PMF. "Consequently, PMF ceases to exist as a mutual fund with effect from June 2, 2022," the Securities and Exchange Board of India (Sebi) said in a statement.
https://www.business-standard.com/article/finance/principal-mf-ceases-to-exist-as-mutual-fund-from-june-2-says-sebi-122060200877_1.html
- **Cash no longer the king: 65% transactions to be digital by 2026, says BCG-PhonePe report:** The habit of carrying your wallet while making purchases may soon be replaced by carrying your phone, as consumers continue to go cashless, findings of a recent study suggest. According to a report jointly released by Boston Consulting Group (BCG) and PhonePe, 65 per cent of all transactions, or two of every three transactions, in terms of value, are expected to be digital by 2026. India's digital payments market is at an "inflection point" and is expected to more than triple to \$10 trillion by 2026 from the current level of \$3 trillion, the report said. This growth would be driven by increase in merchant payments, it added, as more and more merchants shift to QR (quick response) based payments in offline sales. The findings of the report exclude B2B (business-to-business) and G2B (government-to-business) transactions.
<https://www.financialexpress.com/industry/banking-finance/cash-no-longer-the-king-65-transactions-to-be-digital-by-2026-says-bcg-phonepe-report/2546559/>
- **Sensex closes 437 points higher, Nifty above 16,600:** The BSE Sensex closed at 55,818.11, up 436.94 points or 0.79 per cent. It recorded an intraday high of 55,891.92 and a low of 55,135.11. The Nifty 50 closed at 16,628.00, up 105.25 points or 0.64 per cent, near the day's high of 16,646.40. It recorded an intraday low of 16,443.05. Reliance, Bajaj Finserv, Sun Pharma, TCS and HCL Tech were the top gainers on the Nifty 50 while Apollo Hospitals, Hero Motocorp, Eicher Motor, HDFC and Powergrid were the top losers.



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<https://www.thehindubusinessline.com/markets/stock-markets/sensex-closes-437-points-higher-nifty-above-16600/article65487309.ece>

- **Rupee slips 12 paise to 77.62 against US dollar in early trade:** The rupee slipped 12 paise to 77.62 against the US dollar in early trade on Thursday, tracking the strength of the American currency in the overseas market. At the interbank foreign exchange, the rupee opened at 77.61 against the American dollar, then lost ground to quote at 77.62, registering a fall of 12 paise from the last close.
<https://www.thehindu.com/business/markets/rupee-slips-12-paise-to-7762-against-us-dollar-in-early-trade/article65486627.ece#:~:text=Venkatachalapathy-,On%20Wednesday%2C%20the%20rupee%20recovered%20from%20its%20record%20low%20to,currency%20in%20the%20overseas%20market.>

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