



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
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## DAILY NEWS DIGEST BY BFSI BOARD, ICAI

May 06, 2022

- **State Bank of India to raise \$2 billion through overseas bonds in FY23:** Country's largest lender, the State Bank of India (SBI), is looking to raise long term funds upto \$ two billion from international markets in the current financial year (FY23). The executive committee of the Bank's central board will meet on May 10 to examine the status and decide on long term fund raising in single/multiple tranches, the bank informed BSE. The fund raising could be through routes including a public offer and private placement of senior unsecured notes (bonds) in \$ or any other convertible currency, it added.  
[https://www.business-standard.com/article/finance/state-bank-of-india-to-raise-2-billion-through-overseas-bonds-in-fy23-122050500048\\_1.html](https://www.business-standard.com/article/finance/state-bank-of-india-to-raise-2-billion-through-overseas-bonds-in-fy23-122050500048_1.html)
- **BOB, ICICI Bank hike retail loans rates by 40 bps on RBI's action:** Public sector lender Bank of Baroda (BoB) has raised lending rate on loans including home and car by 40 basis points after Reserve Bank of India hiked the policy repo rate by 40 basis points to 4.4 per cent. The lending rates for retail loans are externally benchmarked. Mumbai-based BOB also withdrew the interest rebates available for home and car loans which were introduced to push retail credit. For home loans, interest rate concession was introduced last month and for car loans, they started early this week. The concessions have been discontinued in light of a hike in policy repo rate, bank officials said. BOB had introduced Baroda Repo Linked Lending Rate (BRLLR) all Retail loans from October 1, 2019. BRLLR now is 6.90 per cent - current RBI Repo Rate of 4.40 per cent plus mark-up of 2.50 per cent. Private lender ICICI Bank's External Benchmark Lending Rate (I-EBLR) also stands revised by 40 bps to 8.1 per cent. However, Marginal Cost of Funds Based Lending Rate (MCLR) remained unchanged in May. MCLR ranges between 7-7.25 per cent depending on benchmark tenure starting with overnight to one year.  
<https://www.livemint.com/news/india/bank-of-baroda-hikes-repo-rate-linked-lending-rates-details-here-11651735473142.html>
- **HDFC Bank opens over 1,000 branches during pandemic:** Private lender HDFC Bank on Thursday announced it added over 1,000 branches to its network over the past two years. During the pandemic, the bank opened two new branches every day, and 734 branches were opened in fiscal year 2022 alone, it said. HDFC Bank also set a new record of the Maximum Bank Branches Simultaneously Inaugurated Pan India on March 31st, 2022 when 250 Branches were digitally launched by Sashi Jagdishan, MD and CEO of HDFC Bank. As of March 31, 2022, the Bank's distribution network was at 6,342 branches and 18,130 ATMs across 3,188 cities and towns. The bank had earlier announced increasing its permanent employee base by 90% with the total number of employees at 141,579 as of March 31, 2022.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-opens-over-1000-branches-during-pandemic/articleshow/91345031.cms>
- **PM Modi likely to launch 75 digital banks on August 15:** Prime Minister Narendra Modi is likely to roll out 75 Digital Banking Units across the country on August 15. These units will be totally paperless and will also work as digital financial literacy centres for the customers. "All 75 districts have been finalised and allocated to respective banks to set up the infrastructure and train manpower for these specialised units," said an executive aware of the developments. The districts identified include Leh, Srinagar, Lakshadweep, Aizawl, Kota, Nainital and Lucknow among others. In a statement, the Indian Banks' Association said that all the public sector banks, 10 private sector banks and one small finance bank have already initiated the work to have these units operational by July 2022.



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<https://www.moneycontrol.com/news/business/pm-modi-to-inaugurate-75-digital-banks-on-august-15-check-details-8462061.html>

- **Banks follow RBI footsteps, start a rate hiking trail:** ICICI Bank, Bank of Baroda and Bank of India have raised interest rates on new loans by 40 basis points, a day after the Reserve Bank of India effected a similar but surprise increase in its repo rate to tame rising inflation. Other lenders are expected to follow suit, likely trimming disposable incomes of borrowers and thereby dampening demand for non-discretionary goods. While all banks will automatically pass on the entire repo rate increase to customers who had availed of loans linked to external benchmarks, in the case of Marginal Cost of funds-based Lending Rate (MCLR) and fixed rate loans, their asset liability committees are expected to take a call on the quantum of the hike.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-follow-rbi-footsteps-start-a-rate-hiking-trail/articleshow/91359134.cms>
- **Paytm tokenises 2.8 crore cards across Visa, Mastercard and RuPay:** One97 Communication Limited, which owns the brand Paytm, said on Thursday it has made significant progress in the RBI's card-on-file tokenisation initiative. The company has tokenised 28 million cards — including VISA, Mastercard and RuPay — as a way to make online card transactions safe and secure. This will enable Paytm to purge saved card data ahead of the RBI deadline. In September 2021, the RBI prohibited merchants from storing customer card details on their servers with effect from January 1, 2022. The central bank mandated the adoption of card-on-file (CoF) tokenisation as an alternative to card storage. This deadline was extended to June 30. Online players must delete credit and debit card data stored on their platforms and use tokens instead to secure the card details of customers.  
<https://www.livemint.com/companies/news/paytm-tokenises-2-8-cr-cards-across-visa-mastercard-to-purge-saved-data-by-junend-11651743151417.html>
- **Central Bank of India to close 13% of its branches:** Central Bank of India, a state-owned commercial bank, plans to shut 13% of its branches to improve its financial health, which has been under pressure for several years, according to sources and a document seen by Reuters. The bank is looking to reduce the number of branches by 600 by either shutting down or merging loss-making branches by the end of March 2023, according to the copy of a document reviewed by Reuters. It is the most drastic step the lender has taken to improve its finances and will be followed by the sale of non-core assets such as real estate, said a government source who did not want to be named. The closure of the branches has not been reported previously. The more than 100-year old lender currently has a network of 4,594 branches.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/central-bank-of-india-to-close-13-of-its-branches/articleshow/91340955.cms>
- **IDBI Trust invokes pledged investments in Future Group companies:** Future Lifestyle Fashions (FLF) said on Thursday that IDBI Trusteeship Services has invoked the pledge it made on investments in FLFL Lifestyle Brands (FLBL) and nearly a dozen other associate firms, after FLBL failed to redeem ₹450 crore of nonconvertible debentures. FLF is a part of the Future Group and owns department chain Central, discount store format Brand Factory, and apparel labels including Cover Story, aLL, Ancestry and Indigo Nation. The pledge included the entire investments of FLF in entities held by its wholly owned subsidiary FLFL Athleisure, associate firm FLBL, joint venture company Clarks Reliance Footwear and two investee companies - SSIPL Retail and Holii Accessories, it said in a regulatory filing.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/idbi-trust-invokes-pledged-investments-in-future-group-companies/articleshow/91355582.cms>



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- **LIC IPO fully subscribed on Day 2 thanks to employees and policyholders:** The initial public offering (IPO) of Life Insurance Corporation of India (LIC) sailed through on Thursday, the second day of bidding. The largest ever IPO in the Indian primary market, aggregating to Rs 20,557 crore, is open for subscription till May 9. Retail bidders can bid for the issue even on Saturday, an unusual move aimed at attracting investors. According to data from BSE, investors made bids for 16,68,60,765 equity shares or 1.03 times compared to the 16,20,78,067 equity shares offered for the subscription. Among the five categories, employees and policyholders quotas were fully subscribed, with the given portions getting subscribed 3.11 times and 2.22 times, respectively.  
<https://economictimes.indiatimes.com/markets/ipos/fpos/lic-ipo-subscribed-72-on-day-2-employee-and-policyholders-quote-oversubscribed/articleshow/91336523.cms>
- **RBI's rate hikes to weigh down on banking system credit growth: India Ratings:** The surprise rate hike by the RBI signalling a reversal of the interest rate cycle will weigh down on the banking system's credit growth, which was showing signs of revival with an 11 per cent growth, a report said on Thursday. The tailwinds supporting a pick-up in credit growth will be in demand from the industry and services segments, even as growth in the agriculture segment remains stable and muted in the retail segment, India Ratings and Research said. Over the medium term, inflationary pressures, supply chain disruptions and a weak consumption demand could upset the current revival in credit growth, it added. "...the reversal of the interest rate cycle as signified by the 0.40 per cent increase in repo rate by the Reserve Bank of India would weigh down on the credit growth as borrowings become costlier," it said.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbis-rate-hikes-to-weigh-down-on-banking-system-credit-growth-india-ratings/articleshow/91347561.cms>
- **Banks to operationalise digital banking units in 75 districts by July: IBA:** All the Public Sector Banks, ten Private Banks and one Small Finance Bank have initiated the work to operationalise 75 Digital Banking Units (DBUs) in 75 districts by July 2022, the Indian Banks' Association said. Union Finance Minister Nirmala Sitharaman had announced in the Union budget 2022-23 that 75 DBUs in 75 districts will be set up to commemorate the 75 years of Independence so that the benefits of digital banking reach every nook and corner of the country. The progress in pilot implementation of the project is being regularly monitored by a Reserve Bank of India (RBI) committee, the Association said in a statement.  
<https://www.thehindubusinessline.com/money-and-banking/banks-to-operationalise-75-dbus-in-75-districts-by-july-2022-iba/article65384224.ece>
- **Cholamandalam posts strong performance for March quarter, FY22:** Cholamandalam Investment & Finance Company (CIFCL) has reported a significant increase in its net profit at ₹690 crore for the quarter ended March 31, 2022 when compared with ₹243 crore in a year-ago period. The company's total income grew 6 per cent at ₹2,632 crore as against ₹2,478 crore in the year-ago period. Net income margin was higher by 15 per cent at ₹1,561 crore (₹1,358 crore), according to a statement.  
<https://www.thehindubusinessline.com/money-and-banking/cholamandalamposts-strong-performance-for-march-quarter-fy22/article65385430.ece>
- **Equitas SFB PAT rises 6%:** Equitas Small Finance Bank on Wednesday reported a profit after tax (PAT) of 120 crore for the fourth quarter of the previous financial year, compared with 113 crore in the same quarter last fiscal, registering an increase of 6%. The total income of the bank went up by 4.7% to 1,044 crore from 997 crore. Disbursement stood at 3,279 crore, exceeding the previous highest quarter. P N Vasudevan, MD & CEO of Equitas Small Finance Bank, said: "The bank achieved its highest-ever disbursement in Q4FY22. The demand for credit has come back to normal levels. With improving asset quality, the bank is well positioned to get back to its pre-Covid levels growth rate of around 30% per annum. The bank's capital position is also strong with capital adequacy of over 25%, enabling the bank to pursue growth over the coming years." The net interest income for



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Q4FY22 stood at 552 crore, against 449 crore, while net interest margin (NIM) was at 9.12%. The gross NPA was at 4.06% in Q4FY22, compared to 4.39% in Q3FY22 and 3.59% in Q4FY21. The net NPA stood at 2.37% in Q4FY22, compared with 2.38% in Q3FY22 and 1.52% in Q4FY21. The provision coverage ratio was at 42.73%. The bank has made additional standard assets provision of 26.08 crore in Q4FY22, it said in a release.

<https://www.financialexpress.com/industry/banking-finance/equitas-sfb-pat-rises-6/2513398/#:~:text=Equitas%20Small%20Finance%20Bank%20on,1%2C044%20crore%20from%20997%20crore.>

- **LIC public issue is positive for life insurance sector: Moody's:** The initial public offering of Life Insurance Corporation of India is 'credit positive' for the country's insurance sector, said Moody's Investor Service on Thursday, adding that it will also benefit the state-run life insurer. "As a listed company with external shareholders, we expect LIC to tighten its underwriting standards and improve its risk management and governance, which should contribute to a stronger financial profile," Moody's Investor Service said. Further, given its dominant position and as a market trendsetter, these enhancements at LIC will likely drive similar improvements across the life insurance sector, it said, terming this "credit positive". The government plans to sell 3.5 per cent stake in LIC's IPO, which opened on May 4 and will close on May 9.  
<https://www.thehindubusinessline.com/money-and-banking/lic-public-issue-is-positive-for-life-insurance-sector-moodys/article65383914.ece>
- **Unocoin revamps brand and app, offers in 6 languages:** Cryptocurrency exchange Unocoin announced a new brand identity and said that its app will be available in six new languages beyond Hindi and English; in an attempt to reach masses in tier-II and tier-III cities. The app is now available in Bengali, Marathi, Kannada, Tamil, Telugu and Malayalam. With the refreshed makeover of the website, a new iOS application, a more appealing brand logo and the new tagline - Unocoin 'Crypto Ka Super App', the users will experience an engaging digitized outlook and many new features.  
<https://www.thehindubusinessline.com/money-and-banking/cryptocurrency/unocoin-revamps-brand-and-app-offers-in-6-languages/article65378951.ece#:~:text=Cryptocurrency%20exchange%20Unocoin%20announced%20a,%2C%20Tamil%2C%20Telugu%20and%20Malayalam.>
- **Sensex, Nifty end flat amid volatility:** The BSE Sensex closed at 55,702.23, up 33.20 points or 0.06 per cent. It recorded an intraday high of 56,566.80 and a low of 55,613.82. The Nifty 50 closed at 16,682.65, up 5.05 points or 0.03 per cent. It recorded an intraday high of 16,945.70 and a low of 16,651.85. Tech Mahindra, Hero Motocorp, Infosys, HCL Tech and Tata Steel were the top gainers on the Nifty 50 while IndusInd Bank, Britannia, Sun Pharma, Tata Consumer and Nestle India were the top losers.  
<https://www.thehindubusinessline.com/markets/sensex-nifty-end-flat-amid-volatility/article65384450.ece>
- **Rupee rallies, bond yields cool off, equity markets volatile:** The rupee gained on Thursday, buoyed by a weaker Dollar index, which touched a one-week low on indications that a 75 basis points rate hike by the US Fed is off the table at the next meeting. The repo rate hike by the Reserve Bank of India and Dollar inflows towards investment in LIC IPO also strengthened the Indian currency. However, Government Securities (G-Secs) yields went up by up to 5 basis points due to the 50 basis points interest rate hike by the US Fed.  
<https://www.thehindubusinessline.com/markets/forex/rupee-rallies-bond-yields-cool-off-equity-markets-volatile/article65385523.ece>



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