



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

DAILY NEWS DIGEST BY BFSI BOARD, ICAI

March 8, 2022

- **SBI's ERD suggests a 'dumb bell' strategy for govt borrowings:** To assuage the market's concerns on the impact of the Russia-Ukraine conflict on the government's finances, State Bank of India's economic research department (ERD) has proposed a roadmap for government borrowing including a higher share of Treasury Bills in the borrowing spreadsheet, giving a push to Small Saving Schemes, twice a week auctions, among others. "The recent geopolitical conflict has brought the focus back on government finances that might be derailed as the conflict intensifies. Against the possible impact on the government finances, the markets are already apprehensive of larger borrowings. "...The roadmap for proposed borrowing would require leveraging all plausible alternatives within the framework through a 'dumb bell' strategy," said Soumya Kanti Ghosh, Group Chief Economic Adviser, SBI, said in ERD's report "Ecowrap".
<https://www.thehindubusinessline.com/money-and-banking/sbis-erd-suggests-a-dumb-bell-strategy-for-govt-borrowings/article65200764.ece>
- **BoB nod to funding Amrapali projects, SC asks other banks to follow suit:** In a relief for several thousand home buyers, the Supreme Court on Monday directed the consortium of banks to follow the footsteps of Bank of Baroda, which has issued a sanction order to grant funding for the stalled Amrapali housing projects, and take a decision on funding Amrapali projects within two days. A bench of Justices U.U. Lalit and Bela M. Trivedi noted that the Bank of Baroda has released an order, and directed the other members of the six-bank consortium, which also includes the State Bank of India, UCO Bank, Punjab National Bank, Bank of India, and Punjab and Sindh Bank to pass similar orders and release the funds for housing projects. Counsel, representing one of the banks, submitted before the bench that banks are in the final stages of sanctioning and tomorrow or day after, the approval will be received by the court appointed-receiver. As counsel for State Bank of India sought more time from the court, Justice Lalit replied: "Do it in a day or two".
https://www.business-standard.com/article/finance/bob-nod-to-funding-amrapali-projects-sc-asks-other-banks-to-follow-suit-122030701037_1.html#:~:text=In%20a%20relief%20for%20several,Amrapali%20projects%20within%20two%20days.
- **ICICI Bank to raise Rs 8,000 cr via bonds for transport, power projects:** Private sector lender ICICI Bank is planning to raise upto Rs 8,000 crore through infrastructure bonds to finance projects in sectors like transport and power and affordable housing. Debt market sources said while the private lender is raising upto Rs 8,000 crore in current round, rating agency Crisil has assigned "AAA/Stable" for Rs 10,000 crore of bonds. Lenders have always an option to raise money in tranches. The issue size is Rs 500 crore with green shoe of Rs 7,500 crore. It will be a 10-year paper. The interest rate rate scenario is unclear due to volatility in markets. The highly rated long term paper (10-year) from corporate would see a coupon of around 7.25-30 per cent, bond dealers said.
https://www.business-standard.com/article/finance/icici-bank-to-raise-rs-8-000-cr-via-bonds-for-transport-power-projects-122030800058_1.html#:~:text=The%20issue%20size%20is%20Rs,shoe%20of%20Rs%207%2C500%20crore&text=Private%20sector%20lender%20ICICI%20Bank,power%20and%20affordable%20housing%20sectors.
- **Airtel, Axis Bank partner for financial services; launch co-branded credit card:** Bharti Airtel and Axis Bank on Monday announced a collaboration for offering financial services, starting with a co-branded credit card for subscribers of the telecom services company. Under the partnership, the companies will provide pre-approved



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instant loans, 'buy now pay later' offerings, and other services. The collaboration will provide Axis Bank support to penetrate deeper into tier 2 and 3 markets, a statement said. Bharti Airtel MD and CEO for India and South Asia, Gopal Vittal said Airtel is building a financial services portfolio as part of its endeavour to offer world-class digital services to its customers.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/airtel-axis-bank-partner-for-financial-services-launch-co-branded-credit-card/articleshow/90058473.cms>

- **Not looking to alter business strategy despite war-induced macro headwinds, says Kotak Mahindra Bank's consumer banking honcho:** Kotak Mahindra Bank (KMB), a private sector bank, is now on a "wait and watch" mode and not looking to change strategy for its consumer banking business next fiscal despite the ongoing Russia-Ukraine conflict posing exogenous shocks like global oil price surge on the Indian economy, Shanti Ekambaram, President-Consumer Banking Business, has said. "We are not looking at anything differently right now. We are growing in our trajectory ...unless we see any worsening in the environment. We still have a large market. We are still small from a market perspective. What we have to see is if risk changes (due to the war situation).. Risk is now stable post-Covid and things have gotten better in the last nine months."
<https://www.thehindubusinessline.com/money-and-banking/not-looking-to-alter-business-strategy-despite-war-induced-macro-headwinds-says-kotak-mahindra-banks-consumer-banking-honcho/article65202072.ece>
- **Clix Capital plans to lend over ₹4,000 crore in FY23:** Digital lending NBFC Clix Capital plans to disburse over ₹4,000 crore in the fiscal year 2022-23. The company has already disbursed over ₹15,000 crore since its rechristening from GE Capital 5 years ago. "With a month-on-month targeted disbursement rate of more than ₹350 crore, the leading NBFC is well on its course to disburse over ₹4,000 crore in the next fiscal," it said in a statement on Monday. Clix Capital has been servicing individual borrowers and MSMEs, and has given out more than 50 lakh loans to date, it said, adding that a majority of the company's disbursements have gone to MSMEs who have received about 48 per cent of these funds.
<https://www.thehindubusinessline.com/money-and-banking/clix-capital-plans-to-lend-over-4000-crore-in-fy23/article65200812.ece>
- **Women emerging as strong borrower class, better credit profile, lower delinquency rates: TransUnion CIBIL:** The number of women borrowers is on the rise with steady growth in credit demand, according to two separate studies by TransUnion CIBIL and CRIF HighMark. Women are emerging as a strong class of borrowers, with better credit profile and lower delinquency rates, said an analysis by TransUnion CIBIL which found that there is strong credit uptake by women in both urban and rural parts of the country. It also revealed that the number of women borrowers in the country has increased at a compound annual growth rate (CAGR) of 19 per cent in the last five years, compared to a CAGR growth of 14 per cent for male borrowers during the same period. In 2021 alone, women borrowers grew at 11 per cent compared to the 6 per cent growth rate of male borrowers.
<https://www.thehindubusinessline.com/money-and-banking/women-emerging-as-strong-borrower-class-better-credit-profile-lower-delinquency-rates-transunion-cibil/article65200896.ece>
- **Proposed hike in motor TP insurance to help insurers amidst claim inflation:** The proposed hike in motor third-party premium after two years will have an impact on consumers but will benefit industry, experts said, pointing out that there has been a high amount of inflation. Customers who wish to avoid an increase in premium can renew their policies before the new rates become effective on April 1, 2022, said Ashwini Dubey, Head-Motor Renewals, Policybazaar.com. "With the rise in the number of third-party claims after the initial drop during the Covid-19 pandemic, GICs had written to IRDAI, proposing the mandatory increase in TP rates, which has now been accepted. This will lead to an increase in insurance premiums for both comprehensive and third party as TP is a part of comprehensive. Since TP insurance is mandatory by law, this will impact all customers," Dubey said.



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<https://www.thehindubusinessline.com/money-and-banking/proposed-hike-in-motor-tp-insurance-to-help-insurers-amidst-claim-inflation/article65200710.ece>

- **Shriram Housing Finance crosses ₹5,000 crore in AUM:** Shriram Housing Finance on Monday said its assets under management (AUM) have crossed ₹5,000 crore as of February 2022 and it is now among the top five private sector affordable housing financiers in the country. The company reported 45 per cent growth in AUM between April 2021 and February 2022. “The demand for housing at the bottom of the pyramid is surging ahead, with the rise in financial inclusion and a marked pick-up in the economy,” it said in a statement. It has provided affordable home loans to over 1 lakh customers since inception; its average ticket size is ₹16 lakh.
<https://www.thehindubusinessline.com/money-and-banking/shriram-housing-finance-crosses-rs-5000-crore-in-aum/article65201438.ece>
- **HDFC MF launches financial empowerment initiative for women:** HDFC Mutual Fund has launched a women-led financial empowerment initiative ‘LaxmiForLaxmi’ which will connect women investors to a woman financial expert near them through a unique missed call service. The female financial expert will guide and address queries of the woman investor. The initiative is based on the fact that it is very easy for a person to understand a concept when it is taught by someone who understands them and is like-minded. The #LaxmiForLaxmi initiative is a financial empowerment campaign for women, by women. Through this initiative, HDFC Mutual Fund aims to support women investors in their journey to become financially independent while making mutual fund investments accessible to them.
<https://www.thehindubusinessline.com/markets/hdfc-mf-launches-financial-empowerment-initiative-for-women/article65201387.ece>
- **Small finance banks seek an urgent extension of time limit for listing:** Small finance banks (SFBs) have sought an urgent extension of the time limit for their listing — after having met some financial conditions — to eight years from six currently. These banks have cited the “accepted recommendations 31 and 27” of the Reserve Bank of India’s (RBI’s) Internal Working Group (IWG) to buttress their request. On November 25 last year, the RBI had said it had accepted 21 recommendations of the 33 made by the IWG. Jana SFB, Utkarsh SFB, Fincare SFB, and ESAF SFB, which have their initial capital floats in the pipeline, will gain if the central bank were to “circularise” the Recommendations 31 and 27, immediately.
[https://www.business-standard.com/article/finance/small-finance-banks-seek-an-urgent-extension-of-time-limit-for-listing-122030600957_1.html#:~:text=Small%20finance%20banks%20\(SFBs\)%20have,eight%20years%20from%20six%20currently](https://www.business-standard.com/article/finance/small-finance-banks-seek-an-urgent-extension-of-time-limit-for-listing-122030600957_1.html#:~:text=Small%20finance%20banks%20(SFBs)%20have,eight%20years%20from%20six%20currently)
- **Board acted quickly, decisively: BharatPe co-founder Shashvat Nakrani on unseating Ashneer Grover:** BharatPe co-founder Shashvat Nakrani has accused Ashneer Grover, with whom he had co-founded the payment startup, of creating a false narrative about the company, and said the board acted quickly and decisively in unseating him after receiving finds of a PwC report. BharatPe, which allows shop owners to make digital payments through QR codes, last week stripped Grover of all titles and positions over his alleged “misdeeds” and may take further legal actions, including clawing back of some of his shareholding. In a letter to employees, Nakrani said the Grover episode was an aberration and not the norm at BharatPe, and went on to defend the board who he said were celebrated names in the banking and financial services industry.
https://www.business-standard.com/article/companies/board-acted-quickly-bharatpe-co-founder-nakrani-on-unseating-grover-122030701542_1.html#:~:text=BharatPe%20co%2Dfounder%20Shashvat%20Nakrani,finds%20of%20a%20PwC%20report



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- **Never share confidential banking info, observe digital hygiene: RBI to public:** Worried over a spurt in digital frauds in recent years, the Reserve Bank on Monday asked people to never share confidential banking information like OTP and CVV, and observe cyber hygiene practices. In a publication titled 'BE(A)WARE – A booklet on Modus Operandi of Financial Frauds', the RBI said fraudsters have been using innovative methods to defraud the common people of their hard-earned money, especially the new entrants who are not entirely familiar with the techno-financial ecosystem.
<https://timesofindia.indiatimes.com/business/india-business/never-share-confidential-banking-info-observe-digital-hygiene-rbi-to-public/articleshow/90057782.cms>
- **Credit penetration to women low despite better repayment rates: Report:** Credit penetration to women borrowers is at a low 12 per cent of the gender's adult population, despite them displaying better repayment rates than men, a leading credit information company said on Monday. In a report published on the eve of the International Women's Day, TransUnion Cibil said women — who form nearly half of the overall population — account for less than a fourth of the overall credit outstanding as of 2021-end. The credit penetration, or the percentage of women who have availed a loan, is 12 per cent as of 2021, which has doubled from the 6 per cent level five years ago but is still low despite positives like better repayment rates displayed by the gender.
<https://economictimes.indiatimes.com/news/economy/indicators/credit-penetration-to-women-low-despite-better-repayment-rates-says-report/articleshow/90058194.cms>
- **Foreign lenders need regulatory support: Grant Thornton Bharat Report:** Differentiated licensing structure, rationalisation of corporate tax rate and lower capital requirements to incentivise subsidiary form of presence of foreign banks are some of the steps that a report has recommended for further strengthening foreign lenders in India. "The RBI and the government could consider working together to ease some of the challenges that foreign banks have been facing in order to provide a further impetus to their growth in the context of the Indian economy," said Grant Thornton Bharat, in its latest report, Role of Foreign Banks in Shaping a Vibrant Bharat.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/foreign-lenders-need-regulatory-support-grant-thornton-bharat-report/articleshow/90048452.cms>
- **Sensex slumps 1,491 points on surging oil, Nifty ends below 15,900:** The BSE Sensex closed at 52,842.75, down 1,491.06 points or 2.74 per cent. It recorded an intraday high of 53,203.87 and a low of 52,367.10. The Nifty 50 closed at 15,863.15, down 382.20 points or 2.35 per cent. It recorded an intraday high of 15,944.60 and a low of 15,711.45. ONGC, Hindalco, Coal India, Bharti Airtel and UPL were the top gainers on the Nifty 50 while IndusInd Bank, Maruti, Axis Bank, Britannia and Bajaj Finserv were the top losers.
<https://www.thehindubusinessline.com/markets/sensex-slumps-1491-points-on-surging-oil-nifty-ends-below-15900/article65201129.ece>
- **Rupee sinks 79 paise against US dollar as oil is on the boil amid geo-political tensions:** The Rupee sank to a record 76.96 against US dollar as the Russia-Ukraine conflict escalated further, impacting global markets, including equities and commodities. Oil is in the boil and has crossed \$130 a barrel. At the current level, the rupee has weakened about 79 paise against the previous close of 79.17. Amit Pabari, MD, CR Forex Advisors, said: "Overall, Tsunami has already hit the shore and 5 major factors, Oil, sell-off in equities, geopolitical tensions, stronger dollar, State election results could lead to the unfolding of big waves in the Rupee."
<https://www.thehindubusinessline.com/money-and-banking/rupee-sinks-as-oil-is-on-the-boil-amid-geo-political-tensions/article65200882.ece>



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