



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

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- **RBI policy deals with global uncertainties, prepares for post-Covid scenario: Bankers:** The Reserve Bank of India, in the first bi-monthly monetary policy of 2022-23, has tried to address the impact of the ongoing uncertainties in the global economy on domestic growth and inflation, said bankers. "In line with the market expectations, the RBI maintained the status quo on repo and reverse repo rate in policy. Taking into consideration the uncertainty around the global economy and the nascent stage of economic recovery in the domestic economy, the RBI decided to 'remain accommodative while focussing on withdrawal of accommodation to ensure that inflation remains within the target going forward while supporting growth'," said AK Goel, Chairman, Indian Banks' Association, and Managing Director and CEO, Punjab National Bank.
<https://www.thehindubusinessline.com/money-and-banking/rbi-policy-deals-with-global-uncertainties-prepares-for-post-covid-scenario-bankers/article65302751.ece>
- **RBI may ease cap on regional priority sector loan portfolios by regional rural banks:** The Reserve Bank could relax the cap on sale of priority sector loan portfolios by regional rural banks or RRBs subject to certain conditions, officials said. At present, RBI has prescribed an enhanced target of 75% of adjusted net bank credit (ANBC) of an RRB for lending to the priority sector, against the target of 40% applicable to a commercial bank. RRBs sell their priority loan portfolio through priority sector lending certificates (PSLC) to commercial banks. They can sell these only after reaching the mandated 75% limit. If RBI provides this relaxation, then RRBs will be able to sell their PSL portfolio once they achieve the 40% target as applicable for commercial lenders, a move that can potentially improve their profitability. A government official said that discussions are on with RBI and banks.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-may-ease-cap-on-regional-priority-sector-loan-portfolios-by-regional-rural-banks/articleshow/90714739.cms>
- **RBI imposes penalties on Axis, IDBI Bank:** Reserve Bank of India on Friday said it has imposed a penalty of Rs 93 lakh on Axis Bank for various violations, including those related to KYC guidelines. The central bank has also slapped a fine of Rs 90 lakh on IDBI Bank. A monetary penalty of Rs 93 lakh has been imposed on Axis Bank for non-compliance of certain directions issued by RBI, the regulator said in a release. The private sector lender violated certain provisions on loans and advances, Know Your Customer (KYC) guidelines and 'levy of penal charges non-maintenance of minimum balances in savings bank accounts', it added.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-imposes-penalties-on-axis-idbi-bank/articleshow/90731570.cms>
- **Bank of Baroda takes Gayatri Projects to NCLT over unpaid dues:** State-run Bank of Baroda has approached a bankruptcy court for recovery of its dues to Gayatri Projects, promoted by former Rajya Sabha MP T Subbarami Reddy, even as the company is making a desperate plea to lenders to consider a debt-recast proposal, two people aware of the matter told ET. The company owes little less than Rs 6,000 crore to the country's financial system, with Bank of Baroda exposure being nearly a quarter of the total loans, a third person said. The Hyderabad bench of the National Company Law Tribunal (NCLT) will hear the lender's plea on April 12.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-of-baroda-takes-gayatri-projects-to-nclt-over-unpaid-dues/articleshow/90714828.cms>



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- **Axis won't alter pay structures of staff joining from Citi:** Citibank staff who choose to join Axis Bank will enjoy pay structures similar to what they have now, while some were given an option to apply for roles in Citi verticals that are not being sold, two people aware of the plans said. Employees who do not find the fresh offers acceptable will get two to three months to find another job, the people said on condition of anonymity. Axis had said last week that it would pay Citi employees same as or higher than their current remuneration.
<https://www.livemint.com/industry/banking/axis-won-t-alter-pay-structures-of-staff-joining-from-citi-11649360121654.html>
- **Nuanced, calibrated approach essential for launch of CBDC, says Reserve Bank DG:** Reserve Bank of India Deputy Governor T Rabi Sankar on Thursday said a nuanced and calibrated approach is essential for launch of India's maiden digital currency as it would have various implications for the economy and monetary policy. RBI is planning to come out with a central bank backed digital currency using blockchain technology in 2022-23. "Given the large number of uncertainties in terms of which model works, which design works well in terms of its impact on the banking system, on data privacy on monetary policy, I think almost all central banks and we are no exception will probably go in for a very careful and calibrated nuanced manner," he said at an event organised by ICRIER.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/nuanced-calibrated-approach-essential-for-launch-of-cbdc-says-reserve-bank-dg/articleshow/90714927.cms>
- **RBI restores LAF corridor, introduces SDF as floor at 3.75% as part of liquidity management:** The RBI, in continuation of its approach towards liquidity management and normalisation of LAF corridor, has introduced the Standing Deposit Facility or SDF at 3.75 per cent. The collateral-free facility of SDF strengthens the operating framework of the monetary policy. The market participants had more or less prepared for a move like this as the RBI had been conducting VRRR auctions to suck out excess liquidity at rates which firmed up closer to the policy repo rate. By introducing SDF, the RBI has restored the Liquidity Adjustment Facility or LAF corridor with SDF at the base at 3.75 per cent and MSF at 4.25 per cent.
<https://economictimes.indiatimes.com/news/economy/policy/rbi-restores-laf-corridor-introduces-sdf-as-floor-at-3-75-as-part-of-liquidity-management/articleshow/90720444.cms>
- **Govt submits AGR affidavit in SC; says returned bank guarantees to Voda Idea, Airtel:** The telecom department has returned existing bank guarantees (BGs) of Vodafone Idea (VIL) worth around Rs15,000 crore and around Rs7,000 crore of Bharti Airtel (BAL). Instead, the telcos have been asked to refurnish BGs of an amount equal to their next payable instalment 13 months before its due date. In late afternoon trade Friday, shares of Vodafone Idea, which stands to benefit the most by the return of the BGs, were up 3.9% at Rs11.33 on the BSE. The Airtel stock was trading 0.3% higher at 764.95.
<https://economictimes.indiatimes.com/industry/telecom/telecom-news/govt-submits-agr-affidavit-in-sc-says-returned-bank-guarantees-to-voda-idea-airtel/articleshow/90725789.cms>
- **Trustees move Bombay HC against CCI challenging jurisdiction:** The Trustees' Association of India (TAI), an industry body of debenture trustees, has moved the Bombay High Court to challenge the jurisdiction of the competition watchdog over the regulation of fees the trustees charge bond issuers, people familiar with the matter told ET. The division bench of Justice GS Patel and Justice Madhav Jamdar will likely hear the matter on Friday. The industry body has now sought the court's intervention to quash and set aside the investigation order passed by the Competition Commission of India (CCI) against its members including IDBI, SBI and Axis. The plea further argues that the Securities & Exchange Board of India (Sebi) is the specialised sectoral regulator to govern the activities of all the debenture trustees.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/trustees-move-bombay-hc-against-cci-challenging-jurisdiction/articleshow/90713259.cms>



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- **RBI proposes interoperable cardless cash withdrawal at ATMs :** Reserve Bank of India Governor Shaktikanta Das, on Friday, announced a proposal to make cardless cash withdrawal facility available across all banks and ATM networks using the Unified Payments Interface. “In addition to enhancing ease of transactions, the absence of the need for physical card for such transactions would help prevent frauds such as card skimming, card cloning,” he said. Customers will now be able to do cardless cash withdrawals at ATMs of all banks. At present, the facility of card-less cash withdrawal through ATMs is limited only to a few banks. Settlement of such transactions would happen through the ATM networks.
<https://www.thehindubusinessline.com/money-and-banking/rbi-proposes-interoperable-cardless-cash-withdrawal-atms/article65302149.ece>
- **Pension assets grew 27.43% in FY22 to ₹7.37-lakh crore: FinMin:** Pension assets under management (AUM) grew a robust 27.43 per cent in FY22 at ₹7.37-lakh crore (against ₹ 5.78-lakh crore in FY21), according to Finance Ministry data. However, this was short of the ₹7.50-lakh crore that pension regulator, PFRDA, had targeted for the fiscal. It may be recalled that PFRDA chairman Supratim Bandopadhyay had recently told BusinessLine that the target may get missed due to the ongoing volatility in debt and equity markets on account of the geopolitical tension arising from the Russia-Ukraine conflict. Hawkish statements of the US Federal Reserve had also added to the volatility in the markets.
<https://www.thehindubusinessline.com/money-and-banking/pension-assets-grew-2743-in-fy22-to-737-lakh-crore-finmin/article65303812.ece>
- **MPC shifts focus to inflation targetting ahead of growth:** In an indication of shifting priorities, the monetary policy committee (MPC) on Friday said that it is putting inflation targetting ahead of economic growth in the backdrop of escalating geopolitical tensions and elevated commodity prices. The six MPC members on Friday unanimously chose to keep the policy repo rate unchanged at 4 per cent even as RBI sharply revised the FY23 inflation projection upwards to 5.7 per cent from 4.5 per cent earlier. The FY23 real GDP growth projection has been cut to 7.2 per cent from 7.8 per cent earlier.
https://www.business-standard.com/article/finance/monetary-policy-rbi-shifts-gaze-to-inflation-from-growth-after-2-years-122040801336_1.html
- **10-year G-Sec yield vaults over 7%:** Government Securities (G-Secs) prices crashed and their yields shot up as the Reserve Bank of India (RBI) revised its FY23 retail inflation projection sharply upwards and announced introduction of a standing deposit facility (SDF) at a higher interest rate to absorb liquidity. Price of the benchmark 10-year G-Sec (coupon rate: 6.54 per cent) slumped about ₹1.40 to close at ₹95.96 (previous close: 97.355). Yield of this paper jumped 20 basis points to 7.119 per cent (6.9148 per cent). Experts say the monetary policy is gradually moving towards a less accommodative stance.
<https://www.thehindubusinessline.com/money-and-banking/10-year-g-sec-yield-vaults-over-7/article65303794.ece>
- **Committed to working with NPCI to align with industry norms: Coinbase :** Following NPCI statement that it is not aware of any crypto exchange using UPI, global crypto exchange Coinbase, which announced their launch on Wednesday, has said it is committed to working with NPCI to ensure it is aligned with local expectations and industry norms. “As we enter the Indian market, we are actively experimenting with a number of payment methods and partners to enable our customers to seamlessly make their crypto purchases. One of these methods is UPI, a simple to use and rapid payment system. We are aware of the recent statement published by NPCI regarding the use of UPI by cryptocurrency exchanges. We are committed to working with NPCI and other relevant authorities to ensure we are aligned with local expectations and industry norms,” a Coinbase spokesperson said in a statement on Friday.



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<https://www.thehindubusinessline.com/money-and-banking/cryptocurrency/committed-to-working-with-npci-to-align-with-industry-norms-coinbase/article65302898.ece>

- **Standing Deposit Facility at higher interest rate introduced for Banks:** The Reserve Bank of India (RBI) has introduced a non-collateralised Standing Deposit Facility (SDF) to absorb surplus liquidity from the banking system at a higher interest rate. The SDF rate of 3.75 per cent will be the new floor rate for the so-called liquidity adjustment facility (LAF) corridor, replacing the fixed rate reverse repo (interest rate: 3.35 per cent). Market players say with this move, the effective LAF floor rate has moved up by 40 basis points from 3.35 per cent to 3.75 per cent.
<https://www.thehindubusinessline.com/money-and-banking/standing-deposit-facility-at-higher-interest-rate-introduced-for-banks/article65304000.ece#:~:text=The%20SDF%20rate%20of%203.75,at%20a%20higher%20interest%20rate.>
- **Bharat Bill Payment: RBI to lower net worth requirement for operating units to ₹25 crore:** With growing popularity of Bharat Bill Payment System, the RBI has decided to lower the net worth requirement of operating units to ₹25 crore from the current limit set at ₹100 crore. “To further facilitate greater penetration of bill payments through the BBPS and to encourage participation of a greater number of non-bank Bharat Bill Payment Operating Units in the BBPS, it is proposed to reduce the net worth requirement of such entities from ₹100 crore to ₹25 crore,” said RBI Governor Shaktikanta Das on Friday.
<https://www.thehindubusinessline.com/money-and-banking/bharat-bill-payment-rbi-to-lower-net-worth-requirement-for-operating-units-to-25-crore/article65302172.ece#:~:text=RBI%20will%20also%20issue%20guidelines,set%20at%20%20E2%82%B9100%20crore.>
- **About 5 crore Bandhan Bank shares change hands:** About 5 crore shares of Bandhan Bank were sold in a block deal in early morning trade on Friday. This amounts to about 3.1 per cent stake in the private sector bank. Details of the buyers and sellers were not immediately available although reports indicate HDFC Ltd has pared its stake in the private sector lender. The move comes soon after the announcement of HDFC Ltd with HDFC Bank. As of December 31, 2021, HDFC Ltd held 15.93 crore shares amounting to 9.89 per cent stake in Bandhan Bank.
<https://www.thehindubusinessline.com/money-and-banking/about-5-crore-bandhan-bank-shares-change-hands/article65302129.ece>
- **Cholamandalam records 36% jump in disbursements to Rs 35,489 crore in FY22:** Cholamandalam Investment and Finance Company (Chola), part of Murugappa Group, on Thursday said it has recorded a 36% jump in its disbursements for FY22 to Rs 35,489 crore, against Rs 26, 043 crore in the previous fiscal. Disbursements for Q4FY 22 stood at Rs 12,718 crore, compared with Rs 8, 071 crore in the year-ago period, logging a growth of 58%. The vehicle finance disbursements grew by 43% to Rs 8,785 crore in Q4 of FY22 and by 26% to Rs 25,439 crore in the entire financial year. Loan against property disbursements grew by 57% to Rs 1,870 crore in Q4 of FY22 and by 53% to Rs 5,536 crore in FY 22, Chola said in a disclosure to the stock exchanges.
<https://www.financialexpress.com/industry/banking-finance/cholamandalam-records-36-jump-in-disbursements-to-rs-35489-crore-in-fy22/2485383/>
- **IDBI Bank buyer to get leeway; promoter holding, listing norms may be eased:** The government will ask the Reserve Bank of India (RBI) to consider giving the potential buyer of IDBI Bank some leeway on complying with the regulatory norms for private banks, including a time-bound reduction in promoter holdings. An official source said the government may also urge the Securities and Exchange Board of India (Sebi) to give some flexibility to the strategic investor in IDBI Bank on the minimum public float norm for listed companies. In the pre-expression of interest (Eoi) roadshows currently under way for the disinvestment, the department of



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investment and public asset management (DIPAM) is seeking feedback from investors on the level of initial shareholding they would be comfortable with in the bank.

<https://www.financialexpress.com/industry/banking-finance/idbi-bank-buyer-to-get-leeway/2485232/>

- The BSE Sensex closed at 59,447.18, up 412.23 points or 0.70 per cent. It recorded an intraday high of 59,654.44 and a low of 58,876.36. The Nifty 50 closed at 17,784.35, up 144.80 points or 0.82 per cent. It recorded an intraday high of 17,842.75 and a low of 17,600.55. Grasim, ITC, SBI Life, JSW Steel and Adani Ports were the top gainers on the Nifty 50 while Cipla, Tech Mahindra, Maruti, NTPC and HCL Tech were the top losers.
<https://www.thehindubusinessline.com/markets/sensex-closes-412-pts-higher-as-rbi-keeps-rates-steady/article65302774.ece>

- **Rupee surges 23 paise against US dollar post RBI policy decision:** The rupee advanced 23 paise to 75.80 against the US dollar in the opening trade on Friday, amid the Reserve Bank of India maintaining status quo on the benchmark lending rate. Announcing the monetary policy, RBI Governor Shaktikanta Das said the Indian economy has large forex reserves and that it stands ready and resolute to defend the economy. At the interbank foreign exchange, the rupee opened at 75.99 against the US dollar, gained further momentum and touched 75.80 against the American currency, registering a rise of 23 paise from the previous close.
<https://economictimes.indiatimes.com/markets/forex/rupee-surges-23-paise-to-75-80-against-us-dollar-post-rbi-policy-decision/articleshow/90723101.cms>

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