



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

January 11, 2022

- **Bank frauds exceeding Rs 3 crore to need panel nod for CBI probe:** All bank fraud cases of over Rs 3 crore now need to be referred to an expert panel to decide if it warrants an investigation by the Central Bureau of Investigation (CBI). This Central Vigilance Commission (CVC) amendment now takes precedence over the earlier rule which said only fraud cases that were over Rs 50 crore in public sector banks need to be referred to such a panel. Bankers have also approached the finance ministry seeking a 'sunset period' for investigations so that probe agencies do not hound them for taking genuine business decisions. "There can be issues due to the prevailing situation in the economy or a particular industry, or a company's product may become obsolete over a period (of time). But if there are no problems for a certain number of specified number of years, then there is no need to go on a witch hunt, some of which happens post-retirement," said a banker.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-frauds-exceeding-rs-3-crore-to-need-panel-nod-for-cbi-probe/articleshow/88803753.cms>
- **Edelweiss group partners Indian Bank for co-lending to priority segment:** Diversified financial group Edelweiss on Monday said Edelweiss Housing Finance Ltd (EHFL) and ECL Finance Ltd (ECLF) have entered into co-lending partnership with Indian Bank for lending to priority sector areas. Agriculture, micro enterprises and advances to weaker sections of the society are amongst the categories that form the priority sector in lending space. Edelweiss Housing Finance Limited (EHFL) and ECL Finance Limited (ECLF) announce a strategic co-lending agreement for priority sector lending with Indian Bank, one of the largest public sector banks in the country, Edelweiss said in a release. EHFL and ECLF are Edelweiss group companies.
<https://www.moneycontrol.com/news/business/edelweiss-group-partners-indian-bank-for-co-lending-to-priority-segment-7919131.html>
- **Axis Bank issues first LC on dedicated govt-backed platform:** Axis Bank issued industry's first letter of credit (LC) on the Secured Logistics Document Exchange (SLDE), a government-backed blockchain-enabled platform, in what could be a signal that the regulator and the government are adopting a positive stance on blockchain technology though they are averse to cryptocurrencies. The deal involved ArcelorMittal Nippon and the bank's client Lalit Pipes & Pipes Limited (LPPL). The bank released an LC on behalf of LPPL, which required such a non-fund-based credit line for a business transaction with ArcelorMittal Nippon Steel, India (AM/NS). The entire deal was executed digitally on the platform.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/axis-bank-issues-first-lc-on-dedicated-govt-backed-platform/articleshow/88809319.cms>
- **NHB's Rs 150 cr refinance exposure to PMC Bank may get preferential treatment:** National Housing Bank's Rs 150 crore refinance exposure to the scam-hit Punjab and Maharashtra Co-operative (PMC) Bank may get preferential treatment vis-a-vis other institutional creditors having uninsured deposits with the bank. The ₹150 crore refinance that NHB has given to PMC Bank against its individual home loans will get transferred to Unity Small Finance Bank (the transferee bank into which PMC Bank will get amalgamated). However, NHB may not earn any interest on the refinance amount for the entire period that PMC Bank has been under RBI Directions (from the close of the bank's business on September 23, 2019) till the appointed date (when the amalgamation of PMC Bank with Unity Small Finance Bank/SFB takes effect), according to sources.



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<https://www.thehindubusinessline.com/money-and-banking/nhbs-150-cr-refinance-exposure-to-pmc-bank-may-get-preferential-treatment/article38217861.ece>

- **Shriram Transport Finance gives initial price guidance of about 4.45% for its Social Bond issue** : The proceeds from the social bonds will be utilised in accordance with STFC’s Social Finance Framework Shriram Transport Finance Company (STFC) Ltd has given an initial price guidance of about 4.45 per cent for its ‘Senior Secured Social Bond’ of ‘US Dollar benchmark size’ of 3.5 years tenor. The aforementioned ‘US Dollar benchmark size’ is under STFC’s existing Global Medium Term Note (GMTN) programme of \$3.50 billion. A benchmark size fund raising is usually for \$500 million or \$1 billion.
<https://www.thehindubusinessline.com/money-and-banking/shriram-transport-finance-gives-initial-price-guidance-of-about-445-for-its-social-bond-issue/article38214627.ece>
- **EbixCash appoints ex-ED of RBI Uma Shankar as Independent Director**: EbixCash Pvt Ltd, a subsidiary of Nasdaq-listed Ebix, Inc, has appointed former RBI Executive Director Uma Shankar as a new independent director to the EbixCash Board. Presently, she is an Independent Director on the Boards of Karnataka Bank and IDBI Capital Markets and Securities Ltd. Ebix is an international supplier of On-Demand software and e-commerce services to the insurance, financial, healthcare and e-learning industries.
<https://www.thehindubusinessline.com/money-and-banking/ebixcash-appoints-ex-ed-of-rbi-uma-shankar-as-independent-director/article38215819.ece>
- **Banks Q3 results: Improved asset quality, modest growth on cards**: Banks are likely to report a modest growth in earnings with improved loan growth in the third quarter of the fiscal and asset quality could improve. Kotak Institutional Equities said it expects an improvement in asset quality outlook for most lenders in the third quarter led by lower slippages and better recovery trends. “There are no large corporate slippages while retail and SME should show improvement on a net basis,” it said in a research note.
<https://www.thehindubusinessline.com/money-and-banking/banks-q3-expectation-modest-earning-growth-asset-quality-may-improve/article38205658.ece>
- **RBI data rules likely to help only a few fintechs**: The Reserve Bank of India’s decision to allow financial technology companies to access data from credit information bureaus is set to bring a highly unregulated segment within the regulatory purview. But experts said the new rules are likely to benefit a few companies, with concerns on data protection still unaddressed. Until now, only regulated entities such as credit institutions and specified users like telecom companies, insurance providers, rating agencies and registered brokers had access to such data.
<https://www.livemint.com/industry/banking/rbi-data-rules-likely-to-help-only-a-few-fintechs-11641841624242.html>
- **IDBI Bank announces offering of products benchmarking to Alternative Reference Rates** : IDBI Bank announced that it has started offering products benchmarking to Alternative Reference Rates (ARRs) thus replacing London Inter-Bank Offered Rate (LIBOR) in line with regulatory guidelines. With effect from January 1, 2022, all the new transactions are being referenced to the ARR. The Alternative Reference Rates (ARRs) include Secured Overnight Financing Rate (SOFR) for USD transactions, Sterling Overnight Interbank Average (SONIA) for GBP transactions, etc.
<https://www.livemint.com/industry/banking/idbi-bank-announces-offering-of-products-benchmarking-to-alternative-reference-rates-11641820882335.html>



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- **Bank of Baroda reviews MCLR-based lending rates:** Public sector lender Bank of Baroda has reviewed marginal cost-based lending rates (MCLR) with effect from 12 January, the company informed the stock exchanges on Monday. The lender has kept one-year MCLR unchanged at 7.3%, while revising downwards its overnight rate to 6.45% from earlier 6.50%. Bank of Baroda has kept one month, three month and six month lending rates at 6.90%, 7.05% and 7.15% respectively.
<https://www.livemint.com/industry/banking/bank-of-baroda-reviews-mclr-based-lending-rates-details-here-11641812474439.html>
- **RBL Bank collaborates with Google to advance next generation customer experience :** RBL Bank and Google today announced a strategic collaboration to fuel the Bank's customer experience strategy and expand its value proposition to serve its rapidly growing customer base through its digital platform, Abacus 2.0. This collaboration will enable better customer data management, and analytics, enabling effective cross-selling within the Bank's large customer base and subsequently reducing the cost of customer acquisition, significantly. Through Abacus 2.0, the Bank aims to provide a superior and holistic one-stop solution to its existing and new customers, to seamlessly deliver its different product offerings across channels.
<https://www.livemint.com/industry/banking/rbl-bank-collaborates-with-google-to-advance-next-generation-customer-experience-11641789073575.html>
- **Paytm's loan disbursement jumps 365% to ₹2,180 cr in Dec qtr:** Paytm operator One97 Communications Ltd recorded "stellar growth" in the December quarter, on the back of a rapid scaling of its lending business, it said on Monday. Loan disbursement volumes during the quarter shot up 401% year-on-year to 4.4 million and value jumped 365% to ₹2,180 crore, One97 Communications said in a stock market disclosure.
<https://www.livemint.com/industry/banking/paytms-loan-disbursement-jumps-365-to-2-180-cr-in-dec-qtr-11641839955955.html>
- **FPIs back in Indian equity segment, infused Rs 3,695 crore so far in Jan:** After a continuous sell-off in the past three months or so, foreign portfolio investors have turned net buyers in the first week of January in the Indian equity segment, data showed. So far in 2022, FPIs have infused Rs 3,695 crore in the Indian equity. The recent correction in domestic equity markets provided them a good buying opportunity, analysts opined. "This (buying by FPIs) comes at a time when the market has recovered after a fall of almost 12 per cent from the high of 18,604 to a low of 16,410. FPIs seem to be more comfortable buying now with the start of the new rally post the correction ahead of the Q3 earnings," said Jayesh Bhanushali, AVP, Research at IIFL Securities. "Also, with the run-up to the budget, we expect the FII buying trend to continue and the market to have a positive bias in the short term."
https://www.business-standard.com/article/markets/fpis-back-in-indian-equity-segment-infused-rs-3-695-crore-so-far-in-jan-122011001107_1.html
- **Rupee gains 18 paise against US dollar in early trade:** The rupee appreciated by 18 paise to 74.16 against the US dollar in opening trade on Monday, tracking strong gains in domestic equities. At the interbank foreign exchange, the rupee opened sharply higher at 74.15 against the American dollar, then inched slightly lower to quote 74.16, registering a rise of 18 paise from the last close.
<https://www.moneycontrol.com/news/business/markets/indian-rupee-gains-18-paise-against-us-dollar-in-early-trade-7918311.html>



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- **Sensex above 60,000, Nifty regains 18,000; auto, bank, realty shine:** At close, the Sensex was up 650.98 points, or 1.09 percent, at 60,395.63, and the Nifty was up 190.60 points, or 1.07 percent, at 18,003.30. UPL, Hero MotoCorp, Titan Company, Tata Motors and Maruti Suzuki were among the top Nifty gainers. Losers were Wipro, Nestle, Divis Labs, Asian Paints and Power Grid Corp.
<https://www.moneycontrol.com/news/business/markets/taking-stock-sensex-above-60000-nifty-regains-18000-auto-bank-realty-shine-7919671.html>
- **Gold prices today fall to 2-month lows, down ₹9,000 from record highs:** Gold and silver struggled in Indian markets today, extending recent losses in the precious metals. Gold futures fell 0.16% to two-month lows of ₹47,375 per 10 gram on MCX while silver futures dropped 0.31% to ₹60,420 per kg. In Friday's session, gold had ended flat while silver rose 0.4%. The precious metal has fallen sharply from December highs of ₹48,700, hurt by rising US bond yields amid Fed's hawkish tone.
<https://www.livemint.com/market/commodities/gold-prices-today-fall-to-2-month-lows-down-rs-9-000-from-record-highs-11641785361177.html>

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