



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

April 19, 2022

- **SBI raises \$500 million through IFSC Gift City branch:** The country's largest lender State Bank of India (SBI) on Monday said it has raised USD 500 million (over Rs 3,800 crore) through its IFSC Gift City branch. This is the first offshore USD Secured Overnight Financing Rate (SOFR) linked syndicated loan raised by SBI through its Gift City branch, a release said. The facility is for USD 400 million plus USD 100 million as a green shoe option. "The successful launch of syndicated loan at such a fine pricing demonstrates the kind of reputation SBI has created for itself in offshore financial markets allowing it to efficiently raise funds even during ongoing turbulence in the markets caused by geopolitical tensions and rate hike expectations by US Federal Reserve and other central banks across the globe," its Managing Director Ashwini Tewari said.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/sbi-raises-500-million-through-ifsc-gift-city-branch/articleshow/90907403.cms>
- **Loan assets securitised by NBFCs jump 43 pc to Rs 1.25 lakh crore last fiscal: Report:** Total value of loan assets securitised by non-banking financial companies, including housing finance firms, grew by around 43 per cent in the last fiscal year to Rs 1,25,000 crore, driven by quick economic recovery and lower base effect, a report said on Monday. The amount of loans securitised by NBFCs (Non-Banking Financial Companies) and HFCs (Housing Finance Companies) in FY21 stood at Rs 87,300 crore, Icra Ratings said in a report. The agency expects the securitisation volume to touch the pre-Covid level of Rs 2 lakh crore in fiscal 2023-24. "The growth (in securitisation volumes) in FY22 was on account of the lower base of FY21 and quick recovery in economic activities following the second pandemic wave in the first quarter and limited disruptions seen during the third wave," the agency said.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/loan-assets-securitised-by-nbfc-jump-43-pc-to-rs-1-25-lakh-crore-last-fiscal-report/articleshow/90913566.cms>
- **Kotak Mahindra Bank increases MCLR:** Kotak Mahindra Bank has increased the marginal cost of lending rate (MCLR) by five basis points across all tenors. According to its website, the new MCLR rates came into effect from April 16. Following this increase, a majority of loans will become expensive. The overnight MCLR is now 6.65 per cent while the one year MCLR is 7.4 per cent. State Bank of India had also recently hiked the MCLR by 10 basis points.  
<https://www.thehindubusinessline.com/money-and-banking/kotak-mahindra-bank-increases-mclr/article65331598.ece>
- **ESAF SFB business up 44 per cent in FY22:** The ESAF Small Finance Bank's total business increased by 43.67 per cent to ₹25,019 crore from ₹17,414 crore as of March 31, 2021, with both deposits and gross advances showing a positive trend. Total deposits increased by 42.41 per cent to ₹12,816 crore as of March 31, 2022, compared to ₹8,999 crore of the same period last year, it said in a statement. Gross advances increased by 45.01 per cent to ₹12,203 crore compared to ₹8,415 crore as



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of March 31, 2021. “We believe that the resilience of the rural economy and government’s focus on financial inclusion amidst Covid is one of the key factors that worked in our favour,” said K Paul Thomas, Managing Director and CEO, ESAF SFB.

<https://www.thehindubusinessline.com/money-and-banking/esaf-sfb-business-up-44-per-cent-in-fy22/article65332057.ece>

- **Monetary transmission to lending rates gained traction with EBLR: RBI bulletin:** The Reserve Bank of India’s (RBI) endeavour to improve monetary transmission to banks’ lending rates have gained traction with the advent of EBLR regime and is expected to strengthen further in case of both deposits and loans, said an article in the central bank’s monthly bulletin. “The earlier internal benchmark-based lending rate regimes suffered from a multitude of issues such as arbitrariness in calculation of the base rate/MCLR and spreads; long reset clauses which inhibited efficient monetary transmission,” said an article on Monetary Transmission to Banks’ Interest Rates: Implications of External Benchmark Regime in RBI’s April bulletin.  
<https://www.thehindubusinessline.com/money-and-banking/monetary-transmission-to-lending-rates-gained-traction-with-eblr-rbi-bulletin/article65332496.ece>
- **Crypto payments frozen across India, hitting trading:** When Surojit Chatterjee walked on stage at a Coinbase Global Inc conference in Bengaluru, India, on April 7, he had little reason to anticipate the fallout that would shortly ensue. Chatterjee, the company’s Chief Product Officer, told the assembled audience that crypto investors would now be able to use the country’s online retail payments system to transfer funds to its local exchange. Hours after Chatterjee’s announcement, the RBI-backed entity that runs the system — called United Payments Interface — said it was “not aware” of any crypto exchange using the network. Within three days of the event, Coinbase had halted rupee transfers to its trading app via UPI. The abrupt reversal left Coinbase customers without any way of funding their accounts with rupees, dealing a blow to its expansion plans in India.  
<https://www.bloomberquint.com/global-economics/crypto-payments-frozen-across-india-after-coinbase-announcement>
- **Invoicemart touches ₹14,600 crore in throughput in FY22:** TReDS platform Invoicemart has reached a record throughput of over ₹26,000 crore, of which, ₹14,600 crore was recorded in the last financial year. In a statement on Monday, it said reached several milestones in 2021-22. “It is the only TReDS platform to have registered more than 1,000 of India’s top corporates, PSUs, CPSEs as ‘buyers’ and has enabled financing of over 10 lakh MSME invoices on TReDS,” it said. The Axis Bank-backed platform now has registered MSMEs in over 700 locations and managed to reach over 3,200 PIN codes.  
<https://www.thehindubusinessline.com/money-and-banking/invoicemart-touches-14600-crore-in-throughput-in-fy22/article65331644.ece#:~:text=TreDS%20platform%20Invoicemart%20has%20reached,several%20milestones%20in%202021%2D22.>
- **SBI, Axis Bank raise their MCLR by 10, 5 basis points respectively:** The country’s largest lender State Bank of India (SBI) has hiked its marginal cost of lending rate (MCLR) by 10 basis points (bps) across all tenors, with effect from April 15, 2022, in a sign that the rate cycle has turned. MCLR is a benchmark



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interest rate, which is the minimum rate at which banks are allowed to lend. Earlier, the state-owned Bank of Baroda had also raised its MCLR by 5 basis points, with effect from April 12. Private sector lender Axis Bank has also hiked its MCLR by 5 basis points across tenures, with effect from April 18.

[https://whatnews.in/sbi-axis-bank-raise-their-mclr-by-10-5-basis-points-respectively/?utm\\_source=rss&utm\\_medium=rss&utm\\_campaign=sbi-axis-bank-raise-their-mclr-by-10-5-basis-points-respectively](https://whatnews.in/sbi-axis-bank-raise-their-mclr-by-10-5-basis-points-respectively/?utm_source=rss&utm_medium=rss&utm_campaign=sbi-axis-bank-raise-their-mclr-by-10-5-basis-points-respectively)

- **HDFC Bank shifts tack to focus on wholesale loans, plans branch expansion:** Defying trends, the country's largest private sector lender, HDFC Bank, has shifted its asset mix significantly towards high-rated segments. As a result, its wholesale-to-retail mix has tilted heavily in favour of wholesale, even at the cost of margins. Further, it is even looking to ramp up its branch network, with an aim to service clients within a 1-2 km radius rather than the current 5-6 km radius. During Q4 of FY22, the bank added 563 branches while in the entire FY22, it added 734 branches, which is about two branches per day. Further, it is looking to add another 150 branches within a short period of time. "A branch in the catchment area can effectively manage the customer relationships better," said Srinivasan Vaidyanathan, chief financial officer (CFO) in an analysts' call.  
[https://www.business-standard.com/article/finance/hdfc-bank-shifts-tack-to-focus-on-wholesale-loans-plans-branch-expansion-122041700950\\_1.html](https://www.business-standard.com/article/finance/hdfc-bank-shifts-tack-to-focus-on-wholesale-loans-plans-branch-expansion-122041700950_1.html)
- **New business premium income of insurance cos up 13% at Rs 3.14 trn in FY22:** New business premium income of all the life insurance companies rose by nearly 13 per cent to Rs 3,14,263 crore in fiscal 2022, data from Irdai showed on Monday. Twenty four life insurance companies had a total premium income of Rs 2,78,277.98 crore from new business in the previous fiscal. Soon-to-be listed public sector insurance behemoth LIC registered about 8 per cent growth in its new business premium income at Rs 1,98,759.85 crore in 2021-22, against Rs 1,84,174.57 crore in the previous fiscal, as per the data shown by the Insurance Regulatory and Development Authority of India (Irdai). The rest of the 23 life insurance companies belonging to the private sector had a combined new business premium of Rs 1,15,503.15 crore during the fiscal, up 23 per cent from Rs 94,103.42 crore.  
[https://www.business-standard.com/article/finance/new-business-premium-income-of-insurance-cos-up-13-at-rs-3-14-trn-in-fy22-122041801069\\_1.html#:~:text=New%20business%20premium%20income%20of%20all%20the%20life%20insurance%20companies,business%20in%20the%20previous%20fiscal.](https://www.business-standard.com/article/finance/new-business-premium-income-of-insurance-cos-up-13-at-rs-3-14-trn-in-fy22-122041801069_1.html#:~:text=New%20business%20premium%20income%20of%20all%20the%20life%20insurance%20companies,business%20in%20the%20previous%20fiscal.)
- **HDFC Bank adds a record 21,486 employees in FY22:** HDFC Bank Ltd, India's top private sector lender, added a record 21,486 employees in FY22, taking the total staff count to 141,000. In the March quarter alone, it recruited 7,167 people, a record for a quarter. The bank had hired 3,122 employees in FY21 and 18,910 in FY20. The bank also opened 734 new branches and 2,043 ATMs in FY22. It now has a network of 6,342 branches and 18,130 ATMs. In the fiscal fourth quarter alone, the bank added 563 branches. "The bank added two new branches a day during FY22. It is looking to open another 150 branches in a short period," Srinivasan Vaidyanathan, chief financial officer, HDFC Bank, said during an analyst call.  
<https://www.livemint.com/news/india/hdfc-bank-hires-record-numbers-in-q4-branch-expansion-picks-up-pace-too-11650189129157.html>



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- **NPCI permits WhatsApp to raise UPI user base to 100 million:** Retail payments umbrella entity National Payments Corporation of India (NPCI) on Wednesday said it has approved WhatsApp to add another 60 million users on unified payments interface (UPI), taking the total base to 100 million. “With this approval, WhatsApp will be able to expand the service to its 100 million users,” NPCI said in a statement.  
<https://www.livemint.com/industry/banking/npci-permits-whatsapp-to-raise-upi-user-base-to-100-million-11649880595039.html>
- **Loan assets securitised by NBFCs jump 43 pc to Rs 1.25 lakh crore last fiscal: Report:** Total value of loan assets securitised by non-banking financial companies, including housing finance firms, grew by around 43 per cent in the last fiscal year to Rs 1,25,000 crore, driven by quick economic recovery and lower base effect, a report said on Monday. The amount of loans securitised by NBFCs (Non-Banking Financial Companies) and HFCs (Housing Finance Companies) in FY21 stood at Rs 87,300 crore, Icra Ratings said in a report. The agency expects the securitisation volume to touch the pre-Covid level of Rs 2 lakh crore in fiscal 2023-24. “The growth (in securitisation volumes) in FY22 was on account of the lower base of FY21 and quick recovery in economic activities following the second pandemic wave in the first quarter and limited disruptions seen during the third wave,” the agency said.  
<https://www.financialexpress.com/india-news/loan-assets-securitised-by-nbfc-jump-43-pc-to-rs-1-25-lakh-crore-last-fiscal-report/2495264/>
- **Debit card usage to drop as RBI pushes for UPI-based cash withdrawals:** The Reserve Bank of India’s (RBI) push to enable Unified Payments Interface (UPI)-backed cash withdrawals from ATMs is likely to cause a severe dent in the usage of debit cards, according to payment industry executives. Already a preferred mode of payments at storefronts and for small-value online transactions, UPI is now set to eat into the debit card’s last-remaining bastion of cash withdrawals. At Rs 1.63 trillion, the value of merchant UPI transactions in February 2022 was well above the value of debit and credit card transactions at point of sale (POS) terminals, which was Rs 1.43 trillion. According to a recent report by HDFC Securities, UPI accounts for nearly three-fourth of all transaction volumes below Rs 500.  
<https://www.financialexpress.com/industry/banking-finance/debit-card-usage-to-drop-as-rbi-pushes-for-upi-based-cash-withdrawals/2494247/>
- **Shift to safer assets hits margins and income in Q4: HDFC Bank:** A pandemic-era shift to safer and better-rated assets resulted in a hit to margins and interest income in Q4FY22, HDFC Bank told investors. Supply chain issues in the vehicle segment and slower growth in credit card loans have resulted in a muted trend in retail loan growth, the bank’s management said. HDFC Bank’s Q4 core net interest margin (NIM) of 4% counts among the lowest ever posted by the lender. Net interest income (NII) growth was also subdued at 10.2% year-on-year (y-o-y). Srinivasan Vaidyanathan, chief financial officer of HDFC Bank, said on a post-results conference call that the bank’s asset mix has shifted towards higher-rated segments during the Covid period, albeit at lower yields. “As a result, NII growth has been lower but with the corresponding offset in credit costs which are lower than the historical average,” he said.  
<https://www.financialexpress.com/industry/banking-finance/shift-to-safer-assets-hit-margins-and-income-in-q4-says-hdfc-bank/2494345/>



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- **RBI imposes monetary penalty on Manappuram Finance:** The Reserve Bank of India (RBI) on April 18 imposed a monetary penalty of Rs 17.6 lakh on Manappuram Finance for non-compliance with certain provisions. The violation pertains to issuance and operation of prepaid payment instruments (PPI) and Know Your Customer (KYC) norms, the RBI said in a statement. "The penalty has been imposed in exercise of powers vested in RBI under Section 30 of the Payment and Settlement Systems Act, 2007," the central bank added.  
<https://www.livemint.com/companies/news/rbi-imposes-fine-on-manappuram-finance-for-violating-kyc-ppi-norms-11650297109287.html>
- **RBI allows banks to reckon additional govt bonds as high-quality liquid assets to compute liquidity ratio:** The Reserve Bank of India, on April 18, allowed banks to reckon additional government bonds as level one High Quality Liquid Assets (HQLA) to compute the liquidity coverage ratio. Banks will be allowed to reckon bonds up to 16 percent of their net demand and time liabilities with immediate effect against 15 percent earlier, the RBI said in a release.  
<https://www.moneycontrol.com/news/business/rbi-allows-banks-to-reckon-additional-bonds-as-high-quality-liquid-assets-to-compute-liquidity-ratio-8374831.html>
- **Sensex slumps 1,172 points led by IT, financials , Nifty ends below 17,200:** The BSE Sensex closed at 57,166.74, down 1,172.19 points or 2.01 per cent. It recorded an intraday high of 57,420.80 and a low of 56,842.39. The Nifty 50 closed at 17,173.65, down 302.00 points or 1.73 per cent. It recorded an intraday high of 17,237.75 and a low of 17,067.85. NTPC, SBI Life, HDFC Life, Tata Steel and Maruti were the top gainers on the Nifty 50 while Infosys, HDFC, HDFC Bank, Tech Mahindra and Apollo Hospitals were the top losers.  
<https://www.thehindubusinessline.com/markets/sensex-slumps-1172-points-led-by-it-financials-nifty-ends-below-17200/article65331736.ece>
- **Rupee slumps to 76.43 against US dollar in early trade:** The rupee declined 24 paise to 76.43 against the US dollar in the opening trade on Monday tracking the strength of the dollar and elevated crude oil prices. At the interbank foreign exchange, the rupee opened on a muted note at 76.41 against the American dollar, then fell and touched an early low of 76.43 in initial deals, registering a fall of 24 paise over its previous close.  
<https://www.thehindubusinessline.com/markets/forex/rupee-slumps-to-7643-against-us-dollar-in-early-trade/article65331173.ece>

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