



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

April 20, 2022

- **SBI hikes MCLR by 10 bps on all types of loans:** State Bank of India, the country's biggest mass lender by assets, has raised its marginal cost of lending rate (MCLR) on all types of retail and institutional loans - for homes, vehicles or corporate purposes - by 10 basis points, marking the start to an upward cycle in borrowing costs in nearly three years. The lender has funded more than a fifth of all outstanding loans in the country. One basis point is equivalent to a hundredth of a percentage point. Almost all lenders are now likely to follow the SBI in raising their benchmark rates, with the Reserve Bank of India (RBI) likely tightening monetary conditions to restrain inflation. Banks and non-bank lenders have raised lending rates by up to 15 basis points over the past one month on tightening liquidity conditions and higher deposit costs.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/sbi-hikes-mclr-by-10-bps-on-all-types-of-loans/articleshow/90924365.cms>
- **SBI, BoB, others hike lending rates by up to 0.1 pc:** EMIs to go up: EMIs for home, car and personal loans are set to go up for existing borrowers, with State Bank of India (SBI) and other major lenders including Bank of Baroda (BoB), Axis Bank and Kotak Mahindra Bank increasing their benchmark lending rates by up to 0.10 per cent. Bank of Baroda (BoB), Axis Bank and Kotak Mahindra Bank have also hiked the benchmark one-year MCLR -- against which most of the consumer loans are priced -- by 0.05 per cent each. The lending rate hike by these banks -- which comes after a gap of around three years -- is likely to be followed by others, which will push up the Equated Monthly Installments (EMIs) for different categories of loans to consumers. State-owned BoB's new MCLR for one year tenure stands at 7.35 per cent with effect from April 12, 2022. Private sector Axis Bank and Kotak Mahindra Bank have revised the one-year MCLR to 7.40 per cent with effect from April 18 and April 16, respectively. The country's largest lender SBI has revised its marginal cost of funding based lending rate (MCLR) by 0.10 per cent across tenors. The bank revised the lending rate from 7 per cent to 7.10 per cent for the one-year tenure. The revised MCLR is effective from April 15, as per information posted on SBI's website.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/sbi-bob-others-hike-lending-rates-by-up-to-0-1-pc-emis-to-go-up/articleshow/90938619.cms>
- **Digitally ready Bank of Baroda aims to click on more loans:** After overhauling its IT infrastructure to set up digital banking departments internally, public sector lender Bank of Baroda is now targeting at least 65% of retail originations and 35% of MSME loans (value-wise) to be done digitally by the end of the current fiscal year. The bank is also targeting ₹50,000 crore of digital lending in the current fiscal year. "We believe that this year we will disburse loans of over ₹50,000 crore through our digital bank this year alone," said Akhil Handa, chief digital officer, Bank of Baroda. "This will be a combination of retail (home, auto, personal) loans and small ticket MSME loans (Mudra loans and small ticket business loans). We have a substantial advantage over peer banks that are getting started with their digital journey." Handa added that at least ₹35,000 crore-₹40,000 crore will come from lending to the retail sector, while the balance will be contributed by the MSME segment.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/digitally-ready-bank-of-baroda-aims-to-click-on-more-loans/articleshow/90921457.cms>
- **Punjab & Sind Bank declares outstanding dues of ₹1,234 crore to Srei group firms as fraud:** Punjab & Sind Bank has declared outstanding dues of around ₹1,234 crore to the Srei group firms – Srei Infrastructure Finance and Srei Equipment Finance -as fraud and reported it to Reserve Bank of India. In a stock market notification on Tuesday, the bank said the NPA accounts, SREI Infrastructure Finance Ltd (SIFL) with outstanding dues of ₹510



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crore and SREI Equipment Finance Ltd (SEFL) with outstanding dues of ₹724 crore, have been declared as fraud. The accounts have been fully provided for as per prescribed prudential norms, it said.

<https://www.thehindubusinessline.com/money-and-banking/punjab-sind-bank-declares-outstanding-dues-of-1234-crore-to-srei-group-firms-as-fraud/article65336179.ece>

- **Telangana Grameena Bank's FY22 net profit up 27 per cent at ₹373 cr:** Telangana Grameena Bank's net profit increased 27 per cent at ₹373 crore in the financial year ended March 31, 2022 compared to ₹294 crore in the previous financial year. The total business of the Hyderabad-based bank grew 10.39 per cent at ₹22,312 crore as against ₹20,213 crore last year, according to the Bank's results announced on Tuesday. "Our bank has a large customer base of 39 lakh. The Bank is concentrating on priority sector lending particularly for improving agricultural production, empowerment of women and promoting self employment/ retail trading (MSE & MUDRA) in rural and semi urban areas which covers 81 per cent of total advances," V Arvind, Chairman, Telangana Grameena Bank said.
<https://www.thehindubusinessline.com/money-and-banking/telangana-grameena-banksfy22-net-profit-up-27-per-cent-at-373-cr/article65335461.ece>
- **Cos should float their own NBFCs to fund road construction related projects: Gadkari:** Union Road Transport and Highways Minister Nitin Gadkari on Tuesday said infrastructure companies should also float their own non-banking financial companies (NBFCs) to fund road construction related projects. Gadkari further said the National Highways Authority of India (NHAI) should also have a financial arm like the Power Ministry's Power Finance Corporation (PFC) or the Railways Ministry's Indian Railways Finance Corporation (IRFC). "Infrastructure companies are now investing huge money on infrastructure... Infrastructure companies should also float their own non-banking financial companies (NBFCs) to fund road construction related projects," he said while speaking at an Assocham event. Gadkari emphasised that there is a need to develop an innovative financial model for the highway sector as it is difficult to develop infrastructure only with the government money.
<https://auto.economictimes.indiatimes.com/news/industry/infrastructure-cos-should-float-their-own-nbfc-to-fund-road-construction-related-projects-gadkari/90955039>
- **LIC sold 2.17 crore policies in FY22, up 3.54 per cent y-o-y:** IPO-bound Life Insurance Corporation of India sold 2.17 crore insurance policies in FY22, a 3.54 per cent increase from 2.10 crore policies in FY21. Its first year premium increased by 7.92 per cent to ₹1,98,759.85 crore in FY22 from ₹1,84,174.57 crore in the previous fiscal. According to IRDAI data, individual single premium fell 13.92 per cent to ₹24,805.53 crore from ₹28,822.49 crore in the previous fiscal. However, in March 2022, individual single premium of LIC shot up by 61 per cent on a year-on-year basis to ₹4,018.33 crore. During FY22, individual non-single premium rose 8.82 per cent to ₹30,015.74 crore from ₹27,584.02 crore as of end of March 2021.
<https://www.thehindubusinessline.com/money-and-banking/lic-sold-217-crore-policies-in-fy22-up-354-per-cent-yoy/article65334785.ece>
- **IBBI proposes changes in insolvency resolution process regulations:** The Insolvency and Bankruptcy Board of India (IBBI) has proposed four changes to corporate insolvency resolution process (CIRP) regulations to reduce delays. Public comments have been invited by May 3 on the proposed changes for which a consultation paper has also been issued by the regulator. The paper addresses areas such as substantiating default in admitting applications by operational creditors; facilitating information availability to prepare information memorandum and avoidance applications; dealing with avoidance applications after closure of a CIRP; and significant difference in valuation during a CIRP and appointment of a third valuer.
<https://www.thehindubusinessline.com/economy/ibbi-proposes-changes-in-insolvency-resolution-process-regulations/article65335017.ece>



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- **RBI issues guidelines on capital requirements for NBFCs- UL:** NBFCs-Upper Layer will maintain, on an on-going basis, Common Equity Tier 1 (CET1) ratio of at least nine per cent of risk weighted assets, the Reserve Bank of India has said. This follows a circular for Scale Based Regulation for NBFCs. “This circular is applicable to all NBFCs identified as NBFC-UL, except core investment companies (CICs),” the RBI said in detailed guidelines on capital requirements issued on Tuesday.
<https://www.thehindubusinessline.com/money-and-banking/rbi-issues-guidelines-on-capital-requirements-for-nbfc-ul/article65335919.ece>
- **Ospyn Technologies to help Federal Bank fast-track process automation:** Technopark-incubated Ospyn Technologies has clinched a major work order from Federal Bank, per which the OspynDocs software will be deployed to fast-track the bank’s process automation. Ospyn has been onboarded to automate and accelerate processes such as loan document vetting, loan origination, de-duplication check and inter-office communications at Federal Bank, a company spokesman said here. The OspynDocs digital platform to accelerate the process of business automation and create a centralised document management system. It consists of standard modules like document management, business process management, and multi-channel content capture system and is equipped with Artificial Intelligence (AI) and Machine Learning (ML)-based capabilities.
<https://www.thehindubusinessline.com/info-tech/ospyn-technologies-to-help-federal-bank-fast-track-process-automation/article65334572.ece>
- **CoinDCX raises ₹1,000 crore in Series D funding round:** Cryptocurrency exchange CoinDCX has closed an oversubscribed round of over \$135 million (over ₹1,000 crore)in their Series D funding. “The round was led by Pantera and Steadview with strong participation from prominent investors like Kingsway, DraperDragon, Republic, and Kindred,” it said in a statement on Tuesday, adding that existing investors such as B Capital Group, Coinbase, Polychain, and Cadenza also increased their investments in CoinDCX. “Education, innovation and compliance remain key cornerstones of CoinDCX’s strategy, and with this round, they will continue to build on these strengths,” it further said.
<https://www.thehindubusinessline.com/money-and-banking/cryptocurrency/coindcx-raises-1000-crore/article65334294.ece>
- **SBM Bank India raises ₹125 crore via maiden Tier-II bonds:** SBM Bank India, a wholly-owned subsidiary (WoS) of Mauritius-based SBM Group, has raised ₹125 crore at a coupon rate of 9.75 per cent via its maiden Tier- II capital Basel-III compliant bonds with a 10-year maturity to propel its expansion plans. Further, the bank has also raised ₹300 crore from the National Bank for Agriculture and Rural Development (NABARD) under automatic refinance facility. The bonds carry a call option at the end of the 5th year. This issuance comes after SBM Bank completed its third full year of operations as a full-service Indian bank, post commencement of business as a WoS of SBM Group Holdings, per a statement.
<https://www.thehindubusinessline.com/money-and-banking/sbm-bank-india-raises-125-crore-via-maiden-tier-ii-bonds/article65335222.ece>
- **Govt panel urges tighter regulation of Nidhi companies:** The Company Law Committee has made a host of recommendations for stricter regulation of Nidhi companies, including more due diligence at the incorporation stage, restricting validity of Nidhi status to about five years, and empowering the Centre to formulate schemes for their restructuring. The recommendations come after the failure of leading Nidhis, involving crores of rupees and lakhs of depositors, due to imprudent lending and mismanagement. The 11-member committee is headed by Rajesh Verma, Secretary, Ministry of Corporate Affairs.
<https://www.thehindubusinessline.com/money-and-banking/panel-urges-tighter-regulation-of-nidhis/article65334475.ece>



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- **As pandemic eases, insurers hopeful of more reinsurance support:** In some relief to customers, insurers are hopeful that reinsurance support will now come back for products like term insurance and group insurance with the Covid-19 pandemic showing signs of easing. While there is no action on the ground as of now, there is expectation that the stricter underwriting norms and exposure norms will now be reviewed. However, players are clear that premium rates that were hiked over the last 12 to 18 months are unlikely to be revisited. Fresh increases may not be on the cards for most insurers. “Unfortunately, in the pandemic, reinsurance had been affected globally and it impacted their capacities. This led to more stringent pricing and conditions,” noted an industry source.
<https://www.thehindubusinessline.com/money-and-banking/as-pandemic-eases-insurers-hopeful-of-more-reinsurance-support/article65334619.ece>
- **AU Small Finance Bank to consider bonus issue along with results on April 26:** The Jaipur-based AU Small Finance Bank has informed BSE that the meeting of the Board of Directors of the Company will be held on Monday, 25th April 2022 and will continue on Tuesday, 26th April 2022 at Jaipur. The following business items shall be taken up for consideration on Tuesday, 25th April 2022: a) The Audited Financial Results of the Bank for the Quarter and Financial Year ended on 31st March, 2022; b) To consider the proposal for issuance of Bonus Shares subject to requisite approvals; and c) To consider and recommend a Dividend on equity shares for the financial year ended 31st March 2022.
<https://www.livemint.com/industry/banking/au-small-finance-bank-to-consider-bonus-issue-along-with-results-on-april-26-11650332724377.html>
- **Late hour sell-off drags Sensex down 703 pts, Nifty slips below 17,000 :** The BSE Sensex closed at 56,463.15, down 703.59 points or 1.23 per cent. It recorded an intraday high of 57,464.08 and a low of 56,009.07. The Nifty 50 slipped below 17,000 to close at 16,958.65, down 215.00 points or 1.25 per cent. It recorded an intraday high of 17,275.65 and a low of 16,824.70. The rupee depreciated 25 paise to close at 76.505 to a Dollar. The price of the 2nd highly traded liquid paper (6.67 per cent GS 2035) moved up 26 paise, with its yield declining 3 basis points. Apollo Hospitals, Coal India, Reliance, BPCL and ICICI Bank were the top gainers on the Nifty 50 while HDFC, HDFC Life, SBI Life, HDFC Bank and Tata Consumer were the top losers.
<https://www.thehindubusinessline.com/markets/late-hour-sell-off-drags-sensex-down-703-pts-nifty-slips-below-17000/article65334989.ece#:~:text=The%20BSE%20Sensex%20closed%20at,points%20or%201.25%20per%20ent.>
- **Rupee falls 22 paise to close at 76.51 against US dollar:** The rupee fell 22 paise to close at 76.51 (provisional) against the US dollar on Tuesday, tracking a strong American currency in the overseas market and significant foreign fund outflows. At the interbank foreign exchange market, the rupee opened at 76.34 against the American currency and settled at 76.51, down 22 paise from the previous close.
<https://economictimes.indiatimes.com/markets/forex/rupee-falls-22-paise-to-close-at-76-51-against-us-dollar/articleshow/90940007.cms>
- **Gold prices today surge to highest in over 1 month, silver rates jump:** Gold and silver prices today moved higher in Indian markets amid firm global rates. On MCX, gold futures rose 0.65% ₹53,332 per 10 gram while silver jumped 1% to ₹69,761 per kg. In international markets, gold rates jumped to their highest in over a month as the Ukraine crisis and elevated inflation boosted the safe-haven demand of the precious metal. Spot gold was up 0.5% at \$1,984.58 per ounce, highest since mid-March 14. Spot silver rose 0.7% to \$25.87 per ounce, platinum gained 1.2% to \$1,001.57, and palladium climbed 1.6% to \$2,406.85.



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<https://www.livemint.com/market/commodities/gold-prices-today-surge-to-highest-in-over-1-month-silver-rates-jump-11650251580459.html>

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