



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

February 21, 2022

- **IDFC Ltd, IDFC First Bank merger may get pushed to FY24:** There is little progress on the proposed merger of IDFC First Bank and its ultimate holding company IDFC Limited. Highly placed sources say that after the preliminary exchange of consent, the bank is yet to hear about the valuations or the modalities of the merger from IDFC Limited, pushing the earlier slated timeline (FY23) by a fiscal to FY24. "The holding company is yet to revert on the matter," said the person cited above. In October 2021, IDFC Limited, through its step-down subsidiary - IDFC Financial Holding Company Limited which holds 36.51 per cent stake in IDFC First Bank, sought the bank's consent for merger, to which the bank agreed in December 2021. However, there has been no progress since then.
<https://www.thehindubusinessline.com/money-and-banking/idfc-ltd-idfc-first-bank-merger-may-get-pushed-to-fy24/article65068890.ece>
- **IDBI Bank: Unions want Govt to stop privatisation:** IDBI Bank officers and employees unions have voiced their concerns at the proposed move of the Central Government and the Life Insurance Corporation of India (LIC) to sell their stake to private players. The Government is likely to begin roadshows shortly to gauge investor interest. Currently, GoI and LIC have 45.48 per cent and 49.24 per cent shareholding, respectively, in IDBI Bank, with the latter being the promoter of the Bank with management control. Referring to reports of proposed road shows for IDBI Bank stake sale, the Unions and Associations, in a joint statement said, "We...register our strong protest against the proposed sale of IDBI Bank to private players."
<https://www.thehindubusinessline.com/bank-employees/idbi-bank-unions-want-govt-to-stop-privatisation/article65067976.ece>
- **Axis Bank sees no need for extension of Kamath Committee timelines as of now:** Some lenders may be seeking extension of deadlines to meet financial parameters set by the Kamath Committee, but Axis Bank sees no such need at present, a senior executive said on Tuesday. "I think there is some conversation that is going on currently among some of the banks with RBI (Reserve Bank of India) to extend the Kamath Committee timelines. We are not seeing any need to do that at this point of time," Rajiv Anand, deputy managing director (designate), Axis Bank told reporters.
<https://www.livemint.com/industry/banking/axis-bank-sees-no-need-for-extension-of-kamath-committee-timelines-as-of-now-11639482176007.html>
- **Federal Bank's subsidiary FedFina files IPO papers with Sebi:** Fedbank Financial Services Ltd (FedFina), which is promoted by Federal Bank, has filed preliminary papers with capital markets regulator Sebi to raise funds through an initial public offering (IPO). The public issue consist of a fresh issue aggregating up to Rs 900 crore and an Offer for Sale (OFS) of up to 45,714,286 equity shares by promoter and investor, according to the draft red herring prospectus (DRHP). The OFS comprises up to 16,497,973 equity shares by Federal Bank and up to 29,216,313 equity shares by True North Fund VI



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LLP. Federal Bank will continue to own more than 51 per cent of the outstanding share capital post the completion of this offering.

<https://economictimes.indiatimes.com/markets/ipos/fpos/federal-banks-subsidiary-fedfina-files-ipo-papers-with-sebi/articleshow/89697384.cms>

- **KVG Bank covers 6 lakh people under PMJJBY:** The Dharwad-headquartered Karnataka Vikas Grameena Bank (KVGB) has covered 6 lakh people under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and nearly 13 lakh people under the Pradhan Mantri Suraksha Bima Yojana (PMSBY) in nine districts of Karnataka under its jurisdiction. Extending insurance benefits of ₹2 lakh each under PMJJBY to six victims from Ghalagi Hulakoppa village of Kalaghatagi taluk in Dharwad on Saturday, P Gopi Krishna, Chairman of KVGB, said life insurance is yet to reach more than 50 per cent of rural population in northern Karnataka. He said the bank has a greater role in ensuring that the insurance products reach them.
<https://www.thehindubusinessline.com/money-and-banking/kvg-bank-covers-6-lakh-people-under-pmjby/article65065301.ece>
- **IIFL Home Finance to get \$68 million ADB loans:** Multilateral funding agency Asian Development Bank has offered \$68 million in funding to IIFL Home Finance for expanding footprint in the affordable and green housing segment. The funding comprises a direct ADB loan of \$58 million and another \$10 million concessional loan from the Canadian Climate Fund. The Canadian fund will also be routed through ADB. The size of the loan in local currency is Rs 508 crore. This is IIFL Home Finance's maiden loan from ADB or any other development finance institution, managing director Monu Ratra told ET. The blended cost of the fund comes around 8.1% a year, he said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/iifl-home-finance-to-get-68-million-adb-loans/articleshow/89707493.cms>
- **EPFO mulling new pension scheme for formal workers getting over Rs 15K basic wage:** Retirement fund body EPFO is mulling a new pension product for organised sector workers who are getting basic wages of more than Rs 15,000 per month and are not mandatorily covered under its Employees' Pension Scheme 1995 (EPS-95). At present, all those employees in the organised sector whose basic wage (basic pay plus dearness allowance) is up to Rs 15,000 per month at the time of joining service are mandatorily covered under EPS-95. "There has been demand for higher pension on higher contributions among the members of the Employees' Provident Fund Organisation (EPFO). Thus, it is under active consideration to bring out a new pension product or scheme for those whose monthly basic wages are more than Rs 15,000," a source privy to the development told PTI.
<https://economictimes.indiatimes.com/news/economy/finance/epfo-mulling-new-pension-scheme-for-formal-workers-getting-over-rs-15k-basic-wage/articleshow/89700166.cms>
- **Crypto 'Welcomes' Another Winter: Ethereum Founder Buterin:** Vitalik Buterin, co-founder of the Ethereum blockchain, says the digital-asset universe may actually benefit from the current retreat in coin prices that's cast a chill on investors and is being referred to as another crypto winter. "The people who are deep into crypto, and especially building things, a lot of them welcome a bear market," Buterin said during an interview with Bloomberg. "They welcome the bear market because



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when there are these long periods of prices moving up by huge amounts as it does — it does obviously make a lot of people happy — but it does also tend to invite a lot of very short-term speculative attention.”

<https://www.thehindubusinessline.com/money-and-banking/cryptocurrency/crypto-welcomes-another-winter-ethereum-founder-buterin/article65067835.ece>

- **‘Hike in term rates, a result of action by reinsurers’:** Life insurance companies are understood to have approached the insurance regulator over the increase in premium and tougher underwriting norms for term plans and the role of reinsurers in it. According to sources, life insurers have highlighted to the Insurance Regulatory and Development Authority of India (IRDAI) that the increased premium for term insurance was largely a result of action taken by reinsurers with higher claims in the wake of the Covid-19 pandemic. “We need to get the reinsurers also responsible for the rate hikes in term plans. The underwriting process is also completely dictated by reinsurers,” noted an industry source, adding that in the end it is an insurance company, which is getting squeezed in the middle.
<https://www.thehindubusinessline.com/money-and-banking/hike-in-term-rates-a-result-of-action-by-reinsurers/article65067934.ece>
- **FPIs withdraw net Rs 18,856 crore from Indian markets in February so far:** Foreign portfolio investors (FPIs) have withdrawn a net Rs 18,856 crore from the Indian markets in February so far amid geopolitical tensions and chances of a rate hike by the US Federal Reserve. As per depositories data, overseas investors took out Rs 15,342 crore from equities and Rs 3,629 crore from the bonds market between February 1-18. At the same time, they invested Rs 115 crore in hybrid instruments. This translates into a net outflow of Rs 18,856 crore during the period under review. This is the fifth consecutive month of foreign fund outflows. This is the fifth consecutive month of foreign fund outflows.
<https://www.moneycontrol.com/news/business/fpis-withdraw-rs-18856-crore-from-indian-markets-in-february-so-far-8138491.html>
- **5 of top-10 valued companies add Rs 86,000 crore in m-cap; TCS biggest gainer:** Five of the 10 most valued firms together added Rs 85,712.56 crore in market valuation last week, with Tata Consultancy Services (TCS) emerging as the biggest gainer. The market valuation of TCS jumped by Rs 36,694.59 crore to reach Rs 14,03,716.02 crore, while that of Reliance Industries (RIL) climbed Rs 32,014.47 crore to stand at Rs 16,39,872.16 crore. Hindustan Unilever's valuation zoomed Rs 12,781.78 crore to Rs 5,43,225.5 crore. Besides, HDFC added Rs 2,703.68 crore, taking its valuation to Rs 4,42,162.93 crore. The valuation of Bajaj Finance stood at Rs 4,24,456.6 crore, a rise of Rs 1,518.04 crore. On the other hand, the market capitalisation (mcap) of HDFC Bank slipped by Rs 3,399.6 crore to Rs 8,38,529.6 crore and that of Infosys went down by Rs 5,845.84 crore to Rs 7,17,944.43 crore. The valuation of ICICI Bank diminished by Rs 28,779.7 crore to Rs 5,20,654.76 crore and that of State Bank of India (SBI) dipped by Rs 12,360.59 crore to Rs 4,60,019.1 crore.
<https://www.moneycontrol.com/news/business/markets/5-of-top-10-valued-companies-add-rs-86000-crore-in-m-cap-tcs-biggest-gainer-8138701.html>



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