



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

April 22, 2022

- **Reliance ARC buys distressed loans from IOB, Jana SFB:** Reliance Asset Reconstruction Company has begun actively acquiring distressed loans from banks even as its parent company Reliance Capital is undergoing an insolvency proceeding, two people aware of the development told ET. In two separate transactions, Reliance ARC acquired stressed loan portfolios from Jana Small Finance Bank and Indian Overseas Bank in the last week of March, the sources said. Both deals were concluded under a structured deal involving upfront payment and issuances of security receipts to the banks, they said. Jana Bank, Indian Overseas Bank and the administrator of Reliance Capital did not respond to ET's request for comment.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/reliance-arc-buys-distressed-loans-from-iob-jana-sfb/articleshow/90965919.cms>
- **RBI issues new rules, penalties for credit & debit cards:** The Reserve Bank of India (RBI) has overhauled rules governing debit and credit cards introducing penalties for banks for issuing or upgrading cards of customers without prior consent. It has also opened a window for non banking finance companies (NBFCs) to issue credit cards with the prior approval of the regulator. The regulator has asked banks to ensure that the overdue interest is not adjusted to the principal of the loan causing negative amortization. Banks have also been asked to ensure that unpaid charges, levies and taxes are not capitalised for compounding of interest. The new directions are effective from July 01, 2022 and will apply to all scheduled banks and NBFCs.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-issues-new-rules-penalties-for-credit-debit-cards/articleshow/90986317.cms>
- **HDFC Bank to open 150 branches in UP this year; to create 1,000 jobs:** Private lender HDFC Bank on Thursday said it will open 150 new branches across Uttar Pradesh this year, creating more than 1,000 direct jobs. Majority of these branches will be opened in rural areas, said Akhilesh Kumar Roy, branch banking head of UP, HDFC Bank. "We are committed to supporting the state's economy by opening of new bank branches. While the new branches will generate direct employment for 1,000 people, a number of indirect jobs will also be added," Roy said. He claimed that the bank opened over 170 new branches in the state in the last financial year, and the lender has completed its target in implementing all the state and central governments' financial schemes.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-to-open-150-branches-in-up-this-year-to-create-1000-jobs/articleshow/90983347.cms>
- **Dhanlaxmi Bank signs MoU with CBDT and CBIC for tax collection:** Dhanlaxmi Bank on Thursday said it has signed a memorandum of understanding with Central Board of Direct Taxes (CBDT) and Central Board of Indirect Taxes and Customs (CBIC) for collection of taxes. The bank has been authorised by the Reserve Bank of India (RBI) based on the recommendation from the Controller General of Accounts for collection of various taxes, Dhanlaxmi Bank said in a regulatory filing. With this, customers will soon be able to pay their direct taxes and GST payments and other indirect taxes through the branch network and digital platforms of the bank, it said.  
<https://www.moneycontrol.com/news/business/dhanlaxmi-bank-signs-mou-with-cbdt-and-cbic-for-tax-collection-8390621.html>
- **NBFCs can't undertake credit card biz without prior approval: RBI:** The Reserve Bank of India in a circular dated April 21, 2022, said that Nonbank financial companies (NBFCs) shall not undertake credit card business without prior approval of the RBI. "Any company including a non-deposit-taking company intending to engage in this



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activity shall require a Certificate of Registration, apart from specific permission to enter into this business, the pre-requisite for which is a minimum net owned fund of ₹100 crore,” the circular read. NBFCs will not be able to issue debit cards, credit cards, charge cards, or similar products virtually or physically without obtaining prior approval from the RBI.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/nbfc-cant-undertake-credit-card-biz-without-prior-approval-rbi/articleshow/90980083.cms>

- **Govt to take call on LIC IPO timing this week:** The government is likely to take a call on the timing of LIC initial public offering within this week, a senior official said. The sale of 5 per cent stake or 31.6 crore shares in the country's largest insurer was originally planned for in March, but was postponed in view of the geopolitical tension. The government has time till May 12 to launch the IPO without filing fresh papers with markets regulator Sebi. The official said it would be a tough call to decide whether to go ahead with the retail and domestic investor demand or to wait for geopolitical tension to ease and FIIs to return to market. "A decision on timing the IPO would be taken this week," the official told PTI.  
<https://economictimes.indiatimes.com/markets/ipos/fpos/govt-to-take-call-on-lic-ipo-timing-this-week/articleshow/90976494.cms>
- **RBI directs UCBs to not create honorary positions/titles:** The Reserve Bank of India (RBI) has directed Urban Co-operative Bank (UCBs) not to create any honorary positions/ titles at Board level or confer such titles that are non-statutory in nature. The Central bank also asked these banks to eliminate any such existing position/ titles within one year. In its circular Creation of Honorary Designations at Board level in UCBs, RBI observed during the course of supervisory reviews that some banks have adopted the practice of creating honorary designations (remunerated or otherwise), or conferring titles at the board level — such as Chairman Emeritus, Group Chairman, etc — which are not recognised in applicable statutes or regulations.  
<https://www.thehindubusinessline.com/money-and-banking/rbi-directs-ucbs-to-not-create-honorary-positionstitles/article65342357.ece>
- **RBI asks borrowers with total exposure of ₹5 crore and above to obtain LEI:** The Reserve Bank of India (RBI) has prescribed a timeline for non-individual borrowers enjoying aggregate exposure of ₹5 crore and above from banks and financial institutions to obtain Legal Entity Identifier (LEI) codes. LEI has been conceived as a key measure to improve the quality and accuracy of financial data systems for better risk management post the global financial crisis. LEI is a 20-digit unique code to identify parties to financial transactions worldwide. Per the timeline, borrowers with a total exposure above ₹25 crore have to obtain LEI by April 30, 2023, and borrowers with total exposure above ₹10 crore and up to ₹25 crore have to obtain LEI by April 30, 2024. Borrowers with total exposure of ₹5 crore and above, and up to ₹10 crore have to obtain LEI by April 30, 2025.  
<https://www.thehindubusinessline.com/money-and-banking/rbi-asks-borrowers-with-total-exposure-of-5-crore-and-above-to-obtain-lei/article65342280.ece>
- **Standing deposit facility opens for banks a window for quick money:** The introduction of the Standing Deposit Facility (SDF) by the Reserve Bank of India has opened an arbitrage opportunity for banks. They are borrowing from mutual funds via the Tri-party Repo Dealing System (TREPS) at around 3.50 per cent, on an average, and placing these funds with the RBI's recently-introduced Standing Deposit Facility at 3.75 per cent. Banks are earning a clean spread of up to 25 basis points. TREPS and SDF are overnight liquidity management facilities. The SDF has replaced Fixed Rate Reverse Repo as the floor of the liquidity adjustment facility (LAF) corridor. The SDF rate is 25 basis points below the repo rate (4 per cent). The Marginal Standing Facility (MSF), which is 25 basis points above the repo rate, is the ceiling of the LAF corridor. Before the introduction of SDF, banks arbitrated between TREPS (borrowing overnight) and the variable rate reverse repo (VRRR) auction (deploying funds with the RBI for 2-28 days).



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<https://www.thehindubusinessline.com/money-and-banking/standing-deposit-facility-opens-for-banks-a-window-for-quick-money/article65342010.ece>

- **BHIM UPI goes live at NEOPAY terminals in UAE:** NPCI International Payments Ltd (NIPL), the International arm of the National Payment Corporation of India has announced that BHIM UPI is now live at NEOPAY terminals, across the UAE. “This partnership will play a key role in transforming the P2M payment experience for Indian travellers in the UAE,” it said in a statement on Thursday. NIPL and NEOPAY, the payment subsidiary of Mashreq bank, partnered last year to create the acceptance infrastructure in the UAE.  
<https://www.livemint.com/news/india/bhim-upi-goes-live-on-neopay-terminals-in-uae-11650522680365.html>
- **Siply disburses ₹125 cr loan in 8 months without any default:** Siply, a tech-enabled micro-lending and savings platform, has disbursed over ₹125 crore loans in the last eight months to over one lakh people without any default. The average ticket size of the disbursements ranged between ₹3,000-₹10,000, said the company. The user base has grown by 24 times and revenue by 40 times in the last eight months, it added. The monthly income of an average loan applicant is ₹18,000. The interest rate was at 15-18 per cent per annum. Siply does not charge any processing or convenience fee.  
<https://www.thehindubusinessline.com/money-and-banking/siply-disburses-125-cr-loan-in-8-months-without-any-default/article65341349.ece>
- **Consumer loans up 32% in festive season of FY22, marking demand revival:** Loans for consumer durables during festive season—a business stagnant for three years—increased in financial year 2021-22 (FY22) to Rs 26,075 crore from Rs 19,683 crore in FY19. The festive season, which spans over October-December period (Q3), saw origination worth Rs 19,356 crore in FY21 and Rs 20,261 crore in FY 20, according credit information bureau CRIF High Mark. In conventional sense, Originations in Q1 & Q2 FY22 were already at Rs 35,120 crore, compared to Rs 55,202 crore in Rest of FY20 (Q1, Q2 & Q4 FY20). At this rate, originations in Rest of FY22 could reach or surpass that of pre-pandemic levels of Rest of FY20.  
[https://www.business-standard.com/article/finance/consumer-loans-up-32-in-festive-season-of-fy22-marking-demand-revival-122042101303\\_1.html](https://www.business-standard.com/article/finance/consumer-loans-up-32-in-festive-season-of-fy22-marking-demand-revival-122042101303_1.html)
- **Sensex closes 874 pts higher, Nifty above 17,300 on broad-based buying:** The BSE Sensex closed at 57,911.68, up 874.18 points or 1.53 per cent, near the day’s high of 57,991.53. It recorded an intraday low of 57,311.86. The Nifty 50, after surpassing the 17,400 mark during the day, recording an intraday high of 17,414.70, settled at 17,392.60 at closing, up 256.05 points or 1.49 per cent. It recorded an intraday low of 17,215.50. Eicher Motor, Coal India, M&M, Adani Ports and Kotak Bank were the top gainers on the Nifty 50 while Cipla, Hindalco, ONGC, Bajaj Auto and Tata Steel were the top losers.  
<https://www.thehindubusinessline.com/markets/sensex-closes-874-pts-higher-nifty-closes-above-17300-on-broad-based-buying/article65341429.ece>
- **Rupee ends 15 paise higher at 76.15 against US dollar:** The rupee appreciated by 15 paise to close at 76.15 (provisional) against the US dollar on Thursday amid a weak greenback overseas and a rally in domestic equities. However, surging crude prices and persistent foreign fund outflows capped the gains, forex traders said. At the interbank forex market, the rupee opened slightly higher at 76.28 against the greenback and moved in a range of 76.36 to 76.09. It finally settled at 76.15, higher by 15 paise over its previous close of 76.30.  
<https://www.thehindubusinessline.com/markets/forex/rupee-ends-15-paise-higher-at-7615-against-us-dollar/article65341878.ece#:~:text=The%20rupee%20appreciated%20by%2015,the%20gains%2C%20forex%20traders%20said.>



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