

## **DAILY NEWS DIGEST BY BFSI BOARD**

23 March 2026



### **ECONOMY**

**RBI injects ₹25,101 crore in banking system via 3-day VRR auction:** RBI on Friday injected ₹25,101 crore transient liquidity in the banking system through a three-day variable rate repo (VRR) auction. The RBI injected the funds at cut-off and weighted average rates of 5.26 per cent, the central bank said in a release. The liquidity injected was much lower than the notified amount of ₹75,000 crore, despite a sharp drop in surplus liquidity in the banking system due to advance tax payments.

***(Business Line)***

**Banking liquidity surplus shrinks to ₹16,875 crore, lowest since Jan 22:** The net liquidity surplus in the banking system fell to ₹16,875 crore on Thursday, the latest data by RBI showed, the lowest since January 22. Even as there was tepid demand in Friday's three-day variable rate repo auction, the central bank announced another such overnight auction on Monday (March 23) for a notified amount of ₹1 trillion. The weighted average call rate settled at 5.34 per cent on Friday, against the previous close of 5.29 per cent. Market participants said that due to scheduled outflows from the banking system on account of advance tax payments and goods and services tax, the surplus in system liquidity narrowed.

***(Business Standard)***

**Govt hikes commercial LPG allocation to 50% as domestic output improves:** The government has approved an additional 20 per cent allocation of commercial LPG to states and Union Territories, taking the total allocation to 50 per cent, as increased domestic output is helping the situation crawl back to normalcy. The three-week-long war in West Asia disrupted energy supplies to India, leading to initial curtailment in

LPG supplies to commercial establishments like hotels to prioritize supplies to household kitchens. Later, a fifth of their supplies were restored, and the government offered an additional 10 per cent, subject to states expediting piped gas projects.

***(Business Line)***

## **BANKING & FINANCE**



**SBI gets Rs 6,337.5 crore tax demand notice, says no impact on operations:** SBI, said on Friday that it has received an income tax demand notice amounting to Rs 6,337.5 crore with interest. The PSU bank said it plans to challenge the order before appellate authorities. It also said that the tax order will have no impact on its operations or business activities. The demand, it noted, has been raised pursuant to the scrutiny assessment proceedings conducted for AY24, and the bank is already in litigation on similar grounds for earlier years. The PSU bank made the disclosure as the amount exceeds materiality threshold under SEBI Listing Obligations and Disclosure Requirements (LODR) norms. These are core rules that require listed companies to ensure transparency, governance and timely disclosure to stock exchanges.

***(Zee Business)***

**Indian lenders pay steepest premium for short-term funds in 6 years:** Indian lenders are shelling out premiums for short-term funds last seen during the Covid-19 crisis, with sluggish deposit growth driving dependence on certificates of deposit (CDs) and pushing borrowings to a record high. Outstanding CDs skyrocketed to a record high of 6.64 trillion rupees (\$71.04 billion) as of February 28, registering a staggering jump of 75% over the last two years. "Some banks have raised fixed deposit rates, but the credit growth is so strong that lenders have to rely on CDs, and some pressure should persist till the end of the year,"

***(Economic Times)***

**RBI imposes penalty on HSBC:** The Reserve Bank on Friday said it has imposed a Rs 31.8 lakh penalty on Hongkong and Shanghai Banking Corporation for non-compliance with certain directions on inoperative accounts and unclaimed deposits. In a statement, the Reserve Bank said a statutory inspection for supervisory evaluation of the bank was conducted with reference to its financial position as of March 31, 2025. Based on supervisory findings of non-compliance with the provisions of RBI directions and related correspondence, a notice was issued to the bank.

***(Economic Times)***

**Axis Bank becomes official banking partner of DP World PGTI:** Private sector lender Axis Bank has announced a partnership with the DP World Professional Golf Tour of India (DP World PGTI) as its official banking partner. This collaboration marks a significant step toward strengthening the growth of professional golf in India while reinforcing Axis Bank's commitment to supporting sporting excellence and community engagement, the bank said in a statement on Friday.

***(Economic Times)***

**HDFC Bank leads Rs 1 lakh crore wipeout as five top firms lose market value:** While HDFC Bank, ICICI Bank, TCS, Bajaj Finance and Hindustan Unilever were the laggards, Reliance Industries, Bharti Airtel, State Bank of India, Infosys, and Life Insurance Corporation of India (LIC) emerged as the winners. Reliance Industries remained the most-valued firm, followed by HDFC Bank, Bharti Airtel, State Bank of India, ICICI Bank, TCS, Bajaj Finance, Infosys, LIC and Hindustan Unilever Ltd.

***(Moneycontrol)***

**Govt may use OFS route to boost public shareholding in IDBI Bank:** The government may consider selling a stake in IDBI Bank through the Offer-for-Sale (OFS) route to increase public shareholding, after the unsuccessful attempt to divest stake in the Life Insurance Corporation of India-controlled lender, news agency PTI reported, citing sources. Currently, the public float in IDBI Bank is only 5.29%, limiting the scope of fair valuation. The remaining shares are with insurance behemoth Life Insurance Corporation of India (LIC), with a controlling stake at 49.24%, while the Government of India (GoI) holding stood at 45.48 %.

***(Moneycontrol)***

# INDUSTRY OUTLOOK



**Index of eight core industries rises 2.3% in February 2026:** The combined Index of Eight Core Industries increased by 2.3 per cent (provisional) in February 2026 as compared to February 2025. The production of Cement, Steel, Fertilisers, Coal and Electricity recorded positive growth in February 2026. The ICI measures the combined and individual performance of production of eight core industries, viz. coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity. The Eight Core Industries comprise 40.27 per cent of the weight of items included in the IIP.

**(Business Line)**

**'India will buy as much Iranian oil as it can in 30 days': Former Indian diplomat:** Former Indian diplomat Veena Sikri on Saturday said India is likely to maximise oil purchases from Iran during the temporary sanctions waiver period while continuing to diversify its energy imports to safeguard long-term energy security. In an interview with ANI, Sikri said the recent lifting of sanctions appears temporary, given the evolving conflict between Iran and the US and Israel. "Well, I think it's good that, you know, we are again able to buy oil from Iran. I think the lifting of the sanctions seems to be very temporary because there's no idea how the conflict between Iran on one hand and the US-Israel on the other hand how it's developing,"

**(Moneycontrol)**

**MF equity cash holdings up by ₹4,000 cr amid volatile market:** Odisha is likely on the cusp of adding precious minerals to its rich mining portfolio. Known for its vast reserves of iron ore, bauxite and chromite, the state has now reported the presence of diamonds, rubies and gold-bearing formations across several districts. Replying to questions in the Assembly on Thursday, Steel and Mines Minister Bibhuti Bhushan Jena said diamond-bearing stones have been identified in the Kalmidadar area of Nuapada district. He said detailed technical and economic assessments are underway to determine the volume and viability of the discovery.

**(Business Standard)**



## REGULATION & DEVELOPMENT

**Government launches ₹20,000 crore credit guarantee scheme for microfinance institutions:** The government has rolled out a ₹20,000-crore Credit Guarantee Scheme for Microfinance Institutions 2.0, a move that industry body Microfinance Industry Network (MFIN) said would help revive credit flow to underserved segments and ease funding constraints in the sector. The scheme comes amid a sharp decline in bank funding to microfinance institutions (MFIs), particularly smaller players. According to MFIN, bank lending to the sector dropped by nearly 70% between the fourth quarter of FY24 and the third quarter of FY26, severely impacting liquidity.

**(Business Line)**

**Finmin makes changes to Mutual Credit Guarantee Scheme to support MSMEs:** Finance Ministry on Saturday said that loans up to ₹100 crore for the purchase of plant, machinery and equipment by MSME will be eligible for guarantee coverage. This will be possible due to changes made in Mutual Credit Guarantee Scheme to Support MSME Manufacturers and Exporters (MCGS-MSME). According to a Finance Ministry statement, modifications to the existing scheme will make 5 per cent upfront contribution refundable. It will be 1 per cent each from the 4th year onwards, subject to satisfactory performance of loan account. Cost of equipment/ machinery will be reduced up to 60 per cent of project cost, down from the earlier 75 per cent. Tenure of guarantee will be 10 years. Furthermore, special provisions have been incorporated into the scheme for exporters. Accordingly, profitable units that have exported at least 25 per cent of their sales turnover in each of the previous 3 financial years and satisfy certain export realisation conditions will be eligible under the scheme. Guaranteed loan amount will be ₹20 crore. Upfront contribution will be 2 per cent of loan amount (Max ₹40 Lacs). 1 per cent each will be refundable in 4th and 5th year of the guarantee period. 75 per cent of the amount in default will be guaranteed. Guarantee fee will be NIL in the first year, while it will be 0.50 per cent of loan outstanding.

**(PiB)**

**Union Minister for Finance and Corporate Affairs launches ‘PRARAMBH 2026’ — Income Tax Department’s nationwide awareness campaign on Income Tax Act, 2025:** Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman launched ‘PRARAMBH 2026’ — Income Tax Department’s nationwide awareness campaign on Income Tax Act, 2025, in New Delhi, today. This multimedia initiative, spanning print, radio, television, outdoor, digital and social media, has been designed to build awareness about the key features of the new Act, which is set to come into effect from 01.04.2026. The campaign includes creative communication initiatives, taxpayer guidance material such as guidance notes, tutorial videos and brochures, and extensive public engagement through digital and on-ground platforms, including the MyGov Quiz initiative.

**(Business Standard)**



## FINANCIAL TERMINOLOGY

### YIELD CURVE INVERSION

A **Yield Curve** shows interest rates of bonds across different maturities.

#### **Normal Situation:**

Long-term interest rate > Short-term interest rate

#### **Inversion:**

Short-term interest rate > Long-term interest rate

#### **Meaning:**

- Signals **upcoming recession**
- Investors expect future interest rates to fall
- Banks’ profitability declines because they borrow short-term and lend long-term

#### **Importance:**

Yield curve inversion has predicted many global recessions.



### **RBI KEY RATES**

Repo Rate: 5.25%  
SDF: 5.00%  
MSF & Bank Rate: 5.50%  
CRR: 3.00%  
SLR: 18.00%  
Fixed Reverse Repo: 3.35%

### **FOREX (FBIL 1.30 PM)**

INR / 1 USD : 93.3483  
INR / 1 GBP : 125.1564  
INR / 1 EUR : 107.9436  
INR /100 JPY: 58.9400

### **EQUITY MARKET**

Sensex: 74532.96 (+325.72)  
NIFTY: 23114.50 (+112.35)  
Bnk NIFTY: 53427.05 (-23.95)

### **Courses conducted by BFSI Board**

- ❖ Certificate Course on Concurrent Audit of Banks
- ❖ Certificate Course on Credit Management of Banks
- ❖ Certificate Course on Investment Management
- ❖ Certificate Course on General Insurance
- ❖ Advance Certificate Course on FinTech
- ❖ Certificate Course on Project Financing
- ❖ Certificate Course on Cost Control Strategies in the Banking Sector
- ❖ Certificate Course on Treasury, Foreign Exchange and International Banking

**For details please visit BFSIB portal of the ICMAI website.**

### **Publications by BFSI Board**

- ❖ Handbook on Aide Memoire on Infrastructure Financing (3rd enlarged revised edition).
- ❖ Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).
- ❖ Guidance Note on the Internal Audit of General Insurance Companies.
- ❖ BFSI Chronicle (quarterly issue of BFSIB)
- ❖ Handbook on Stock & Book Debts Audit (Revised and Enlarged 2<sup>nd</sup> Edition)
- ❖ Handbook on Central Bank Digital Currency (CBDC)
- ❖ Monograph on Climate Risk and Green Finance-Banking Sector-International Practices and Indian Perspective (2nd Series)
- ❖ Guidance Note on Cost Control Strategies in the Banking Sector

## **TEAM BFSIB**

### **Banking, Financial Services & Insurance Board The Institute of Cost Accountants of India (ICMAI)**

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