



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

March 25, 2022

- **SBI enters into co-lending tie-ups with 5 housing finance companies:** State Bank of India has entered into co-lending agreements with five housing finance companies (HFCs) to sanction home loans to the unserved and underserved segments. India's largest bank has entered into co-lending tie-ups with PNB Housing Finance, IIFL Home Finance, Shriram Housing Finance, Edelweiss Housing Finance and Capri Global Housing Finance. Shortage in affordable housing continues to be a major concern for India, especially for the economically weaker and informal sections of the society, according to an SBI statement. To further improve the penetration in this segment, SBI is actively looking at co-lending opportunities with multiple HFCs, per the statement. Dinesh Khara, Chairman, SBI, said this collaboration will enhance the bank's distribution network, as it aims to extend its credit reach to more home loan borrowers in the unserved and underserved segments.
<https://www.thehindubusinessline.com/money-and-banking/sbi-enters-into-co-lending-tie-ups-with-5-housing-finance-companies/article65255592.ece>
- **Privatization of govt banks may have to wait a little longer:** The much-anticipated privatization of state-run banks may be initiated by September, with the government preparing to lift the 20% cap on foreign ownership in public sector banks (PSBs) by amending the Banking Regulation Act, two government officials privy to the development said. Although efforts are on to introduce the amendment in the ongoing budget session of Parliament, cabinet approval for the changes may take some time, the officials said, requesting anonymity. Chances are that the amendment is likely to spill over to the monsoon session, they said, adding the aim is to ensure privatization of at least one bank by September.
<https://www.livemint.com/news/india/privatization-of-psbs-likely-by-sep-20-cap-on-foreign-holdings-to-go-11647974281902.html>
- **Affordable home loans: Shriram Housing Finance, SBI in co-lending pact:** Shriram Housing Finance has signed a co-lending agreement with State Bank of India for priority sector affordable home loans. "The two entities will jointly service housing loan customers as per the 20:80 co-lending model (CLM) of the Reserve Bank of India (RBI)," they said in a statement on Thursday. Shriram Housing Finance will target priority sector housing loans in the affordable housing segment under this co-lending arrangement with SBI. Shriram Housing Finance will originate, process and service the loans.
<https://www.financialexpress.com/industry/banking-finance/shriram-housing-partners-with-sbi-for-co-lending-to-affordable-housing/2470969/>
- **Banks to conduct special clearing ops on Mar 31 for govt accounts' closure:** Banks will conduct special clearing operations for the annual closure of government accounts on March 31, which is the last day of the fiscal year, the RBI said on Thursday. The Reserve Bank has issued directions to the banks for smooth clearing operation and asked them to participate in it. All government transactions done by agency banks for financial year 2021-22 must be accounted for within the same financial year. Accordingly, arrangements are put in place to report and account for government transactions for March 31, 2022, the Reserve Bank said in a notification. "All agency banks should keep their designated branches open for over the counter transactions related to government transactions up to the normal working hours on March 31, 2022."
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-to-undertake-special-clearing-ops-on-mar-31-for-closure-of-govt-accounts/articleshow/90427501.cms>



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- **Banks should account for govt transactions for FY22 in same year: RBI:** Reserve Bank of India on Thursday said banks must account all government (central and state) transactions for financial year 2021-22 within the same financial year. As a step to facilitate this, banks should keep designated branches open for over the counter transactions upto the normal working hours on March 31, 2022, RBI said. Transactions through national electronic funds transfer (NEFT) and real time gross settlement (RTGS) system will continue upto 2400 hours on March 31, 2022, RBI said in communication to banks. Special clearing will be conducted for collection of government cheques on March 31, 2022 for which the Department of Payment and Settlement Systems (DPSS) of RBI will issue necessary instructions.
https://www.business-standard.com/article/finance/banks-should-account-for-govt-transactions-for-fy22-in-same-year-rbi-122032401307_1.html#:~:text=Reserve%20Bank%20of%20India%20on,within%20the%20same%20financial%20Year.
- **IIFL Home Finance ties up with SBI for affordable housing loans:** IIFL Home Fin has entered into a strategic co-lending partnership with State Bank of India to accelerate effective and affordable credit to small home buyers in the country. IIFL HFL, a digital-first home finance company, has signed an agreement with SBI for co-lending of priority-sector home loans. "This is SBI's first co-lending agreement with a home finance company. The loan sourcing and servicing will be managed by IIFL HFL. Under the arrangement, 80 per cent of the loan will be provided by SBI," it said in a release on Thursday.
https://www.business-standard.com/article/finance/iifl-home-finance-ties-up-with-sbi-for-affordable-housing-loans-122032401030_1.html
- **FinMin proposes amendments to Finance Bill; seeks to tighten norms for cryptocurrency taxation:** The government on Thursday proposed to tighten the norms for taxation of cryptocurrencies by disallowing set off of any losses with gains from other virtual digital assets. As per the amendments to the Finance Bill, 2022, circulated among the Lok Sabha members, the ministry proposes to remove the word 'other' from section relating to set off of losses from gains in virtual digital assets. This would mean that loss from the transfer of virtual digital assets (VDA) will not be allowed to be set off against the income arising from the transfer of another VDA. According to the Finance Bill, 2022, a VDA could be a code or number or token which can be transferred, stored or traded electronically. The VDAs will include prevailing cryptocurrencies and non-fungible tokens (NFTs) which has gained fad over the past couple of years.
<https://economictimes.indiatimes.com/news/economy/policy/finmin-proposes-amendments-to-finance-bill-seeks-to-tighten-norms-for-cryptocurrency-taxation/articleshow/90425278.cms>
- **Bank of Maharashtra mops up ₹290 crore via AT1 bonds:** Bank of Maharashtra (BoM) on Thursday said it has raised Basel III compliant Additional Tier 1 (AT1) bonds of ₹290 crore (including green shoe option of ₹40 crore) at coupon rate of 8.75 per cent. "The issue garnered overwhelming response from investors with bids of ₹1,055 crore received against a base issue size of ₹250 crore...", the Pune-headquartered public sector bank said in a statement.
[https://www.thehindubusinessline.com/money-and-banking/bank-of-maharashtra-mops-up-290-crore-via-at1-bonds/article65255302.ece#:~:text=Bank%20of%20Maharashtra%20\(BoM\)%20on,rate%20of%208.75%20per%20cent.](https://www.thehindubusinessline.com/money-and-banking/bank-of-maharashtra-mops-up-290-crore-via-at1-bonds/article65255302.ece#:~:text=Bank%20of%20Maharashtra%20(BoM)%20on,rate%20of%208.75%20per%20cent.)
- **University of California picks up 0.57% stake in Kotak Mahindra Bank:** The Regents of the University of California on Thursday picked up 0.57 per cent stake in Kotak Mahindra Bank for Rs 1,907.6 crore. The stake was purchased at Rs 1,699 per share from Canada Pension Plan Investment Board (CPPIB), data released by BSE showed. CPPIB sold 2.02 per cent stake in Kotak Mahindra Bank for Rs 6,800.4 crore. The names of the other buyers couldn't be ascertained. Shares of Kotak Mahindra Bank fell 3.1 per cent to end at Rs 1,713.4.



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https://www.business-standard.com/article/finance/university-of-california-picks-up-0-57-stake-in-kotak-mahindra-bank-122032401264_1.html#:~:text=The%20Regents%20of%20the%20University,data%20released%20by%20BSE%20showed.

- **Sebi levies Rs 5 lakh penalty on Axis Bank:** The Securities and Exchange Board of India (Sebi), on Thursday, levied a penalty of ~5 lakh on Axis Bank for flouting merchant banking (MB) regulations. The matter dates back to a period between August 2016 and August 2019. At that time, Axis Bank acted as a merchant bank for 22 debt issues launched by various companies. It had subscribed to securities in nine such issuances but failed to make requisite disclosure. Rule 27 of the MB Regulations says that a merchant banker must submit to Sebi, complete particulars of the transaction with respect to the acquisition of the securities of the body corporate, whose issue is being managed by that merchant banker, within 15 days from the date of entering into such a transaction.
https://www.business-standard.com/article/markets/sebi-levies-rs-5-lakh-penalty-on-axis-bank-122032401067_1.html
- **Privatisation of IDBI Bank will be opposed strongly: AIBOA:** The Centre's move to sell IDBI Bank to private players is not in the "right direction" and will be opposed "tooth and nail" by the All India Bank Officers' Association (AIBOA) according to its General Secretary, S Nagarajan. Speaking to BusinessLine on the rationale behind the call for bank strike on March 28 and 29, 2022, Nagarajan said the need of the hour is not privatisation; it is to strengthen the bank further, along with an exercise to recover sticky loans from wilful defaulters.
<https://www.thehindubusinessline.com/news/privatisation-of-idbi-bank-will-be-opposed-strongly-aiboa/article65255287.ece>
- **Suryoday Small Finance Bank to offer micro and 2-wheeler loans:** Suryoday Small Finance Bank (SSFB) sees its microfinance customers as potential cross-selling targets for micro housing loans, micro loans against property (LAP), and two-wheeler loans. The Navi Mumbai-headquartered bank, which has a customer base of about 18.5 lakh and gross advances of ₹4,872 crore (as at December-end 2021), plans to launch micro-LAP and two-wheeler loans in the next three months. It also plans to extend offers of micro housing loans — introduced about seven months back at 12 branches — to at least 200 branches next year (FY2023), said Baskar Babu R, MD and CEO.
<https://www.thehindubusinessline.com/money-and-banking/suryoday-small-finance-bank-to-offer-micr-and-2-wheeler-loans/article65251957.ece>
- **Federal Bank, RBIH partner to advance digital financial inclusion for women:** Private sector lender Federal Bank has teamed up with Reserve Bank Innovation Hub, a subsidiary of the central bank, as scale up partner for the second phase of Swanari TechSprint programme. The programme is aimed at advancing digital financial inclusion for women in India and to create digital solutions for bridging the gender gap. Reserve Bank Innovation Hub (RBIH) is hosting the 'Swanari TechSprint' from April 18-22. It aims to create and produce smart, creative, and sustainable solutions supporting women's advancement in financial growth and independence and for women-owned enterprises in India. TechSprint will specifically connect fintechs, financial service providers, innovators, and subject matter experts to collaborate, ideate and solve specific problems in real time, Federal Bank said in a release on Thursday. "We are delighted to partner with RBI Innovation Hub on Swanari. It is our strong belief that greater financial inclusion of women will go a long way in moving our nation closer to the USD 5-trillion economy mark," said Shalini Warriar, Executive Director at Federal Bank.
<https://bfsi.economictimes.indiatimes.com/news/banking/federal-bank-rbih-partner-to-advance-digital-financial-inclusion-for-women/90431223>



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- **RBI Governor Shaktikanta Das inaugurates Reserve Bank Innovation Hub (RBIH) in Bengaluru:** RBI Governor Shaktikanta Das on Thursday inaugurated the Reserve Bank Innovation Hub (RBIH) in Bengaluru, set up with an initial capital contribution of Rs 100 crore to encourage and nurture financial innovation. The Hub has an independent Board with Senapathy (Kris) Gopalakrishnan as the Chairman and other eminent persons from industry and academia as members, the central bank said in a statement. The RBI has set up the RBIH as a Section 8 company under Companies Act, 2013, with an initial capital contribution of Rs 100 crore to encourage and nurture financial innovation in a sustainable manner through an institutional set-up.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-governor-shaktikanta-das-inaugurates-reserve-bank-innovation-hub-rbih-in-bengaluru/articleshow/90420047.cms>
- **CBI probe in over Rs 21,000-cr bank fraud cases pending for consent from 5 non-BJP ruled states:** The Central Bureau of Investigation (CBI) has not been able to start probe in over Rs 21,000 crore worth bank fraud cases in want of consent by five non-BJP ruled states including Maharashtra, West Bengal and Chhattisgarh in the last three years, the Rajya Sabha was informed on Thursday. Out of the total 128 requests, involving bank frauds of Rs 21,074.43 crore, a highest of 101 requests were pending with Maharashtra (involving amount of Rs 20,312.53 crore) during 2019 to 2022 (up to February 28, 2022), it said.
<https://timesofindia.indiatimes.com/india/cbi-probe-in-over-rs-21000-cr-bank-fraud-cases-pending-for-consent-from-5-non-bjp-ruled-states/articleshow/90419773.cms>
- **Banks are on a fundraising spree as economy shows signs of stability:** With steady economic revival and prospect of higher demand, banks are readying themselves for future business growth. State-owned Bank of Maharashtra raised Rs 290 crore in Basel III compliant Additional Tier 1 (AT1) bonds of Rs 290 crores at 8.75 per cent. The lender completed the fundraising on Wednesday while Punjab National Bank is planning to raise capital soon in either AT1 bonds or tier 2 bonds or in a combination of both. Uco Bank raised Rs 400 crore earlier in the week in tier 2 bonds. Canara Bank has raised Rs 1,000 crore in AT1 bonds in the first week of this month at 8.07% rate. The fund will support the business growth of the bank, Bank of Maharashtra said in a regulatory filing to stock exchanges Thursday.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-are-on-a-fundraising-sprees-as-economy-shows-signs-of-stability/articleshow/90416522.cms>
- **We have too few banks, need more access to common man: Sanjiv Bajaj:** As chairman and managing director of Bajaj Finserv, Sanjiv Bajaj runs a financial empire that's a whole lot bigger than what many banks and state-owned insurers have. His late father Rahul Bajaj was a towering, vocal and visible figure, but Sanjiv is also not shy about articulating his views. The family businesses, which began with making scooters on the outskirts of Mumbai, have transitioned from the days of the licence raj. In an interaction with MC Govardhana Rangan and Bodhisatva Ganguli, the younger Bajaj shares his views on subjects as diverse as 'speaking truth to power' to the creation of a business that has grown in lockstep with rising disposable incomes, helping put millions of Indians brought up in a chronic shortage economy on to the consumption ladder.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/we-have-too-few-banks-need-more-access-to-common-man-sanjiv-bajaj/articleshow/90408525.cms>
- **Banks, fintech firms join IPL brandwagon with partnerships:** Banks and fintech players have turned into keen sponsors and branding partners in this year's Indian Premier League (IPL) even as crypto players seem to have chosen to take a backseat. The objective is to help them reach a wider customer segment and increase their brand awareness. ICICI Bank has launched a co-branded credit card in partnership with Chennai Super Kings (CSK). "CSK is amongst the top two teams in the IPL. It fits well with our brand strategy and customer acquisition strategy," Sudipta Roy, Head – Unsecured Assets, ICICI Bank told Business Line.



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<https://www.thehindubusinessline.com/money-and-banking/banks-fintech-firms-join-ipl-brandwagon-with-partnerships/article65255013.ece>

- **CoinDCX launches Crypto Investment Plan:** CoinDCX on Thursday announced the launch of its Crypto Investment Plan (CIP), which would help investors invest a fixed amount in crypto at regular intervals. “With this feature, the investor will not have to stress about timing the market and can invest for the long-term to better manage market volatilities and enjoy the compounding effect of wealth over time,” it said in a statement. The product is aimed at crypto investors who wish to invest in accordance with their risk appetite, it further said.
<https://economictimes.indiatimes.com/markets/cryptocurrency/coindcx-launches-sip-plan-for-crypto-investors/articleshow/90425437.cms>
- **Stress in 30 plus day dues in micro-loans declines in December quarter:** The stress on micro loans seems to be on the wane with a decline in portfolio at risk in 30 plus days past dues (DPD) bucket to 9.2 per cent in December 2021 from 10.4 per cent in September 2021. The write-offs also declined from 5.1 per cent as of September 2021 to 4.4 per cent as of December 2021, according to CRIF Highmark report. The 30 plus DPD was at 15 per cent in March 2021 and 9.5 per cent in December 2020.
https://www.business-standard.com/article/finance/stress-in-30-plus-day-dues-in-micro-loans-declines-in-december-quarter-122032400558_1.html
- **Housing finance companies’ gross NPAs may rise to 3.6-3.8% in Q4 FY22:** Gross non-performing assets (GNPAs) of housing finance companies are likely to rise to 3.6-3.8% in the fourth quarter of the current financial year, from 3.3% in December 2021, due to the Reserve Bank of India’s (RBI’s) norms on upgradation of assets and lag effect of the Covid-19 pandemic. “GNPAs to be 3.6-3.8% as of March 31, 2022, which will be 30 to 50 basis points higher than GNPAs as of December 31, 2021,” said Sachin Sachdeva, vice-president and sector head, financial sector ratings, Icra.
[https://www.financialexpress.com/industry/banking-finance/housing-finance-companies-gross-npas-may-rise-to-3-6-3-8-in-q4-fy22/2469925/#:~:text=Gross%20non%2Dperforming%20assets%20\(GNPAs,of%20the%20Covid%2D19%20pandemic.](https://www.financialexpress.com/industry/banking-finance/housing-finance-companies-gross-npas-may-rise-to-3-6-3-8-in-q4-fy22/2469925/#:~:text=Gross%20non%2Dperforming%20assets%20(GNPAs,of%20the%20Covid%2D19%20pandemic.)
- **Promoter hikes stake in L&T Finance Holdings:** Shares of L&T Finance Holdings surged as much as 16.2% on Wednesday —the most since their listing — after promoter Larsen & Toubro raised stake in the financial services firm through bulk deals and market purchase. While L&T picked up 21.22 million shares at an average price of Rs 83.52 on the NSE, the engineering behemoth also bought another 20.27 million shares from the BSE. The combined transaction is valued at Rs 3.48 billion. The sellers are not immediately known.
<https://www.financialexpress.com/industry/banking-finance/promoter-hikes-stake-in-lt-finance-holdings/2469838/>
- **Sensex down 89 pts at closing, Nifty ends below 17,300:** The BSE Sensex closed at 57,595.68, down 89.14 points or 0.15 per cent. It recorded an intraday high of 57,827.99 and a low of 57,138.51. The Nifty 50 closed at 17,222.75, down 22.90 points or 0.13 per cent. It recorded an intraday high of 17,291.75 and a low of 17,091.15. Dr Reddy’s, Coal India, Ultratech Cement, Hindalco and JSW Steel were the top gainers on the Nifty 50 while Kotak Bank, Titan, HDFC Bank, ICICI Bank and HDFC were the top laggards.
<https://www.thehindubusinessline.com/markets/sensex-down-89-pts-at-closing-nifty-ends-below-17300/article65255317.ece>



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- **20 crore workers to strike on March 28, 29: Central Trade Unions:** The Central Trade Unions — except the pro-government BMS — are expecting that at least 20 crore workers, out of the 56 crore Indian workforce, will participate in the two-day general strike on March 28 and 29. The CTUs have served notices at various factories, offices and organisations that they will strike work on both the days. A meeting of the CTUs held here on Tuesday reviewed preparations for the strike. The CTUs said in a joint statement on Wednesday that the protest is against “the anti-worker, anti-farmer, anti-people and anti-national policies” of the Centre.
<https://www.thehindubusinessline.com/news/20-crore-workers-to-strike-on-march-28-29-central-trade-unions/article65252915.ece#:~:text=The%20Central%20Trade%20Unions%20%E2%80%94%20except,on%20March%2028%20and%2029.>
- **Rupee rises 4 paise to end at 76.35 against US dollar:** The rupee traded in a narrow range and settled 4 paise higher at 76.35 (provisional) against the US dollar on Thursday, despite a muted trend in domestic equities. At the interbank forex market, the local unit opened at 76.37 against the greenback and witnessed an intra-day high of 76.24 and a low of 76.41. The rupee settled at 76.35, registering a rise of 4 paise over its previous close.
<https://www.thehindubusinessline.com/markets/forex/rupee-rises-4-paise-to-end-at-7635-against-us-dollar/article65255740.ece#:~:text=The%20rupee%20traded%20in%20a,and%20a%20low%20of%2076.41.>
- **Gold rates today rise for second day in a row but down ₹3,500 from month highs:** Gold and silver prices today edged higher in domestic markets, following advances in global rates. On MCX, gold futures rose 0.14% to ₹51,840 per 10 gram while silver gained 0.15% to ₹68365 per kg. In the previous session, gold rose 0.8% while silver gained about 0.9%. The yellow metal earlier this month high a high of ₹55,600 amid the Ukraine crisis.
<https://www.livemint.com/market/commodities/gold-rates-today-rise-for-second-day-in-a-row-but-down-rs-3-500-from-month-highs-11648092480607.html>

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