



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

March 28, 2022

- **SBI services could be impacted after unions call for strike on March 28, 29:** State Bank of India, the country's largest lender, could see services affected on March 28 and 29 after it was informed by the Indian Banks' Association (IBA) that All India Bank Employees Association (AIBEA), Bank Employees Federation of India (BEFI) and All India Bank Officers' Association (AIBOA) all plan to go on strike on those dates. The unions are opposing the government's decision to privatise public sector banks, as well as their moves regarding the Banking Laws Amendment Bill 2021. "We advise that while the bank has made necessary arrangements to ensure normal functioning in its branches and offices on the days of strike, it is likely that work in our bank may be impacted to a limited extent, by the strike," SBI said in a regulatory filing.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/sbi-services-could-be-impacted-after-unions-call-for-strike-on-march-28-29/articleshow/90469063.cms>
- **Bank of Maharashtra bags best bank award from Kerala bankers' body:** Bank of Maharashtra (BoM) has received the best bank award at national level under the public sector category from State Forum of Bankers' Clubs Kerala (SFBCK). Kerala's Industries and Commerce Minister P Rajeev handed over the award to BoM Managing Director A S Rajeev, the bank said in a statement on Sunday. The award for 2020-21 was given to the bank upon analysing performance with a 360-degree view on various business parameters with a scoring model, it said, adding, the parameters included growth in deposits, advances, net profit, capital adequacy, credit deposit ratio, quality of assets, profit per employee and return on assets. This award will further motivate the bank to put sincere efforts and help in becoming a strong pillar of growth, Rajeev said. "Bank is doing fairly well with strong fundamentals. It has entered into the mid-sized bank category after declaring its Q3 FY22 results with a business mix of Rs 3,15,620 crore. Bank has registered a net profit of Rs 325 crore for Q3 FY22 with a growth of 111 per cent over previous year along with the highest ever net profit of Rs 796 crore during this period," he said.
[https://www.thehindubusinessline.com/money-and-banking/bank-of-maharashtra-bags-best-bank-award-from-kerala-bankers-body/article65264584.ece#:~:text=Bank%20of%20Maharashtra%20\(BoM\)%20has,in%20a%20statement%20on%20Sunday.](https://www.thehindubusinessline.com/money-and-banking/bank-of-maharashtra-bags-best-bank-award-from-kerala-bankers-body/article65264584.ece#:~:text=Bank%20of%20Maharashtra%20(BoM)%20has,in%20a%20statement%20on%20Sunday.)
- **LVB-DBS merger: SC directs transfer of all cases:** In a victory to the minority shareholders of erstwhile Lakshmi Vilas Bank (LVB), the Supreme Court has accepted their plea to transfer all the cases relating to the bank's merger with DBS Bank of India, a subsidiary of DBS Bank, Singapore, to Madras HC. Rejecting the pleas by RBI and DBS Bank management, for transferring all the cases to Mumbai High Court, the SC bench of BV Nagarathna in its March 21 order directed that the writ petitions pending before the various high courts ought to be transferred to the high court of judicature at Madras, wherein the writ petitions are already pending for final hearing. It is noted that the head office of erstwhile LVB is at Karur at Tamil Nadu.
<https://www.financialexpress.com/industry/banking-finance/lvb-dbs-merger-sc-directs-transfer-of-all-cases/2472853/>
- **Total credit cards now at 71.7 m, highest in 21 months:** India's banking system reported net additions of approximately 1.5 million credit cards in February, up 165% y-o-y taking the total base to 71.7 million, the highest in the past 21 months, according to brokerage Motilal Oswal. Spends on credit cards increased by strong 43% y-o-y during the month and the outstanding number grew by about 16% y-o-y. Axis Bank acquired around



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248,000 of the new cards and, together with HDFC Bank, was among the best performers during the month. Interestingly, Citibank saw a fall of around 7,000 cards in its base; Standard Chartered Bank and American Express too reported a drop in their card bases. Media reports have suggested that Axis Bank is looking to acquire Citibank's retail business in India.

<https://www.financialexpress.com/industry/banking-finance/total-credit-cards-now-at-71-7-m-highest-in-21-months/2472835/#:~:text=India's%20banking%20system%20reported%20net,according%20to%20brokerage%20Motilal%20Oswal.>

- **Bond market players want RBI to divide Govt borrowing equally between two halves of FY23:** Primary Dealers (PDs) and banks are understood to have requested the Reserve Bank of India (RBI) to spread the Government borrowing programme equally between the two halves of the upcoming financial year (FY23) in view of the huge borrowing plan and upward pressure on yields in the secondary debt market. Further, the bond market players are believed to have sought continuation of the dispensation of enhanced limit for classifying Government securities (G-Sec) as "held to maturity" (HTM) in FY23 also so that lenders are encouraged to bid at the weekly G-Sec auctions.
<https://www.thehindubusinessline.com/economy/bond-market-players-want-rbi-to-divide-govt-borrowing-equally-between-two-halves-of-fy23/article65262273.ece>
- **Franklin Templeton transfers distributors fees to investors in 6 suspended debt schemes:** Franklin Templeton has transferred ₹78 crore of distributors commission accrued in the six suspended debt schemes to the investors as per the directives of market regulator Securities and Exchange Board of India (SEBI). The distributors' commission between April 24, 2020 and March 17, 2021 was transferred to Supreme Court-appointed official liquidator SBI Funds Management and added net asset value of the regular plan of these debt schemes on Thursday as the direct plans do not charge any distributor commission, said sources.
<https://www.thehindubusinessline.com/markets/franklin-templeton-transfers-distributors-fees-to-investors-in-6-suspended-debt-schemes/article65259244.ece>
- **Manappuram Finance to raise up to ₹7,800 crore in FY23:** Manappuram Finance on Saturday said its board has approved a proposal to raise up to ₹7,800 crore in the next financial year. "The board of directors at its meeting held today has considered and approved fund raising programme of the company for FY23, which includes issuance of redeemable non-convertible debentures up to the overall limit of ₹7,800 crore by way of private placement or/and public issue in one or more tranches," Manappuram Finance said in a regulatory filing. The gold financier said it proposed to list the bonds on the BSE or NSE and the tenure of the instrument, date of allotment, maturity and coupon will be decided by the board at the time of allotment.
<https://www.thehindubusinessline.com/money-and-banking/manappuram-finance-to-raise-up-to-rs-7800-crore-in-fy23/article65262337.ece>
- **Crypto exchanges worried about impact of tax provisions on investor sentiment:** Cryptocurrency players and investors remain concerned about the new tax provisions, set to kick in from the new fiscal year, with many worried that it would cripple trading and impact investor interest in the country. "The 1 per cent TDS is a little bothersome, as it would hurt short-term traders and their capital may be locked for up to 18 months. We are waiting to see how it plays out when it kicks in from July 1," said Sathvik Vishwanath, co founder and CEO, Unocoin.
<https://www.thehindubusinessline.com/money-and-banking/crypto-exchanges-worried-about-impact-of-tax-provisions-on-investor-sentiment/article65264663.ece>



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- **HUL, HDFC twins drag down Sensex as m-cap of 7 top valued cos tumble Rs 1.14 lakh cr:** The combined market valuation of seven of the top 10 valued firms tumbled Rs 1,14,201.53 crore last week, dragged down by Hindustan Unilever and HDFC twins. Last week, the BSE benchmark index declined 501.73 points or 0.86 per cent. While HDFC Bank, ICICI Bank, Hindustan Unilever Limited, State Bank of India, Bajaj Finance, HDFC and Bharti Airtel were among the laggards from the top-10 pack, Reliance Industries Limited, Tata Consultancy Services and Infosys were the three gainers. The market valuation of Hindustan Unilever tumbled Rs 34,785.7 crore to reach Rs 4,59,121.88 crore. HDFC Bank's valuation tanked Rs 26,891.57 crore to Rs 7,93,855.60 crore. The valuation of HDFC eroded by Rs 20,348.29 crore to Rs 4,17,511.38 crore and that of ICICI Bank plunged Rs 14,372.87 crore to Rs 4,85,801.96 crore.
<https://economictimes.indiatimes.com/markets/stocks/news/hul-hdfc-twins-drag-down-sensex-as-m-cap-of-7-top-valued-cos-tumble-rs-1-14-lakh-cr/articleshow/90470479.cms>
- **Investment bankers see 58% decline in earnings, shows data:** After witnessing a dream December quarter, investment bankers had a hard wake-up call as the equity capital market (ECM) fee pool shrank dramatically in the March quarter on the back of uncertainties created by the US Federal Reserve monetary-policy tightening and Russia-Ukraine crisis. ECM fees is the amount pocketed by investment bankers for handling initial public offerings (IPOs), rights issues, and other forms of share sales. According to Refinitiv, a global data provider, the ECM fee pool for India for the current quarter (until March 18) stands at \$29.3 million, 58 per cent lower than in the corresponding quarter in the last financial year. Moreover, it also saw an 84 per cent drop from the preceding (December 2021) quarter as well.
https://www.business-standard.com/article/finance/investment-bankers-see-58-decline-in-earnings-shows-data-122032501417_1.html
- **Gratuity Can Be Forfeited If Employee Terminated For Causing Damage To Employer's Property, Forfeiture Not To Exceed Extent Of Loss: Delhi HC:** The Delhi High Court has observed that any employer can forfeit the gratuity of an employee if the employee is terminated for any act or omission or negligence causing any damage or loss to the property belonging to the employer. Justice Pratibha M Singh however added that such forfeiture can only be to the extent of the damage or loss caused, and not beyond that. The Court was dealing with two petitions pertaining to disputes between employee and Union Bank of India. In one of the petitions, a chargesheet was issued against the employee alleging that loans were issued by him accommodating certain parties which caused losses to the Bank.
<https://www.livewlaw.in/news-updates/delhi-high-court-forfeiture-of-gratuity-by-employer-for-causing-damage-to-property-195063>
- **FPI outflow shoots past Rs 1 lakh crore mark in 2022:** Overseas investors have pulled out a net Rs 1,14,855.97 crore from the Indian markets in the current year so far, amid heightened geopolitical tensions and inflation concerns. Foreign portfolio investors have sold domestic equities worth Rs 48,261.65 crore so far this month, taking the year-to-date tally this year to a massive Rs 1,14,855.97 crore, according to depositories data. The exodus of foreign investors was largely owing to inflationary pressures and deepening global macroeconomic conditions following the Russia-Ukraine war, experts said. This is for the sixth straight month that foreign institutional investors have offloaded their holdings on a net basis in the Indian equity market.
<https://economictimes.indiatimes.com/markets/stocks/news/fpi-outflow-shoots-past-rs-1-lakh-crore-mark-in-2022/articleshow/90470833.cms>



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