



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

March 30, 2022

- **SBI to buy entire share of three stakeholders in SBI Global Factors:** SBI will buyout the entire stake of over 13 per cent held by three other banking partners in SBI Global Factors Ltd (SBIGFL), the bank said on Tuesday. The other three banking partners are SIDBI, Bank of Maharashtra and Union Bank of India. The decision was taken in a meeting of the Executive Committee of Central Board (ECCB) of SBI held on March 29, 2022. ECCB has accorded the approval "for acquiring the entire stake, i.e., 13.82 per cent of existing shareholders of SBI Global Factors Ltd (SBIGFL) namely SIDBI, Bank of Maharashtra and Union Bank of India subject to receipt of all regulatory approvals," SBI said in a regulatory filing. BIGFL, a subsidiary of State Bank of India, is a non-banking financial company. It provides domestic and export factoring services under one roof.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/sbi-to-buy-entire-share-of-three-stakeholders-in-sbi-global-factors/articleshow/90523243.cms>
- **For FY23, State Bank of India eyes Rs 10K-cr loan book via co-lending:** State Bank of India (SBI) is looking to build a retail loan book of Rs 10,000 crore for personal, micro, small and medium enterprise and agriculture sectors in FY23. It would be done through a co-lending partnership with finance and housing finance companies (HFCs). At present, SBI has 14 such tie-ups, which is set to expand to 25 in FY23. CS Setty, managing director of retail and digital banking at SBI, said in the current financial year, the bank firmed up a policy and internal set up for a co-lending model. And, FY23 will be the first full financial year to grow activity. The bank is roping in an IT vendor for building a digital interface platform for co-lending. This is to manage risks, accounting, reconciliation, minimise physical interface and reduce defaults. The platform is expected to be functional in Q1 of FY23. The co-lending arrangement will be used to scale up priority sector lending portfolios comprising agri and micro loans, and affordable housing.  
<https://newonnews.com/for-fy23-state-bank-of-india-eyes-rs-10k-cr-loan-book-via-co-lending/>
- **Public sector banks sufficiently capitalised, says MoS Finance Bhagwat K Karad:** The government has infused capital amounting to Rs 2,86,043 crore in public sector banks (PSBs) during the last five years and they are sufficiently capitalised, Parliament was informed on Tuesday. The government infused about Rs 3 lakh crore between 2017-18 and 2021-22. As per inputs received from Reserve Bank of India (RBI), Capital to Risk-weighted Assets Ratio (CRAR) of PSBs has improved substantially over the past three years, increasing from 12.20 per cent at the end of 2018-19 to 14.34 per cent as on December 31, 2021, Minister of State for Finance Bhagwat K Karad said in a written reply to the Rajya Sabha. "As reflected in their capital position as on December 31, 2021, PSBs are currently sufficiently capitalised," he said. With regard to General Insurance Corporation of India (GIC), Karad said, no proposal to privatise GIC is under consideration of the government at present. "Further, as per inputs received, total assets outstanding as on 31.3.2021 were Rs 38.04 lakh crore and Rs 1.35 lakh crore for LIC and GIC, respectively," he said.



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<https://economictimes.indiatimes.com/industry/banking/finance/banking/public-sector-banks-sufficiently-capitalised-says-mos-finance-bhagwat-k-karad/articleshow/90517191.cms>

- **HDFC Bank to infuse Rs 3 cr to acquire stake in debt resolution firm IDRCL:** HDFC Bank on Tuesday said it has inked an agreement to invest Rs 3 crore in the first tranche to acquire a stake in debt management company IDRCL. HDFC Bank has signed a pact on March 28, 2022, for investment in India Debt Resolution Company Ltd (IDRCL) by way of subscription to equity securities, the bank said in a regulatory filing. IDRCL was incorporated on September 3, 2021, to carry on the business as a debt management company and to do all kinds of debt management. It will do operational management and consultancy services in relation to debt resolution for an asset reconstruction company or investment trust or any other portfolio of securities. "Equity investment will be done in tranches, and the first tranche of equity investment of Rs 3 crore is expected to be completed by March 31, 2022. Subsequent tranches of equity investment will be made as and when determined by the board of directors of IDRCL," the private sector lender said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-to-infuse-rs-3-cr-to-acquire-stake-in-debt-resolution-firm-idrcl/articleshow/90513670.cms>

- **Federal Bank sees multiple opportunities in fintech tie-ups:** With active support from its fintech partners Fi and Jupiter, Federal Bank is able to open 13,000-14,000 savings accounts per day — more than three times the figure done through organic sourcing. The Kerala-based lender believes that rather than competition, collaboration with fintechs will create the best experience for customers, and provide opportunities to cross-sell and up-sell. Shalini Warriar, executive director of Federal Bank, told FE that fintechs are agile and nimble and are equipped with the latest technology. They can provide the best of hyper-personalised customer experience with the use of artificial intelligence, machine learning and other modern technologies.

<https://www.financialexpress.com/industry/banking-finance/federal-bank-sees-multiple-opportunities-in-fintech-tie-ups/2474469/#:~:text=%E2%80%9CWe%20currently%20have%20multiple%20live,accounts%2C%20non%2Dresident%20accounts.>

- **Banking services partially impacted on second day of strike by central trade unions:** Banking services were impacted partially for the second day on Tuesday, as a section of bank employees came in support of the nationwide strike called by central trade unions. Transactions at many public sector banks were impacted as employees did not report for duty. Besides, there were delays in cheque clearances and government treasury operations were also affected due to the strike. "As per our reports, in the Southern Grid functioning in Chennai, during our strike yesterday and today, about 6 lakh cheques/instruments worth about Rs 5,000 crore could not be sent for clearance as branches did not function due to the strike," All India Bank Employees Association (AIBEA) general secretary CH Venkatachalam said. At the national level, about 20 lakh cheques worth about Rs 18,000 crore could not be cleared, he claimed.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banking-services-partially-impacted-on-second-day-of-strike-by-central-trade-unions/articleshow/90511168.cms>



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- **IDBI Bank board okays rupee bond borrowing limit of Rs 8,000 cr for FY23:** Private sector lender IDBI Bank on Tuesday said its board of directors has approved the rupee bond borrowing limit of Rs 8,000 crore for the next fiscal year beginning April 1. It will comprise additional tier I (AT-1) bonds up to Rs 3,000 crore and senior/infrastructure bonds up to Rs 1,000 crore by way of private placement during FY23, the lender added. The board of directors, at its meeting held on March 29, 2022, has approved the rupee bond borrowing limit of Rs 8,000 crore for FY23, to be borrowed in one or more tranches, IDBI Bank said in a regulatory filing.  
[https://www.business-standard.com/article/finance/idbi-bank-board-okays-rupee-bond-borrowing-limit-of-rs-8-000-cr-for-fy23-122032900967\\_1.html](https://www.business-standard.com/article/finance/idbi-bank-board-okays-rupee-bond-borrowing-limit-of-rs-8-000-cr-for-fy23-122032900967_1.html)
- **IDBI Bank to sell entire stake in life insurance arm to JV partner:** The Board of Directors of IDBI Bank on Tuesday approved sale of the Bank's entire 25 per cent stake in Ageas Federal Life Insurance Company Limited (AFLI) to Ageas Insurance International NV (Ageas). The Board also granted in-principle approval for divestment of the Bank's stake up to 11.10 per cent of paid up share capital of National Securities Depository Ltd (NSDL). IDBI Bank 26.10 per cent stake in NSDL. The sale of the entire stake of 20 crore equity shares by IDBI Bank in AFLI to Ageas is pursuant to exercise of Call Option by Ageas, the Bank said in an exchange filing.  
<https://www.thehindubusinessline.com/money-and-banking/idbi-bank-to-sell-entire-stake-in-life-insurance-arm-to-jv-partner/article65271186.ece>
- **Uday Kotak to step down as the Chairman of IL&FS:** Uday Kotak will step down as the Chairman of the board of IL&FS after his term ends on April 2. CS Rajan, Managing Director, IL&FS has been appointed as Chairman and Managing Director for six months with effect from April 3 by the Ministry of Corporate Affairs. Three and a half years after it took over, the new board and management of troubled Infrastructure Leasing and Financial Services (IL&FS) has addressed ₹55,000 crore of debt and has retained its overall resolution estimate of ₹61,000 crore.  
<https://www.thehindubusinessline.com/money-and-banking/ilfs-board-resolves-55000-crore-of-debt/article65270931.ece>
- **Nabard Employees Association to hold demonstration in front of headquarters today:** All-India Nabard Employees Association (AINBEA) will hold a demonstration in front of the Nabard (National Bank for Agriculture and Rural Development) Head Office at Bandra-Kurla Complex in Mumbai this afternoon in support of the nationwide strike in banks and public sector undertakings. Rana Mitra, General Secretary, AINBEA, said it is evident that the 12 demands raised by the striking unions encompass burning issues of the common man. Nabard, too, has been facing serious challenges to its mandated functions such as protecting the interests of small, marginal and landless labourers, the traditional self-help groups-bank linkage model, focus to nurture and strengthen cooperative and rural banks, he added.  
<https://www.thehindubusinessline.com/news/nabard-employees-association-to-hold-demonstration-in-front-of-headquarters-today/article65269789.ece>



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- **Banks should be watchful of economic impact of risk events: RBI Deputy Governor Jain:** Individual financial institutions, especially banks, should be watchful of the economic impact of risk events such as the Covid-19 pandemic and potential economic disruption due to geo-political events in Europe, and take adequate measures to maintain their resilience, according to Reserve Bank of India Deputy Governor MK Jain. The Deputy Governor observed that the nature and frequency of risks faced by the financial system today are unparalleled and unpredictable. "In this regard, it is important to recognise the inter-linkages between quality of governance and resilience of financial institutions. "Even as high quality governance enhances resilience, poor corporate governance is a source of risk to financial institutions and the financial system," Jain said in his keynote address at CAFRAL.  
<https://www.thehindubusinessline.com/money-and-banking/banks-need-to-be-watchful-of-the-economic-impact-of-risk-events-rbi-deputy-governor-jain/article65270048.ece>
- **Steady demand, improving quality may strengthen MFI loan disbursements further in Q4:** The microfinance industry is expecting growth to further consolidate in Q4 of this fiscal backed by a steady demand and improving portfolio quality. Loan disbursements in Q3 grew at ₹65,392 crore, as compared with ₹59,508 crore in the same period last year. Disbursements grew by nearly 6 per cent as compared with ₹61,894 crore recorded during the same quarter of FY20 (non-Covid period). The gross loan portfolio (GLP) as on December 31, 2021, increased by over 10 per cent at ₹2,56,058 crore, as against the year-ago levels, said the MFIM Micrometer for Q3FY22.  
<https://www.thehindubusinessline.com/money-and-banking/steady-demand-improving-quality-may-strengthen-mfi-loan-disbursements-further-in-q4/article65270497.ece>
- **Worried investors seek advice on crypto tax provisions:** Worried about the new tax provisions, particularly the one per cent tax deducted at source, crypto investors are seeking advice and asking questions of the exchanges. According to players, many investors have got in touch with them on the tax provisions and how to comply with them, while others expect queries from April 1, when the new financial year starts. Vikas Ahuja, CEO, CrossTower India said, "We at CrossTower have been receiving inquiries from both long-term and short-term Indian investors about the process and tax deductions since India has approved the crypto tax. Our OTC (Over the Counter) desk - which caters to long-term investors and HNIs - has received inquiries and concerns about the 30 per cent tax deduction on capital gains. Several of these investors had purchased cryptocurrencies at a low price in the past and are worried that tax deductions will erode a large chunk of their profit.  
<https://www.thehindubusinessline.com/money-and-banking/cryptocurrency/worried-investors-seek-advice-on-crypto-tax-provisions/article65269764.ece>
- **TalentSprint, NIBM team up for programme in banking leadership:** TalentSprint, an edtech company, and the National Institute of Bank Management (NIBM), an autonomous Apex Institute established by the Reserve Bank of India (RBI) and Banks, have joined hands to create talent for the next generation of banking and financial services. TalentSprint and NIBM have curated a 'first-of-its-kin' Advanced Programme in Banking and Leadership for a digital world. The programme is aimed at participants who aspire to be digital-first professionals and spearhead digital transformation initiatives. "Innovation, regulation, technology and customer expectations are rapidly changing the banking and



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financial services sector,” Santanu Paul, MD and CEO, TalentSprint, said in a release. “This specially curated programme addresses industry requirements and aims to build the capability of senior banking and finance professionals by enabling them to make the best use of digital tools,” he added.

<https://www.thehindubusinessline.com/money-and-banking/talentsprint-nibm-team-up-for-programme-in-banking-leadership/article65270693.ece>

- **Compliance, risk management, audit weaknesses of banks, says RBI's MK Jain:** The Reserve Bank of India (RBI) has found three weaknesses in entities regulated by it during supervisory exercises in recent years. These are compliance, risk management and internal audit, Deputy Governor MK Jain said in a recent speech. “Failure/delay in detection and reporting of non-compliances, persisting sub-par compliance, deficiencies in compliance testing with respect to inadequate coverage and limited transaction testing, persisting irregularities due to non-addressing of root causes and not ensuring sustainability of compliance were observed,” Jain said in a speech at CAFRAL on March 10 which was uploaded on the RBI website on Tuesday.  
[https://www.business-standard.com/article/finance/compliance-risk-management-audit-weaknesses-of-banks-says-rbi-s-mk-jain-122032900537\\_1.html](https://www.business-standard.com/article/finance/compliance-risk-management-audit-weaknesses-of-banks-says-rbi-s-mk-jain-122032900537_1.html)
- **UPI may begin to bite at payments revenue pie for banks, NBFCs, fintechs:** Unified Payments Interface (UPI) is a boon for Indians for everything from buying pizza to paying bills. But for banks, non-banking finance companies and fintech companies, this means a steady deceleration in income from fees and charges because UPI generates zero revenue. As the share of UPI grows in the overall retail payments pie, payment processing agents will lose out on revenue over time, analysts said. “The shift in merchant payments towards low-yielding form factors such as UPI, coupled with rising competitive intensity across payment modes, is driving the overall payments fee yields lower across the ecosystem,” HDFC Securities analysts wrote in a note.  
<https://www.moneycontrol.com/news/business/earnings/upi-may-begin-to-bite-at-payments-revenue-pie-for-banks-nbfc-fintechs-8289961.html>
- **Bharat Bandh: Bank unions say transactions worth at least Rs 18,000 crore impacted:** With bank unions joining, the two-day nationwide strike called by central trade unions has apparently halted banking transactions worth at least Rs 18,000 crore. While about six lakh cheques could not be cleared in the southern grid functioning in Chennai, the number at the national level rose to 20 lakh such transactions, the All India Bank Employees' Association (AIBEA) said on March 29. “In the southern grid functioning in Chennai, during our strike yesterday and today, about 6 lakh cheques/instruments worth about Rs 5,000 crore could not be sent for clearance as branches did not function due to the strike. At the national level, about 20 lakh cheques worth about Rs 18,000 crore could not be cleared. Normal banking services were affected due to the strike,” said CH Venkatachalam, General Secretary of the AIBEA.  
<https://www.moneycontrol.com/news/business/economy/bharat-bandh-bank-unions-say-transactions-worth-at-least-rs-18000-crore-impacted-8289131.html>



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- **Sensex up 350 pts at closing, Nifty above 17,300:** The BSE Sensex closed at 57,943.65, up 350.16 points or 0.61 per cent. It recorded an intraday high of 58,001.53 and a low of 57,639.35. The Nifty 50 closed at 17,325.30, up 103.30 points or 0.6 per cent. It recorded an intraday high of 17,343.65 and a low of 17,235.70. Eicher Motor, HDFC, Divi's Lab, Adani Ports and JSW Steel were the top gainers on the Nifty 50, while Hero Motocorp, ONGC, Coal India, IOC and ITC were the top losers.  
<https://www.thehindubusinessline.com/markets/sensex-up-350-pts-at-closing-nifty-above-17300/article65270431.ece>
- **Rupee surges by 19 paise to 75.97 against US dollar:** Continuing its winning streak for a fourth straight session, the rupee on Tuesday appreciated by 19 paise to 75.97 against the US dollar as risk appetite improved in view of broader weakness in the greenback and a firm trend in domestic equities. However, persistent foreign fund outflows restricted gains in the domestic unit, forex traders said. At the interbank forex market, the local unit opened higher at 75.97 but lost some of the gains to touch the day's low of 76.15. It witnessed an intra-day high of 75.90.  
<https://auto.economictimes.indiatimes.com/news/industry/rupee-surges-by-19-paise-to-75-97-against-us-dollar/90520667#:~:text=Mumbai%3A%20Continuing%20its%20winning%20streak,firm%20trend%20in%20domestic%20equities.>

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