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THE ASSOCIATED CHAMBERS OF COMMERCE AND INDUSTRY OF INDIA

DEPARTMENT OF BANKING & FINANCIAL SERVICES

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Infra & Manufacturing Sector - Project Capex on the Upswing

According to the Economic Survey 2021-22, Indian economy is expected to grow for FY 2022-23 at 8% to 8.5% and for FY 2021-22 at 9.2%. There is a surge in demand that is an encouraging sign of economic revival post pandemic. While governments have been investing a lot in new infrastructures such as Road Projects, Metro Projects, Flyovers, Railways expansion projects, Airports, Power Generation and distribution etc., there is a rise in Capex investment in different sectors by private firms on greenfield or brownfield projects. Several industry leaders opine that most of the industrial sector would see huge CAPEX in next few years to augment their existing capacities.

Delay in completion of the project and cost overrun over and above the budgeted cost are avoidable if the risks involved in project executions are identified and risk mitigation plans are implemented throughout the tenure of the project i.e. from project conceptualisation to handing over to operations. Some of the high risks that the owner/investors of a CAPEX project exposed are:

- Selection of right technology

- Unpredicted changes in design and hence the cost
- Inefficient / use of plant and machineries at project site
- Cost and time overrun
- Ineffective control and monitoring on undue payment claims by the contractors
- Poor workmanship deviating from designed specifications finalised
- Frequent design changes, delay in design finalisation or additional work
- Sub-optimal procurement strategy
- Inadequate availability of skilled manpower
- Non-compliance to statutory and regulatory compliances
- Non-compliance to a project Safety and Environment requirements
- Risk of use of inferior quality of materials by the contractors compromising in the design quality etc.
- Ineffective project monitoring and control systems
- Lack of effective project management program with close co-ordination with all stake holders.

As per Ministry of Statistics and Program Implementation, as many as 438

infrastructure projects, each worth Rs 150 crore or more, have been hit by cost overruns totalling more than Rs 4.3 lakh crore. Of the 1,670 such projects, 438 projects reported cost overruns and 563 were delayed (reference- Business Standards, 25 October 2021). Though similar organised data is not available for private sector projects, the data reflects the serious challenges that projects face to avoid cost and time overrun considering current project management eco-system.

RSM India has been providing Project Management Services, Techno commercial Concurrent Audit services and customised services such as BOQ Validation, Review of PO/WO prior to release, project contractors' bills certification, Materials Reconciliation of free issue materials, Project componentisation considering useful life of assets etc. for small, medium, and large CAPEX projects, especially in Manufacturing, Power Transmission, NHs, Commercial and Residential buildings etc. since last 2 decades. Project team

comprising of experienced multi-disciplinary engineers and commercial persons led by senior management persons get engaged for project management services and projects audits covering 360° view of the projects that brings immense value to the project owners in terms of adherence to quality of project execution, mitigation of risks, control on cost and time overrun. RSM India, the sole Indian member of RSM International, with a team of over 2,100 personnel in India, has been ranked as one of the top 6 accounting, tax and consulting firms in India (International Accounting Bulletins, 2011-2020). The group has nationwide presence through offices across 11 key cities in India viz. Mumbai, New Delhi-NCR, Chennai, Kolkata, Bengaluru, Surat, Hyderabad, Ahmedabad, Pune, Gandhidham and Jaipur. RSM International has 51,000 personnel in 120 countries, with annual combined fee income of US\$ 7.24 billion (Rs.54,000 crores). Founded by Dr. Suresh Surana, RSM India is a home-grown organization with access to world-class capabilities.



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Top Speeches

John C Williams: Global issues, global implications

Remarks Mr John C Williams, President and Chief Executive Officer of the Federal Reserve Bank of New York, at the Central Reserve Bank of Peru (BCRP) Centenary Conference, 25 Mar 2022

As central bankers, we have long understood the value of engaging with colleagues around the world on the challenges we face in our own countries. We all operate in a highly interconnected global economy and financial system. And we have many of the same goals, including price stability, vibrant economies, and financial stability. Many of the issues we face are not unique to any one of us, but rather are shared across the region and the globe.

Recent events, from the COVID-19 pandemic to the war in Ukraine, have only underscored the importance of active dialogue and transparency among central banks. Beyond the global economic impact of these events, it's important to emphasize that the pandemic is first and foremost a public health crisis, and that the Russian invasion is inflicting tremendous hardship and suffering on the Ukrainian people. In terms of economic impacts, all of us in the Americas were affected by lockdowns and shutdowns at the start of the pandemic. All of us have faced supply-chain bottlenecks and imbalances, as people around the world shifted their spending habits-buying more goods and spending less on services. Of course, each country is facing its own set

of circumstances, and each has its own domestic mandates. But it's important to remember that the policies we implement can affect our neighbors, just as developments that take place outside our borders can impact our ability to achieve our domestic goals. The actions we take can also affect the flow of capital across countries.

Shared Insights and Analyses

That is why the perspectives we gain through ongoing dialogue with our counterparts are so valuable. Across the globe, many central banks-including the Federal Reserve-are moving to unwind the highly accommodative policies they put in place at the start of the pandemic. And we are doing this at a time when the economic implications of COVID-19 and the war in Ukraine remain highly uncertain. As we all take these steps, the Bank for International Settlements (BIS) has provided an indispensable venue for sharing insights, analyses, and concerns. By engaging with each other, we are able to stay ahead of the trends and issues that affect other economies and their financial markets. And that is true not only when it comes to policy development and execution, but also in

understanding economic and financial developments across the globe.

These meetings provide us with opportunities to communicate the reasoning and implications of our policy strategies, goals, and actions, and to hear how these affect other economies in the region. We exchange perspectives on shifting policy imperatives, and we share experiences and insights related to managing risks.

Global Issues

I touched on many topics—the pandemic, the war, and inflation. These are global issues with domestic implications, and

when we address them to fulfill our own mandates, we affect the economies of other countries in the region as well. In this regard, the work of the BIS in bringing central banks together has never been more important. I look forward to continuing our dialogue and engagement in the future.

Again, congratulations to the Central Reserve Bank of Peru, and best wishes for your second century.

Shri Shaktikanta Das, Governor, Reserve Bank of India

Inauguration of the Reserve Bank Innovation Hub (RBIH), March 24, 2022, Bengaluru

Central Banks are often viewed as traditional institutions that set monetary policies, issue currencies and regulate and supervise the financial sector segments and entities. For every economy to grow steadily and efficiently, this characteristic of a central bank is very important. Being a full service central bank, the RBI also plays a developmental role and is looked upon as a residual regulator as well.

RBI has been able to perform its varied roles with required professionalism and pragmatism. The ability to combine traditional functions with innovation has been critical to ensure orderly growth of the financial sector. To achieve specific end goals, apart from its own initiatives, the RBI has been an institution builder and has nurtured the setting up and development of many institutions¹ like NABARD, CCIL, NPCI, IDRBT, IGIDR and ReBIT.

The recent phenomenon of technological innovations transforming the experience of availing financial services, be it banking, non-banking, payment services or being part of the financial markets has raised greater expectations from RBI to act as an innovation enabler as well. To promote and facilitate an environment that

accelerates innovation across the financial sector, the Reserve Bank Innovation Hub (RBIH) has been set up as a wholly owned subsidiary of the RBI.

This initiative puts RBI in an exclusive group of select global central banks that are enterprising enough to change the mode of engagement while dealing with innovation. It also reflects a genuine commitment to have continuous engagement with industry, innovators, academia and related stakeholders to nurture and leverage beneficial innovation in the financial sector, which can deliver customised products particularly relevant for those at the bottom of the pyramid

The RBIH is an investment for the future. The Hub is expected to build an ecosystem for development of prototypes, patents and proofs of concept and promote cross-thinking spanning regulatory domains and national boundaries. With its own independent Board comprising eminent members from industry and academia, I am sure RBIH is perfectly positioned to facilitate convergence of ideas among various stakeholders. While fostering innovation, however, the underlying focus of RBIH should always be

to promote access to financial services and products for the low-income population in the country. It should be our duty to promote such innovation that not only improves process efficiencies but also transforms the society. The overall focus, I feel, should be on innovation with a purpose.

RBIH should aim to establish itself as a respected innovation and incubation centre, and showcase India's commitment to openness of ideas, resolve to innovate, with underlying concern for inclusive

growth. I am confident that RBIH shall facilitate making our financial sector more agile, participative and robust.

With these words, I am delighted to inaugurate the RBIH and wish it all success. The expectations are high and the Hub will be guided by public interest.

Source: https://rbi.org.in/Scripts/BS_SpeechesView.aspx?Id=1202

Banking, Financial Services & Insurance (BFSI) Activities In The Month

ASSOCHAM Virtual Interactive Session Future of the BFSI Sector :
The Way forward

Thursday, 10th March 2022 (02:00 PM – 04:00 PM)

Eminent Panellists :

- **Shri N.S. Vishwanathan**, Former DG, Reserve Bank of India & Chairman, Expert committee – Primary (Urban) Co-operative Banks, Reserve Bank of India
- **Shri Ajit Pai**, Distinguished Expert- Economics & Finance, NITI Aayog
- **Shri Santosh Kumar Shukla**, Executive Director, Insolvency & Bankruptcy Board of India
- **Dr. Charan Singh**, Chairman, ASSOCHAM National Council for Banking
- **Shri Abizer Diwanji**, Partner & National Leader- Financial Services, EY
- **Dr. Sandeep Dadia**, CEO & Principal Officer, Aditya Birla Insurance Brokers Ltd.
- **Shri Sadaf Sayeed**, CEO, Muthoot MicroFin Ltd.
- **Shri Ankur Srivastava**, Managing

Partner, EZY Laws

- **Shri Sahil Narula**, Partner, RNC Valuecon LLP
- **Shri Anuj Kacker**, Co-Founder, Freo
- **Shri Mridul Gupta**, COO, CoinDCX
- **Shri Basudev Mukherjee**, Assistant Secretary General, ASSOCHAM

Key Takeaway's

- **Shri N.S. Vishwanathan**
- Projects with implementation risks should normally be financed by the capital markets and not by banks using public deposits
- India needs a very strong bond market that can fund projects and manage its risks.
- The biggest contributor to the higher net interest margin is the high NPAs,
- The Indian banking system should have non-performing assets (NPAs) of globally accepted standards.



**ASSOCHAM NewsX Session : Tech Transformation of BFSI,
Friday, 11th March 2022 (07:00 PM – 08:00 PM)**



**ASSOCHAM Think-Tank Session : Benefits of Strong Currency,
Tuesday, 22nd March 2022 (03:00 PM – 04:00 PM)**

Eminent Panellists

- **Ms. Pooja Ahluwalia**, Assistant Secretary General, ASSOCHAM
- **Dr. M. Narendra**, Former CMD, Indian Overseas Bank
- **Shri Phani Shankar**, President & Co-Head Treasury & Global Markets, Kotak Mahindra Bank
- **Shri Vivek Ramji Iyer**, Partner & National Leader- Financial Services Risk, Grant Thornton Bharat LLP
- **Shri Saugata Bhattacharya**, Senior Vice President, Axis Bank
- **Shri Ankur Maheshwari**, Chief Financial Officer, Freo
- **Shri Sameer Narang**, Head Economics Research Group, ICICI

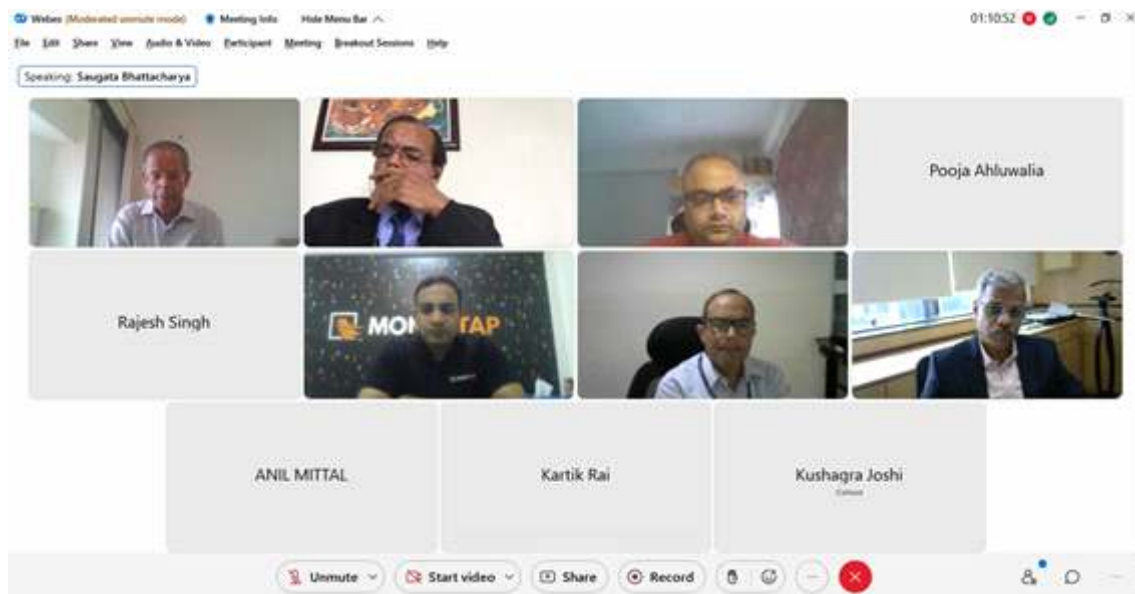
Bank

- **Shri Sushanta Kumar Mohanty**, GM-Treasury Department, Bank of Baroda

Key Takeaway's

- Strong Exports will result in a Strong Currency.
- To strengthen the economy and its currency, the country should strengthen its foreign reserves as the size of reserves define an economy and its purchasing power in the global market.
- Focus should shift from non-renewable sources of energy for the sustainable growth of the economy.
- Banks are running on huge ALM (Asset Liability Management) Gaps.

- Credit Risks need to be speared properly and should be diversified and the markets should be deepened to strengthen the currency.
- Hon'ble PM is promoting the Atmanirbhar Bharat scheme and FDI inflow should be boosted.
- Alternative means need to be explored such as: EVs.



Top Banking News

- **Reserve Bank of India to take stock of banks' exposure to Russia, Ukraine**

With the Russian invasion into Ukraine prompting the West to impose tough sanctions on Russia, the Reserve Bank of India (RBI) is also gauging the extent of damage to the Indian banking sector due to the worsening geopolitical situation. The Indian Banks' Association (IBA) called a meeting with top banks of the country. It asked them to submit detailed information on their exposure to both Russia and Ukraine. Banks have been asked to furnish the details by Wednesday to the banking regulator.

Source : https://www.business-standard.com/article/finance/reserve-bank-of-india-to-take-stock-of-banks-exposure-to-russia-ukraine-122030100048_1.html

- **Union Bank of India, Ambit Finvest tie-up for co-lending to MSMEs**

According to the Ambit Finvest, on Tuesday, 01st March 2022, has signed a co-lending agreement with Union Bank of India (UBI) for lending to Micro, Small and Medium Enterprise (MSME) customers. Ambit Finvest is the non-deposit taking Non-Banking Financial Company (NBFC) of the Ambit Group. This tie-up will enable underwriting for enterprises in 11 states that are currently covered by Ambit Finvest.

Source: <https://www.livemint.com/companies/news/union-bank-of-india-ambit-fininvest-tie-up-for-co-lending-to-msmes-11646118309126.html>

- **Digital banking start-up Jupiter clocks ESOP transactions worth Rs 30 crores**

Mumbai and Bengaluru-based digital banking and financial services start-up Jupiter announced on March 3, 2022 that it has facilitated Employee Stock Options (ESOPs) for several of its past and present employees. The two liquidity transactions for the same have totaled up to approximately \$4 million, i.e., Rs 30 crores.

Jupiter, which was in stealth mode till October 2021, has onboarded nearly 8,00,000 users since its inception in 2019 and has partnered with the Federal Bank to provide bank accounts to its customers.

Source : <https://www.moneycontrol.com/news/business/digital-banking-start-up-jupiter-clocks-esop-transactions-worth-rs-30-crores-8188481.html>

- **Ukraine crisis: UCO, SBI meet RBI today on payments to Russian firms**

The Reserve Bank of India (RBI) is likely to meet some of the state-run lenders, including State Bank of India and UCO Bank, on Friday to discuss payment mechanisms to Russian companies. Indian banks have stopped processing

payments to Russian firms after the US imposed sanctions on Russian banks following the invasion of Ukraine last week. According to banking sources aware of the development, senior central bank officials will meet the banks on Friday. Earlier this week, banks were told to submit details of their exposure to the banking regulator.

Source : https://www.business-standard.com/article/finance/ukraine-crisis-uco-sbi-meet-rbi-today-on-payments-to-russian-firms-122030400011_1.html

- **SBI plans separate digital bank, to revamp app to 'Only Yono'**

India's largest lender State Bank of India (SBI) is planning a separate digital entity and will revamp its current mobile application, rechristening it 'Only Yono', as part of its decision to be future-ready, showed documents. SBI is looking to implement the revamp in 12-18 months, including migrating existing Yono customers to Only Yono.

Source : <https://www.livemint.com/industry/banking/sbi-plans-separate-digital-bank-to-revamp-app-to-only-yono-11646891569190.html>

- **RBI launches UPI123Pay that allows UPI payments on feature phones**

Reserve Bank of India (RBI) Governor Shaktikanta Das on Tuesday launched the country's most famous unified payments interface (UPI) service for feature phones. Termed as UPI123PAY,

the service will allow 40 crore feature phone users across India to access the payment service. So far UPI was available only across all smartphones in India but with the latest move, feature phone users will also be allowed to send and receive payments.

Source : <https://indianexpress.com/article/business/banking-and-finance/rbi-launches-upi123pay-upi-service-on-feature-phones-7806489/>

- **Banks may miss March-end target for moving 15 stressed assets to NARCL**

Banks' plan to transfer 15 stressed assets aggregating about ₹50,000 crore to the National Asset Reconstruction Company Ltd (NARCL) by this month end may face delays due to teething problems at the transferee's end. With issues relating to due diligence and valuation of stressed assets, among others, taking time to resolve, it is unlikely that banks will make haste in moving the identified stressed assets to NARCL (also known as bad bank) by March-end 2022.

Source : <https://www.thehindubusinessline.com/money-and-banking/banks-may-miss-march-end-target-for-moving-15-stressed-assets-to-narcl/article65219996.ece>

- **RBI directs Paytm Payments Bank to stop onboarding new customers**

The central bank barred SoftBank-backed Paytm Payments Bank from

adding new customers due to likely gaps in its technology systems, potentially denting its small-finance-bank aspirations and further roiling investors skeptical of the fintech's ability to boost earnings after an expensive initial share sale. "Onboarding of new customers by Paytm Payments Bank Ltd will be subject to specific permission to be granted by the Reserve Bank of India (RBI) after reviewing (the) report of IT auditor's.

Source : https://economictimes.indiatimes.com/tech/startups/rbi-directs-paytm-payments-bank-to-stop-onboarding-new-customers/articleshow/90153803.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Banks recover over Rs 7.34 lakh cr in six-and-a-half years till Dec 2021**

According to the government said in Parliament, Banks recovered over Rs 7.34 lakh crore in the past six years and the first six months of the current fiscal year. During the past six financial years and the first six months of the current financial year, banks have effected an aggregate recovery of Rs 7,34,542 crore, in non-performing assets and written-off loan accounts, including those reported as fraud.

Source : https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-recover-over-rs-7-34-lakh-cr-in-six-and-a-half-years-till-dec-2021/articleshow/90224156.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **DBS Bank India launches green deposits programme**

DBS Bank India has announced the launch of its Green Deposit Programme for corporate clients providing a simple way for companies to support environmentally friendly projects or avenues. Under DBS Bank's sustainability programme, Green Deposits will fund green industries and initiatives such as green building sustainable water initiatives that include wastewater management, renewable energy and clean transportation

Source : <https://www.livemint.com/industry/banking/dbs-bank-india-launches-green-deposits-programme-11647322770988.html>

- **Groww in talks with Federal Bank for neo-banking vertical**

Investment platform Groww is working on its neo-banking plans to offer its customers the option of having a bank account and is in talks with Federal Bank to serve as its backbone. "Federal Bank and Groww are in talks, but it will take a few months for any integration to go through considering this is a long process on the technological front,". If the integration goes through, Groww will be Federal Bank's third bet in the neo-banking space after Jupiter and Fi.

Source : <https://www.moneycontrol.com/news/business/groww-in-talks-with-federal-bank-for-neo-banking-vertical-8243021.html>

- **Banks bureau shortlists MDs for four banks**

The Banks Board Bureau, the body which selects chief executives for financial entities in the public sector, has identified managing directors for four lenders – Union Bank of India, Indian Overseas Bank, Punjab & Sind Bank and State Bank of India. The board has shortlisted A Manimekhalai for MD & CEO of Union Bank of India, Ajay Kumar Srivastava for the position of MD & CEO of Indian Overseas Bank and Swaroop Kumar Saha for Punjab & Sind Bank.

Source : <https://timesofindia.indiatimes.com/business/india-business/banks-bureau-shortlists-mds-for-four-banks/articleshow/90278894.cms>

- **Calibrated approach to bank privatisation needed: Industry leaders**

The government sounded the bugle on privatisation of state-owned enterprises in its recent Budget. Should public sector banks be privatised as well? What is the way forward, and how soon can this be achieved? In November 2021, “Bank privatisation: Undoing 1969”, brought together some of the best minds — former RBI deputy governor SS Mundra; former SBI chairman Rajnish Kumar; BCG India Chairman Janmejaya Sinha; and former secretary to the Government of India KP Krishnan — to debate the issues.

Source : https://www.business-standard.com/article/finance/calibrated-approach-to-bank-privatisation-needed-industry-leaders-122031401409_1.html

- **Bank privatisation to be kickstarted soon**

The finance ministry is expected to soon seek cabinet approval for amendments to the Banking Regulation Act, 1949, and possibly other legislation as it kickstarts the process to privatise two state-run lenders. The proposed changes could include the removal of the 20% foreign investment cap applicable to public sector banks in these two cases. A more attractive voluntary retirement scheme (VRS) for employees of these two banks may also be proposed to the cabinet.

Source : https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-privatisation-to-be-kickstartedsoon/articleshow/90301803.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cpst

- **HDFC Bank to give a digital push to small business loans**

Small' is big business for India's most valuable bank. After the regulator eased all curbs, HDFC Bank has decided to create a dedicated app for mom-and-pop stores to push merchant loans. The bank now clocks at least ₹1,000 crore in merchant loans every month and is looking to triple the run rate. HDFC Bank will also launch an application 'AutoFirst' that will offer fully automated

auto loans. "We don't want to wait for the most perfect product to launch, we will put together a minimum viable product and upgrade the offerings

Source : https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-to-give-a-digital-push-to-small-business-loans/articleshow/90340932.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Improve digital banking services in rural areas: CM**

According to the Gujarat CM Bhupendra Patel, banks must improve digital banking services in rural areas to make banking services more accessible. The CM chaired the 172nd meeting of the state level bankers' committee (SLBC) in Gandhinagar. Patel had requested for digitization of banking services so that even a remote rural citizen could get banking services at home. "As part of the PM Swanidhi Yojana and Swamitva Yojana launched for the street vendors, bankers should take necessary action to provide loan assistance to the weaker sections,"

Source : <https://timesofindia.indiatimes.com/city/ahmedabad/improve-digital-banking-services-in-rural-areas-cm/articleshow/90385038.cms>

- **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. Govt had earlier indicated that banks under prompt corrective action framework would be kept out of privatization

Source : <https://www.livemint.com/news/india/privatization-of-psbs-likely-by-sep-20-cap-on-foreign-holdings-to-go-11647974281902.html>

- **Banks must monitor companies with fossil fuel links: RBI**

According to the RBI, that lenders need to be watchful of industries that are subject to green transition risks as countries across the world move towards decarbonisation targets. According to an RBI report, while banks have relatively small exposure to companies that have direct links to fossil fuels, there are hidden risks in the form of companies that have indirect exposure.

Source : <https://timesofindia.indiatimes.com/business/india-business/banks-must-monitor-cos-with-fossil-fuel-links-rbi/articleshow/90341087.cms>

- **Bank in a Box the Indian Scenario**

The turn of the century saw a proliferation of organizations offering a multi-cuisine menu of banking and other financial services. Large banks, consolidation of PSU banks, small

banks & Fintech companies are severely competing with each other to provide best in class services to consumers across the country. These companies are offering more than just core banking services and have emerged as financial supermarkets.

Source : <https://www.livemint.com/brand-stories/bank-in-a-box-the-indian-scenario-11647866317899.html>

- **Banking Central | Will latest RBI framework dilute the spirit of MFI model?**

Last week, there was a meeting of microfinance lenders to discuss the latest Reserve Bank of India (RBI) framework for microlending institutions. Some microlenders sought more time to comply with the new rules. Others welcomed it. But some key changes in the definition are worth discussing here. For beginners, here is the context: The RBI, on March 14, issued a fresh framework for microfinance loans, to ensure entities including banks and seven NBFC-MFIs (non-banking financial compnay-micro finance institutions) are brought under silmilar regulations.

Source : <https://www.moneycontrol.com/news/business/banks/banking-central-will-latest-rbi-framework-dilute-spirit-of-mfi-model-8255151.html>

- **Unions' strike partially impacts banks**

Banking services were partially impacted as a section of bank

employees did not report for duty in support of the two-day nationwide general strike called by central trade unions. However, there was hardly any impact on the functioning of new generation private sector banks. Transactions at many public sector banks have been impacted as employees have not reported for duty.

Source:http://timesofindia.indiatimes.com/articleshow/90486882.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Bank of Russia, RBI to ready framework for trade, banking**

Russian central bank officials are expected to meet their counterparts from the Reserve Bank of India (RBI) to create a regulatory framework that will help sustain bilateral trade and banking operations despite the global sanctions against Moscow. They are also likely to work on the creation of a dedicated payment mechanism to facilitate India's energy purchases from Russia.

Source:https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-of-russia-rbi-to-ready-framework-for-trade-banking/articleshow/90529279.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Citibank to sell retail business to Axis Bank in \$1.6 bln cash deal; no immediate impact on Citi's customers**

India's third-largest private bank Axis

Bank will acquire Citibank's India retail banking unit, including credit cards business, for \$1.6 billion in cash, months after Citi said it will shutter its consumer business in 13 countries, the Nasdaq-listed company said on Wednesday. The deal also includes the sale of the consumer business of Citi's non-banking financial company Citicorp Finance (India) Limited.

Source : <https://www.financialexpress.com/industry/banking-finance/axis-bank-to-buy-citibanks-credit-card-retail-banking-business-in-india-for-1-6-blncash/2475811/>

- **HDFC Bank, Shoppers Stop launch co-branded credit cards**

The credit cards will be available for over 80 lakh 'First Citizen' customers of

Shoppers Stop along with HDFC Bank customers,” they said in a statement. The two aim to source over 10 lakh cards in five years through this tie-up. According to the Parag Rao, Country Head -Payment Business, Consumer Finance, Technology and Digital Banking, HDFC Bank said, “As part of our broader strategy to comeback with a bang, we are keen to partner with multiple players in our eco-system from travel, healthcare, fintechs and retail to provide best-in-class payment solutions.”

Source : <https://www.thehindubusinessline.com/money-and-banking/hdfc-bankshoppers-stop-launch-co-branded-credit-cards/article65273689.ece>

SELECT RBI CIRCULARS

Date of issue	Circular Name	Subject
31.3.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12264	Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 - Amendment
31.3.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12263	Cassette - Swaps in ATMs
31.3.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12262	Bilateral Netting of Qualified Financial Contracts - Amendments to Prudential Guidelines
28.3.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12261	The Chairman and Managing Director / Chief Executive Officer All Scheduled Commercial Banks including Regional Rural Banks / Urban Co-operative Banks / State Co-operative Banks / District Central Co-operative Banks / Local Area Banks / Payment Banks / Small Finance Banks / National Payments Corporation of India
25.3.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12260	The Chairman / Managing Director / Chief Executive Officer Banks and Non-bank Payment System Operators (PSOs)
24.3.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12259	Annual Closing of Government Accounts – Transactions of Central / State Governments – Special Measures for the Current Financial Year (2021-22)
23.3.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12258	Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 - Amendment
23.3.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12257	Formation of new district in the State of Meghalaya – Assignment of Lead Bank Responsibility
10.3.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12255	Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Addition of 1 entry (entity)

Date of issue	Circular Name	Subject
10.3.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12254	Exim Bank's Government of India supported Line of Credit (LoC) of USD 500 million to the Government of the Democratic Socialist Republic of Sri Lanka
10.3.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12253	Exim Bank's Government of India supported Line of Credit (LoC) of USD 7.29 million to the Government of Cooperative Republic of Guyana
08.3.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12252	Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit - Extension
08.3.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12251	Issue and regulation of share capital and securities - Primary (Urban) Co-operative Banks
08.3.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12250	Implementation of Section 51A of UAPA, 1967: Updates to UNSC's 1267/1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Removal of 2 entries
03.3.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12249	Investment in Umbrella Organization (UO) by Primary (Urban) Co-operative Banks

Weekly Statistical Supplement– RBI

Reserve Bank of India

Reserve Bank of India - Liabilities and Assets*					
(₹ Crore)					
Item	2021	2022	Variation		
	Mar. 19	Mar. 11	Mar. 18	Week	Year
	1	2	3	4	5
4 Loans and Advances					
4.1 Central Government	0	0	0	0	0
4.2 State Governments	6972	6209	3343	-2867	-3629

* Data are provisional.

Foreign Exchange Reserves								
Item	As on March 18 2022		Variation over					
			Week		End-March 2021		Year	
	₹ Cr.	US\$ Mn.	₹ Cr.	US\$ Mn.	₹ Cr.	US\$ Mn.	₹ Cr.	US\$ Mn.
	1	2	3	4	5	6	7	8
1 Total Reserves	4699321	619678	-65688	-2597	480368	42694	476562	37407
1.1 Foreign Currency Assets	4198615	553656	-46398	-703	274448	16962	273859	12477
1.2 Gold	318586	42011	-17136	-1831	70863	8131	67434	7380
1.3 SDRs	143063	18865	-1875	-62	132199	17379	132190	17366
1.4 Reserve Position in the IMF	39057	5146	-279	0	2859	222	3079	185

* Difference, if any, is due to rounding off

Scheduled Commercial Banks - Business in India						
(? Crore)						
Item	Outstanding as on Mar. 11, 2022	Variation over				
		Fortnight	Financial year so far		Year-on-year	
			2020-21	2021-22	2021	2022
			1	2	3	4
2 Liabilities to Others						
2.1 Aggregate Deposits	16277437	59908	1388313	1163924	1616655	1321632
2.1a Growth (Per cent)		0.4	10.2	7.7	12.1	8.8
2.1.1 Demand	1905817	-58159	79359	44624	238794	209455
2.1.2 Time	14371620	118067	1308953	1119300	1377861	1112177
2.2 Borrowings	285519	8780	-66151	41494	-69225	42231
2.3 Other Demand and Time Liabilities	642206	3940	33634	-14401	-38860	4896
7 Bank Credit	11715882	72165	424958	766373	655346	920064
7.1a Growth (Per cent)		0.6	4.1	7.0	6.5	8.5
7a.1 Food Credit	60908	-7317	17428	-346	8800	-8284
7a.2 Non-food credit	11654974	79482	407530	766720	646546	928349

Money Stock: Components and Sources

(? Crore)

Item	Outstanding as on		Variation over									
	2021	2022	Fortnight		Financial Year so far				Year-on-Year			
	Mar. 31	Mar. 11	Amount	%	2020-21		2021-22		2021		2022	
	1	2	3	4	5	6	7	8	9	10	11	12
M3	18844578	20279608	96080	0.5	1813852	10.8	1435030	7.6	2085225	12.6	1665793	8.9
1 Components (1.1.+1.2+1.3+1.4)												
1.1 Currency with the Public	2751828	3018761	38196	1.3	409724	17.4	266932	9.7	449197	19.4	259288	9.4
1.2 Demand Deposits with Banks	1995120	2045194	-57862	-2.8	81392	4.7	50074	2.5	242989	15.4	226110	12.4
1.3 Time Deposits with Banks	14050278	15163972	118818	0.8	1315447	10.4	1113694	7.9	1383418	11.0	1174510	8.4
1.4 'Other' Deposits with Reserve Bank	47351	51680	-3072	-5.6	7289	18.9	4329	9.1	9621	26.6	5884	12.8
2 Sources (2.1+2.2+2.3+2.4- 2.5)												
2.1 Net Bank Credit to Government	5850374	6339925	107921	1.7	870752	17.6	489551	8.4	792317	15.7	508811	8.7
2.1.1 Reserve Bank	1099686	1294485	26572	2.1	78298		194799		46565		223994	
2.1.2 Other Banks	4750689	5045441	81349	1.6	792454	20.0	294752	6.2	745751	18.6	284816	6.0
2.2 Bank Credit to Commercial Sector	11668466	12424617	74315	0.6	415287	3.8	756151	6.5	657466	6.1	970685	8.5
2.2.1 Reserve Bank	8709	2086	233	12.6	-4655		-6623		4781		-6425	
2.2.2 Other Banks	11659757	12422531	74082	0.6	419942	3.8	762774	6.5	652685	6.0	977110	8.5

Top Non-Banking Finance Companies & Micro Finance Institutions News

- **Credit guarantee scheme for co-lending to boost unsecured loans to MSMEs, say experts**

The Union government's move to introduce credit guarantees for loans advanced jointly by banks and NBFCs, known as co-lending, will likely give a fresh impetus to unsecured loans being extended to small business. Under the new scheme, lenders extending credit to micro and small enterprises can avail of guarantees on secured loans of up to Rs 2 crore and unsecured loans of up to Rs 1 crore.

Source : <https://www.moneycontrol.com/news/business/banks/credit-guarantee-scheme-for-co-lending-to-boost-unsecured-loans-to-msmes-say-experts-8184751.htm>

- **NBFCs gear up to sell bad loans in time to meet RBI's asset norms**

With the Reserve Bank of India allowing six months to non-bank lenders to meet the asset classification norms, top NBFCs are preparing to sell off a big chunk of their bad asset pool to clean up their books and release liquidity. RBI has mandated NBFCs that loan accounts classified as NPAs can be upgraded as 'standard' assets only if entire arrears of interest and principal are paid by the borrower

Source : https://economictimes.indiatimes.com/markets/stocks/news/nbfcs-gear-up-to-sell-bad-loans-in-time-to-meet-rbis-asset-norms/articleshow/89934511.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Motilal Oswal picks Muthoot Finance as top bet from NBFC space, sees up to 26% upside**

Muthoot Finance share price edged higher in the morning session on March 3 as research firm Motilal Oswal announced a buy call on the stock with a target of Rs 1,750 and upside of 26 percent. The stock was trading at Rs 1,421.45, up Rs 32.90 or 2.37 percent at 09:41 hours on BSE. It touched an intraday high of Rs 1,429.15 and an intraday low of Rs 1,399. According to the brokerage firm, Muthoot Finance is the top pick from the NBFC space for 2022. Standalone AUM (assets under management) clocked 17% compound annual growth rate (CAGR) over FY16-21.

Source : <https://www.moneycontrol.com/news/business/stocks/motilal-oswal-picks-muthoot-finance-as-top-bet-from-nbfc-space-sees-up-to-26-upside-8187101.html>

- **NBFCs may see asset quality improve by up to 200 bps going forward: Crisil**

According to Rating Agency, CRISIL,

the non-banking finance companies may see an improvement in their bad loans ratio by as much as 150-200 basis points, going forward, due to the Reserve Bank of India (RBI)'s postponement of the timeline for adhering to upgraded non-performing assets (NPA) norms and improved economic activity are likely to act as tailwinds for the sector. RBI's decision to defer the implementation of the NPA upgradation norms is expected to provide a reasonable transition time for NBFCs to recalibrate their processes, revamp their collection infrastructure, and persuade borrowers to align with the new dispensation.

Source : https://www.business-standard.com/article/finance/nbfc-may-see-asset-quality-improve-by-up-to-200-bps-going-forward-crisil-122030400933_1.html

● RISE OF FINTECH: BRINGING BANKING AND FINANCE AT THE FINGERTIPS

As we all use mobile banking and make transactions just a click these days, whether it be financial applications to calculate EMIs or insurances, things have become much easier. And all thanks to new fintech startups that have opened the doors for many significant changes in how payments are made. With new technologies coming to space, the fintech startups have been keen to leverage them.

Source : [https://www.analyticsinsight.net/rise-of-](https://www.analyticsinsight.net/rise-of-fintech-bringing-banking-and-finance-at-the-fingertips/)

[fintech-bringing-banking-and-finance-at-the-fingertips/](https://www.analyticsinsight.net/rise-of-fintech-bringing-banking-and-finance-at-the-fingertips/)

● Vedanta, Adani, others vie for Srei's 2 NBFCs

A London-based private equity firm, along with Vedanta, Adani Group and Makara Capital of Singapore are believed to be in the fray to acquire two Srei Group Non-Banking Finance companies. These are SREI Infrastructure finance (SIFL) and SREI Equipment (SEFL). According to the Sources, 17 entities have submitted expressions of interest to acquire debt-laden SREI duo under consolidated corporate insolvency resolution process.

Source : <https://timesofindia.indiatimes.com/city/kolkata/vedanta-adani-others-vie-for-sreis-2-nbfc/articleshow/90190632.cms>

● Razorpay acquires Pune-based iZealiant Technologies to strengthen payment solutions to banks

In its fifth acquisition, payments and Neo-banking platform Razorpay has acquired Pune-based payments solutions provider i Zealiant Technologies. Razorpay did not disclose the amount of the acquisition. Founded in 2015 by former Mastercard executive Prashant Mengawade, iZealiant is a Pune-based startup that provides mobile-first, API-enabled, and cloud-ready payment processing products for banks and financial institutions. The

company's offering ties in with Razorpay's products in its banking solutions arm which provides payments solutions to partner banks and other financial institutions.

Source : <https://www.moneycontrol.com/news/business/razorpay-acquires-pune-based-izealiant-technologies-to-strengthen-payment-solutions-to-banks-8236291.html>

- **RBI removes pricing caps for microfinance lenders**

The Reserve Bank of India (RBI) has removed caps on the pricing of small loans given by non-banking financial company-microfinance institutions (NBFC-MFIs), bringing them to the same level as other such lenders, including banks. With this, the underwriting of loans will be done on a risk-based analysis, and a risk premium will be charged based on the borrower. The move brings NBFC-MFIs on the same level as other such lenders, including banks. All microfinance lenders must now put in place a board-approved policy for the pricing of loans.

Source : <https://www.livemint.com/industry/banking/rbi-removes-pricing-caps-for-microfinance-lenders-11647285373311.html>

- **Reserve Bank asks NBFCs to implement core financial services solution by Sept. 2025**

Reserve Bank of India on Wednesday, March 16th 2022 asked certain class of

Non-Banking Financial Companies (NBFC) to mandatorily implement 'Core Financial Services Solution (CFSS)' by September 30, 2025 in order to provide seamless customer interface as well as have a centralised data base. In a circular, Reserve Bank of India (RBI) said it has been decided that NBFCs - Middle Layer and NBFCs - Upper Layer with 10 and more 'fixed point service delivery units' as on October 1, 2022 shall be mandatorily required to implement CFSS.

Source : <https://www.thehindu.com/business/reserve-bank-asks-nbfc-to-implement-core-financial-services-solution-by-sept-2025/article65078438.ece>

- **How do you know whether an NBFC accepting deposits is genuine or not**

The Reserve Bank of India (RBI) has released a handbook titled "BE (A) WARE" that details the common methods and the measures that should be taken when conducting various financial transactions. RBI has taken various steps to educate customers about frauds committed by fake Non-Banking Financial Company (NBFC). Many instances have come to light wherein so-called genuine NBFCs have duped unsuspecting customers.

Source : https://economictimes.indiatimes.com/wealth/save/how-do-you-know-whether-an-nbfc-accepting-deposits-is-genuine-or-not/articleshow/90141890.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Loan provider Clix Capital digitizes collections business with Vymo for improved customer engagement**

Vymo – one of the fastest-growing sales engagement platforms for financial institutions – today announced that Clix Capital – India's leading non-bank lender – will be deploying its platform to digitize its collections business. More than 350 frontline agents and managers across 15 states will use Vymo to automate payment collections and capture customer feedback. Business teams at Clix Capital will get real-time visibility into field activities using Vymo

Source : <https://www.prnewswire.com/in/news-releases/loan-provider-clix-capital-digitizes-collections-business-with-vymo-for-improved-customer-engagement-853294307.html>

- **Srei NBFC duo gets 14 eligible EOs**

Around 14 eligible prospective resolution applicants, including Vedanta, Jindal Power, Asset Reconstruction Company (India) (ARCIL), JM Financial Asset Reconstruction Co and Edelweiss Alternative Asset Advisors, have submitted their bids for debt-laden Srei Infrastructure Finance (SIFL) and its wholly-owned subsidiary Srei Equipment Finance (SEFL) under the consolidated corporate insolvency resolution process. According to Rajneesh Sharma, the administrator of the two NBFCs, got 14 expressions of

interest (Eols) from interested parties to acquire the companies after he published an invitation to EoI on February

Source:http://timesofindia.indiatimes.com/articleshow/90384919.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **The RBI's New Microfinance Lending Regulation: What Is In It For Consumers And Lenders**

The Reserve Bank of India has recently published a master circular regarding microfinance loans. The circular specifies many policy level changes, including the definition of microfinance. The new regulation applies to all financial entities dealing with microfinance loans. This means that all commercial banks, co-operative banks, NBFCs, NBFC-MFI, and housing finance companies, except payments banks, are now to be governed by the same rules for microfinance lending.

Source : <https://www.outlookindia.com/business/rbi-s-microfinance-lending-regulation-what-s-in-for-consumers-lenders-news-187894>

- **Spandana Sphoorty looks to steady ship after over 4 months of uncertainty**

After over four months of uncertainty, troubled microfinance institution (MFI) Spandana Sphoorty Financial (SSFL) is looking for stability and growth with full-time chief executive officer (CEO) and

chief financial officer (CFO) coming on board over the weekend. The MFI, backed by private equity fund Kedaara Capital, experienced a jolt in November 2021 after Padmaja Reddy, founder and managing director (MD), quit abruptly.

Source : https://www.business-standard.com/article/companies/spandana-sphoorty-looks-to-steady-ship-after-over-4-months-of-uncertainty-122032100005_1.html

- **Govt sets Rs 1-trillion infrastructure lending target for DFI**

The Centre has set a target of about Rs 1 trillion for government-backed National Bank for Financial Infrastructure and Development (NaBFID) for sanctioning loans to the infrastructure sector in the next financial year. The government-backed Development Finance Institution (DFI) will start operations in the first quarter of the next financial year.

Source: https://www.business-standard.com/article/economy-policy/govt-sets-rs-1-trillion-infrastructure-lending-target-for-dfi-122032400061_1.html

- **NBFC-MFIs to gain from RBI's revised norms: Crisil**

The Reserve Bank of India (RBI)'s revised framework for microfinance loans will engender 'greater harmonisation' in the business landscape of different types of lenders, enhance operational flexibility of NBFC-

MFIs and support their profitability, rating agency Crisil said on Monday. According to Krishnan Sitaraman, senior director and deputy chief ratings officer, Crisil Ratings, said: "The last two years have been extremely challenging for microfinance lenders as they grappled with high credit costs.

Source : <https://www.financialexpress.com/industry/banking-finance/nbfc-mfis-to-gain-from-rbis-revised-norms-crisil/2474463/>

- **Recent IBC changes dealing effectively with NBFC insolvency issues, says FM Sitharaman**

Making an intervention during question hour in the Lok Sabha, Hon'ble Finance Minister Smt. Nirmala Sitharaman indicated that the government does not for now see need to bring in a modified Financial Resolution and Deposit Insurance (FRDI) Bill to set up a Resolution Corporation to deal with NBFC insolvency issues, given that the recent IBC amendment was working effectively and that RBI is monitoring the situation.

Source : <https://www.thehindubusinessline.com/economy/recent-ibc-changes-dealing-effectively-with-nbfc-insolvency-issues-says-fm-sitharaman/article65267062.ece>

- **NBFC-MFI Borrowers Can Now See How Their Interest Rates Are Set; Have More Choice**

The Reserve Bank of India (RBI) has

removed margin caps on interest rate pricing of small loans given by non-banking financial company-micro-finance institutions (NBFC-MFIs). In a March 14 circular, it said that the loan interest rate should be calculated after taking into consideration various factors like risk premium, cost of funds, margin, and others. This means higher transparency as borrowers can see how their interest rate is calculated.

Source : <https://www.outlookindia.com/business/nbfc-mfi-borrowers-can-now-see-how-their-interest-rates-are-set-have-more-choice-of-lenders--news-187792>

Top Insurance News

- **Reliance General Insurance to participate in PMFBY policy distribution drive**

Reliance General Insurance Company Ltd has announced its participation in Pradhan Mantri Fasal Bima Yojana nationwide doorstep crop insurance policy distribution mega drive - 'Meri Policy Mere Hath' under 'Azadi Ka Amrit Mahotsav Campaign – India@75'.

Source : https://www.livemint.com/insurance/news/reliance-general-insurance-to-participate-in-pmfby-policy-distribution-drive-11646105_540661.html

- **Govt's nominee director may head New India Assurance**

The Centre is set to appoint its own nominee director to head the country's largest general insurer, New India Assurance Co. Ltd, two officials said requesting anonymity. The Insurance Regulatory and Development Authority of India (IRDAI) had objected to the government's earlier move to give additional charge to Oriental Insurance chairperson Anjan Dey as interim head of New India Assurance citing conflict of interest.

Source : <https://www.livemint.com/companies/news/govts-nominee-director-may-head-new-india-assurance-11646158189986.html>

- **Edelweiss General Insurance offers**

- **emergency cashless facility**

Digital insurer Edelweiss General Insurance (EGI) has introduced Out-of-Network Cashless, a cashless facility that can be availed at a hospital that is not part of the insurer's network, in case of an accident or life-threatening condition that requires immediate hospitalisation. The customer needs to connect with EGI's customer care and provide all the medical details to the customer care in case such a situation arises.

Source : <https://www.livemint.com/companies/news/edelweiss-general-insurance-offers-emergency-cashless-facility-11646303696126.html>

- **IRDAI proposes to hike third-party motor insurance premiums for FY2022-23**

The Insurance Regulatory and Development Authority of India (IRDAI) has proposed the third party premium rates for private two-wheelers and cars for the financial year 2022-23. According to the new rates, you will have to pay more for your four-wheeler (private cars) and two-wheeler (bike) vehicle's third-party cover with effect from 1 April 2022. From the past two financial years (FY 2020-21 and FY 2021-22), the IRDAI had not revised the rates. Hence, till now, the rates remained the same that Irdai laid down for FY 2019-20.

Source : <https://www.livemint.com/companies/news/irdai-proposes-to-hike-third-party-motor-insurance-premiums-for-fy202223-11646621892339.html>

- **Max Life Insurance, YES BANK Bancassurance Complete 17 Years: Rs 183 Crore Premiums Paid**

Max Life Insurance Co. Ltd and YES BANK Limited celebrated the completion of 17 years of strategic bancassurance partnership. The partnership has offered integration of new-age technologies in the business ecosystem in the past 17 years as they realigned their focus on a robust digital-first delivery that aims to bring agility into the customers' financial protection journey. The partnership between the two companies was forged on February 23, 2005. Through a pan-India presence across 1,100 branches, the partnership between Max Life and YES BANK have sold approximately 4.2 lakh policies and offered a sum assured of Rs 55,498 crore to policyholders and their families.

Source : <https://www.news18.com/news/business/max-life-insurance-yes-bank-bancassurance-complete-17-years-rs-1-83-crore-premiums-paid-4860620.html>

- **New Irdai chairman not a newcomer to insurance**

Insurers are happy with the appointment of Debasish Panda as the chief of the industry's regulatory authority as

they feel that the former bureaucrat has a sound understanding of Insurance. Most of the past chairmen, barring TS Vijayan who came from LIC, were bureaucrats and had to undergo a steep learning curve upon taking charge. Panda, despite being a career bureaucrat, has a strong connect with the insurance industry and has been on the boards of two of the largest government companies - New India Assurance & Life Insurance Corporation (LIC) - and the regulator Irdai itself.

Source : <https://timesofindia.indiatimes.com/business/india-business/new-irdai-chairman-not-a-newcomer-to-insurance/articleshow/90191764.cms>

- **Niva Bupa Health Insurance to provide affordable cancer plan**

Niva Bupa Health Insurance Company Limited (formerly known as Max Bupa Health Insurance Company Limited) on Tuesday announced a customised group plan for comprehensive coverage of cancer treatment at an annual premium of just ₹1499, plus taxes. This product has been developed by Niva Bupa in consultation with the Indian Cancer Society (ICS).

Source : <https://www.livemint.com/insurance/news/niva-bupa-health-insurance-to-provide-affordable-cancer-plan-11647326022564.html>

- **India must look at uniformity of insurance.**

Around two years ago, Insurance Regulatory and Development Authority (IRDAI), the insurance regulator, under its previous chairman, kick-started the standardization of insurance products with health insurance. The regulator, probably for the first time, acknowledged the problem of choice the common man was exposed to. When customers go looking for insurance for their family, they are flooded with an endless number of products with each having its own unique features.

Source : <https://www.livemint.com/money/personal-finance/india-must-look-at-uniformity-of-insurance-1164779552002.html>

- **Enroling MGNREGA workers in PMJJBY & PMSBY, reducing GST to improve insurance penetration: Report**

According to an SBI report, the government can further enhance insurance penetration in the country through compulsory enrolment of MGNREGA workers in PMJJBY and PMSBY, and rationalising the 18 percent GST on insurance policies. The report recommended that the insurance coverage can also be increased by plugging the protection gap through introduction of some standardised products for various sectors. "Though MGNREGA has provided livelihood security, we propose compulsory enrolment of MGNREGA workers in PMJJBY and PMSBY for a payment of

only Rs 342 (330+12), which can be bought by the government.

Source : <https://www.zeebiz.com/india/news-enroling-mgnrega-workers-in-pmjby-pmsby-reducing-gst-to-improve-insurance-penetration-report-181338>

- **Riders that can make term insurance policy comprehensive**

Term insurance policies are tailored in such a way that, in the event of the policyholder's untimely death, the beneficiaries get the sum assured as a lumpsum payment or a monthly income, depending on the dependents' preferences. The insured pays the premium to the insurer until the policy duration expires and is covered by the policy for this duration in the event of his or her death. In term insurance, the policyholder can add more features to the policy to get more comprehensive coverage. These additional covers are known as riders.

Source : <https://www.livemint.com/insurance/riders-that-can-make-term-insurance-policy-comprehensive-11648054289375.html>

- **ED can target crop insurance firms: Shetti**

Terming the cases of crackdown by Enforcement Directorate (ED) in Maharashtra as an act of revenge, farmers' leader, according to the Raju Shetti, the central agency must also bring the crop insurance firms on its

radar. “These firms have earned crores of rupees by leaving farmers in the lurch. Why is the ED turning a blind eye towards the firms,”.

Source : <https://timesofindia.indiatimes.com/city/aurangabad/ed-can-target-crop-insurance-firms-shetti/articleshow/90467839.cms>

- **Tata subsidiary joins insurance consortium to provide cover to Air India**

Within months of the Tata group taking over Air India, a subsidiary of the salt-to-software conglomerate has joined a consortium to provide insurance cover to the airline. With that, Tata AIG General Insurance Company will for the first time be associated with Air India for its cover. The insurance cover, pegged at \$12 billion (approx Rs 91,000 crore) will provide cover to 141 aircraft (117 of Air India and 24 of Air India Express) as well as passenger liability among other things from April 1.

Source : https://www.business-standard.com/article/companies/tata-subsi-dary-joins-insurance-consortium-to-provide-cover-to-air-india-122033100048_1.html

- **CAMSRep launches policyholder traceability solution**

CAMS Insurance Repository Services Ltd (CAMSRep) has launched Deep Contact Tracing, an offering which will help insurance companies address unclaimed amounts, a long-standing

problem of the industry. “Insurance companies have been grappling with the problem of contact tracing spanning over several years unable to deliver the claim amount to policyholders...The entire delay in tracing policyholders or their claimants, contacting them, validating their identity and bank account details are onerous processes

Source : <https://www.livemint.com/insurance/news/camsrep-launches-policyholder-traceability-solution-11648451748180.html>

Top Corporate Bond Market News

- **EPFO goes long on top PSU bonds**

The Employees' Provident Fund Organisation (EPFO) is estimated to have invested at least ₹ 10,000 crore in top-rated public-sector company bonds including that of Indian Oil, Hindustan Petroleum and National Bank for Agriculture and Rural Development (NABARD), some of which have offered rates up to 9 basis points less than similar maturity government bonds.

Source : https://economictimes.indiatimes.com/markets/bonds/epfo-goes-long-on-top-psu-bonds/articleshow/89934424.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=ppst

- **Ajay Tyagi: The man with no regrets (or secrets)**

The outgoing chairman of Securities and Exchange Board of India Ajay Tyagi left the conference room at Sebi Bhavan one last time before he returns to Delhi, with no regrets after a five-year stint at the helm. Tyagi gave an impression of a man who was content as his 38-year stint in civil services reached its end after the government decided not to extend his stay at the most powerful job in India's capital market by another three years. The role has now been taken up by Madhabi Puri Buch, the former whole-time director of Sebi and a banker.

Source : <https://www.moneycontrol.com/news/business/markets/ajay-tyagi-the-man-with-no-regrets-or-secrets-8184801.html>

- **JPMorgan Boosts Its Electronic Trading Venue as Clients Look to Sell Bonds**

JPMorgan Chase & Co. is upgrading its electronic trading platform to make it easier for the firm to sell corporate bonds to clients, as market weakness leaves dealers across Wall Street looking to offload securities on behalf of their customers. The JPMorgan Liquidity Network, which the bank has been building and adding to for months, can now send requests to customers to bid on corporate bonds. Previously, the system only allowed for customers to ask the firm for bids.

Source : <https://www.bloombergquint.com/business/jpmorgan-boosts-electronic-trading-venue-as-clients-look-to-sell>

- **Cred Avenue: Bonding retail investors to Debt Markets**

If the Union Budget 2022 had a headline, it was the massive increase in govt spending on capex for Infrastructure. According to the Finance Minister Hon'ble Nirmala Sitharaman, the multiplier effect of such expenditure (₹2.95 to the rupee) vs that of revenue expenditure (₹0.95 to the rupee). For sustainable growth of an economy a

deep and liquid bond market is essential. India's funding needs are for rapid expansion, capital expenditures, mergers and acquisitions: all require a deep, vibrant debt market that takes the pressure off an overburdened banking system.

Source : <https://www.moneycontrol.com/news/trends/features/credavenue-bonding-retail-investors-to-debt-markets-8157641.html>

- **Amid market turmoil, investors plough in Rs 19,700 cr in equity MFs in Feb**

As the market plunged in February, affected by geopolitical tensions in Europe and rising inflation, mutual fund investors doubled down on their investments, trying to lap up equities at cheap prices. Amfi data released for the month on Wednesday showed that investors poured in a net Rs 19,705.27 crore in equity-oriented funds, compared to Rs 14,887.77 crore in January. Flexi cap and sectoral fund were among the biggest beneficiary of the inflows, getting more than Rs 3,000 crore each.

Source : https://economictimes.indiatimes.com/markets/stocks/news/amid-market-turmoil-investors-plough-in-rs-19700-cr-in-equity-mfs-in-feb/articleshow/90095801.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **New Leadership: An agenda for new Sebi chief Madhabi Puri Buch**

The appointment of Madhabi Puri Buch as the new Sebi chairperson has ushered in an era of firsts in the history of the regulator. She is not only the first woman to head the regulator, but also the youngest head. Having previously worked with various prestigious private sector institutions, including as head of ICICI Securities and board-member of ICICI Bank, she brings in decades of private sector experience. During her tenure at Sebi, she has held various portfolios and has chaired various committees, most recently heading the Advisory Committee for Leveraging Regulatory and Technology Solutions that was set up to “enhance technological capabilities and enhance solution for early detection of market anomalies”.

Source : <https://www.financialexpress.com/opinion/an-agenda-for-new-sebi-chief-madhabi-puri-buch/2462090/>

- **India said to plan \$3.3 billion sovereign green bond issue**

India will issue at least 240 billion rupees (\$3.3 billion) in sovereign green bonds as the country marks a shift towards a low-carbon economy, according to officials with knowledge of the matter. The debut sale may take place in the first half of the fiscal year that starts on April 1, and a decision to sell more green debt will depend on the response to the initial issuance, the people said, requesting not to be

identified as the information is private. A finance ministry spokesman was not immediately available for a comment.

Source : <https://www.moneycontrol.com/news/business/economy/india-said-to-plan-3-3-billion-sovereign-green-bond-issue-8234241.html>

- **Global Green Bond Market Report 2022: Analysis by Type of Issuer, Sector, & Region**

The Global Green Bond Market was valued at USD 433.30 Billion in the year 2021. Green bonds are used to fund green projects such as renewable energy, clean transportation, and long-term water management. Government Backed Entities, Non-Financial Corporates, Financial Corporates, Sovereign, Development Banks, Local Government, and other sectors are frequently used to segment green bonds..

Source : <https://www.businesswire.com/news/home/20220318005192/en/Global-Green-Bond-Market-Report-2022-Analysis-by-Type-of-Issuer-Sector-Region---Market-Insights-and-Forecast-2017-2021-2022-2027---ResearchAndMarkets.com>

- **SEBI board meeting on March 29: New-age tech firms' IPO, CIS rules may be discussed**

The Securities and Exchange Board of India (SEBI) board meeting is scheduled to be held on March 29, 2022. It is expected that the strictness will increase for new-age technology

companies which are not able to make a profit but still come to raise money through IPO. All companies will provide DRHP with more information on non-financial performance indicators like subscriptions, downloads, etc so that investors can understand the future potential of the company, this point will also be considered in the meeting

Source : <https://www.zeebiz.com/india/news-sebi-board-meeting-on-march-29-new-age-tech-firms-ipo-cis-rules-may-be-discussed-181266>

- **EPFO may consider more govt bonds and equity investments**

A committee at the Employees' Provident Fund Organisation (EPFO) at its next meeting will likely consider proposals to permit its fund managers to invest more in government bonds that yield higher than top-rated corporate paper and increase the exposure to equity. The proposals are aimed at ensuring high returns for provident fund subscribers and they come after the EPFO cut the interest rate for 2021-22 to 8.10%, the lowest in four decades.

Source: <https://economictimes.indiatimes.com/news/economy/policy/epfo-may-consider-more-govt-bonds-and-equity-investments/articleshow/90481109.cms>

- **Banks stuck in legal tangle over Russian corporate bond payments**

Sanctions against Russia are disrupting the flow of payments between bond

issuers and investors as lawyers at banks and other intermediaries assess the risk of acting on behalf of companies with links to Moscow. Big investment banks are holding up cash flowing out of Russia while they work out whether they can handle it, and in some cases have blocked interest payments altogether.

Source: <https://www.ft.com/content/b9539513-1a73-4951-8ca6-7c7f2268acd0>

- **SEBI rejigs CIS norms at board meeting to 'remove regulatory arbitrage'**

The Securities and Exchange Board of India (SEBI), at its board meeting held on March 29, approved amendments to the collective investment schemes (CIS) norms in order to bring them in line with the regulatory framework governing mutual funds. "The board approved amendment to SEBI (Collective Investment Schemes) Regulations, 1999 to strengthen the regulatory framework for collective investment schemes (CIS) in line with mutual fund regulations to remove regulatory arbitrage,"

Source : <https://www.moneycontrol.com/news/business/markets/sebi-rejigs-cis-norms-at-board-meeting-to-remove-regulatory-arbitrage-8291451.html>

Department of Banking & Financial Services Upcoming Programme

ASSOCHAM 5th National Summit & Awards on Corporate Bond Market	Thursday, 12th May 2022
ASSOCHAM 17th Annual Summit & Awards on Banking & Financial Sector Lending	June, 2022

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