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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 economics 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 ecosystem.

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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SPEECHES

Cryptocurrencies – An assessment

**Shri T Rabi Sankar, Deputy Governor, Reserve Bank of India –
February 14th, 2022 – at the Indian Banks Association 17th Annual Banking
Technology Conference and Awards)**

Introduction

Cryptocurrencies and other crypto products (like non-fungible tokens or NFTs) are being hailed as the innovations that would usher in decentralized finance or DeFi, which are blockchain applications geared to disrupt the traditional financial system. The basic purpose of blockchain, or more generally the distributed ledger, the technology on which these crypto-products run, is to make financial intermediation, and therefore banks, redundant. What might have escaped the attention of the common man, is that cryptos might be more than just a technology, they appear to embody an ideology as well.

Cryptocurrency Basics

When a transaction is made using paper currency, all that the receiver needs to check is that the currency is not counterfeit. Thus, it is the receiver who authenticates the instrument of payment. This arrangement generally works, except for those few instances when the receiver fails to detect a counterfeit currency. This arrangement also works as the bank certifies that the sender has adequate balance in her account to cover the transaction.

The defining characteristics of cryptocurrencies are:-

- a. That cryptocurrencies are decentralized systems where transactions are

authenticated by participants themselves by consensus. They are designed to bypass the financial system and all its controls. They cannot be traced or confiscated or frozen by Governments.

- b. They are anonymous – transactions are verified, but not the purposes or counterparties of transactions.
- c. They are borderless – that is, they work over the internet without any physical existence.

While Bitcoin started more than a decade back in 2008, until 5 years ago, total market capitalisation of all cryptocurrencies was only \$20 billion (February 2017). This went up to \$289 billion in February 2020 and thereafter exploded to reach a peak of \$2.9 trillion in November 2021. Currently (Feb 09, 2022) it stands at \$1.98 trillion. Bitcoin accounts for 42% of this market capitalisation, the top two cryptocurrencies account for 61% while the top five account for 71%. The total number of cryptocurrencies is at 17,436 and the total number of crypto exchanges is 458.

Should cryptocurrencies be permitted and regulated in India

Cryptocurrencies are typically native to a blockchain. For instance, bitcoin is the native coin (or token) of the Bitcoin blockchain, or, ether is the native currency of the Ethereum blockchain.

They can be used as units of account to settle transactions or they can be used as tokens to reward work done in the blockchain, say, for mining. Even in case of private authentication through consensus mechanisms, accounts can be kept, and rewards can be given in any legal tender currency. In other words, creating native cryptocurrencies is just one way of implementing a blockchain; it can be viewed as just one-use case of the blockchain technology.

Conclusion

Crypto-technology is underpinned by a philosophy to evade Government controls. Cryptocurrencies have specifically been developed to bypass the regulated financial

system. These should be reason enough to treat them with caution. We have also seen that cryptocurrencies are not amenable to definition as a currency, asset or commodity; they have no underlying cash flows, they have no intrinsic value; that they are akin to Ponzi Schemes, and may even be worse. All these factors lead to the conclusion that banning cryptocurrency is perhaps the most advisable choice open to India. We have examined the arguments proffered by those advocating that cryptocurrencies should be regulated and found that none of them stand up to basic scrutiny.

Source : https://rbi.org.in/Scripts/BS_SpeechesView.aspx?Id=1196

Mr Klaas Knot, President of the Netherlands Bank, at the FINSYS commemoration of Professor Benno Joseph Ndulu on “Realizing a Cross-Border Payment Vision for the Advancement of the African Continental Free Trade Area (AfCFTA)”, 22 February 2022

Just over a year ago trading officially commenced under the African Continental Free Trade Area. One factor that could greatly enhance the economic benefits of free trade in Africa is cheaper and faster cross-border payment services within the continent and beyond.

A lot of what we do daily involves crossing borders. From sending an email to someone abroad, to meeting with you virtually right now. It is time that our money also flows more easily across borders.

There are four key barriers to cross-border payments – the cost, the speed, the transparency and the inclusion. To address these four barriers, the FSB has developed a Roadmap to enhance cross-border payments.

First – part of the success of this Roadmap will depend on public-private cooperation. We will need central banks to improve their core payment systems, allowing the private sector to follow suit. And at the same time, we will need the private sector to play a big role in the needed improvements when developing new payment systems and arrangements, or when enhancing existing services.

Second – to improve cross-border payments, we need coordination of regulatory, supervisory and oversight frameworks.

Cross-border payments obviously involve at least two jurisdictions, and often more, when correspondent banking networks are involved. This often creates frictions – with, as a result, the four challenges I just mentioned. To address

these frictions, we will need actions on both an international and a national level. High-quality customer due diligence is, of course, essential. But it is relatively costly for cross-border transactions. So the FSB wants to improve confidence between financial institutions and between jurisdictions. We want to do this by:

- Promoting more consistent application of Aml/cft standards;
- facilitating cross-border data flows and information sharing;
- fostering improved digital identity frameworks as well as customer due diligence infrastructures; and,
- in specific cases, by identifying low-risk "safe payment corridors".

Third focus area is that we need to better align existing payment infrastructures and arrangements. The reason for this being that technical differences increase costs and slow transactions. So this third focus area of the FSB Roadmap would seek several things – for example,

- to strengthen links between payment systems and reduce settlement risk, through measures such as facilitating payment-versus-payment,
- to improve access by banks, non-banks and payment infrastructures to systems,
- to extend and align operating hours between systems,
- to pursue better interlinking of payment systems for cross-border payments,
- and to explore reciprocal liquidity arrangements.

Fourth – to reduce costs and improve the scope for straight-through data processing, we need better data.

To achieve this, we need to adopt common data formats, including rules for conversion and mapping from legacy formats, as well as protocols for information exchange.

Our fifth and final focus area is that we need to examine the potential role of new types of payment infrastructures and arrangements, like central bank digital currencies and well-regulated "global stablecoins".

Conclusion

Enhancing cross-border payments is a shared global goal. Commitment, coordination and accountability will be critical to its success. The FSB Roadmap gives us the opportunity to make a real difference to individuals, businesses and financial institutions across the globe. Cheaper, faster, more transparent and more inclusive cross-border payments have widespread benefits for companies conducting cross-border business, for tourists visiting other countries or for migrants sending money home to their families. One of the regions that could benefit the most from achieving the global targets is Sub-Saharan Africa, where the challenges of costs, speed and inclusion are greatest. So as we move forward with the Roadmap, we will seek input from emerging markets and developing economies beyond the twenty-four countries in our membership. We will bring in these perspectives via our six Regional Consultative Groups, including our Group for Sub-Saharan Africa. This group is co-chaired by Governor Addison of Ghana and Governor Kganyago of South Africa, who is also co-chairing the FSB's coordination group for the Roadmap as a whole.

BANKING, FINANCIAL SERVICES & INSURANCE (BFSI) ACTIVITIES IN THE MONTH

ASSOCHAM - EGROW Shadow Monetary Policy Committee Meeting
“Discussion on Monetary Policy” Saturday, 05th February 2022 (03:00 PM – 05:00 PM)

Eminent Panellists:

- Dr. Arvind Virmani, Former Chief Economic Advisor, Government of India & Chairman, EGROW Foundation
- Dr. Charan Singh, Chairman, ASSOCHAM National Council for Banking
- Shri S.C Aggarwal, Member, ASSOCHAM & CMD, SMC Group
- Shri Abheek Barua, Chief Economist and Executive Vice President, HDFC Bank
- Ms. Upasana Bhardwaj, Senior Economist & Senior Vice President, Kotak Mahindra Bank
- Shri Siddhartha Sanyal, Chief Economist & Head of Research, Bandhan Bank
- Shri Indranil Sen Gupta, Head of Research, CLSA
- expenditure of Government and hence a reduction in NPAs
- Impact of borrowings larger than budgeted needs to be managed
- Inflationary pressures are expected to wane away during the year
- Oil prices add to uncertainty - with a 10 dollar rise in oil prices/bbl leading to a rise in CAD to GDP by 0.5 per cent.
- Uncertainty regarding economic growth recovery due to COVID-19 pandemic amidst subsequent waves
- Uncertainty regarding the impact of Central Bank digital currency on bank deposits and monetary policy
- RBI needs to continue with liquidity normalization drive

Key Takeaway's

- **Dr. Arvind Virmani:-**
- Globally, tightening of the interest rates has begun
- The growth impulse in the domestic economy is strengthening
- Greater push for capital expenditure on infrastructure by the Center and States will lead to surge in employment/growth
- Greater profitability is expected in the banking sector due to higher capital



ASSOCHAM National E-Summit on Surety & Guarantee Bonds “Playing an imperative role for country’s growth” Thursday, 24th February 2022 (11:00 AM – 01:00 PM)

Eminent Panellists:

- Shri Manoj Kumar, Member (Projects), National Highways Authority of India, Government of India
- Shri Santosh B. Nayar, Chairman & Independent Director, Reliance Nippon Life Insurance Company Limited
- Shri Richard Wulff, Executive Director, International Credit Insurance & Surety Association
- Ms. Nipa Sheth, Chairperson, ASSOCHAM Corporate Bond, Market and Founder & MD, Trust Group
- Shri Vikash Khandelwal, CEO, EQARO Guarantees
- Shri Venkateswaran Narayanan, Partner-Financial Risk Management, KPMG India
- Shri Basudev Mukherjee, Assistant Secretary General, ASSOCHAM
- Shri Pavanjit Singh Dhingra, Joint Managing Director, Prudent Insurance Brokers Pvt. Ltd.
- Shri Akshay Bhardwaj, Senior Vice President, Marsh India Insurance Brokers Pvt. Ltd.
- Shri Pankaj Bhansali, Chief Business Officer & COO, EQARO Guarantees
- Shri S. C. Aggarwal, Senior Member ASSOCHAM & CMD, SMC Group

Key Takeaway’s

- National Highways Authority of India has been working with the Insurance Regulatory and Development Authority of India (IRDAI) for the last two years on these guidelines

and finally, we are happy that the surety bonds guidelines are in place

- The government’s various infrastructure plans and elaborated on the role of surety bonds with these initiatives. “The National Infrastructure Pipeline (NIP) is 100-lakh crore out of that 26% share of highways.
- One can imagine the kind of work volume that is going to come up in the next five years. So, we are working to expand the construction market by expanding it in a strategic manner, which includes having contracts of various sizes, so that smaller players over a period of time can graduate to larger projects,”
- For example, three years back we had 6-7 players who were doing public-private partnership (PPP) and hybrid annuity model (HAM) projects and today, in the current financial year, we have 25 players
- We are now awarding nearly 50% contracts to new players, which in turn has resulted in competitive bids and faster constructions. However, that poses another challenge for these players as they are new and find it difficult to get bank guarantees. That’s where the role of surety bonds comes in.”



TOP BANKING NEWS

- **Tatas pick SBI, two other banks to finance Air India's old debt**

The Tata Group have chosen State Bank of India, Bank of Baroda and HDFC Bank as preferred bankers for Air India, the country's largest international airline that it took over from the government on Thursday, people aware of the matter said. Tata Sons on Thursday availed of a Rs 10,000-crore loan from SBI and a Rs 5,000-crore loan from BoB, one of them said. The loans are unrated, unsecured, and pegged at 4.25% annually.

Source: https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/tatas-pick-sbi-two-other-banks-to-finance-air-indias-old-debt/articleshow/89191620.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Six ways Budget 2022 will affect banking sector**

The immediate impact of the Budget is always felt on the financial markets, and the banking sector in particular. The Sensex had declined after the announcement, meaning thereby that there was not much to cheer. The 10-year bond yield has gone up by 18 bps after the presentation of the Budget spooked by the high borrowing programme of the government. There were quite a few expectations from the banking side, though admittedly no policy decision was part of this bag which is in the domain of the RBI which will be speaking on February 9.

Source: <https://www.moneycontrol.com/news/opinion/six-ways-budget-2022-will-affect-banking-sector-8013911.html>

- **Internet banking to be made available across all post offices this year: Budget 2022**

The Finance minister announced in her Budget 2022 speech that all 1.5 lakh branches of Post Office will be linked to the core banking system by the end of 2022. This will allow all post office saving account holders to access internet banking and conduct online payment and money transfer. While a large number of post office branches were already there on the core banking system however all post offices are not on the core banking system as yet. Therefore, transfer of funds via internet banking from a core-banking enabled post office to one which is not part of the core banking system is not possible.

Source: https://economictimes.indiatimes.com/wealth/personal-finance-news/internet-banking-to-be-made-available-across-all-post-offices-this-year-budget-2022/articleshow/89269072.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Budget 2022 | Paytm, Fino Payments Bank gain on push for digital ecosystem, fintech**

Paytm & Fino Payment Banks rallied up to 6 percent as Hon'ble Finance Minister Nirmala Sitharaman in her Budget speech aggressively pushed for digital payments and eco-system along with fintech. One

97 Communications, the parent company of Paytm, rallied 5.77 percent to Rs 970 on BSE and Fino Payments Bank was up 1.72 percent at Rs 398.35. "Taking forward this agenda, and to mark 75 years of our independence, it is proposed to set up 75 Digital Banking Units (DBUs) in 75 districts of the country by scheduled commercial banks.

Source: <https://www.moneycontrol.com/news/business/markets/budget-2022-paytm-fino-payments-bank-gain-on-push-for-digital-ecosystem-fintech-8018051.html>

- **In digital banking push, industry eyes rural gains**

The government has proposed setting up 75 digital banking units (DBUs) in 75 districts across India through scheduled commercial banks, an attempt at a major push to the growth in the digital economy. Simply put, digital banking involves taking all traditional banking activity online — doing away with paperwork like cheques, pay-in slips, demand drafts and so on. the move will open up the rural market for service providers besides providing a boost to credit flow.

Source: <https://indianexpress.com/article/india/in-digital-banking-push-industry-eyes-rural-gains-7752345/>

- **Privatisation of PSU banks will create jobs, not take them away, says DIPAM secretary**

According to DIPAM Secretary Tuhin Kanta, The Modi government needs to create awareness around privatisation of state-owned banks that it's not intended to take away jobs, but to create them, "We need

to create awareness that privatisation of (state-owned banks) is not intended to take away jobs. In fact, privatisation is done to increase the jobs, sustainable jobs. If the organisations do not change fast enough, they may become obsolete,".

Source: <https://theprint.in/economy/privatisation-of-psu-banks-will-create-jobs-not-take-them-away-says-dipam-secretary/821211/>

- **Banks' gross bad loans decline to Rs 8 lakh crore as of September: Karad**

The gross bad loans of the banks have declined to a little over Rs 8 lakh crore by end of the September 2021 quarter from over Rs 9.33 lakh crore at the end of March 2019. Of this, the share of public sector banks (PSBs) in bad loans proportion has also declined 72 per cent against nearly 80 per cent. According to Minister of State for Finance Bhagwat Karad, Citing Reserve Bank of India's (RBI) data on global operations of scheduled commercial banks. The banks' gross non-performing assets (GNPAs) have declined from Rs 9,33,779 crore (GNPA ratio of 9.07 per cent) as on March 31, 2019, to Rs 8,00,463 crore (6.93 per cent) as of September 30, 2021.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-gross-bad-loans-decline-to-rs-8-lakh-crore-as-of-september-karad/articleshow/89413099.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Ujjivan Small Finance Bank appoints Sriram Srinivasan as head of digital banking**

Ujjivan Small Finance Bank on Monday said it has appointed industry veteran Sriram Srinivasan as the new Head of Digital Banking. Srinivasan will be responsible for accelerating digital adoption across the bank and its services. He has a rich experience of over 26 years, having worked extensively in Japan, India, Singapore, Hong Kong, Vietnam and China markets at the global, country, and regional levels.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/ujjivan-small-finance-bank-appoints-sriram-srinivasan-as-head-of-digital-banking/articleshow/89402678.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **No decision on bank privatisation, Insurance PSUs merger put on back-burner**

According to the Finance Ministry on Monday, February, 07th 2022, decision is yet to be taken on the privatisation of the Public Sector Banks. At the same time, merger of three public sector general insurance companies has been put off. In a written reply in Lok Sabha Minister in the Finance Ministry Dr Bhagwat Karad, that as per inputs received from the Department of Investment and Public Assets Management (DIPAM), the government has not yet decided on the banks that are to be privatised. "The amendments to the relevant Acts are required to be done before initiating the process of privatisation,".

Source: <https://www.thehindubusinessline.com/money-and-banking/no-decision-on-bank-privatisation-insurance-psus-merger-put-on-back-burner/article64971349.ece>

- **ICICI Bank makes InstaBIZ inter-operable**

According to ICICI Bank, the bank has made 'InstaBIZ' interoperable. This would enable merchants including customers of other banks to use the lender's business banking mobile app. "The initiative enables merchants and professionals like doctors and lawyers to instantly create digital collection solutions like UPI ID and QR code, and start collecting money from their customers immediately," the bank said in a statement, adding that they can also digitally apply for Point of Sale (POS) device

Source: <https://www.thehindubusinessline.com/money-and-banking/icici-bank-makes-instabiz-interoperable/article64997967.ece>

- **Interview with former Governor, Reserve Bank of India: 'There will be upward pressure on inflation because of high commodity prices'**

According to former Reserve Bank of India (RBI) Governor DUVVURI SUBBARAO, Foreign portfolio investment outflows in the wake of the US Fed tightening are unlikely to cause any macro instability because India's external sector today is a lot stronger than in 2013. In a conversation with GEORGE MATHEW, Subbarao, who was the Union Finance Secretary before becoming the RBI Governor, spoke about the RBI prioritising growth over inflation, need for job intensive growth, risks to the economy and the manufacturing push. He also says the digital rupee is unlikely to be a gamechanger.

Source: <https://indianexpress.com/article/business/economy/interview-with-former-governor-rbi-there-will-be-upward-pressure-on-inflation-7771751/>

- **Frozen by uncertainty: On RBI and its mandate to ensure price stability**

The Monetary Policy Committee's decision to leave interest rates unchanged and retain its "accommodative" policy stance, albeit with one member dissenting over the stance, shows a central bank frozen into inaction by the "Knightian" or unquantifiable uncertainty surrounding the pandemic-hit economy. In sticking with the status quo, the RBI's policymakers have underscored that they find themselves trapped in a no man's land. On the one hand, both the global and domestic economy have suffered a loss of momentum in the wake of the Omicron wave and prognosticating prospects for the recovery has become even more risky in the face of the uncertainty shrouding the pandemic.

Source: <https://www.thehindu.com/opinion/editorial/frozen-by-uncertainty-the-hindu-editorial-on-rbi-and-its-mandate-to-ensure-price-stability/article38409570.ece>

- **Banking | Real-time payments need real-time security**

The COVID-19-related lockdowns compelled many of us to adapt to a digital life: transforming the way we pay, and get paid. However, the rush to online and digital payments, by new digital converts, also provided huge opportunity for the unscrupulous. The result: cybercrime soared in India, as it did elsewhere. This rise in fraud was also reflected in consumer sentiment; Indian consumers' concern around fraud rocketed from 47 percent at the beginning of the pandemic to 71 percent now.

Source: <https://www.moneycontrol.com/news/opinion/banking-real-time-payments-need-real-time-security-8090961.html>

- **Most Consumers Expect Digital Banking to Be Personal Banking**

Acceleration of digital interactions during the pandemic, consumers now expect more than half of their banking business — 61% — to be digital-only by 2024. But that still leaves another 39% of banking they expect will involve direct human assistance. Even as banks see an increase in customers relying solely on ATMs and mobile channels at the expense of access physical branches and drive up tellers, branches won't entirely vanish from customer expectations.

Source: <https://www.pymnts.com/news/digital-banking/2022/most-consumers-expect-digital-banking-to-be-personal-banking/>

- **Bankers to approach RBI, Centre on UP Act allowing state to attach sugar mills' assets**

Banks want the Centre and Reserve Bank to intervene in respect of the recent Uttar Pradesh Sugarcane Amendment Act, which empowers the state government to attach assets or use receivables of a company based there or its subsidiaries to recover dues of farmers. Bankers feel the move undermines the waterfall mechanism specified under the Insolvency & Bankruptcy Code and have sought clarity. Industry also fears that other states may also emulate and bring such provisions.

Source: <https://economictimes.indiatimes.com/news/india/bankers-to-approach-rbi-centre-on-up-act-allowing-state-to-attach->

sugar-mills-assets/articleshow/89649576.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Banks have considerably reduced private moneylenders' role: Abdul Nazeer**

According to Supreme Court judge S. Abdul Nazeer on Friday, 18th February 2022, institutional financing facilities through banks had considerably reduced the role of private moneylenders in the country, particularly in rural areas, thereby addressing the poverty issue, and urged banks to be more proactive in this direction. He was delivering the Founder's Day lecture at the Karnataka Bank headquarters here on 'Constitutional Philosophy and Banking'. Any bank that intends to compliment the constitutional ethos should move to hinterlands to free people from private moneylenders.

Source: <https://www.thehindu.com/news/cities/Mangalore/banks-have-considerably-reduced-private-moneylenders-role-abdul-nazeer/article65063202.ece>

- **Banking sector in best of health in decades, says India Ratings**

According to India Ratings and Research (Ind-Ra) on Thursday, 17th February 2022, it has revised the outlook on the overall banking sector for FY23 to 'improving' from 'stable', as the banking system's health is at its best in decades. The improving health trend that began in FY20 is likely to continue into FY23, it said, adding that key financial metrics are likely to continue to show improvement in FY23, backed by strengthened balance sheets and an

improving credit demand outlook.

Source: <https://www.livemint.com/industry/banking/banking-sector-in-best-of-health-in-decades-says-india-ratings-11645082071643.html>

- **RBI orders five banks to list zero coupon bonds at "fair value"**

Mint Road has ordered five state-owned banks, including the Bank of India, to list down zero coupon government bonds issued in lieu of equity at 'fair value'. Since these bonds are typically offered at deep discounts to their face values, such an order could require the banks to raise more capital. The regulatory direction comes after an assessment showed that valuing these instruments at face value could create a misleading picture of the banks' financial strength and set a precedent that could be exploited in future by others and weaken the banking system.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-orders-five-banks-to-list-zero-coupon-bonds-at-fair-value/articleshow/89709323.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **HSBC India profit up 9% led by corporate loan growth**

Hong and Shanghai Banking Corp Ltd (HSBC), Europe's second largest lender by assets, said its profit before tax in India increased 9% to \$1.11 billion in the year ended 2021 from \$1.02 billion in 2020 led by a 42% growth in income from its commercial banking business which includes loans to medium size and small companies. Profit before tax from its commercial banking

division increased to \$265 million from \$187 million in 2020 likely due to growth in loans to small and medium enterprises (SME's) and made up for stagnant profit from the bank's.

Source: https://economictimes.indiatimes.com/markets/stocks/news/hsbc-india-profit-up-9-led-by-corporate-loan-growth/articleshow/89754759.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Neo-bank Niyo raises \$100 million**

Consumer neo-banking platform Niyo has raised \$100 million in a funding round led by Accel & Lightrock India, with participation from Beams Fintech Fund and other existing investors. The company will use the funds to accelerate provision of financial services, for product innovation, marketing & branding and hiring top-talent across functions.

Source: http://timesofindia.indiatimes.com/articleshow/89812226.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Banking sector's near-term financial performance to improve gradually: Fitch**

According to the Fitch Ratings, the Indian banking sector's near-term financial performance to improve gradually amid the economic momentum and regulatory forbearance on pandemic-led stress. The global rating agency assessed that private banks would lead the recovery with faster loan growth than state banks, which may find it difficult to remain competitive without adequate growth capital

Source: <https://www.thehindubusinessline.com/money-and-banking/banking-sectors-near-term-financial-performance-to-improve-gradually-fitch/article65080141.ece>

SELECT RBI CIRCULAR'S

Date of issue	Circular name	Subject
24.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12248	Reporting and Accounting of Central Government transactions of March 2022
23.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12247	Implementation of 'Core Financial Services Solution' by Non-Banking Financial Companies (NBFCs)
22.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12246	Inclusion in the Second Schedule to the Reserve Bank of India Act, 1934- Sikkim State Co-operative Bank Ltd
18.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12245	Regulations Review Authority (RRA 2.0) – Interim Recommendations – Online Submission of Returns
18.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12244	Regulations Review Authority (RRA 2.0) – Interim Recommendations – Discontinuation/Merger/Online Submission of Returns
18.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12244	Master Circular – Housing Finance
18.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12242	Regulations Review Authority (RRA 2.0) – Interim Recommendations – Second Tranche
18.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12241	Regulations Review Authority (RRA 2.0) – Interim Recommendations – Withdrawal of Circulars
18.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12240	Regulations Review Authority (RRA 2.0) – Interim Recommendations – Discontinuation/Merger/Online Submission of Returns
18.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12238	Regulations Review Authority (RRA 2.0) – Interim Recommendations-Discontinuation/Merger/Online Submission of Returns
18.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12239	Regulations Review Authority (RRA 2.0) – Interim Recommendations – Discontinuation / Merger / Online Submission of Returns

18.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12237	Regulations Review Authority (RRA 2.0) – Interim Recommendations – Withdrawal of Circulars
18.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12235	Regulations Review Authority (RRA 2.0) – Interim Recommendations – Discontinuation/Merger/Online Submission of Returns
18.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12234	Regulations Review Authority (RRA 2.0) – Interim Recommendations – Withdrawal of Circulars
18.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12233	New Definition of Micro, Small and Medium Enterprises - Clarification
17.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12232	Exim Bank's Government of India supported Line of Credit (LoC) of USD 40 million to the Government of the Republic of Maldives
17.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12231	Exim Bank's Government of India supported Line of Credit (LoC) of USD 50 million to the Government of the Republic of Maldives
15.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12230	Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications
10.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12229	Rupee Interest Rate Derivatives (Reserve Bank) Directions - Review
10.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12228	'Voluntary Retention Route' (VRR) for Foreign Portfolio Investors (FPIs) investment in debt
10.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12227	Transactions in Credit Default Swap (CDS) by Foreign Portfolio Investors – Operational Instructions
10.2.2022	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12225	Master Circular - Asset Reconstruction Companies

WEEKLY STATISTICAL SUPPLEMENT – RBI

Weekly Statistical Supplement – Extract					
1. Reserve Bank of India - Liabilities and Assets*					
(₹ Crore)					
Item	2021	2022		Variation	
	Feb. 19	Feb. 11	Feb. 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	6441	8872	4065	-4807	-2376
* Data are provisional.					

2. Foreign Exchange Reserves								
Item	As on February 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	4725881	632952	-26557	2762	506929	55968	483526	49087
1.1 Foreign Currency Assets	4233784	567060	-31324	1496	309617	30367	294886	24954
1.2 Gold	309914	41509	6487	1274	62191	7629	53794	6259
1.3 SDRs	143069	19162	-1521	-11	132205	17676	132111	17654
1.4 Reserve Position in the IMF	39114	5221	-198	4	2916	296	2736	219
*Difference, if any, is due to rounding off								

3. Scheduled Commercial Banks - Business in India

(₹ Crore)

Item	Outstanding as on Feb. 11, 2022	Variation over				
		Fortnight	Financial year so far		Year-on-year	
			2020-21	2021-22	2021	2022
			2020-21	2021-22	2021	2022
	1	2	3	4	5	6
2 Liabilities to Others						
2.1 Aggregate Deposits	16127965	95439	1213854	1014453	1555051	1346619
2.1a Growth (Per cent)		0.6	8.9	6.7	11.8	9.1
2.1.1 Demand	1894158	-18079	13995	32965	267954	263159
2.1.2 Time	14233807	113518	1199858	981488	1287097	1083460
2.2 Borrowings	267082	-4506	-65955	23057	-66020	23598
2.3 Other Demand and Time Liabilities	621414	15605	15434	-35194	63711	2304
7 Bank Credit	11545026	76049	332681	595517	660958	841485
7.1a Growth (Per cent)		0.7	3.2	5.4	6.6	7.9
7a.1 Food Credit	77980	-4410	23523	16726	1963	2693
7a.2 Non-food credit	11467046	80459	309158	578791	658995	838792

4. Money Stock: Components and Sources

(₹ Crore)

Item	Outstanding as on		Variation over									
	2021	2022	Fortnight		Financial Year so far				Year-on-Year			
	Mar. 31	Feb. 11			2020-21		2021-22		2021		2022	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	1	2	3	4	5	6	7	8	9	10	11	12
M3	18844578	20085803	139175	0.7	1620139	9.6	1241225	6.6	2059738	12.6	1665701	9.0
1 Components (1.1.+1.2.+1.3.+1.4)												
1.1 Currency with the Public	2751828	2975675	44810	1.5	395754	16.8	223847	8.1	487647	21.6	230173	8.4
1.2 Demand Depos- its with Banks	1995120	2032432	-18065	-0.9	15393	0.9	37312	1.9	271872	18.4	279346	15.9
1.3 Time Deposits with Banks	14050278	15025111	112483	0.8	1204215	9.5	974833	6.9	1290363	10.3	1146881	8.3
1.4 'Other' Deposits with Reserve Bank	47351	52585	-53	-0.1	4776	12.4	5234	11.1	9857	29.5	9301	21.5
2 Sources (2.1+2.2+2.3+2.4- 2.5)												
2.1 Net Bank Credit to Government	5850374	6157917	223766	3.8	891834	18.0	307543	5.3	848145	16.9	305721	5.2
2.1.1 Reserve Bank	1099686	1192118	133412		147446		92432		142091		52480	
2.1.2 Other Banks	4750689	4965799	90354	1.9	744388	18.8	215111	4.5	706054	17.6	253241	5.4
2.2 Bank Credit to Commercial Sector	11668466	12253310	78406	0.6	322752	2.9	584844	5.0	666382	6.2	891913	7.9
2.2.1 Reserve Bank	8709	1957	-917		-4751		-6752		4305		-6458	
2.2.2 Other Banks	11659757	12251353	79323	0.7	327503	3.0	591595	5.1	662076	6.2	898371	7.9

5. Liquidity Operations By RBI

(₹ Crore)

Date	Liquidity Adjustment Facility				MSF*	Standing Liquidity Facilities	Market Stabilisation Scheme	OMO (Outright)		Long Term Repo Operations	Targeted Long Term Repo Operations#	Special Long-Term Repo Operations for Small Finance Banks	Special Reverse Repo£	Net Injection (+)/ Absorption (-) (1+3+5+6+9+10+11+12-2-4-7-8-13)
	Repo	Reverse Repo*	Variable Rate Repo	Variable Rate Reverse Repo				Sale	Purchase					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Feb. 14, 2022	—	95013	—	140395	1063	—	—	—	—	—	—	—	—	-234345
Feb. 15, 2022	—	130020	—	—	1341	—	—	—	—	—	—	—	—	-128679
Feb. 16, 2022	—	163961	—	—	980	—	—	—	—	—	—	—	—	-162981
Feb. 17, 2022	—	169962	—	—	855	—	—	—	—	—	—	—	—	-169107
Feb. 18, 2022	—	71409	—	167479	750	—	—	—	—	—	—	—	—	-238138
Feb. 19, 2022	—	29075	—	—	696	—	—	—	—	—	—	—	—	-28379
Feb. 20, 2022	—	3027	—	—	2	—	—	—	—	—	—	—	—	-3025

TOP NBFC'S-MFI NEWS

- **Budget 2022-23: Industry seeks tax parity between NBFCs and banks**

Over the years, the RBI has tightened the regulatory framework for non-banking finance corporations, especially for large and deposit-taking ones, and brought it close to what is applicable for banks. “For example, their interest on NPAs is taxed on accrual basis and not on receipt basis. Their interest income suffers TDS deducted by borrowers.

Source: https://www.business-standard.com/article/finance/budget-2022-23-industry-seeks-tax-parity-between-nbfc-and-banks-122012900060_1.html

- **Budget 2022: ‘Increasing repayment limit to 180 days will mean MSMEs won’t shut down due to lack of funds**

Over the years, there have been several announcements in and out of the Budget, to make access to credit easier for MSMEs. But so far, it’s just not been enough. The reason is a complex intertwining of factors — the small size of most MSMEs, the fact that they don’t have collateral to offer to large banks and lending institutions, and the increasing reluctance of these banks and lenders to take on risky loans.

Source: <https://www.financialexpress.com/budget/msme-fin-budget-2022-increasing-repayment-limit-to-180-days-will-mean-msmes-wont-shut-down-due-to-lack-of-funds/2420530/>

- **Digital Rupee Can Be Exchanged for Cash, Open New Fintech Opportunities: Prime Minister Narendra Modi**

According to Hon’ble Prime Minister Narendra Modi on Wednesday 2nd February 2022 the digital rupee, proposed in the union budget, could be exchanged for cash and will open new opportunities in the fintech sector. The central bank digital currency or the digital rupee will make online payments more secure and risk free and boost digital economy in the years to come. “The digital rupee will be the digital form of our physical rupee and will be regulated by the RBI.

Source: <https://gadgets.ndtv.com/cryptocurrency/news/digital-rupee-cbdc-india-narendra-modi-exchange-for-cash-fintech-union-budget-2022-2745128>

- **Reserve Bank of India likely to tweak norms to reduce MFI risk**

The Reserve Bank of India (RBI) may tweak the qualifying assets threshold for microfinance institutions (MFIs) to 75 per cent of their net assets, compared with the current level of 85 per cent of net assets. The parameters for MFIs’ qualifying assets are exposure to households with annual income limits of Rs 1.25 lakh (rural) and Rs 2 lakh (urban), are collateral-free loans with no prepayment penalty, and flexibility of repayment periodicity.

Source: https://www.business-standard.com/article/finance/reserve-bank-of-india-likely-to-tweak-norms-to-reduce-mfi-risk-122020400044_1.html

- **This Small Cap NBFC Hit 20% Upper Circuit: Check Details**

The firm we are talking about is Spandana

Sphoorty Financial Ltd. and the stock's upside has been fuelled after the Budget 2022 extended the ECLGS or Emergency Credit Line Guarantee Scheme (ECLGS) by Rs 50,000 crore to a total of Rs 5 lakh crore. The scheme was launched by the centre in 2020 amid the pandemic to provide relief to MSMEs hit the hardest. The scheme as a whole of the centre's larger 20 lakh crore scheme called the Atmanirbhar Bharat Abhiyaan for COVID relief.

Source: <https://www.goodreturns.in/news/this-small-cap-nbfc-hit-20-upper-circuit-check-details-1238672.html>

- **Apollo Management to invest \$125 mn in Indian NBFC**

US-based private equity major Apollo Management has agreed to invest around Rs 940 crore (\$125 million) as growth capital to pick up minority stake into Hero Fincorp, the lending unit of the Hero Group. The investment will be made through Apollo's investment affiliate AHVF II Holdings Singapore II Pte. Ltd, according to a public disclosure viewed by VCCircle.

Source: <https://www.vccircle.com/apollo-management-to-invest-125-mn-in-indian-nbfc>

- **MFIs' assets under management likely to grow at 18-22% in FY2023: Report**

Domestic rating agency ICRA on Monday, February 07th 2022, revised downwards the FY2022 growth outlook for assets under management (AUM) of NBFC-MFIs to 12-14 per cent but expects it to improve to 18-22 per cent in the financial year 2022-23. The long-term outlook for non-banking financial companies-microfinance institutions

(NBFC-MFIs) to remain robust, driven by the fact that the growth in disbursements is expected to have continued in Q3 FY2022, after the revival in Q2 FY2022

Source: https://economictimes.indiatimes.com/industry/banking/finance/mfis-assets-under-management-likely-to-grow-at-18-22-in-fy2023-report/articleshow/89405654.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **NBFC May Get Permission From RBI To Issue Credit Cards, Says Report**

For the first time, the Reserve Bank of India (RBI) is discussing with a few non-banking financial companies (NBFCs) the possibility to allow them to issue credit cards on a standalone basis, states a recent report by Business Standard. To date, NBFCs have the permission to issue co-branded credit cards with banks. NBFCs have been constrained from the credit card market due to several high-access barriers, especially regarding the issuance of general credit cards. They could not even issue other cards, like charge cards, debit cards, and stored-value cards.

Source: <https://www.outlookindia.com/business/nbfc-may-get-permission-from-rbi-to-issue-credit-cards-says-report-news-121438>

- **An NBFC that wants to be wealth manager of rural India**

Dvara KGFS is a deep rural NBFC, which goes beyond lending and offers products and services, including credit, savings, insurance and pension instruments. Dvara Holdings has been in the financial inclusion space since 2008 to try and

achieve financial inclusion in India, especially in the rural segment. According to Samir Shah, Executive Vice-Chair and Co-Founder, Dvara Holdings, the firm aims to be India's first "Venture Studio" - an incubator for innovative technology-driven initiatives to enhance the reach of financial services to low-income households across the country.

Source: <https://www.businesstoday.in/opinion/interviews/story/an-nbfc-that-wants-to-be-wealth-manager-of-rural-india-321682-2022-02-07>

- **NBFCs seek relaxation from RBI on asset classification, provisioning norms**

Non-banking finance companies (NBFC) are still hopeful of some relaxation by the Reserve Bank of India (RBI) on the norms of income recognition, asset classification, and provisioning for advances. "Industry associations have requested the RBI to have a re-look at the requirements and give us a little more time to make this alignment. The reason is that we have to communicate to customers across the country, and they will have to align their payments.

Source: <https://www.thehindubusinessline.com/money-and-banking/nbfc-seek-relaxation-from-rbi-on-asset-classification-provisioning-norms/article64969410.ece>

- **UK fintech giant Revolut invests Rs 340 crore in India ops**

British fintech giant Revolut has pumped Rs 340 crore (roughly \$45.5 million) into Revolut India as a part of its first tranche of investments in its Indian arm. The investments are for Revolut's first cross-border remittance product in India, which

it plans to launch in the second half of 2022. The company is still in talks with the Reserve Bank of India (RBI) to procure the necessary licences for its products.

Source: https://economictimes.indiatimes.com/tech/startups/uk-fintech-giant-revolut-invests-rs-340-crore-in-india-ops/articleshow/89408383.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **NBFCs report higher GNPA's in December quarter**

Major non-banking finance companies (NBFCs) reported an increase in their bad loans during the October-December quarter. Gross non-performing assets (GNPA) of NBFCs rose between 65 bps and 131 bps year-on-year (YoY) during the quarter due to the implementation of the Reserve Bank of India (RBI)'s November 12 circular on loan upgradation.

Source: <https://www.financialexpress.com/industry/banking-finance/nbfc-report-higher-gnpas-in-december-quarter/2429703/>

- **RBI warns of spillover effects on banks and NBFCs in its policy review**

Banks and non-banking financial companies have to be watchful and improve their risk management measures as the unwinding of easy policies could have spillover effects, the Reserve Bank of India Governor Shaktikanta Das said on Thursday. "We have to be, however, watchful of the impact of the pandemic on the banking and NBFC sectors when the effects of regulatory reliefs and resolutions fully work their way through," Das said in the bi-monthly monetary policy statement.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-warns-of-spillover-effects-on-banks-nbfcs/articleshow/89471476.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Ola eyes NBFC acquisition to expand financial services business: Report**

IPO-bound Ola is looking to expand its financial services business and also obtain an NBFC licence through the acquisition route. Ola is said to be in talks to acquire at least 3 companies to augment its engineering, product as well as loan management capabilities to support the rapid growth in the financial services business, two sources with direct knowledge of the development said. The companies being considered for acquisition are registered non-banking financial companies (NBFCs), which offer both secured and unsecured loans.

Source: <https://www.livemint.com/companies/news/ola-eyes-nbfc-acquisition-to-expand-financial-services-business-report-11644490637597.html>

- **After Zomato, Swiggy gets ready to join BNPL bandwagon**

Barely a few days after online food delivery firm Zomato announced plans to launch buy now pay later (BNPL) services for customers, rival Swiggy has plunged into the water and is evaluating offering the postpaid service where customers can eat first and pay later. In a notification sent to select customers, Swiggy has asked them if they would like to order food and then settle bills towards the end of the month.

Source: <https://www.moneycontrol.com/news/business/startup/fomo-drives-swiggy-to-evaluate-bnpl-service-customers-asked-if-they-want-to-settle-bills-by-month-end-8091441.html>

- **RBI extends deadline for NBFCs to meet new NPA upgradation norms**

The Reserve Bank of India on Tuesday, February 15th 2022, extended the timeline by six months for NBFCs to adhere the new NPA recognition norms. Earlier the regulator had set March 31 deadline for non-bank lenders to upgrade NPAs only after all arrears and principal dues are paid. "NBFCs will have time till September 30, 2022 to put in place the necessary systems to implement this provision," .

Source: https://economictimes.indiatimes.com/industry/banking/finance/rbi-extends-deadline-for-nbfcs-to-meet-new-npa-upgradation-norms/articleshow/89597217.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Bajaj Finance briefly snatches NBFC crown from Housing Development Finance Corp as market value rises**

Bajaj Finance on February 15 briefly overtook Housing Development Finance Corporation (HDFC) as the biggest non-banking finance company (NBFC) in India by market capitalisation. Bajaj Finance's market capitalisation reached Rs 4,17,385 crore to beat HDFC's Rs 4,17,076. This comes as shares of HDFC have been in a downward spiral for some time as they trade near their 52-week low. The stock has fallen 19 percent in the past year and is the second worst performing stock on the Nifty 50 index after Hero MotoCorp.

Source: <https://www.moneycontrol.com/news/business/markets/bajaj-finance-briefly-snatches-nbfc-crown-from-housing-development-finance-corp-as-market-value-rises-8101591.html>

- **M2P Fintech acquires core banking solutions provider BSG ITSOFT**

M2P Fintech, a Chennai-based application programming interface (API) infrastructure company, on Wednesday announced that it has signed a definitive agreement to acquire BSG ITSOFT, a leading provider of core banking solutions. According to the Company Press Release, acquisition further bolsters M2P Fintech's approach to providing a new generation cloud native platform and positions M2P Fintech among few entities globally to offer a fully integrated banking and payments stack that is built on API-first infrastructure.

Source: <https://www.thehindubusinessline.com/money-and-banking/m2p-fintech-acquires-core-banking-solutions-provider-bsg-itsoft/article65055573.ece>

- **FM calls for bridging global infrastructure funding gap**

According to Hon'ble Finance Minister Nirmala Sitharaman on Friday, 17th February 2022 stressed on the need for bridging the funding gap for infrastructure, as well as for developing innovative financing mechanisms for an inclusive growth in the sector. At a virtual discussion on 'Sustainable Financing and Infrastructure' at the G20 Finance Ministers and Central Bank Governors meeting under G20 presidency of Indonesia, she backed the efforts being made for scaling up sustainable finance

instruments, with a focus on improving accessibility and affordability.

Source: <https://indianexpress.com/article/business/banking-and-finance/fm-calls-for-bridging-global-infrastructure-funding-gap-7780572/>

- **Equity funds hike exposure to banking, NBFC and auto stocks in Jan: Data**

Indian equity fund managers have increased their allocation towards private banks, non-banking financial companies (NBFCs) and auto in January. The data from Indian Mutual Fund Tracker by Motilal Oswal shows that in January six of the top 10 stocks that saw the maximum increase in value were ICICI Bank, Axis Bank and SBI. Market participants say that in November and December of last year, the banking index had seen a sharp fall and there was an opportunity to enter in those stocks at lower levels.

Source: https://www.business-standard.com/article/markets/equity-funds-hike-exposure-to-banking-nbfc-and-auto-stocks-in-jan-data-122021501232_1.html

- **RBI asks NBFCs to enable Core Fin Services Solution akin to that in banks**

The Reserve Bank of India (RBI) on Wednesday said non-banking finance companies (NBFCs) in the upper and middle layer, with ten or more fixed point service delivery units as of October 1, 2022, will have to mandatorily implement "Core Financial Services Solution (CFSS)" by September 30, 2025, a system akin to the Core Banking Solution used by banks.

Source: https://www.business-standard.com/article/finance/rbi-asks-nbfc-to-enable-core-fin-services-solution-akin-to-that-in-banks-122022301223_1.html

TOP INSURANCE NEWS

- **Over Rs 1,500 Crore Paid By Deposit Insurance and Credit Guarantee Corporation To 1.2 Lakh Depositors Of Defaulting Banks**

The Deposit Insurance and Credit Guarantee Corporation (Amendment) Act, passed by Parliament in 2021, made significant changes in the landscape of deposit insurance in India. According to the Economic Survey, Over Rs 1,500 crore has been paid to more than 1.2 lakh depositors of defaulting banks under the Deposit Insurance and Credit Guarantee Corporation (DICGC), since it came into existence in 1961,

Source: <https://www.outlookindia.com/business/india-budget-2021-22-over-rs-1-500-crore-paid-by-deposit-insurance-and-credit-guarantee-corporation-to-1-2-lakh-depositors-of-defaulting-banks-news-51499>

- **Surety Bonds: Insurers to give tough competition to banks**

Insurers may give a tough competition to banks when it comes to providing financial backstop to clients. Finance Minister Nirmala Sitharaman, on Tuesday, said the use of surety bonds (issued by insurers), as a substitute for bank guarantee (BG), will be made acceptable in government procurements. "Business such as gold imports may also find this useful. The IRDAI has given the framework for issue of surety bonds by insurance companies," said the Minister in her Budget speech.

Source: <https://www.thehindubusinessline.com/money-and-banking/surety-bonds-insurers-to-give-tough-competition-to-banks/article64961820.ece>

- **HSBC Insurance eyes buying PNB stake in Canara HSBC OBC Life Insurance**

The erstwhile OBC held 23 per cent stake in the life insurer, which by virtue of amalgamation in FY20 is now with PNB. HSBC Insurance (Asia Pacific) Holdings Ltd (INAH), a shareholder in Canara HSBC OBC Life Insurance Co Ltd, has expressed interest in acquiring Punjab National Bank's (PNB) stake in the insurance company, according to a filing. "The bank has received a communication from HSBC Insurance (Asia Pacific) Holdings Ltd (INAH), one of the shareholders of the company, conveying its intention to acquire Bank's stake in the company."

Source: <https://indianexpress.com/article/business/banking-and-finance/hsbc-insurance-eyes-buying-pnb-stake-in-canara-hsbc-obc-life-insurance-7753928/>

- **Edelweiss General Insurance launches AI voice bot for automated motor claims**

Edelweiss General Insurance (EGI), has launched an AI voice bot to expedite registration of motor claims. This end-to-end AI Voice Bot is the first in the general insurance industry in India, and is powered by Yellow.ai, the world's leading next-gen Total Experience (TX) Automation Platform recently recognised in the 2022 Gartner Magic Quadrant for Enterprise Conversational AI Platforms,"

Source: <https://www.livemint.com/insurance/news/edelweiss-general-insurance-launches-ai-voice-bot-for-automated-motor-claims-11643870231014.html>

- **Budget 2022: Big takeaway for general insurance companies! Government allows surety bonds as substitute for bank guarantees**

Surety bonds could now be used for government procurements which augurs well for the insurance sector and infrastructure sector, Zee Business' Anurag Shah reported. The announcement was made by Finance Minister Nirmala Sitharaman in her Union Budget 2022. Over the past few years, the infrastructure companies were facing huge problems in getting bank guarantees or had to pay a high premium to get them. That created a lot of issues related to the liquidity.

Source: <https://www.zeebiz.com/india/news-budget-2022-big-takeaway-for-general-insurance-companies-government-allows-surety-bonds-as-substitute-for-bank-guarantees-177892>

- **Kotak General Insurance ties up with CARS24**

Inks corporate agency agreement for insuring vehicles. Kotak Mahindra General Insurance has entered into a Corporate Agency agreement with CARS24 Financial Services. "Through this association, CARS24, as a Corporate Agent of Kotak General Insurance, will extend Motor insurance services to its consumers that will fully insure their vehicles with Kotak General Insurance's comprehensive motor insurance plans.

Source: <https://www.thehindubusinessline.com/money-and-banking/kotak-general-insurance-ties-up-with-cars24/article64965192.ece>

- **LIC, Policybazaar join hands to accelerate insurance growth**

Alliance between the two organisations to help ensure higher insurance penetration in the country. IPO- bound Life Insurance Corporation and recently listed Policybazaar.com, one of the largest insurance marketplaces, have joined hands to offer a wide range of term and investment products to consumers. The two companies formally initiated the Business on February 3.

Source: <https://www.thehindubusinessline.com/money-and-banking/lic-policybazaar-join-hands-to-accelerate-insurance-growth/article64965574.ece>

- **General insurers in alien territory on surety bonds**

General insurance companies are wading into uncharted territory with surety bonds as they grapple with regulatory, process and product related challenges on the unique product announced in the budget. Surety bonds issued by insurance companies are designed to provide a guarantee to government agencies or companies for the delivery of projects. Small businesses buying these unsecured bonds will pay a premium to an insurance company in exchange for an underwriting guarantee in case of a default in a project.

Source: <https://economictimes.indiatimes.com/markets/stocks/news/general-insurers-in-alien-territory-on-surety-bonds/articleshow/89360020.cms>

- **Airtel Payments Bank partners ICICI Lombard for cyber insurance**

Airtel Payments Bank said it has partnered ICICI Lombard General Insurance Company to offer a cyber insurance which can be

purchased from the Airtel Thanks app. The partnership comes at a time when the growth in digital payments and transactions has led to a surge in sophisticated online frauds. The insurance from ICICI Lombard provides financial protection to customers against potential financial cyber frauds related to banking, credit or debit card, as well as protection against threats such as identity theft, phishing and email spoofing.

Source: <https://economictimes.indiatimes.com/industry/banking/finance/insure/airtel-payments-bank-partners-icici-lombard-for-cyber-insurance/articleshow/89417920.cms>

- **Bajaj Allianz Life insurance adopts technology-driven eKYC services**

Bajaj Allianz on Tuesday said it will continue to invest in technology-led innovations to ensure customers have a seamless experience and added that its eKYC and other initiatives are planned towards this goal. Over the last 20-odd months, the life insurance industry has gone through a lot of changes. During this time, the company has introduced several initiatives to respond to the changing business environment and customer needs.

Source: <https://www.livemint.com/companies/news/bajaj-allianz-life-insurance-adopts-technology-driven-ekyc-services-11644308095264.html>

- **Insurance stocks continue to underperform**

As the government and bankers gear up for the mega initial public offering of state-owned Life Insurance Corporation of India, a niggling worry for them could be the lower appetite for insurance companies among

investors of late. Shares of the seven listed insurance companies have underperformed the market in the past three to six months due to expensive valuations and the multiple business challenges they faced during the pandemic.

Source: <https://economictimes.indiatimes.com/markets/stocks/news/insurance-stocks-continue-to-underperform/articleshow/89465728.cms>

- **LIC IPO | Insurance giant reserves up to 35% of issue size for retail investors**

"In the event of under-subscription, or non-allocation in the anchor investor portion, the balance equity shares shall be added to the net QIB portion," said LIC in its DRHP. Life Insurance Corporation of India has reserved up to 35 percent of its total IPO size for retail investors as per the draft papers filed with the capital markets regulator Sebi.

Source: <https://www.moneycontrol.com/news/business/ipo/lic-ipo-insurance-giant-reserves-up-to-35-of-issue-size-for-retail-investors-8087271.html>

- **'Expedite disbursal of crop insurance benefits'**

MP submits memorandum to Union Minister for Agriculture. Rajya Sabha Member of Parliament S. Selvaganabathy has submitted a memorandum to Union Minister for Agriculture and Farmers' Welfare Narendra Singh Tomar in New Delhi seeking measures to expedite disbursal of pending crop insurance benefits to farmers in Puducherry and Karaikal regions.

Source: <https://www.thehindu.com/news/cities/puducherry/mp-seeks-measures-to-expedite-disbursal-of-crop-insurance-benefits-to-farmers/article65046191.ece>

- **Bank of Baroda to acquire Union Bank's stake in IndiaFirst Life Insurance**

Bank of Baroda said that it will acquire Union Bank of India's 21% stake in IndiaFirst Life Insurance Company, a joint venture between Bank of Baroda, Union Bank of India and Carmel Point Investments. The government backed lender said that pursuant to a 'Right of First Offer' (ROFO) made by Union Bank of India (UBI) to the existing shareholders of IndiaFirst Life Insurance Company to divest 21% of its stake in the life insurance company.

Source: https://www.business-standard.com/article/news-cm/bank-of-baroda-to-acquire-union-bank-s-stake-in-indiafirst-life-insurance-122021400245_1.html

- **Maharashtra may become 8th state to opt out of Centre's flagship crop insurance scheme**

Maharashtra may follow several other big states and opt out Pradhan Mantri Fasal Bima Yojana (PMFBY), the Narendra Modi government's much-vaunted crop insurance scheme. India's second-most populous state may replace the central scheme with its own — a step already adopted by states like West Bengal. Farmer groups have already flagged irregularities in PMFBY at a February 1, 2022 meeting with Maharashtra agriculture minister Dadaji Bhuse and department officials. They demanded a new state-level programme.

Source: <https://www.downtoearth.org.in/news/agriculture/maharashtra-may-become-8th-state-to-opt-out-of-centre-s-flagship-crop-insurance-scheme-81551>

- **Insurance industry profit practically at a standstill, warns McKinsey**

In a new report, analysts at management consulting firm McKinsey have warned that insurance industry profits are "practically at a standstill" due to longstanding economic challenges. Examining the industry in the wake of the COVID-19 pandemic, McKinsey concludes that half of insurers globally are not earning their cost of capital, and half are trading below book value.

Source: <https://www.reinsurancene.ws/insurance-industry-profit-practically-at-a-standstill-warns-mckinsey/>

- **LIC files DRHP with Sebi for India's largest IPO, govt to offload 5% stake**

The state-run insurer Life Insurance Corporation of India (LIC) filed its draft red herring prospectus (DRHP) with the capital markets regulator. The issue is completely an offer for sale of 31,62,49,885 equity shares by the promoter, which holds a 100 per cent stake in the insurance behemoth. The President of India, acting through the Ministry of Finance, Government of India, is the promoter.

Source: https://economictimes.indiatimes.com/markets/ipos/fpos/life-insurance-corp-files-draft-papers-for-indias-largest-ipo/articleshow/89548614.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Canara HSBC OBC Life Insurance launches Flexi Edge**

Canara HSBC Oriental Bank of Commerce Life Insurance has launched its new insurance plan -- Flexi Edge--a non-linked participating individual savings life

insurance plan that enables the customers with the ability to prioritize their long-term savings. Flexi Edge addresses the growing needs of customers starting from savings to income and unplanned or recurring expenses; along with providing life cover to the policyholder in the unfortunate event of the death, according to a release by Canara HSBC OBC Life Insurance.

Source: <https://www.livemint.com/insurance/news/canara-hsbc-obc-life-insurance-launches-flexi-edge-11644988318842.html>

- **BSE Ebix partners with LIC join for distribution of insurance products**

BSE Ebix Insurance Broking Private Limited, a joint venture of BSE and Ebix Fincorp Exchange Pte Ltd., on Thursday announced the signing of Insurance Broker Agreement for distribution of Life Insurance Corporation (LIC) products on its platform. Under this agreement, BSE EBIX will offer their clients insurance products offered by LIC such as Life and Health, using its omni-channel digital presence. The partnership of two like-minded organizations aims at offering customer-centric solutions backed by technological innovations and best in class services.

Source: <https://www.livemint.com/companies/news/bse-ebix-partners-with-lic-join-for-distribution-of-insurance-products-11645083814310.html>

- **Vistara partners with Allianz, offers optional travel insurance**

Vistara has entered into an association with Allianz Partners to provide optional travel insurance to its passengers. “Effective February 16, Vistara customers have the

option to avail travel insurance while booking their domestic or international flights,” the airline’s statement noted. The option is currently available to Indian citizens residing in India, and will be extended to other global markets, including Singapore, United Arab Emirates, and Europe in the second phase over the course of the year.

Source: https://www.business-standard.com/article/companies/vistara-partners-with-allianz-offers-optional-travel-insurance-122021800645_1.html

- **Irdai proposes lifelong renewability of personal accident insurance, time bound porting of policy**

The Irdai is planning to amend insurance rules so that insurers cannot deny lifelong renewal of a personal accident policy provided the policy has been earlier renewed without a break. . As per an exposure draft issued by the Insurance Regulatory and Development Authority of India (Irdai) on February 16, 2022, an insurer will not be able to deny lifelong renewal of a personal accident insurance policy on the grounds of age of policyholder. This is one of the changes proposed in insurance regulations in the exposure draft. Similarly, if a policyholder wishes to port his insurance policy from one insurer to another then, once the portability form is received, then within 5 days the insurance company shall seek necessary details from the existing insurance company.

Source: <https://economictimes.indiatimes.com/wealth/insure/irdai-proposes-lifelong-renewability-of-personal-accident-insurance-time-bound-porting-of-policy/articleshow/89665382.cms>

- **EaseMyTrip partners with Toffee Insurance**

To provide travel insurance solutions to its customers EaseMyTrip has partnered with Toffee Insurance, one of the fastest-growing InsurTech companies, to provide innovative and tailored travel insurance solutions to its customers. As a part of this association, Toffee Insurance will manage all travel insurance products for added value and extra protection for EaseMyTrip's customers's flight bookings caused due to medical emergencies. The free of charge policy, eliminates the risk of losing booking charges as customer will get a complete refund including the money deducted by airlines.

Source: https://www.business-standard.com/article/news-cm/easemytrip-partners-with-toffee-insurance-122022200404_1.html

- **Irdai proposes making policyholders less accountable while porting health policy**

Soon, insurers could be solely responsible for gathering claims information of a policyholder from existing insurer following the porting of a health policy. As a result, insurers will not be able to repudiate claims on the grounds of non-disclosure. Also, insurers will have to seek necessary medical and claims history of a policyholder from existing insurer within five working days of receipt of portability form.

Source: <https://www.livemint.com/insurance/news/irdai-proposes-making-policyholders-less-accountable-while-porting-health-policy-11645585483830.html>

- **IRDAI Proposes Health Insurance Amendments**

According to the draft issued by the Insurance Regulatory Development Authority of India on Feb. 16, an insurer can't deny lifelong renewal of a personal accident cover on the grounds of policyholder's age, provided it has been earlier renewed without a break. Previously, such covers were a part of an exclusion list. The positive development for policyholders who regularly renewed their personal accident covers only to one day be suddenly denied renewal because of a change in their age bracket.

Source: <https://www.bloombergquint.com/business/irdai-proposes-health-insurance-amendments>

- **Irdai wants insurers at par with banks on legal recourse for surety bonds**

The insurance regulatory and development authority of India (Irdai) has taken up the issue of insurers being treated at par with banks when it comes to recovery recourse available to them for the surety bond business and the government has reacted positively to the concerns of the industry. According to the TL Almelu, member, Non-Life, IRDAI, "Recently we had come with surety bond guidelines for which there is huge demand. However, we do understand the concerns raised by the insurers that they should have a recourse to recovery on par with the banks.

Source: https://www.business-standard.com/article/companies/irdai-wants-insurers-at-par-with-banks-on-legal-recourse-for-surety-bonds-122022400581_1.html

- **Huge market available for surety bonds**

in India: NHAI member

According to the National Highways Authority of India (NHAI) member Manoj Kumar on Thursday, 24th February 2022, a huge market is available for surety bonds in the country and now, the onus is on the insurance fraternity to come out with products quickly. The NHAI is working to expand the construction market because

“as a country, we had a certain level of construction capability in a strategic manner by having contracts of various sizes”.

Source: https://economictimes.indiatimes.com/news/economy/infrastructure/huge-market-available-for-surety-bonds-in-india-nhai-member/articleshow/89799745.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

TOP CORPORATE BOND MARKET NEWS

- **Budget 2022-23: Incentives for solar, green bonds in low carbon plan**

According to the Hon'ble Finance Minister Smt. Nirmala Sitharaman, Climate crisis is among the strongest negative externalities to affect India, while announcing several steps that will help the country transition to a low carbon economy. Among the key actions announced by the minister during her Budget speech is an additional allocation of ₹19,500 crore for Production Linked Incentive (PLI) for manufacture of high efficiency solar modules to fully integrated manufacturing units that can transition from polysilicon to solar PV modules. This is to facilitate domestic manufacturing for implementation of 280 GW of installed solar capacity by 2030.

Source: <https://www.hindustantimes.com/india-news/budget-2022-23-incentives-for-solar-green-bonds-in-low-carbon-plan-101643742345287.html>

- **Budget 2022: Driving investment may face hurdles as bond yields suggest tighter financing**

For those observing the country's financial markets, the incredible recovery in equity indices since the pandemic-induced lows of 2020 is evidence of the fact that corporate India has bounced back smartly. What could, however, be a cause for worry for the policymakers at North Block, is the continuing distress in the unorganised sector and for smaller entities, for which the disruptions of the pandemic dealt the double whammy of a loss of revenue streams and a lack of financing options. ..

Source: https://economictimes.indiatimes.com/markets/bonds/budget-2022-driving-investment-could-face-hurdles-as-bond-yields-suggest-tighter-financing/articleshow/89248762.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Corporate bonds issuances to benefit from RBI's proposed norms: India Ratings**

According to India Ratings & research, The Reserve Bank of India's (RBI) discussion paper on prudential norms for

banks' investment book, if implemented, is expected bring structural changes by allowing corporate bonds to qualify for the held to maturity (HTM) book. The proposed inclusion of corporate bonds will catalyse banks' investment in corporate bonds, especially long-term bonds.

Source: <https://www.livemint.com/market/corporate-bonds-issuances-to-benefit-from-rbi-s-proposed-norms-india-ratings-11643802211856.html>

- **As Budget 2022 sledgehammers with high borrowing, bond market fumes**

If you thought the bond-yield surge of February 1 was a hissy fit set off by the record market borrowing announced in the Budget, think again. Bond yields surged another 10 basis points to an over two-year high on February 2 and it doesn't seem to be over yet.

At 6.89 percent yield, the corresponding price of the 10-year benchmark bond maturing in 2032 is Rs 97.52. All those investors who picked the paper at the auction about four weeks ago after paying Rs 100 that corresponds to a yield of 6.54 percent are losing money. Bond prices move inversely to bond yields.

Source: <https://www.moneycontrol.com/news/business/markets/as-budget-2022-sledgehammers-with-high-borrowing-bond-market-fumes-8025541.html>

- **Five Types Of Bonds Gen-Z Investors Can Use For Allocation to Debt**

Seasoned investors, perhaps, need no introduction about investing in bonds, but most of the individuals from the Gen-Z, are new in the world of investing and want

to follow proper allocation by investing in various asset classes. They may not be too familiar with bond investing. The Indian bond market can be broadly divided into five different categories depending upon the interest repayment schedule and credit rating. While some of these are open for subscription on an ongoing basis, others are available as and when the issue opens.

Source: <https://www.outlookindia.com/business/five-types-of-bonds-gen-z-investors-can-use-for-allocation-to-debt-news-56934>

- **Rising rates squeeze bond funds**

January's market turmoil hit even the safest bond funds. Some of those that held up best strayed from their traditional investing grounds, or concentrated on the shortest maturities. Some funds that held up best strayed from their traditional investing grounds

Source: <https://www.livemint.com/mutual-fund/mf-news/rising-rates-squeeze-bond-funds-11643891845450.html>

- **What exactly are green bonds that FM announced in the budget and how are they issued?**

During the Budget Speech 2022-23, Finance Minister Nirmala Sitharaman announced that the government will be issuing green bonds 'for mobilising resources for green infrastructure'. This article looks at the idea behind green bonds and how the Indian government can design and issue these green bonds.

Climate change has emerged as a major concern for policymakers. The relation between climate change and

financial markets runs in both directions asymmetrically. On the one hand, climate change impacts financial markets unfavourably as climate shocks could lead to losses on banks and financial institutions.

Source: <https://www.moneycontrol.com/news/business/budget/explained-what-exactly-are-green-bonds-that-fm-announced-in-the-budget-and-how-are-they-issued-8020141.html>

- **RBI Policy Review: Inflation may take spotlight, but growth war still on**

In the Reserve Bank of India's preamble, one of the objectives listed out is to maintain price stability "while keeping in mind the objective of growth". Over the past two years, as the COVID-19 crisis has wreaked havoc on the country's economy, the central bank has understandably given primacy to the needs of growth over price stability or inflation.

Source: https://economictimes.indiatimes.com/markets/stocks/news/rbi-policy-review-inflation-may-take-spotlight-but-growth-war-still-on/articleshow/89407865.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **India's bond market has \$30 billion riding on index inclusion**

India is inching toward a major milestone: opening its \$1 trillion government bond market to more international investors, one of the most ambitious attempts to attract foreign inflows since the country liberalized its economy three decades ago. Policy makers have spent months preparing to join global indexes, key benchmarks that increasingly determine how large asset

managers allocate their capital.

Source: https://economictimes.indiatimes.com/markets/bonds/indias-bond-market-has-30-billion-riding-on-index-inclusion/articleshow/89031497.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **RBI increases FPI limit in debt market to Rs 2.5 lakh crore**

The Reserve Bank of India (RBI) has increased the limit for foreign portfolio investors (FPIs) to invest in the local debt market under the voluntary retention route (VRR) by Rs 1 lakh crore to Rs 2.5 lakh crore, to be effective from April 1. The revised investment limits were notified on Thursday. VRR was introduced in March 2019, by the RBI as a separate channel to enable FPIs to invest in debt markets in India.

Source: https://economictimes.indiatimes.com/news/economy/policy/rbi-increases-fpi-limit-in-debt-market-to-rs-2-5-lakh-crore/articleshow/89471205.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Indian Oil raises ₹1,500 cr via bonds at interest rate lower than sovereign**

Returning to the onshore bond market after more than a year, Indian Oil Corporation (IOC) on Thursday, 16th February 2022 raised ₹1,500 crore debt through a bonds issue at a coupon rate lower than government bonds, news agency PTI reported quoting a senior company official. IOC priced its five-year rupee bonds at a coupon rate of 6.14% tighter than a similar maturing government bond that is trading at an annualised yield of 6.29%.

Source: <https://www.livemint.com/companies/news/indian-oil-raises-rs-1-500-cr-via-bonds-at-interest-rate-lower-than-sovereign-11645112059685.html>

- **Airtel likely to raise up to ₹5,000 crore via rupee bonds**

Bharti Airtel is likely to raise up to ₹5,000 crore soon through rupee-denominated bonds from the local market as the Sunil Mittal-led telco seeks to refinance high-cost debt and fortify its balance sheet ahead of the 5G spectrum auction. This will be

part of the ₹7,500 crore fundraising plan announced by the company earlier this month. Besides this, India's second-largest telco is evaluating two other options - an offshore bond issue and a rupee loan from banks in the local market.

Source: https://economictimes.indiatimes.com/industry/telecom/telecom-news/airtel-likely-to-raise-up-to-5000-crore-via-rupee-bonds/articleshow/89736828.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

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