



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

March 1, 2022

- **Former Finance Secy Hasmukh Adhia nominated again as BoB chairman:** Former Finance Secretary Hasmukh Adhia has been nominated again as the chairman of state-owned Bank of Baroda (BoB), according to a government order. The Appointments Committee of the Cabinet has approved the proposal of the Department of Financial Services for re-nomination of Adhia as non-executive chairman of the BoB, a government order said. His term has been extended by another two years as chairman with effect from March 1, 2022, it said. BoB is the third biggest public sector lender after State Bank of India and Punjab National Bank. Adhia retired as Revenue-cum-Finance Secretary in November 2018.
https://www.business-standard.com/article/companies/former-finance-secy-hasmukh-adhia-nominated-again-as-bob-chairman-122022801322_1.html
- **State Bank of India stops handling trade with sanctioned Russian entities: Sources:** India's top lender will not process any transactions involving Russian entities subject to international sanctions imposed on Russia after its invasion of Ukraine, according to a letter seen by Reuters and people familiar with the matter. "No transactions involving entities, banks, ports or vessels appearing" on a U.S., European Union or United Nations sanctions list shall be processed irrespective of the currency of the transaction, said a letter sent by State Bank of India (SBI) to certain clients. SBI did not immediately respond to emails or calls seeking comment on the matter. "We have a significant international presence and we need to comply with U.S. and EU regulations as we are present in those jurisdictions and we cannot be seen as not adhering to these rules," said a senior SBI executive.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/state-bank-of-india-stops-handling-trade-with-sanctioned-russian-entities-sources/articleshow/89907918.cms>
- **Standard Chartered India appoints Saurabh Jain as head of wealth management:** Standard Chartered Bank, India, has announced the appointment of Saurabh Jain as its new head of wealth management effective 1st March, said a statement issued today. Jain will take over from Samrat Khosla, who is moving to a new role within the bank. He joined Standard Chartered Securities (India) as its CEO in October 2019 and later went on to be the head – deposit products and client acquisition with Standard Chartered Bank, India, a position he held before this current appointment. He brings to the role over 20 years of experience in wealth management, private banking and retail banking products and distribution. He has held various senior roles in Citibank India and HDFC Bank as well.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/standard-chartered-india-appoints-saurabh-jain-as-head-of-wealth-management/articleshow/89893523.cms>
- **Bank of Baroda sanctions Rs 300 crore for construction of Amrapali housing projects in Noida, Greater Noida: Sources:** Days after the Supreme Court directed the consortium of banks to release funds for construction of Amrapali housing projects, Bank of Baroda has sanctioned its share of Rs 300 crore, sources told Moneycontrol. Bank of Baroda, the lead bank of the consortium of seven banks, has sanctioned Rs 300 crore, sources said, adding other banks are expected to follow suit. There was no response from Bank of Baroda.
<https://www.moneycontrol.com/news/business/real-estate/bank-of-baroda-sanctions-rs-300-crore-for-construction-of-amrapali-housing-projects-in-noida-greater-noida-sources-8175181.html>



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- **Mahagram to power Bank of Maharashtra's project Bank Sakhi in Odisha:** Bank of Maharashtra has tied up with Mahagram to roll out the 'Bank Sakhi' project in Odisha. The fintech would provide financial technology and infrastructure support to augment rural financial inclusion. "As part of the tie-up, the company has onboarded more than 11,000 bank sakhis (women) on the BharatATM platform to help the rural citizens avail basic banking services at their doorstep or the next door Kirana stores," it said in a statement on Monday.
<https://www.thehindubusinessline.com/money-and-banking/mahagram-to-power-bank-of-maharashtras-project-bank-sakhi-in-odisha/article65092430.ece#:~:text=Mahagram%20to%20power%20Bank%20of%20Maharashtra's%20project%20Bank%20Sakhi%20in%20Odisha,-Our%20Bureau%20%7C%20Updated&text=Bank%20of%20Maharashtra%20has%20tied,to%20augment%20rural%20financial%20inclusion.>
- **Axis Finance drags Essel promoters to HC over unpaid dues:** Axis Finance, a subsidiary of Axis Bank, has moved the Bombay High Court against Essel Group promoter Subhash Chandra and his sons Punit and Amit, seeking recovery of ₹61.64 crore that it said was due from a company owned by their family. In its petition, a copy of which ET has seen, Axis Finance said it had lent ₹100 crore to Cyquator Media Services, a promoter group firm of Zee Entertainment Enterprises (ZEE), in May 2018. From September 2019, Cyquator was in default of the interest payment, it said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/axis-finance-drags-essel-promoters-to-hc-over-unpaid-dues/articleshow/89908538.cms>
- **Indian banks await government's orders on dealing with Russian lenders:** Indian banks will wait for orders from the government on whether to stop dealing with Russian banks after the US, the European Union and its allies moved to isolate some of them from the global financial markets platform, the Society for Worldwide Interbank Financial Telecommunication (SWIFT), said people with knowledge of the matter. The government hasn't given any official instructions on blocking the banks, said a person familiar with the matter. It will be business as usual till the government orders otherwise. The official added that the sanctions imposed by the US and its allies will not impact trade flows between India and Russia.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/indian-banks-await-government-orders-on-dealing-with-russian-lenders/articleshow/89882187.cms>
- **PE firms partner each of four IDFC MF suitors; TPG-IndusInd, Bandhan Bank-GIC among consortia in fray:** Buyout group TPG has joined forces with an investment vehicle of the Hinduja family and Indusind Bank, also owned by the same business family to form a consortium and make a firm bid for IDFC's mutual fund business, said people aware of the development. The TPG-IndusInd combination is competing with three other such groups that have got formed ahead of the mid-March binding bid deadline. It is after a long time that each of the shortlisted contenders -- home grown banks and global asset management firms -- in fray have tied up with a private equity firm.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/pe-firms-partner-each-of-four-idfc-mf-suitors-tpg-indusind-bandhan-bank-gic-among-consortia-in-fray/articleshow/89878705.cms>
- **NCLT allows Future Retail to convene meetings to approve the sale of its retail assets to Reliance:** The National Company Law Tribunal (NCLT) on Monday allowed Future Retail Ltd (FRL) to convene meetings of its shareholders and creditors to approve the sale of its retail assets to Reliance Retail. The approval comes exactly a year after FRL approached the NCLT in Mumbai seeking permission to hold these meetings to approve the Rs 24,000 crore transaction. Amazon has objected to the deal and the two parties have been slugging it out in various tribunals and courts in India as well as at an arbitration centre in Singapore since October 2020.



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https://www.business-standard.com/article/companies/nclt-allows-future-group-to-convene-shareholders-meet-on-ril-deal-122030100007_1.html#:~:text=The%20National%20Company%20Law%20Tribunal,Retail%20for%20about%20Rs%2025%20000

- **Banks increased interest rate on fresh loans in January: RBI data:** The weighted average lending rate (WALR) on fresh rupee loans sanctioned by scheduled commercial banks (SCBs) moves up by 10 basis points on an average from 7.72 per cent in December 2021 to 7.82 per cent in January 2022, according to Reserve Bank of India data. This increase in lending rate on fresh loans comes amid a pick up in credit and banks beginning to nudge up deposit rates. The average WALR of public sector banks (PSBs) moved up by 7 basis points from 7.16 per cent in December 2021 to 7.23 per cent in January 2022, private banks by 12 basis points from 8.62 per cent in December 2021 to 8.74 per cent in January 2022, and foreign banks by 11 basis points from 6.03 per cent in December 2021 to 6.14 per cent in January 2022.
<https://www.thehindubusinessline.com/money-and-banking/banks-increased-interest-rate-on-fresh-loans-in-january-rbi-data/article65094569.ece>
- **Credit growth to industry improves to 6.4 pc in Jan: RBI:** Non-food bank credit registered a year-on-year (y-o-y) growth of 8.3 per cent in January 2022, much above the 5.9 per cent level a year ago, with credit to industry witnessing a robust pick up, even as credit to agriculture and allied activities and personal loans gathered pace. Credit growth to industry improved to 6.4 per cent in January 2022 from 0.7 per cent in January 2021, per Reserve Bank of India (RBI) data on Sectoral Deployment of Bank Credit. Within industry, credit to medium industries registered high double-digit growth of 74.7 per cent in January 2022, compared to 21.8 per cent last year.
<https://www.thehindubusinessline.com/money-and-banking/credit-growth-to-industry-improves-to-64-pc-in-jan-rbi/article65093106.ece#:~:text=Credit%20growth%20to%20industry%20improved,Sectoral%20Deployment%20of%20Bank%20Credit>
- **Clear expands into financial services with launch of invoice discounting for SMEs:** Clear (formerly ClearTax) has launched invoice discounting product for Enterprises, marking its foray into SME credit and B2B payments. The invoice discounting product will be available to Clear's existing 3,000-plus enterprise customers to provide working capital solutions to their suppliers and help grow their businesses. Clear provides a suite of SaaS compliance products for over 3,000 enterprises and over 600 thousand SMEs. The platform already processes over 200 million business invoices with a gross value (GTV) of \$400 billion.
<https://www.thehindubusinessline.com/companies/clear-expands-into-financial-services-with-launch-of-invoice-discounting-for-smes/article65092930.ece>
- **Tata Capital plans to expand to 300 branches by March 2023:** Tata Capital is working on an ambitious branch expansion strategy and targets to reach over 300 branches by March 2023. "The branch expansion programme which includes Tier II and Tier III locations will enable Tata Capital to cater to the underserved customer segment and aid economic activity in these regions," it said in a statement on Monday. Tata Capital has added 60 new branches in the current fiscal, with a special focus on Tier II and Tier III markets, taking its total network to over 250 branches and extension counters spread across the country. It caters to 25 lakh customers at present. Sarosh Amaria, Managing Director, Tata Capital Financial Services said, "We believe a branch plays an important role in strengthening our relationship with our customers and helps us curate financial solutions for them. Also, our expansion in tier II and tier III markets aims to facilitate inclusive growth in the country."



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<https://www.thehindubusinessline.com/money-and-banking/tata-capital-plans-to-expand-to-300-branches-by-march-2023/article65092172.ece#:~:text=Tata%20Capital%20has%20added%2060,300%20branches%20by%20March%202023.>

- **Digital recovery of retail loans set to surge, reduce cost of field agents:** Anshuman Panwar, co-founder of Creditas Solutions, claims his firm “has been able to help over half a million retail customers settle Rs 9,329 crore in dues to banks and other lenders.” The firm works in the emerging digital collections space that cuts out field recovery agents and offers its services to ICICI Bank, HDFC Bank, Axis Bank and Citibank. Digital collections help cut the huge costs lenders have to incur when they send recovery agents to check out on borrowers. A single field visit to a customer costs Rs 250-500, and there’s no surety that this will lead to a settlement, even after a few attempts. Multiply this with millions of retail customers under stress, who have to be called on, and it’s a mountainous problem.
https://www.business-standard.com/article/finance/digital-recovery-of-retail-loans-set-to-surge-reduce-cost-of-field-agents-122022701072_1.html#:~:text=Covid-Digital%20recovery%20of%20retail%20loans%20set%20to,reduce%20cost%20of%20field%20agents&text=Anshuman%20Panwar%2C%20co%2Dfounder%20of,to%20banks%20and%20other%20lenders.%E2%80%9D
- **HSBC orders staff to drop Russian banks VTB, VEB:** British bank HSBC is beginning to wind down relations with a host of Russian banks including the second-largest, VTB, according to a memo seen by Reuters, as financial institutions start to implement restrictions on Russia. The United States, Britain, Europe and Canada announced new sanctions on Russia on Saturday - including blocking certain lenders' access to the SWIFT international payment system - following Russia's invasion of Ukraine. The advisory notice from HSBC, one of the world's largest banks, tells staff how they should apply the new global sanctions on Russia. Headed "action required" and dated Feb 27, it highlights the fact that the UK Office of Financial Sanctions had authorised "the wind down of certain transactions involving VTB Bank and certain UK subsidiaries".
<https://www.reuters.com/business/finance/hsbc-orders-staff-drop-russian-banks-vtb-veb-memo-2022-02-28/>
- **Russian bank raises rate to 20% to help ruble:** Russia's Central Bank has sharply raised its key rate from 9.5% to 20% in a desperate attempt to shore up the plummeting ruble and prevent the run of banks amid crippling Western sanctions over the Russian war in Ukraine. The bank's action follows the Western decision Sunday to freeze its hard currency reserves in an unprecedented move that could have devastating consequences for the country's financial stability. It was unclear exactly what share of Russia's estimated \$640 billion hard currency coffers will be paralysed by the move, but European officials said that at least half of it will be affected.
<https://www.moneycontrol.com/news/world/russian-bank-raises-rate-to-20-to-help-ruble-8173761.html>
- **Sensex closes nearly 389 points higher, Nifty ends above 16,700:** The BSE Sensex closed at 56,247.28, up 388.76 points or 0.70 per cent. It recorded an intraday high of 56,324.54 and a low of 54,833.50. The Nifty 50 closed at 16,793.90, up 135.50 points or 0.81 per cent. It recorded an intraday high of 16,815.90 and a low of 16,356.30. Hindalco, Tata Steel, Powergrid, JSW Steel and BPCL were the top gainers on the Nifty 50 while HDFC Life, Dr Reddy, Axis Bank, M&M and HDFC Bank were the top laggards.
<https://www.thehindubusinessline.com/markets/sensex-closes-nearly-389-points-higher-nifty-ends-above-16700/article65092504.ece>
- **Indian rupee crashes 40 paise to 75.73 against US dollar in early trade:** The rupee tumbled 40 paise to 75.33 in early trade on Monday, tracking surge in crude prices amid escalating tensions between Russia and Ukraine. At the interbank forex market, the local currency opened sharply lower against the dollar. It was moving in a tight



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range of 75.78 and 75.70. In early deals, it was trading at 75.73, registering a fall of 40 paise over its previous close.

<https://www.moneycontrol.com/news/business/markets/indian-rupee-crashes-40-paise-to-75-73-against-us-dollar-in-early-trade-8173051.html>

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