



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

February 3, 2022

- **HDFC Bank, ICICI Bank and SBI may be the biggest beneficiaries from govt's push to convert post offices into banking outlets:** HDFC Bank, ICICI Bank and State Bank of India may be the biggest beneficiaries from the government's push to convert more than 1.5 lakh post offices into banking outlets as these lenders could tap into the nearly Rs. 15 lakh crores of savings in the post offices to sell other financial products like mutual funds and insurance. "The postal network is going to be connected to the banking network and will enable online transfer of funds between post office accounts and bank accounts, which means that post office accounts will also become interoperable like in case of bank accounts," said Pawan Kumar Singh, Deputy Director General, Department of Posts. "As more than 90% of the post offices are located in rural areas, the initiative will benefit farmers, laborers, senior citizens and women." Singh added that holders of Sukanya Samriddhi Account and PPF can transfer funds directly to their account.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-icici-bank-and-sbi-may-be-the-biggest-beneficiaries-from-govts-push-to-convert-post-offices-into-banking-outlets/articleshow/89301730.cms>
- **At \$8.65 bn, LIC 10th most valued insurance brand globally: Report:** Life Insurance Corporation, which is bound for the nation's largest share sale by March, is the strongest and the largest brand in the country with a valuation of USD 8.656 billion (around Rs 64,722 crore), which also makes it the third strongest insurance brand globally, according to a brand valuation report. According to the London-based Brand Finance, which is a brand consultancy, the market value of LIC will become Rs 43.40 lakh crore or USD 59.21 billion by 2022, and Rs 58.9-lakh crore or USD 78.63 billion by 2027. LIC's brand value also climbed in overall global brand rankings by 32 places to become the world's 206th most valuable brand in 2021, from 238th slot in 2020. According to this valuation, LIC is largest and strongest brand in the country with a valuation of USD 8.655 billion in 2021, which grew by 6.8 per cent from USD 8.11 billion in 2020, when the value of top 100 insurers declined by 6 per cent globally.
<https://economictimes.indiatimes.com/industry/banking/finance/insure/at-8-65-bn-lic-10th-most-valued-insurance-brand-globally-report/articleshow/89302997.cms>
- **HDFC Q3 net profit up 11.4 per cent:** The country's largest mortgage financier HDFC Ltd reported an 11.4 per cent jump in its standalone net profit to ₹3,260.69 crore in the third quarter of the fiscal, which has helped by good growth in net interest income as well as lower tax expense. Its net profit was Rs 2,925.83 crore in the third quarter last fiscal. The net interest income (NII) for the quarter ended December 31, 2021 grew by 7 per cent to ₹4,284 crore compared to ₹4,005 crore in the previous year. The reported Net Interest Margin was 3.6 per cent as on December 31, 2021 compared to 3.5 per cent as on December 31, 2020. Tax expenses were lower at ₹787.49 crore in the third quarter of the fiscal versus ₹890.57 crore a year ago.
<https://www.thehindubusinessline.com/money-and-banking/hdfc-ltd-q3-net-profit-up-114-per-cent/article64963177.ece>
- **Cholamandalam Investment posts ₹524-crore net profit in Q3:** Cholamandalam Investment & Finance Company Ltd (CIFCL) has posted a 28 per cent growth in profit after tax at ₹524 crore for the quarter ended December 31, 2021 as compared to ₹409 crore in a year-ago period. The Murugappa Group NBFC's total income was marginally up at ₹2,530 crore as against ₹2,505 crore in the year-ago period. The net income margin grew 9 per cent at ₹1,484 crore (₹1,364 crore). The aggregate disbursements crossed the Rs 10,000-crore mark and stood at ₹ 10,430 crore (₹7,926 crore), an increase of 32 per cent. "The positive momentum seen in Q2 FY22 further



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accelerated during Q3 FY 2022 on account of healthy demand during the festive season, boosting auto sales and improved consumer sentiment led to healthy demand for mortgage loans,” said a company statement.

<https://www.thehindubusinessline.com/money-and-banking/cholamandalaminvestment-posts524-crorenet-profit-in-q3/article64963058.ece>

- **Lenders working on digital banking amidst rise of fintechs:** Amidst the Budget push on digital banking, most traditional banks have also been upping their game in mobile and online banking and digital offerings to customers. While the rise of fintechs and digital payment players have led to more customers switching to digital banking, bankers believe that the pandemic, too, has accelerated the trend. Many have already partnered with fintechs to come up with more innovative offerings from not just payments and transactions, but lending, account opening and trade finance. “Today, customers are used to the ease provided by an Amazon, Flipkart, Uber and Ola. Why would they want their banking life to be different?” noted Shyam Srinivasan, Managing Director and CEO, Federal Bank, adding that today, going digital is no longer an option for banks but a survival story.
<https://www.thehindubusinessline.com/money-and-banking/lenders-working-on-digital-banking-amidst-rise-of-fintechs/article64962992.ece>
- **PSBs need to move towards Banking as a Service model, says SBI report:** Public Sector Banks (PSBs) need to increasingly connect or forge partnerships with technology partners and move towards the Banking as a Service (BaaS) model / Banking 4.0 model in the next decade, according to a report by State Bank of India’s economic research department. This will allow banks to rapidly innovate and expand their product and service offerings through a collaborative partner ecosystem. This could happen by providing easy access to digital lending to SME (small and medium enterprises) with minimal paperwork; digitalising agriculture lending by bringing in GIS (Geographic Information System) and other data intensive technology; leveraging best practices of agri-tech will enhance credit absorption capacity; among others, per the report.
<https://www.thehindubusinessline.com/money-and-banking/psbs-need-to-move-towards-banking-as-a-service-model-says-sbi-report/article64963110.ece>
- **IOB profit doubles in Q3, asset quality improves :** Public sector lender Indian Overseas Bank (IOB) has more than doubled its profit for the quarter ended December 21, 2021, while its asset quality also improved both year-on-year and sequential basis. The Chennai-headquartered bank posted a net profit of ₹454 crore as compared to ₹213 crore in the year-ago period, helped by lower provisions despite a drop in operating profit. The bank’s operating profit fell 12 per cent to ₹1,527 crore as against ₹1,731 crore in the year-ago quarter due to a drop in income.
<https://www.thehindubusinessline.com/money-and-banking/iob-profit-doubles-in-q3-asset-quality-improves/article64963517.ece>
- **Crypto Industry seeks reduction in tax and waiver of 1 per cent TDS:** Cryptocurrency exchanges are hoping for a discussion with the Finance Ministry on the tax proposals announced in the Union Budget 2022-23. The industry is likely to request for a review of the one per cent tax deducted at source and a reduction in the 30 per cent tax. “The proposed TDS will be a challenge for intraday traders. We would request a discount on top of the one per cent TDS,” said Sathvik Vishwanath, co-founder of cryptocurrency exchange Unocoin.
<https://www.thehindubusinessline.com/money-and-banking/crypto-industry-seeks-reduction-in-tax-and-waiver-of-1-per-cent-tds/article64963706.ece>
- **Mahindra Finance reports Q3 net profit of ₹894 crore:** Mahindra and Mahindra Financial Services reported a standalone net profit of ₹894 crore in the third quarter of this fiscal against a loss of ₹274 crore a year ago. “Impairment reversals led to healthy profit after tax for the quarter,” Mahindra Finance said in a statement on



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Wednesday. This was, however, lower than the net profit of ₹1,022.9 crore in the second quarter of the current fiscal. Total income for the quarter under review declined by one per cent year-on-year to ₹2,543 crore. Net interest income, however, increased by a robust 14 per cent year-on-year to ₹1,580 crore.

<https://www.thehindubusinessline.com/money-and-banking/mahindra-finance-reports-q3-net-profit-of-894-crore/article64963821.ece>

- **Indian IT companies enthused by digital currency opportunity:** The government announcing the launch of Central Bank Digital Currency (CBDC) in 2022-23 and the possibility of the currency to run on blockchain technology have enthused top Indian IT companies. IT majors, including Tata Consultancy Services (TCS), Tech Mahindra and Larsen and Toubro Infotech (LTI), have been long working on developing a strong portfolio of emerging technology solutions such as blockchain. This strategic announcement made, along with a few others during the Budget session on Tuesday by the government, will see likely bids from the IT majors.
<https://www.thehindubusinessline.com/info-tech/indian-it-companies-enthused-by-digital-currency-opportunity/article64964052.ece>
- **PSBs poised for growth despite zero capital from govt this budget: Agencies:** After infusing over Rs 3.6 trillion in public sector banks since 2014, the government has not earmarked any capital for these banks in this year's budget. According to rating agencies, the government's decision to not earmark any funds for recapitalisation of public sector banks in this year's union budget reflects confidence in the capital position of such banks as well as their ability to raise funds from the market.
https://www.business-standard.com/budget/article/psbs-poised-for-growth-despite-zero-capital-from-govt-this-budget-agencies-122020201267_1.html
- **Sensex up 695 points, Nifty ends above 17,700:** The BSE Sensex closed at 59,558.33, up 695.76 points or 1.18 per cent. It recorded an intraday high of 59,618.51 and a low of 59,193.05. The Nifty 50 closed at 17,780.00, up 203.15 points or 1.16 per cent, near the day's high of 17,794.60. It recorded an intraday low of 17,674.80. The market breadth remained positive with 2,299 stocks advancing on the BSE as against 1,062 that declined while 96 remained unchanged. Furthermore, 446 stocks hit the upper circuit as compared to the 247 stocks that were locked in the lower circuit. Besides, 169 stocks touched a 52-week high level and 12 touched a 52-week low.
<https://www.thehindubusinessline.com/markets/sensex-up-695-points-nifty-ends-above-17700/article64963360.ece>
- **Rupee gains 11 paise to 74.71 against US dollar in early trade :** The rupee appreciated 11 paise to 74.71 against the US dollar in the opening trade on Wednesday, supported by positive domestic equities and weak American currency. At the interbank foreign exchange, the rupee opened at 74.76 against the American dollar, then inched higher to quote 74.71, registering a rise of 11 paise from the last close.
<https://www.moneycontrol.com/news/business/markets/rupee-gains-11-paise-to-74-71-against-us-dollar-in-early-trade-8024761.html>
- **Gold prices today fall, down ₹1,200 in a week; silver rates rise:** Gold prices in India fell today, continuing the volatile movement in recent days. On MCX, gold edged lower to ₹47,768 per 10 gram, down about ₹1,300 from last week's high of ₹49,000. Silver futures rose 0.5% to ₹61,645 per kg. In domestic market, there was no announcement relating to gold import duty in the union budget, presented on Tuesday.
<https://www.livemint.com/market/commodities/gold-prices-today-fall-down-rs-1-200-in-a-week-silver-rates-rise-11643799580618.html>



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