



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

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- **Banking sector in sweet spot; should see robust loan growth this year: BoM MD:** With the COVID worries fading, the banking sector is set to register robust growth in the current fiscal on the back of stable macroeconomic conditions and growth-oriented policies of the government, said Bank of Maharashtra (BoM) Managing Director AS Rajeev. The banking sector is at an inflection point with COVID-19 related-problems yielding place to the regeneration of demand in all segments of the industry and overall optimism in the economy, Rajeev told PTI. The banking sector seems to be in a sweet spot and expected to post good growth in the current year, provided there are no external issues like a fresh COVID-19 wave and sustained geopolitical tension, he said. As far as the retail segment is concerned, Rajeev said, the housing sector is growing very well, but there are some issues with vehicle loans due to chip shortage.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banking-sector-in-sweet-spot-should-see-robust-loan-growth-this-year-bom-md/articleshow/90624742.cms>
- **RBI likely to maintain status quo on rates to support growth, say analysts:** The Reserve Bank is likely to maintain status quo on interest rates in its forthcoming monetary policy review but may change the stance in view of retail inflation piercing its upper tolerance limit, global uncertainties created by the ongoing Russia-Ukraine war, and the urgency to protect and boost growth, feel experts. The RBI Governor-headed rate setting panel -- Monetary Policy Committee (MPC) -- will be holding its first meeting of the 2022-23 fiscal from April 6 to 8. The outcome will be announced on April 8. Aditi Nayar, Chief Economist of ICRA Limited, said in the April 2022 policy review, the MPC is expected to revise up its Consumer Price Index-based inflation forecast, whereas the growth projections for 2022-23 would be pared.
<https://economictimes.indiatimes.com/news/economy/policy/rbi-likely-to-maintain-status-quo-on-rates-to-support-growth-say-analysts/articleshow/90623197.cms>
- **FPI sell-off on D-Street: Rs 41,000 crore gone in March:** Continuing their selling spree for the sixth consecutive month, foreign investors pulled out a massive Rs 41,000 crore from the Indian equity market in March on anticipation of rate hikes by the US Federal Reserve and deteriorating geopolitical environment amid the Russia-Ukraine war. Further, flows from foreign portfolio investors (FPIs) are expected to remain volatile in the near term given the headwinds in terms of elevated crude prices and inflation, experts said. According to data available with the depositories, FPIs were net sellers to the tune of Rs 41,123 crore in the equity market last month. This was way higher than net withdrawals of Rs 35,592 crore in February and Rs 33,303 crore in January.
<https://www.businesstoday.in/markets/stocks/story/fpis-continue-sell-off-pull-out-rs-41000-cr-in-march-328402-2022-04-03>
- **CSB Bank reports 9 per cent increase in deposits in Q4 FY22:** CSB Bank reported a 9.10 per cent year-on-year (yoy) increase in gross advances in the fourth quarter ended March 31, 2022. As at March-end 2022, the private sector bank's gross advances rose to ₹15,998.02 crore from Rs ₹14,663.12 crore, according to the Thrissur (Kerala) headquartered Bank's business update. Within gross advances, advances against Gold & Gold Jewellery (including receivables secured against gold) was up 7.20 per cent yoy at ₹6,561.83 crore as at March-end 2022 (₹6,121.27 crore as at March-end 2021). The proportion of advances against Gold & Gold Jewellery in gross advances increased to 41.01 per cent as at March-end 2022 against 39.23 per cent as at December-end 2021. Total deposits rose by 5.48 per cent yoy to ₹20,188.30 crore from ₹19,140.04 crore.



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<https://www.thehindubusinessline.com/money-and-banking/csb-bank-reports-9-per-cent-increase-in-deposits-in-q4-fy22/article65284588.ece>

- **Cut-throat fight among private banks to buyout sovereign loans:** It's a pitch battle among private lenders with leading names such as HDFC Bank, Kotak Mahindra Bank and IndusInd Bank vying for the cream of the corporate loans. Term loans of government companies with sovereign or quasi-sovereign rating are being poached like hot cakes by private banks at interest rates as low as 4.5 per cent, that is at just half per cent spread over the current repo rate of four per cent. The aggressive rush for these high-quality loans is owing to the Reserve Bank of India's August 2020 circular on 'Opening of Current Accounts by Banks - Need for Discipline' which mandated banks to have a minimum 10 per cent exposure to term loans of a borrower to handle the borrower's current account.
<https://newsharemarket.com/cut-throat-fight-among-private-banks-to-buyout-sovereign-loans/>
- **Mcap of top-10 valued firms soars ₹2.61 lakh crore:** The top 10 valued domestic firms added a whopping ₹2,61,767.61 crore to their total market valuation last week in tandem with a buoyant trend in equities, with HDFC Bank and Reliance Industries emerging as the biggest gainers. Last week, the Sensex zoomed 1,914.49 points or 3.33 per cent. From the top-10 pack, the market valuation of HDFC Bank zoomed ₹41,469.24 crore to reach ₹8,35,324.84 crore. Reliance Industries added ₹39,073.7 crore to take its valuation to ₹17,95,709.10 crore. The market valuation of Hindustan Unilever Limited jumped from ₹29,687.09 crore to ₹4,88,808.97 crore and that of Bharti Airtel zoomed ₹27,103.16 crore to ₹4,16,625.19 crore. HDFC added ₹26,851.9 crore to ₹4,44,363.28 crore in its valuation.
<https://www.thehindubusinessline.com/markets/mcap-of-top-10-valued-firms-soars-261-lakh-crore/article65286483.ece#:~:text=The%20top%2010%20valued%20domestic,emerging%20as%20the%20biggest%20gainers.>
- **HDFC Bank clocks 21% loan growth at Rs 13.69 trillion in FY22:** Reflecting robust economic upturn, the country's largest private sector lender HDFC Bank's loan book expanded by around 20.9 per cent growth on year-on-year (YoY) basis to Rs 13.69 trillion in FY22. The outstanding loan book was Rs 11.32 trillion as of March 31, 2021. The growth in advances was around 8.6 per cent over Rs 12.60 trillion as of December 31, 2021, the bank informed BSE. As per its internal business classification, retail loans grew by around 15 per cent over March 31, 2021 and around five per cent over December 31, 2021. The commercial & rural banking loans grew at a faster clip by around 30.5 per cent over March 31, 2021 and around 10 per cent over December 31, 2021. The lender said corporate & other wholesale loans grew by around 17.5 per cent over March 31, 2021 and around 11.5 per cent over December 31, 2021.
https://www.business-standard.com/article/finance/hdfc-bank-clocks-21-loan-growth-at-rs-13-69-trillion-in-fy22-122040300758_1.html#:~:text=Reflecting%20robust%20economic%20upturn%2C%20the,as%20of%20March%2031%2C%202021.
- **Nearly 100 smallcaps gain 10-25% as market rallies in volatile week:** Indian benchmark indices rallied three percent in the volatile week ended April 1 with foreign institutional investors (FIIs) turning net buyers after Russia-Ukraine peace talks and declining crude oil prices. However, inflation and rising COVID cases in some parts of the world remained a concern. For the week, BSE Sensex added 1,914.49 points (3.33 percent) to end at 59,276.69 while the Nifty50 rose 517.45 points (3.01 percent) to end at 17,670.45 levels. Among sectors, BSE Telecom index gained six percent, BSE Realty index added 5.6 percent, and Bankex rose five percent. On the other hand, BSE Metal index shed nearly two percent. The BSE Mid-cap rose 2.7 percent, Small-cap index surged 3.2 percent and Large-cap Index added three percent.



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<https://www.moneycontrol.com/news/business/stocks/nearly-100-smallcap-stocks-gain-10-25-as-market-rallies-in-volatile-week-8308491.html>

- **India's FY23 GDP growth estimated at 7.4%; RBI rate hike of 50-75 bps seen by FY-end: FICCI survey:** India's annual median GDP growth forecast stood at 7.4 percent for 2022-23, according to a survey by the Federation of Indian Chambers of Commerce and Industry (FICCI) released on April 3. The Economic Outlook Survey estimates a minimum and maximum growth of 6.0 percent and 7.8 percent, respectively. According to the industry chamber's survey, the median growth forecast for agriculture and allied activities has been put at 3.3 percent for 2022-23. The industry and services sectors are expected to grow 5.9 percent and 8.5 percent, respectively, during the fiscal year.

<https://www.businesstoday.in/latest/economy/story/indias-gdp-estimated-to-grow-at-74-in-fy23-rbi-rate-hike-by-fy-end-ficci-328439-2022-04-03>

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