



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

April 5, 2022

- **SBI signs MoU with the Border Security Force to provide curated benefits:** State Bank of India (SBI) has signed a Memorandum of Understanding (MoU) with the Border Security Force to offer special benefits to the serving and retired BSF personnel and family pensioners through the Central Armed Police Salary Package (CAPSP) Scheme. On this significant occasion, Dinesh Khara, Chairman, SBI stated that "At SBI, we endeavour to do our best to support the undying efforts extended by the BSF personnel for the safety of our nation and citizens. We are humbled to partner with the Border Security Force and provide solutions that aim to benefit and ensure financial security for the BSF personnel and their families. It is an honour and a matter of pride for us to be associated with this force and offer a host of curated benefits through our Central Armed Police Salary Package (CAPSP), which ensures ease of access to banking facilities for them and their families."
<https://www.livemint.com/industry/banking/sbi-signs-mou-with-the-border-security-force-to-provide-curated-benefits-11649050985071.html>
- **PNB makes verification of high-value cheques mandatory to check fraud:** In a move to protect customers from large value cheque frauds, Punjab National Bank (PNB) on Monday announced that it has made Positive Pay System (PPS) mandatory for the cheque of Rs 10 lakhs and above effective from April 4. As per the Positive Pay System (PPS) developed by the National Payments Corporation of India (NPCI), a customer issuing the high-value cheque has to reconfirm some essential details, which are cross-checked while presenting the cheque in clearing before payment. PNB customers need to share details like account number, cheque number, cheque alpha code, issue date, amount, and beneficiary name for clearing the high-value cheques under PPS. These details are to be shared with the bank at least 24 working hours before the cheque is presented for clearing. Customers can share the details through internet banking, mobile banking, SMS banking, or their home branch in the prescribed format.
https://www.business-standard.com/article/finance/pnb-makes-verification-of-high-value-cheques-mandatory-to-check-fraud-122040400595_1.html
- **Bank of Maharashtra's advances grow 27 pc to Rs 1.36 lakh crore in FY22:** Public sector lender Bank of Maharashtra on Monday said it has witnessed over 27 per cent growth in gross advances at Rs 1,36,733 crore during the financial year 2021-22, while deposits grew by 16 per cent to Rs 2,02,641 crore. In FY21, the gross advances of the bank stood at Rs 1,07,654 crore and the deposits were worth Rs 1,74,006 crore, the bank said in its latest provisional data. The total business of the Pune-based bank rose by 20.49 per cent to Rs 3,39,374 crore year-on-year as of March 31, 2022 as against Rs 2,81,660 crore in the year ago period, the bank said in a regulatory filing. Meanwhile, private sector lender IDFC First Bank said its total deposits rose by 12.6 per cent to Rs 93,138 crore at the end of FY22, and its gross funded assets grew by 12.8 per cent to Rs 1,32,067 crore.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-of-maharashtras-advances-grow-27-pc-to-rs-1-36-lakh-cr-in-fy22/articleshow/90643612.cms>



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- **Mortgage lender HDFC announces merger with HDFC bank:** Mortgage lender HDFC on Monday announced that it will merge with HDFC Bank, with a share merger ratio of 42 shares of HDFC Bank to 25 shares of HDFC. The proposed transaction will enable HDFC Bank to build its housing loan portfolio and enhance its existing customer base. Post this proposed merger HDFC will hold 41% transaction in the bank. The merger is subject to regulatory approvals from the RBI and other regulatory authorities. As on date, HDFC has total assets of Rs 6.23 lakh crore while HDFC Bank has assets worth Rs 19.38 lakh crore. As per an exchange filing the proposed transaction will help leverage and create meaningful value for various stakeholders. It is also expected to benefit from increased scale, comprehensive product offering, balance sheet resiliency and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/mortgage-lender-hdfc-announces-merger-with-hdfc-bank/articleshow/90633253.cms>
- **Federal Bank advances rise 10 pc to Rs 1.47 lakh cr in FY22; deposits up 5 pc:** Federal Bank on Monday said its gross advances during 2021-22 rose by 9.5 per cent to Rs 1,47,644 crore, while total deposits grew by over 5 per cent during the year. The gross advances as of March 31, 2021 was at Rs 1,34,877 crore, Federal Bank said in a regulatory filing. As per the provisional data released by the bank, the total deposits stood at Rs 1,81,712 crore during FY22, an increase of 5.3 per cent from Rs 1,72,644 crore a year ago. The bank said its CASA (Current Account Savings Account) rose by 15 per cent to Rs 67,132 crore as of March 31, 2022 from Rs 58,370 crore during the same period a year ago. The CASA ratio stood at 36.94 per cent, the bank said. Customer deposits rose by 8.9 per cent to Rs 1,78,113 crore.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/federal-bank-advances-rise-10-pc-to-rs-1-47-lakh-cr-in-fy22-deposits-up-5-pc/articleshow/90647047.cms>
- **HDFC Bank petitions RBI to transfer stake from HDFC subsidiaries:** HDFC Bank will hold stakes in the subsidiary companies of HDFC including large businesses like mutual fund, life and general insurance post the merger of HDFC with itself but will comply with the regulatory guidelines on the same CEO Sashidhar Jagdishan said. "Subsidiaries will remain subsidiaries of the bank. We like all those companies. They are all valuable entities and if there is regulatory approval to increase the holdings we will be happy to do so. But I am not too sure about what the regulatory process. We are also happy to pare it down if the approvals don't come but the intent is to increase," Jagdishan said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-petitions-rbi-to-transfer-stake-from-hdfc-subsiadiaries/articleshow/90646250.cms>
- **Deepak Parekh to step aside after HDFC-HDFC Bank merger is consummated:** HDFC Ltd Chairman Deepak Parekh will step aside, after having led India's mortgage-lending pioneer for more than four decades, once the proposed merger between the home-financier and HDFC Bank is consummated. His lieutenant, HDFC Chief Executive Keki Mistry, would also step down, although he may choose to become an independent director in the merged entity, helping the bank navigate the complexities of the mortgage lending business in its initial years. Sashidhar Jagdishan, the current chief executive of HDFC Bank, would continue to lead the merged entity.



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<https://economictimes.indiatimes.com/industry/banking/finance/banking/deepak-parekh-to-step-aside-after-hdfc-hdfc-bank-merger-is-consummated/articleshow/90645822.cms>

- **HDFC Bank merger to create entity twice the size of ICICI Bank: S&P:** HDFC Bank's planned merger with its parent HDFC will make the bank twice the size of ICICI Bank, while bolstering market share and diversifying revenues, S&P Global Ratings said on Monday. In the biggest merger in the corporate history, India's largest housing finance company HDFC will merge with the country's largest private lender HDFC Bank to create a banking behemoth. Once the deal is effective, HDFC Bank will be 100 per cent owned by public shareholders, and existing shareholders of HDFC will own 41 per cent of the bank, according to stock exchange filings by the firms.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-merger-to-create-entity-twice-the-size-of-icici-bank-sp/articleshow/90642355.cms>
- **HDFC twins beat TCS in market cap, could be India's 2nd largest co after merger:** HDFC twins on Monday saw their combined market values surpassing that of the second most-valued stock on Dalal Street, TCS. Following a merger announcement between the financial giants, HDFC topped Rs 5 lakh crore in market capitalisation (at Rs 5,05,725.10 crore) and was trading 13.54 per cent higher at Rs 2,782.70. HDFC Bank, on the other hand, was trading at Rs 1,654.25, up 9.82 per cent. The private lender breached Rs 9 lakh crore in m-cap and was commanding a value of Rs 9,16,927.47 crore. The combined market value for the HDFC twins was at Rs 14,22,652.57 crore ahead of TCS' Rs 13,73,882.31 crore. The IT stock was trading flat at Rs 3754.75.
<https://economictimes.indiatimes.com/markets/stocks/news/hdfc-twins-together-worth-over-rs-14-lakh-crore-beat-tcs-in-m-cap-terms/articleshow/90634435.cms>
- **India continues to remain highest receiver of FDI: FM in Lok Sabha:** India continues to remain the highest receiver of the FDI, and the Indian retail investors have created the capacity to absorb the shock due to outflow of foreign funds from the country's stock markets, Finance Minister Nirmala Sitharaman told Lok Sabha. Replying to a question asked by Congress member Shashi Tharoor in Lok Sabha, she said foreign investments have to be gauged, not just by looking at FII and FPIs which by very nature depend on the interest rates and they keep on "moving up and down." "The FII and FPIs would come and go. But, today the Indian retail investors have proven that even if they come and go any shock that may come in is now taken care of because of the shock absorbing capacity that the Indian retailers have brought into the Indian market," she said during Question Hour.
https://www.business-standard.com/article/current-affairs/india-continues-to-remain-highest-receiver-of-fdi-fm-nirmala-sitharaman-122040500005_1.html#:~:text=in%20New%20Delhi-India%20continues%20to%20remain%20the%20highest%20receiver%20of%20the%20FDI,FPIs%20would%20come%20and%20go.
- **EnKash raises \$20 million in a round led by Ascent Capital:** EnKash, a spends management platform and corporate cards company has raised \$20 million Series B round from Ascent Capital along with the participation of Baring India and Singapore-based White Ventures. The round also saw participation from existing investors, Mayfield India and Axilor Ventures. EnKash has built a cards and spend management platform featuring financial automation tools, enabling businesses to manage payable,



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receivables and expenses. Enkash has earlier raised \$3 million from Mayfield and Axilor Ventures as a part of its Series A round in 2019 and an undisclosed amount in seed round from Axilor Ventures.

<https://www.thehindubusinessline.com/money-and-banking/enkash-raises-20-million-in-a-round-led-by-ascent-capital/article65289144.ece>

- **J&K admin clears Rs 4,119 crore for J&K Bank pension, other bills for FY22:** The Jammu and Kashmir government on Monday said it has cleared the payments for various departments, including Rs 4,119 crore for J&K Bank pension disbursement, for the last financial year. According to officials, since the financial year 2021-22 has ended, the finance department has cleared all the verified bills to ensure zero pendency at the treasury. "Rs 4,119 crore has been paid to J&K Bank against Rs 5,573 crore of pension liability which we owe to the bank," Atal Dooloo, Additional Chief Secretary, finance department, told PTI. The department has cleared the payment of Rs 810 crore for power purchase. "Rs 600 crore of equity contribution for Kiru and Rattle hydel Projects has also been paid," he said, adding that Rs 1,206 crore has been provisioned in the Union Territory's annual budget for the two power projects.
https://www.business-standard.com/article/finance/j-k-admin-clears-rs-4-119-cr-for-j-k-bank-pension-other-bills-for-fy22-122040400721_1.html
- **PSU insurers lodge Covid insurance claims worth Rs 17,537 cr till Dec 2021:** Public sector insurers lodged COVID-19 related health insurance claims worth Rs 17,537 crore till December 2021 and more than 93 per cent of the cases were settled, Parliament was informed on Monday. "Till December 31, 2021, 14.92 lakh COVID-19 health claims, of a total amount of Rs 17,537 crore, were lodged with public sector insurance companies, of which 93.3 per cent claims had been disposed of," Minister of State for Finance Bhagwat Karad said in a written reply to the Lok Sabha. In another reply, the minister said public sector insurance companies sustained a total loss of Rs 3,450.68 crore during the one and a half financial year period from April 2020 to September 2021, as against a total loss of Rs 7,552.02 crore during the preceding one and a half financial year period (from October 2018 to March 2020).
https://www.business-standard.com/article/finance/psu-insurers-lodge-covid-insurance-claims-worth-rs-17-537-cr-till-dec-2021-122040400603_1.html
- **Paid back PMC depositors Rs 3,800 crore: Centrum Group's Jaspal Bindra:** Unity Small Finance Bank, a 51:49 joint venture between Centrum Group and Bharat Pe, which took over the beleaguered Punjab and Maharashtra Cooperative (PMC) Bank on Thursday, credited the depositors of PMC Bank with Rs 3,800 crore. This is more than two years after PMC went bust and the Reserve Bank of India (RBI) imposed restrictions on the amount the depositors can withdraw. Jaspal Bindra, executive chairman, Centrum Group, tells Subrata Panda on how the bank plans to fund the additional amount it has to pay to PMC depositors, going forward.
https://www.business-standard.com/article/finance/paid-back-pmc-depositors-rs-3-800-crore-centrum-group-s-jaspal-bindra-122040400018_1.html
- **Fintech firms hit: Rising UPI payments eat into banks' and fintech firms' incomes:** The increasing share of Unified Payments Interface (UPI) transactions in merchant payments has begun to gnaw at banks' and non-banks' fee incomes. The homegrown payments channel does not earn merchant fees



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due to government rules and the growing trend of UPI usage is now coming to bite banks and other payments players who have been its biggest champions. Merchant establishments, especially small storefronts across the country, have taken to UPI QR-based payments in a big way since they do not have to shell out a merchant discount rate (MDR) to their bank or non-bank service providers, also known as acquirers. In contrast, all non-RuPay card transactions are chargeable by banks and tend to hurt merchants' margins. The shift to QR-based payments has been accelerated by consumers' tendency to use their mobile phones for making payments instead of handling cash during the pandemic.

<https://www.financialexpress.com/industry/banking-finance/fintech-firms-hit-rising-upi-payments-eat-into-banks-and-fintech-firms-incomes/2480353/>

- **SBI Cards block deal launched, Carlyle to sell entire stake:** Private equity firm Carlyle Group will sell its entire stake in SBI Cards & Payments Services Ltd for as much as Rs 2,558 crore via block deal, according to deal terms seen by Moneycontrol on April 4. CA Rover Holdings, a Carlyle entity, which, as of December 2021 quarter, held 29.20 million shares or 3.09% stake in SBI Cards, will sell its entire stake in the firm through the block trade. The shares are being offered between Rs 851.50- Rs 876.75 apiece, representing nearly 3% discount to the current market price, the Bloomberg report added. Citigroup is the sole book running manager to the deal.
<https://www.moneycontrol.com/news/business/sbi-cards-block-deal-launched-carlyle-to-sell-entire-stake-8316581.html>
- **Sensex zooms 1,335 pts to close above 60K; Nifty crosses 18,000 led by HDFC twins:** The BSE Sensex closed at 60,611.74, up 1,335.05 points or 2.25 per cent. It recorded an intraday high of 60,845.10 and a low of 59,760.22. The Nifty 50 closed at 18,053.40, up 382.95 points or 2.17 per cent. It recorded an intraday high of 18,114.65 and a low of 17,791.40. HDFC Bank closed nearly 10 per cent higher on the NSE while HDFC was up over 9 per cent. Adani Ports, HDFC Life and Kotak Bank were the other top gainers on the Nifty 50. Only four stocks- Infosys, Tata Consumer, Titan and JSW Steel closed in the red.
<https://www.thehindubusinessline.com/markets/1/article65289420.ece>
- **Rupee surges 19 paise to end at 75.55 against US dollar:** The rupee started the financial year 2022-23 on a bullish note and settled 19 paise higher at 75.55 (provisional) against the US dollar on Monday, supported by a firm trend in domestic equities. At the interbank forex market, the local unit opened at 75.77 against the greenback and witnessed an intra-day high of 75.42 and a low of 75.79. It finally ended at 75.55, registering a rise of 19 paise over its previous close. - Business Line.
https://www.business-standard.com/article/finance/rupee-surges-19-paise-to-end-at-75-55-against-us-dollar-122040400708_1.html

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