



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

DAILY NEWS DIGEST BY BFSI BOARD, ICAI

April 6, 2022

- **SBI eyes double digit loan growth in FY23 as economic prospects brighten:** State Bank of India (SBI) has set its sights on notching up double digit loan growth in FY23 after two years of single digit growth, as economic prospects are looking brighter. India's largest lender has set whole bank (domestic plus overseas) advances growth target of 13.51 per cent for FY23. The state-owned bank's advances had registered 8.47 per cent year-on-year (yoy) growth as at December-end 2021. In FY21, advances grew 4.81 per cent yoy. "In the past few quarters, our effort has been to strengthen the balance sheet by improving margins and reducing credit costs. With the economic prospects looking brighter, we now also need to consciously focus on improving the Bank's market share," said Dinesh Kumar Khara, Chairman, in a note to his colleagues.
[https://www.thehindubusinessline.com/money-and-banking/sbi-eyes-double-digit-loan-growth-in-fy23-as-economic-prospects-brighten/article65293174.ece#:~:text=State%20Bank%20of%20India%20\(SBI,13.51%20per%20cent%20for%20FY23.](https://www.thehindubusinessline.com/money-and-banking/sbi-eyes-double-digit-loan-growth-in-fy23-as-economic-prospects-brighten/article65293174.ece#:~:text=State%20Bank%20of%20India%20(SBI,13.51%20per%20cent%20for%20FY23.)
- **Bank of Maharashtra's gross advances up 27% in Q4 FY22:** Bank of Maharashtra (BoM) reported 27 per cent year-on-year (yoy) increase in gross advances in the fourth quarter ended March 31, 2022. At the end of FY22, BoM's gross advances rose to ₹1,36,733 crore from ₹1,07,654 crore in FY21, the Pune-headquartered public sector bank said in a business update. During the reporting quarter, gross advances were up by ₹7,727 crore. In FY22, the bank's deposits rose 16.46 per cent to ₹2,02,641 crore against ₹1,74,006 crore in FY21. During the reporting quarter, deposits jumped by ₹16,027 crore. The proportion of low-cost current account, savings account (CASA) deposits in total deposits improved substantially to 57.93 per cent in the previous financial year from 53.99 per cent in FY21.
[https://www.thehindubusinessline.com/money-and-banking/bank-of-maharashtras-gross-advances-up-27-in-q4-fy22/article65292129.ece#:~:text=Bank%20of%20Maharashtra%20\(BoM\)%20reported,said%20in%20a%20business%20update.](https://www.thehindubusinessline.com/money-and-banking/bank-of-maharashtras-gross-advances-up-27-in-q4-fy22/article65292129.ece#:~:text=Bank%20of%20Maharashtra%20(BoM)%20reported,said%20in%20a%20business%20update.)
- **Bank of Maharashtra joins hands with NPCI for fintech engagement:** Bank of Maharashtra (BoM) has joined hands with the National Payments Corporation of India (NPCI) to facilitate fintech engagement for fulfilling customers' digital transaction needs through partnerships. Eight fintech start-ups/companies — 42 Cards, Datasutram, FinVu, Dealsafe, MoFYDA, Fortiate, Rise Retail & Payment Solutions and Lendpartners — participated in the engagement session, the Pune-based public sector bank said in a statement. A B Vijayakumar, Executive Director, BoM, emphasised that digital solutions provided by banks to customers should be cost effective.
[https://www.thehindubusinessline.com/money-and-banking/bank-of-maharashtra-joins-hands-with-npci-for-fintech-engagement/article65293667.ece#:~:text=Digital%20solutions%20provided%20by%20banks,effective%2C%20says%20Executive%20Director%20Vijayakumar&text=Bank%20of%20Maharashtra%20\(BoM\)%20has,digital%20transaction%20needs%20through%20partnerships.](https://www.thehindubusinessline.com/money-and-banking/bank-of-maharashtra-joins-hands-with-npci-for-fintech-engagement/article65293667.ece#:~:text=Digital%20solutions%20provided%20by%20banks,effective%2C%20says%20Executive%20Director%20Vijayakumar&text=Bank%20of%20Maharashtra%20(BoM)%20has,digital%20transaction%20needs%20through%20partnerships.)
- **Bandhan Bank crosses Rs 1 lakh crore loans:** Bandhan Bank's loans and advances have crossed Rs 1 lakh crore at the end of March with a strong rebound in credit demand in step with steady economic recovery. The loans grew 16% year-on-year to Rs 1.01 lakh crore, the bank said in a regulatory filing. "Now, my money is coming back. NPA



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is coming down. With improved recovery, we can leverage by writing back the provision which adds directly to profit. We took the pain so that we can grow the balance sheet freely," the bank's founder-cum-managing director Chandra Shekhar Ghosh had said in a recent interview to ET.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/bandhan-bank-crosses-rs-1-lakh-crore-loans/articleshow/90668693.cms>

- **Sharp rise in lending for both Ujjivan and Dhanlaxmi Bank:** Ujjivan Small Finance Bank disbursed Rs 4870 crore in the December quarter, its highest ever quarterly disbursement, while asset quality improved with 100% collection efficiency in March in step with steady economic recovery. The bank's gross loan portfolio grew 20% year-on-year to Rs 16543 crore. Its microfinance portfolio at Rs 10,979 crore accounted for 67% of the total loans, the bank said in a regulatory filing to stock exchanges. Its gross non-performing assets ratio fell to 7.1% at the end of March from 9.8% three months prior to that while portfolio at risk came down to 9.6% from 14.9% over the same period. Deposit mobilisation rose 17.5% to Rs 18287 crore at the end of March.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/sharp-rise-in-lending-for-both-ujjivan-and-dhanlaxmi-bank/articleshow/90668179.cms>
- **Karur Vysya Bank business turnover crosses ₹1.25 lakh cr in FY'21:** The total business of Karur Vysya Bank has crossed Rs ₹1.25 lakh crore by the end of the last fiscal year. While the total deposits of the bank stood at ₹68,676 crore as on March 31, 2022, total advances was at ₹58,086 crore, in all amounting to ₹1,26,762 crore, the bank said in a statement on Tuesday. Ramesh Babu, Managing Director and CEO, Karur Vysya Bank said, "This is a significant landmark in the 100-plus years history of the bank. Our approach is to offer our customers, need-specific, financial products and services by providing tailor-made solutions and a positive customer experience through delivery of quick and efficient services."
<https://www.thehindubusinessline.com/money-and-banking/karur-vysya-bank-business-turnover-crosses-125-lakh-cr-in-fy21/article65292335.ece#:~:text=The%20total%20business%20of%20Karur,in%20a%20statement%20on%20uesday.>
- **YES Bank's loan book expands by 8.8% to Rs 1.81 trillion in FY22:** Private sector lender YES Bank's loan book expanded by 8.8 per cent to Rs 1.81 trillion in FY22. The disbursements of retail loans were Rs 10,324 crore in the fourth quarter (Q4FY22), up from Rs 7,530 crore in Q4FY21. Sequentially, retail credit disbursements were up from Rs 9,313 crore in the third quarter ended December 2021 (Q3FY22), the bank informed BSE. Its share was trading slightly lower (0.84 per cent) at Rs 12.99 per share on BSE. According to Reserve Bank of India data, loans of scheduled commercial banks rose by 8.5 per cent on a year-on-year basis till March 11, 2022, a pace higher than 6.5 per cent a year ago in FY21.
https://www.business-standard.com/article/finance/yes-bank-s-loan-book-expands-by-8-8-to-rs-1-81-trillion-in-fy22-122040500333_1.html#:~:text=Private%20sector%20lender%20YES%20Bank,Rs%207%2C530%20crore%20in%20Q4FY21.
- **Banks need not activate countercyclical capital buffer: RBI :** The Reserve Bank of India on Tuesday said it is not necessary to activate countercyclical capital buffer (CCyB) for scheduled commercial banks at this point in time. The central bank came to the aforementioned conclusion based on a review and empirical analysis of CCyB indicators. CCyB indicators include credit-to-GDP gap, incremental credit-deposit ratio for a moving period of three years (along with its correlation with credit-to-GDP gap and gross non-performing asset/GNPA growth), industry outlook assessment index (along with its correlation with GNPA growth) and interest coverage ratio (along with its correlation with credit-to-GDP gap).



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<https://www.thehindubusinessline.com/money-and-banking/banks-need-not-activate-countercyclical-capital-buffer-rbi/article65293363.ece>

- **Individual investors can use UPI for up to Rs 5 lakh payment in public issues:** Capital markets regulator Sebi on Tuesday said individual investors applying in public issues of equity shares and convertibles can use Unified Payment Interface (UPI) for application amount up to Rs 5 lakh. Also, they have been asked to provide their UPI ID in the bid-cum-application form submitted with any of these entities -- syndicate member, stock broker, depository participant and registrar to an issue and share transfer agent. The new guidelines will come into force for public issues opening on or after May 1, 2022, Sebi said in a circular.
<https://economictimes.indiatimes.com/markets/ipos/fpos/individual-investors-can-use-upi-for-up-to-rs-5-lakh-payment-in-public-issues/articleshow/90665127.cms>
- **HDFC's merger with HDFC Bank to be EPS accretive from first year: Keki Mistry :** The proposed amalgamation of HDFC with HDFC Bank is very accretive from the perspective of shareholders of both financial entities, according to HDFC Vice-Chairman and CEO Keki Mistry. The amalgamation is expected to be completed in 15-18 months, said Sashidhar Jagdishan, MD & CEO, HDFC Bank. Mistry emphasised: "We will now be able to leverage the lower cost of funds of the bank together with its huge distribution platform and reach with the efficiency in the mortgage product which HDFC has developed over the last 40 plus years and also the fact that our cost to income ratio currently stands at 8.1 per cent. "So, I think, in terms of combination, to my mind, this is probably one of the best combinations we could have had."
<https://www.thehindubusinessline.com/money-and-banking/hdfcs-merger-with-hdfc-bank-to-be-eps-accretive-from-first-year-keki-mistry/article65288975.ece>
- **HDFC Bank's \$40-bn deal may face regulatory hurdles due to insurance ops: Analysts:** India's largest private lender HDFC Bank's \$40 billion acquisition of its biggest shareholder could face regulatory hurdles due to the stake it would give the bank in the insurance sector, analysts said. Sources told Reuters last year that the Reserve Bank of India, which acts as regulator for the financial industry, wants banks to limit ownership stakes in insurance companies. HDFC Bank's acquisition of HDFC Ltd, announced on Monday, will create an entity with a combined balance sheet worth \$237 billion and will include the target's insurance and other financial subsidiaries.
<https://economictimes.indiatimes.com/markets/stocks/news/hdfc-banks-40-bn-deal-may-face-regulatory-hurdles-due-to-insurance-ops-analysts/articleshow/90664792.cms?from=mdr>
- **LIC IPO: Govt mulls selling 7% stake for ₹50,000 cr in insurer next month:** India is considering seeking around Rs 50,000 crore (\$6.6 billion) next month from the initial public offering of state-owned Life Insurance Corp., people with knowledge of the matter said. The government is discussing selling as much as a 7% stake in LIC through the listing, according to the people, who asked not to be identified because the information is private. It aims to launch the share sale before current approvals for the offering expire on May 12, the people said. Bloomberg News first reported last month that India was targeting a May timeline to launch the IPO. The listing forms a key part of plans by Prime Minister Narendra Modi's administration to divest state assets to fund a yawning budget deficit.
<https://economictimes.indiatimes.com/markets/ipos/fpos/lic-ipo-govt-mulls-selling-7-stake-in-insurer-next-month/articleshow/90663607.cms>
- **Bank credit growth likely to be at 8.9-10.2 pc this fiscal: Report:** The outlook for banks is expected to be stable amid improvement in credit growth of 8.9-10.2 per cent and decline in provisions in the current fiscal, rating agency IcrA Ratings said on Tuesday. Gross Non-Performing Advances (GNPAs) of banks are expected to decline



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to 5.6-5.7 per cent by March, 2023 as against an estimate of 6.2-6.3 per cent by March, 2022. "Icra Ratings expects outlook for banks to be stable in FY23, based on continued improvement in earnings driven by improved credit growth of 8.9-10.2 per cent in FY23 (8.3 per cent for FY22 (expected) and 5.5 per cent in FY21) and decline in credit provisions," the agency said in a report on Tuesday.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-credit-growth-likely-to-be-at-8-9-10-2-pc-this-fiscal-report/articleshow/90666446.cms>

- **PhonePe to double employee count by December:** Leading digital payments platform PhonePe plans to double its total employee strength to 5,400 by December, the company said in a press release on Tuesday. The company will hire across levels and functions for engineering, product, analytics, business development, and sales teams. There are about 2800 open job positions that the company is planning to fill in the next 12 months across Bangalore, Pune, Mumbai, Delhi, and the rest of the country. "We are building a long-term sustainable organisation, anchored on technology, and unlocking value for all," said Manmeet Sandhu, Head of HR at PhonePe.
<https://www.moneycontrol.com/news/business/startup/phonepe-to-more-than-double-employee-count-to-5400-in-next-year-8319741.html>
- **HDFC-HDFC Bank merger: Regulatory changes pave way for union:** Rule changes paved the way for the planned merger of Housing Development Finance Corp (HDFC) with HDFC Bank. These narrowed the arbitrage that mortgage financiers enjoyed as non-banking finance companies (NBFCs) and slashed the cost of meeting reserve requirements for banks. "Over the last two years there have been regulatory changes for banks and NBFCs which have considerably reduced the barriers for a potential merger," HDFC chairman Deepak Parekh told reporters. "The last three years have seen a host of guidelines issued by RBI on harmonising regulations between banks and NBFCs. These measures have considerably reduced the risk arbitrage which was there between a bank and NBFC."
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-hdfc-bank-merger-regulatory-changes-pave-way-for-union/articleshow/90652355.cms>
- **HDFC Bank CEO Sashidhar Jagdishan to lead merged entity:** 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 CEO 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. "This (merger) process will take anywhere between 12 and 18 months because of the numerous approvals we need," Parekh said in Mumbai. "Also, the RBI rules do not allow anyone above 75 to be on the board of a bank and I have already crossed that age; so, there is no way I can be on the board of the bank." The regulator has also capped the age of MD & CEO of a bank at 70 years.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-ceo-jagdishan-to-lead-merged-entity/articleshow/90652188.cms>
- **Rs 150 crore out of Rs 1,500 crore paid for stalled Amrapali housing projects, SC told:** The Supreme Court was informed on Monday that the first tranche of Rs 150 crore out of the total sum of Rs 1,500 crore, meant for construction of stalled Amrapali housing projects, has been directly paid to the National Buildings Construction Corporation (NBCC). A consortium of seven banks have granted final approval to infuse Rs 1,500 crore. Senior advocate and court-appointed receiver R. Venkataramani, in a note, said: "In compliance with the order dated March 28, on March 31 the banks disbursed a sum of Rs 150 crore, though the actual requirement/request by



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NBCC was for Rs 540 crore. The disbursal of loan was subject to certain pre-condition compliances, as set out in the sanction letter(s) of each bank."

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rs-150-crore-out-of-rs-1500-crore-paid-for-stalled-amrapali-housing-projects-sc-told/articleshow/90648840.cms>

- **Reliance Capital insolvency resolution: 55 bids received:** Reliance Capital insolvency resolution: 55 bids received. A consortium led by Piramal Group, Yes Bank, Zurich Insurance Company, IndusInd International Holdings, Jindal Power, Ajay Harinath Singh, Chairman, Darwin Platform Group of Companies are some of the prospective resolution applications, according to a list released by Nageswara Rao Y, the RBI appointed Administrator of Reliance Capital.
<https://www.thehindubusinessline.com/money-and-banking/reliance-capital-insolvency-resolution-55-bids-received/article65292312.ece>
- **RBI slaps fines on 3 cooperative banks for non-compliance:** The Reserve Bank of India (RBI) on Monday slapped penalties on three cooperative banks for several non-compliance issues. The penalties totaled ₹5 lakh. The Yashwant Cooperative Bank Limited, Phaltan, has been fined for ₹2 lakh for contravention of non-compliance with directions issued by it on Income Recognition, Asset Classification, Provisioning and Other Related Matters – UCBs, the RBI said in a statement.
<https://www.livemint.com/industry/banking/rbi-slaps-fines-on-3-cooperative-banks-for-noncompliance-11649087103159.html>
- **Sensex down over 200 pts intraday, Nifty below 18,100:** At 1:01 pm, the BSE Sensex was trading at 60,403.12, down 208.62 points or 0.34 per cent. It recorded an intraday high of 60,786.07 and a low of 60,227.36. The Nifty 50 was trading at 18,015.20, down 38.20 points or 0.21 per cent. It recorded an intraday high of 18,089.70 and a low of 17,961.10. Adani Ports, Eicher Motor, Tata Motors, ONGC and ITC were the top gainers on the Nifty50, while HDFC Bank, Bajaj Finserv, HDFC, Reliance and Bajaj Finance were the top laggards.
<https://www.thehindubusinessline.com/markets/sensex-down-over-200-pts-intraday-nifty-below-18100/article65292372.ece>
- **Rupee surges 24 paise to 75.29/USD:** Rising for the third straight session, the rupee climbed 24 paise to close at 75.29 against the US dollar on Tuesday amid persistent foreign fund inflows and weakening of the American currency overseas. However, elevated crude oil prices and lingering geopolitical concerns capped the gains, forex traders said. At the interbank forex market, the domestic unit opened at 75.54 against the US dollar and touched an intra-day high of [75.27.lt](#) finally closed at 75.29, registering a rise of 24 paise over its previous close of 75.53.
<https://www.zeebiz.com/india/news-rupee-surges-24-paise-to-end-at-7529-against-us-dollar-182227#:~:text=Rising%20for%20the%20third%20straight,the%20gains%2C%20forex%20traders%20said.>

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