



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
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## DAILY NEWS DIGEST BY BFSI BOARD, ICAI

April 13, 2022

- **Government nominates Hardik Mukesh Sheth as director to Central Bank of India's board:** State-owned Central Bank of India on Monday said the government has nominated Hardik Mukesh Sheth to its board with immediate effect. Sheth, a director at the Department of Financial Services, has been appointed as the government nominee in place of Bhushan Kumar Sinha with immediate effect and until further orders, according to a regulatory filing. A notification in this regard was issued by the government on Monday. Sheth does not have any relationship with any of the existing directors of the bank, the filing said.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/government-nominates-hardik-mukesh-sheth-as-director-to-central-bank-of-indias-board/articleshow/90784901.cms>
- **PNB, IDBI Bank get govt nominee directors on their boards:** The government has nominated new directors on the boards of Punjab National Bank (PNB) and IDBI Bank, following the cessation of the terms of incumbent directors. Pankaj Sharma has been nominated as a director of the bank through a notification dated April 11, 2022 with immediate effect and until further orders, state-owned PNB said in a regulatory filing. Sharma's nomination follows cessation of Pankaj Jain as director on the board of PNB, it said, adding that Sharma is presently the joint secretary in the Ministry of Finance, Department of Financial Services.  
<https://www.moneycontrol.com/news/business/pnb-idbi-bank-get-govt-nominee-directors-on-their-boards-8350121.html>
- **Kotak Mahindra Bank loan officer arrested:** A loan officer working with Kotak Mahindra Bank was arrested Saturday after a Lonavala-based hotelier accused certain officials of the lender of cheating and forgery. The arrested individual has been identified as Alankar Khare, who was produced before a local court that remanded him to police custody for two days. The Lonavala city police registered a first information report (FIR) against several Kotak Mahindra Bank officials that included Valy Fernandes, Samprat Kamat, Amber Darbari, Pramod Krupal, Alankar Khare and Abhijeet Magar.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/kotak-mahindra-bank-loan-officer-arrested/articleshow/90786651.cms>
- **Merger of HDFC entities to increase M&A prominence among banks: Fitch:** The proposed merger of HDFC Bank and HDFC Ltd could redefine the competitive landscape for banks, and increase the prominence of M&A among lenders seeking to close market-share gap with the merged entity, Fitch Ratings said on Tuesday. Fitch believes that the proposed merger of the HDFC entities and the recently announced acquisition of Citibank India's consumer business by Axis Bank could encourage banks to turn to M&A (merger and acquisition). The proposed merger could redefine the competitive landscape for banks, and increase the prominence of M&A among banks seeking to close market-share gap with the merged HDFC Bank. It could also influence the evolution of the NBFI sector, particularly for large entities that have nurtured banking ambitions amid tightening sector regulations," Fitch said in a statement.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/merger-of-hdfc-entities-to-increase-ma-prominence-among-banks-fitch/articleshow/90800157.cms>
- **Moody's expects Indian banking sector to stabilise on economic rebound:** Global credit rating agency Moody's expects India's banking sector to stabilise this year riding on a gradual economic recovery, improving consumer and business confidence, the decline in bad loan provisions and better margins, despite the uncertainties posed



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by the Russia-Ukraine conflict. Fundamentals for the sector will improve especially due to India's continuing economic recovery, which Moody's expects will grow at 8.4% in the fiscal ending March 2023, down from 9.3% in the year ended March 2022. "Increasing corporate earnings and easing funding constraints for non-bank finance companies, which are significant borrowers from banks, will support loan growth. We expect growth in bank loans to accelerate to 12%-13% in fiscal 2023 from 5% in fiscal 2022," Moody's said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/moodys-expects-indian-banking-sector-to-stabilise-on-economic-rebound/articleshow/90786895.cms>

- **NBFC recovery to bring higher Q4 profits; funding costs to rise, too:** Non-bank lenders are likely to match India's mainstream banks in reporting better quarterly performances due to the receding impact of Covid shutdowns on collections and asset quality, although stricter provisioning norms ordered by the banking regulator could crimp margin expansion at the last-mile financiers of homes and cars. Motilal Oswal expects NBFCs under its coverage to report a year-on-year net profit growth of 32% led by Bajaj Finance, Cholamandalam Investment and Finance, L&T Finance and LIC Housing Finance (LICHF). It expects higher credit costs to hurt Mahindra & Mahindra Financial Services, which could impact its earnings.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/nbfc-recovery-to-bring-higher-q4-profits-funding-costs-to-rise-too/articleshow/90786890.cms>
- **Phoenix ARC in talks with banks to acquire VVF India loans:** Kotak Mahindra Bank-backed Phoenix ARC is in talks with banks to acquire loans of VVF (India) Ltd, makers of personal care products such as Doy Care and Jo, said two people aware of the development. Phoenix ARC has, last week, offered Rs 105 crore to Bank of India for its Rs 210 crore loans to VVF (India). The offer, which equates to a recovery of 50% for the state-owned bank, has triggered a Swiss challenge auction which is scheduled for April 30. VVF (India) has borrowings of Rs 1,400 crore, according to a credit rating report by Crisil Ltd.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/phoenix-arc-in-talks-with-banks-to-acquire-vvf-india-loans/articleshow/90786531.cms>
- **Kotak Mahindra Bank enables online payment of customs duty:** Kotak Mahindra Bank has enabled online payment of customs duty for its customers. The private sector lender on Tuesday said it has gone live on the Indian Customs Electronic Gateway (ICEGATE), the national portal of Indian Customs of the Central Board of Indirect Taxes and Customs. "Now all individual and corporate customers of Kotak Mahindra Bank can pay their customs duty free of cost," it said in a statement. "Online payment of customs duty is both convenient and seamless and reduces the physical visits of our customers. The integration of Kotak on the ICEGATE portal is significant for importers and exporters and will help them in making smooth and timely customs payments," said R Vardharajan, Business Head-Government Business, Kotak Mahindra Bank.  
<https://www.thehindubusinessline.com/money-and-banking/kotak-mahindra-bank-enables-online-payment-of-customs-duty/article65314066.ece#:~:text=Kotak%20Mahindra%20Bank%20has%20enabled,of%20Indirect%20Taxes%20and%20Customs.>
- **Fino Payments Bank to invest in fintech Paysprint:** The board of Fino Payments Bank has approved a minority strategic investment in fintech Paysprint. "The bank will be investing up to 12.19 per cent in the fintech by way of subscription to its shares," it said in a statement on Tuesday. This is in continuation to several in-house initiatives by the bank that are already underway towards building a digital ecosystem for its customers as part of its Fino 2.0 journey, it further said.  
<https://www.thehindubusinessline.com/money-and-banking/fino-payments-bank-to-invest-in-fintech-paysprint/article65314876.ece>



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- **Shriram City targets nearly 4-fold growth in the gold loan biz in 5 years:** Shriram City Union Finance Ltd has announced the launch of its gold loan product in seven northern States as the Shriram Group company eyes nearly four-fold growth in gold loan disbursements in the next five years. To support its growth objectives, the company has introduced the gold loan scheme in 70 branches in Punjab, Rajasthan, Haryana, Himachal Pradesh, Jammu & Kashmir, New Delhi and Uttaranchal. The company has a strong gold loan franchise in southern India and aims to replicate the success in the northern region, according to a statement.  
<https://www.thehindubusinessline.com/money-and-banking/shriram-city-targets-nearly-4-fold-growth-in-the-gold-loan-biz-in-5-years/article65314681.ece>
- **Drip Capital plans trade facilitation services to support SMBs:** Drip Capital, a fintech providing trade finance , has set its sight on building a trade facilitation offering for small and medium businesses (SMBs) to help them in their cross border trade, its Co-founder and CEO Pushkar Mukewar has said. “We are now looking to build a trade facilitation platform that would help solve certain pain points for SMBs in their cross border business. Some of the pain points for them are forex and insurance. We may also take partnership route to build this trade facilitation offering”, Mukewar told BusinessLine.  
<https://www.thehindubusinessline.com/companies/msme/drip-capital-plans-trade-facilitation-services-to-support-smb/article65313929.ece>
- **KKR invests ₹1,800 cr to pick up 9.99 per cent stake in Shriram General:** Shriram General Insurance (SGI), a joint venture between Shriram Capital, the holding company for Shriram Group’s financial services business, and pan-African financial services group Sanlam Ltd, on Monday indicated it will recruit about 5,000 people in the next two years to grow the non-life business in small towns while announcing the 9.99 per cent stake acquisition at KKR, a leading global investment firm, in the company. Shriram General Insurance and KKR have signed an agreement for the deal, subject to the receipt of necessary regulatory approvals.  
<https://www.thehindubusinessline.com/money-and-banking/kkr-invests-1800-cr-to-pick-up-999-per-cent-stake-in-shriram-general/article65311502.ece>
- **Q4 results: Banks are likely to report strong growth, improved asset quality:** Shrugging off the Covid-19 pandemic related pains, banks are likely to have registered healthy growth in the fourth quarter of the fiscal, aided by robust credit offtake and improvement in asset quality. “Overall earnings are likely to be healthy, supported by a pick-up in loan growth, steady net interest margins, and asset quality improvement,” said Axis Securities. Commentary on the NIM outlook would be a key monitorable in light of an expected inch-up in key policy rates and competition intensifying as they are likely to put pressure on passing of higher yields, it further said.  
<https://www.thehindubusinessline.com/money-and-banking/q4-results-banks-are-likely-to-report-strong-growth-improved-asset-quality/article65313781.ece>
- **Sensex closes 388 points lower, Nifty slips below 17,600:** The BSE Sensex closed at 58,576.37, down 388.20 points or 0.66 per cent. It recorded an intraday high of 58,794.78 and a low of 58,298.57. The Nifty 50 closed at 17,530.30 down 144.65 points or 0.82 per cent. It recorded an intraday high of 17,595.30 and a low of 17,442.35. Axis Bank, Kotak Bank, Powergrid, ICICI Bank and IndusInd Bank were the top gainers on the Nifty 50, while Hindalco, Coal India, Grasim, Tata Motors and Tata Steel were the top losers.  
<https://www.thehindubusinessline.com/markets/sensex-closes-388-points-lower-nifty-slips-below-17600/article65314262.ece>
- **Rupee gains 14 paise to 75.79 against US dollar:** The rupee appreciated 14 paise to 75.79 against the US dollar in opening trade on Monday, amid a pullback in crude oil prices. At the interbank foreign exchange, the rupee



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opened at 75.94 against the American dollar, then gained further ground to quote 75.79, registering a rise of 14 paise from the last close. On Friday, the rupee appreciated 10 paise to settle at 75.93 against the US dollar.  
<https://www.thehindubusinessline.com/markets/forex/rupee-gains-14-paise-to-7579-against-us-dollar/article65310751.ece>

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