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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

May 19, 2022

- **UCO Bank appoints Sujoy Dutta as new CFO; J&K Bank gets new govt nominee director:** UCO Bank on Wednesday said it has designated Sujoy Dutta as the new chief financial officer with immediate effect. "Sujoy Dutta, deputy general manager of our bank, has been designated as new Chief Financial Officer (CFO) of the bank with immediate effect in place of Shashi Kant Kumar, general manager of the bank," UCO Bank said in a regulatory filing. Dutta holds a bachelor degree in commerce from Calcutta University and he is a member of the Institute of Chartered Accountant of India (ICAI). Prior to his present position as deputy general manager (Finance) at bank's head office, Kolkata, he was zonal head of bank's New Delhi zonal office, the state-owned lender said.
[https://bfsi.economictimes.indiatimes.com/news/banking/uco-bank-appoints-sujoy-dutta-as-new-cfo-jk-bank-gets-new-govt-nominee-director/91648355#:~:text=Exclusive-UCO%20Bank%20appoints%20Sujoy%20Dutta%20as%20new%20CFO%3B%20J%26K%20Bank,Accountant%20of%20India%20\(ICAI\).](https://bfsi.economictimes.indiatimes.com/news/banking/uco-bank-appoints-sujoy-dutta-as-new-cfo-jk-bank-gets-new-govt-nominee-director/91648355#:~:text=Exclusive-UCO%20Bank%20appoints%20Sujoy%20Dutta%20as%20new%20CFO%3B%20J%26K%20Bank,Accountant%20of%20India%20(ICAI).)
- **Canara Bank will launch 'super app' in a month's time: CEO L V Prabhakar:** After a five years hiatus, Canara Bank declared a dividend, following a good set of numbers in its latest quarter. L V Prabhakar who took over as the MD and CEO of the bank in February 2020 says, this year the bank is targeting a balance sheet in excess of ₹20 lakh crore with a healthy and profitable double-digit growth in its lending portfolio, even as he says Canara is poised for sustainable growth. The bank is also launching a super app in a month's time. While we have a good app currently, we will in the next month or so, launching a super app providing over 250 plus features for the greater convenience of our customers. Already, 8,000 people are testing the app, including employees, customers. We will launch within a month.
<https://www.thehindubusinessline.com/money-and-banking/canara-bank-will-launch-super-app-in-a-months-time-ceo-l-v-prabhakar/article65425897.ece#:~:text=Money%20%26%20Banking-Canara%20Bank%20will%20launch%20'super%20app'%20in%20a,month's%20time%3A%20CEO%20L%20V%20Prabhakar&text=After%20a%20five%20years%20hiatus,numbers%20in%20its%20latest%20quarter.>
- **Axis Bank hikes MCLR by 35 bps across tenors with effect from May 18:** Private sector lender Axis Bank has hiked its marginal cost of funds-based lending rate (MCLR) by 35 basis points across tenors, with effect from May 18. Consequently, Axis Bank's overnight and one-month MCLR now stands at 7.55 per cent as against 7.20 per cent earlier. The three-month MCLR now stands at 7.65 per cent; six months MCLR at 7.70 per cent; one year MCLR at 7.75 per cent, and two-year MCLR at 7.85 per cent. The three-year MCLR of the bank after the hike stands 7.90 per cent as against 7.55 per cent earlier. The hike in MCLR by Axis Bank, the third largest private sector lender, comes after the Monetary Policy Committee (MPC) hiked benchmark interest rate (repo rate) by 40 basis points to 4.40 per cent, in an off-cycle meeting to tame the rising headline inflation.



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https://www.business-standard.com/article/finance/axis-bank-hikes-mclr-by-35-bps-across-tenors-with-effect-from-may-18-122051800370_1.html

- **Tamilnad Mercantile Bank's Q4 net rises 36%, total income increases 9%:** Tuticorin-based Tamilnad Mercantile Bank Ltd, one of the oldest private sector banks in India, has posted a 36 per cent increase in net profit for FY22 at Rs 822 crore, as compared to Rs 603 crore during the previous year. During the period under review, the bank's total income increased 9 per cent to Rs 4,656 crore as compared to Rs 4,253 crore for the previous financial year. During FY22, the net NPA of the bank decreased to 0.95 per cent against 1.98 per cent for the year FY21. During the period, gross NPA too, came down to 1.69 per cent from 3.44 per cent. The lender's operating profit rose 27 per cent to Rs 1,527 crore for FY22 as compared to Rs 1,202 crore for the previous year. The final dividend recommended was around Rs 10 per share, coming to 100 per cent dividend in the centenary year.
https://www.business-standard.com/article/companies/tamilnad-mercantile-bank-s-q4-net-rises-36-total-income-increases-9-122051800726_1.html
- **RBI's criticism for "delayed" rate hike unfair, says D Subbarao:** The criticism that the Reserve Bank of India was behind the curve in hiking interest rate to tame rising inflation is unfair, former RBI Governor D Subbarao said on Wednesday and asserted that it is difficult for any central bank to anticipate the future more accurately. Earlier this month, Monetary Policy Committee (MPC), the central bank's rate-setting panel, surprised the markets with a 40 basis points hike in repo rate in an off-cycle policy meeting. It was also the first rate hike after August 2018, amid spiralling inflation. Subbarao further said given that monetary policy acts with a lag, this rate hike, by itself, is unlikely to bring inflation down in a hurry. "I saw that the hurried action to tighten monetary conditions through an off-cycle MPC meeting raised several questions," he told PTI in an interview.
<https://economictimes.indiatimes.com/news/economy/indicators/rbis-criticism-for-delayed-rate-hike-unfair-says-d-subbarao/articleshow/91636099.cms>
- **Remain watchful of recent geopolitical developments, RBI Governor to banks:** The Reserve Bank of India (RBI) Governor, Shaktikanta Das, suggested banks to take proactive measures like raising capitals and pay significant attention to improving grievance redress systems in a meeting held on 17-18 May, 2022. He also asked the public and private banks to remain watchful of the recent geopolitical developments and emerging trends to lessen the potential effect on balance sheets and focus on the revival of economic activity in the country. In his introductory remarks, the Governor praised the banks for remaining strong throughout the pandemic and supporting economic recovery.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/remain-watchful-of-recent-geopolitical-developments-rbi-governor-to-banks/articleshow/91640088.cms>
- **External MPC member indicates preference for 50 bps repo rate hike:** Though all monetary policy committee (MPC) members had unanimously agreed that a policy repo rate hike is necessary to address concerns on the inflation front, one member — Jayanth Varma — showed preference for a 50 basis points (bps) hike. However Varma, a professor at the Indian Institute of Management (Ahmedabad), eventually voted with the majority for a 40 bps hike in the repo rate, according to MPC



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minutes released by the Reserve Bank of India. At the off-cycle MPC meeting, held on May 2 and 4, all six members unanimously voted to up the repo rate from 4 to 4.40 per cent. The committee also decided to remain accommodative while focusing on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth. "Since April, inflation risks have become more pronounced — both in terms of magnitude and in terms of persistence. On the other hand, the growth shock appears to be less severe than I initially feared.

<https://www.thehindubusinessline.com/economy/external-mpc-member-indicates-preference-for-50-bps-repo-rate-hike/article65427101.ece>

- **Working capital drawdowns of corporates and MSME borrowers rising with input costs:** Banks are seeing a rise in drawdowns on the working capital limits of corporates and MSME borrowers as rallying commodity prices raise input costs. Bankers said while earlier 30-40% utilisation in highly-rated large corporates was a big challenge, these limits have now been exhausted by up to 60-70%, raising hopes of fresh loans. "The working capital drawdowns are increasing on the corporate book because their input costs have gone up," said Samuel Joseph, deputy MD, IDBI Bank. "Many companies that were not utilising fund-based exposures at all, have started using that, which will add to the overall corporate credit growth. A 30-40% utilisation in highly rated large corporates was a big challenge earlier, today they are pushed up to 60-70%."
<https://economictimes.indiatimes.com/industry/banking/finance/banking/working-capital-drawdowns-of-corporates-and-msme-borrowers-rising-with-input-costs/articleshow/91626740.cms>
- **Volopay hires Nirvikar Jain as global business officer:** Business-to-business (B2B) fintech company Volopay which recently completed a Series A funding round, has appointed Nirvikar Jain as the global business officer. Jain has an MS (Sloan fellow) from Stanford GSB and is co-authoring an MIT press book on fintech-led disruption. He has scaled businesses across his career and has worked at Citibank, First Abu Dhabi Bank (India CEO), and Bank of America. Rajith Shaji, Co-founder & CEO, Volopay, said in a statement: "We're really looking forward to Nirvikar's involvement in Volopay's future. It takes a keen eye for financial technology and market insights to be able to recognize potential opportunities — and he gives us exactly that."
<https://economictimes.indiatimes.com/industry/banking/finance/banking/volopay-hires-nirvikar-jain-as-global-business-officer/articleshow/91623636.cms>
- **Equitas Holdings, Equitas SFB merger likely to be completed by March 2023: Vasudevan:** The merger of Equity Holdings Ltd with Equitas Small Finance Bank should be completed by March 2023, after which the lender will consider applying for a universal bank license. "We have got RBI approval. We are awaiting SEBI's approval, and then from the NCLT and shareholders. I think by March 2023 we are hoping to complete it," said, PN Vasudevan, Managing Director and CEO of Equitas SFB. The bank had, on May 6, said it has received no objection from the Reserve Bank of India for the merger of Equitas Holdings Ltd with Equitas SFB, based on certain conditions, including the divestment of shareholding by EHL in its subsidiary -- Equitas Technologies -- prior to the scheme taking effect.
<https://www.thehindubusinessline.com/money-and-banking/equitas-holdings-equitas-sfb-merger-likely-to-be-completed-by-march-2023->



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vasudevan/article65425907.ece#:~:text=The%20merger%20of%20Equity%20Holdings,from%20the%20ONCL%20and%20shareholders.

- **REPCO Bank may appeal RBI's decision to reject universal bank permit application; others undecided:** The Repatriates Cooperative Finance and Development Bank (REPCO Bank) may appeal against the regulator's decision to reject its application for a universal bank licence, a company official said. "We are examining whether we should send an appeal to the Reserve Bank of India (RBI) for reconsideration of our universal bank licence as we are a traditional bank with a base of over Rs 16,000 crore," REPCO Bank general manager PK Vaidyanathan told Moneycontrol on May 18. REPCO Bank had earlier applied for a small finance bank permit through Repco Microfinance, but the RBI had rejected that proposal too, Vaidyanathan said.
<https://www.moneycontrol.com/news/business/repro-bank-may-appeal-rbis-decision-to-reject-universal-bank-permit-application-others-undecided-8530951.html>
- **PhonePe to buy WealthDesk, OpenQ for \$75 million:** Walmart-owned PhonePe is acquiring two wealth management companies WealthDesk and OpenQ. While the company did not disclose the deal value, a source close to the development told BusinessLine that the collective value of the acquisitions is around \$75 million and the deals are a mix of cash and stock. WealthDesk is estimated to be valued around \$50 million and OpenQ's valuation is somewhere around \$20 million. The founder and the entire team of WealthDesk will be working as a part of the PhonePe group and both the platforms will remain independent. WealthDesk will continue to remain an open platform for all players, and the founder Ujjwal Jain will be leading the company. "WealthDesk currently has over 50 partners across categories already working with them and we expect their platform to scale further by integrating with more partners and to become a gold standard for investment technology," said a PhonePe spokesperson.
<https://www.thehindubusinessline.com/money-and-banking/phonepe-to-buy-wealthdesk-openq-for-75-million/article65425304.ece>
- **LIC Housing Finance Q4 net profit up 180 per cent:** LIC Housing Finance reported a 180.4 per cent jump in its net profit for the fourth quarter of 2021-22 to ₹1,118.64 crore. Its net profit was ₹398.92 crore in the same period in 2020-21. For the quarter ended March 31, 2022, the company's revenue from operations increased by 7 per cent to ₹5,300 crore as against ₹4,968 crore a year ago. Net interest income increased by 9 per cent to ₹1,637 crore in the fourth quarter of last fiscal against ₹1,505 crore for the same period previous year. Net interest margin for the quarter stood at 2.65 per cent as against 2.66 per cent for a year ago.
<https://www.thehindubusinessline.com/money-and-banking/lic-housing-finance-q4-net-profit-up-180-per-cent/article65426656.ece>
- **Manappuram Finance records ₹261 crore PAT in Q4:** Manappuram Finance Ltd has reported a consolidated profit after tax of ₹261 crore for the fourth quarter, making a marginal decline of 0.02 per cent in comparison to the PAT of ₹261.01 crore reported in the preceding third quarter. Profit after tax for the full year stands at ₹1,328.70 crore. The company's full year consolidated AUM grew by 11 per cent to ₹30,260.82 crore from ₹27,224.22 crore reported in the previous fiscal. Operating



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income for the year stood at ₹6,061.02 crore, down by 4.26 per cent as compared to ₹6,330.55 crore in the previous fiscal.

<https://www.thehindubusinessline.com/money-and-banking/manappuram-finance-records-261-crore-pat-in-q4/article65426499.ece>

- **Shriram Life Insurance targets 30 per cent growth; launches early cash plan:** Shriram Life Insurance is expecting to grow its business by 30 per cent in FY23. This was revealed by Casparus J H Kromhout, MD & CEO, Shriram Life Insurance Company who said that the life insurance sector is witnessing an increased interest and uptake for term life insurance. The industry's annual premium equivalent in April this year grew by 46 per cent for individual policies and total new business premium grew by 27 per cent, he said. Shriram Life Insurance saw a growth of 30 per cent and 54 per cent respectively, he added.
<https://www.thehindubusinessline.com/money-and-banking/shriram-life-insurance-targets-30-per-cent-growth-launches-early-cash-plan/article65426170.ece>
- **Finance Ministry to clarify doubts on applicability of TDS on perks received in business, profession:** The finance ministry will clarify doubts on the applicability of new TDS provision regarding benefits or perquisites received in a business or profession, a senior tax official said on Wednesday. Joint Secretary in the finance ministry Kamlesh C Varshney said that such benefits and perquisites are income and were always taxable whether received in cash or kind. The Budget 2022-23 brought in the provision of tax deducted at source (TDS) on such income to check tax revenue leakage.
<https://www.moneycontrol.com/news/business/economy/finance-ministry-to-clarify-doubts-on-applicability-of-tds-on-perks-received-in-business-profession-8530861.html>
- **Sensex closes 110 points lower; Nifty ends below 16,300:** The BSE Sensex closed at 54,208.53, down 109.94 points or 0.20 per cent. It recorded an intraday high of 54,786.00 and a low of 54,130.89. The Nifty 50 closed at 16,240.30, down 19.00 points or 0.12 per cent. It recorded an intraday high of 16,399.80 and a low of 16,211.20. Tata Consumer, Hindustan Unilever, Ultratech Cement, Shree Cement and Adani Ports were the top gainers on the Nifty 50 while Powergrid, BPCL, Tech Mahindra, Apollo Hospitals and State Bank of India were the top losers.
<https://www.thehindubusinessline.com/markets/sensex-closes-110-points-lower-nifty-ends-below-16300/article65426058.ece>
- **Rupee falls 16 paise to record low of 77.60 against dollar:** The rupee on Wednesday declined by 16 paise to close at its fresh lifetime low of 77.60 against the US dollar amid unabated foreign fund outflows and a stronger greenback in overseas markets. At the interbank foreign exchange market, the rupee opened lower at 77.57 and later hit the day's low of 77.61 as the dollar rebounded in global markets following hawkish comments from US Federal Reserve chief Jerome Powell.
<https://www.thehindubusinessline.com/markets/forex/rupee-falls-16-paise-to-record-low-of-7760-against-dollar/article65426678.ece#:~:text=The%20rupee%20weakened%20due%20to,stronger%20greenback%20in%20overseas%20markets.>



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