



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

April 28, 2022

- **Maruti Suzuki partners Indian Bank for car loans:** Maruti Suzuki India (MSIL) on Wednesday partnered with Indian Bank for car loans for its customers. Maruti Suzuki customers can apply for the loan at any of the 5,700-plus branches of Indian Bank at metro, urban, semi-urban and rural locations, the company said in a statement. MSIL has 3,357 retail outlets across 2,156 cities and towns. It has retail finance tie-ups with 37 institutions including the 12 public sector banks, 11 private banks, seven non-banking financial companies and seven regional rural banks. Under the partnership with Indian Bank, Maruti Suzuki customers can apply for loans upto 90 per cent of the on-road car price, besides offers such as zero processing charge, free accident insurance cover upto ₹30 lakh, free FASTag, and loan repayment tenure up to 84 months. The offer is on until till June 30, the company added.
https://www.business-standard.com/article/companies/maruti-suzuki-joins-hands-with-indian-bank-for-car-loans-122042700418_1.html
- **Jeevandas Narayan & Kalmanje Gururaj Acharya appointed to Karnataka Bank board:** Mangaluru-headquartered private sector lender Karnataka Bank has announced the appointment of Jeevandas Narayan and Kalmanje Gururaj Acharya as additional directors after the Board cleared their appointments. Narayan is a commerce graduate from the Mysore University with 40 years of experience in the banking and finance sector. He is a career banker who retired from SBI as Deputy MD, and also served as MD of SBT. Acharya is a practising Chartered Accountant from Bengaluru with about 30 years of experience. Earlier, he was a member on the board of SBM.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/jeevandas-narayan-kalmanje-gururaj-acharya-appointed-to-karnataka-bank-board/articleshow/91125447.cms>
- **Cabinet approves Rs 820 cr financial support for India Post Payments Bank:** The Union Cabinet has approved financial support of Rs 820 crore for India Post Payments Bank, a source said on Wednesday. The support will help state-run payments bank to penetrate deeper into the country, especially in the rural area and work towards financial inclusion. "There was a proposal to provide Rs 820 crore financial support to India Post Payments Bank (IPPB). It has been approved by the Cabinet," the source told PTI. IPPB has over five crore accounts at present and operates through 1.36 lakh branches. Around 48 per cent of its account holders are women.
<https://www.moneycontrol.com/news/business/cabinet-approves-rs-820-crore-financial-support-for-india-post-payments-bank-8419121.html>
- **LIC IPO: Retail investor participation likely to be strong :** Participation by retail investors, who will get a significant chunk of shares in the much-awaited initial public offering of Life Insurance Corporation of India, is expected to be more than robust given the increase in new demat accounts. B Gopkumar, Managing Director and CEO, Axis Securities, said there is a fair degree of interest in the LIC IPO from



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retail investors. “We opened around 45,000 accounts for the IPO alone last month. Of these, 40 per cent of customers are new to the market,” he said.

<https://www.thehindubusinessline.com/money-and-banking/lic-ipo-retail-investor-participation-likely-to-be-strong/article65359814.ece>

- **NBFC 'third party lending' set to come under auditors' scrutiny:** Various funding arrangements entered by non-banking financial companies (NBFCs) are set to come under scrutiny of auditors with effect from FY22 audit that starts in the next few weeks. The ministry of corporate Affairs (MCA) had tightened the rules for company audits last year mandating companies to provide a new declaration saying they have not lent money to an intermediary with an understanding that the intermediary will in turn loan, or fund, it to a third company. While the rules will apply to all companies, market participant say they will have significant impact on NBFCs who routinely enter such arrangements.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/nbfc-third-party-lending-to-come-under-auditors-scrutiny/articleshow/91108772.cms>
- **Guarantees, LoCs to group companies will now have taut strings :** Indian corporates will have to think twice before tossing 'guarantees' and 'letters of comfort' to help group companies raise money, notch up credit ratings, and bargain a lower interest rate on the back of such support from parents. The rules of the game on 'corporate guarantees' will change with the Reserve Bank of India (RBI) insisting on a water-tight, time-bound mechanism for the issuance of guarantees and their invocation by lending banks. About a week ago, in a "guidance note" to credit rating agencies, the banking regulator has said that banks have to formally agree to a time frame within which they would invoke a guarantee following a loan default while the corporate guarantor has to commit to a deadline to pay up once the invocation by lenders takes place, a senior industry person told ET.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/guarantees-locs-to-group-companies-will-now-have-taut-strings/articleshow/91112458.cms>
- **Bajaj Finance Q4 net profit up 80 per cent:** Bajaj Finance has registered an 80 per cent jump in consolidated net profit for the fourth quarter of the fiscal. For the quarter ended March 31, 2022, net profit increased by 79.7 per cent to Rs 2,419.51 crore from Rs 1,346.64 crore a year ago. Net interest income increased by 30 per cent to Rs 6,068 crore, as against Rs 4,659 crore in the quarter under review. For the full fiscal 2021-22, net profit increased by 59 per cent to Rs 7,028.23 crore from Rs 4,419.82 crore in 2020-21.
<https://www.thehindubusinessline.com/money-and-banking/bajaj-finance-q4-net-profit-up-80-per-cent/article65357264.ece>
- **Generali Asia appoints Bruce de Broize as MD and CEO of Future Generali India Life Insurance:** Generali Asia has appointed Bruce de Broize as Managing Director and Chief Executive Officer of Future Generali India Life Insurance (FGILI). “The appointment follows Generali’s move to consolidate its position in FGILI by completing the transaction to become the majority stakeholder,” it said in a statement on Wednesday. He will take over from Miranjit Mukherjee who was serving as interim CEO since September 2021.



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<https://economictimes.indiatimes.com/industry/banking/finance/insure/bruce-de-broize-to-head-future-general-india-life-insurance/articleshow/91124549.cms?from=mdr>

- **Ajay Mahajan exits CARE Ratings:** Ajay Mahajan has resigned from the position of Managing Director and Chief Executive Officer of CARE Ratings due to personal reasons. Mehul Pandya, Executive Director-Business Development, has been appointed as interim CEO with effect from June 1, 2022. The Board of Directors had, at its meeting on April 26, accepted the resignation, the agency said in an exchange filing.
<https://www.thehindubusinessline.com/money-and-banking/ajay-mahajan-exits-care-ratings/article65359236.ece>
- **RBI not keen on Niti Aayog's digital bank proposal:** With the Reserve Bank of India (RBI) issuing operational guidelines for digital banking units earlier this month, it seems to be shutters down on Niti Aayog's proposal to issue exclusive digital bank licenses, an idea that the government's think-tank had floated in November 2021. This means that, neo-banks such as RazorpyX, Jupiter, Niyo, Fi, and Open, which had pinned hopes on becoming digital banks based on the Niti Aayog's recommendations may have to continue with the partnership model with banks. According to a highly placed sources, RBI wasn't comfortable handing out fresh digital licenses as it could lead to further fragmentation of the market. It may also have been difficult for the candidates to clear RBI's bar on 'fit-and-proper' criteria for bank promoters.
<https://www.thehindubusinessline.com/money-and-banking/rbi-not-keen-on-niti-aayogs-digital-bank-proposal/article65359663.ece>
- **Policy on cryptos, blockchain can't be rushed, says Finance Minister Sitharaman:** Finance Minister Nirmala Sitharaman has asserted that India's policy position on cryptos and blockchain will take its time and cannot be rushed through, despite "impatience" from the outside world for the country to quickly firm up its stance on this front. During a fireside chat at Stanford University in the US during her ongoing visit, Sitharaman underlined that India is not looking to hurt developments made on distributed ledger technologies or blockchain. "We recognise that there is a lot of potential and well-grounded progress made in distributed ledger technologies; blockchain itself is also full of potential, not just in the payments arena but in others as well. Our intention is not to hurt these or even say we don't need them, but to define for ourselves how we make them, in what way their growth should be facilitated, and how we will handle it," she said.
<https://www.thehindubusinessline.com/economy/policy-on-cryptos-blockchain-cant-be-rushed-says-finance-minister-sitharaman/article65360255.ece>
- **HDFC AMC net up 9 per cent:** HDFC Asset Management Company has reported that its net profit in March quarter was up nine per cent at ₹344 crore against ₹316 crore logged in the same period last year. Income increased six per cent to ₹581 crore as against ₹546 crore. The board has declared a dividend of ₹42. Expenses increased 12 per cent to ₹138 crore (₹123 crore). Quarterly asset under management of the fund house was up four per cent at ₹4.27 lakh crore (₹4.12 lakh crore).



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<https://www.thehindubusinessline.com/news/hdfc-amc-net-up-9-per-cent/article65360555.ece#:~:text=Board%20declares%20a%20dividend%20of,as%20against%20%E2%82%B9546%20crore.>

- **LIC IPO is right-sized, won't crowd out monetary supply: DIPAM Secy:** The initial public offering (IPO) of Life Insurance Corporation of India is right sized given the constraints in the market, DIPAM Secretary Tuhin Kanta Pandey said on Wednesday while underlining that even after the reduced size at about ₹21,000 crore, it would be the biggest IPO ever in the country. "This is right sized considering the capital market environment and will not crowd out capital and monetary supply even in the current environment constraints," Pandey said at a press conference. "We want to champion LIC as a long-term value creator in the equity markets," he further said. The government will sell 3.5 per cent stake or 22.13 crore equity shares in LIC through an IPO by offer for sale. The issue will open on May 4 and close on May 9.

<https://www.thehindubusinessline.com/money-and-banking/lic-ipo-is-right-sized-dipam-secy/article65359597.ece>

- **Sensex tumbles 537 points at closing, Nifty slips below 17,100:** The BSE Sensex closed at 56,819.39, down 537.22 points or 0.94 per cent. It recorded an intraday high of 57,079.03 and a low of 56,584.04. The Nifty 50 closed at 17,038.40, down 162.40 points or 0.94 per cent. It recorded an intraday high of 17,110.70 and a low of 16,958.45. Hero Motocorp, Tata Steel, Asian Paints, HCL Tech and Eicher Motor were the top gainers on the Nifty 50, while Bajaj Finance, Bajaj Finserv, Tata Consumer, Shree Cement and Adani Ports were the top losers.

<https://www.thehindubusinessline.com/markets/stock-markets/sensex-tumbles-537-points-at-closing-nifty-slips-below-17100/article65359799.ece>

- **Rupee settles almost flat against US dollar:** The rupee recouped early losses and settled almost flat at 76.55 (provisional) against the US dollar on Wednesday on expectations of higher dollar inflows. However, a lacklustre trend in domestic equities and the strength of the greenback in the overseas market weighed on the local unit, forex traders said. At the interbank forex market, the domestic unit opened at 76.69 against the US dollar and touched an intra-day high of 76.50. It finally closed at 76.55, registering a rise of just 1 paisa over its previous close of 76.56.

<https://www.thehindubusinessline.com/markets/forex/rupee-settles-almost-flat-against-us-dollar/article65359863.ece#:~:text=The%20rupee%20opened%20at%2076.69,expectations%20of%20higher%20dollar%20inflows.>

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