



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

May 31, 2022

- **Privatisation process of two PSBs at advanced stage, says DFS Secy Malhotra:** “Advance action” is underway for the privatisation of two public sector banks (PSBs) as announced by Finance Minister Nirmala Sitharaman in the last Union Budget, Financial Services Secretary Sanjay Malhotra said Monday. In the Union Budget for 2021-22, Sitharaman had announced privatisation of two public sector banks (PSBs) besides IDBI Bank. However, this year’s Budget Speech had skipped the mention of the progress made for the privatisation of two PSBs. “Insofar as banking privatisation is concerned, there is already a statement on the floor of the house by the Finance Minister for making enabling provision. Advance action on this is underway,” Malhotra said during the curtain raiser event for celebration of Azadi Ka Amrit Mahotsav.
https://www.business-standard.com/article/finance/privatisation-process-of-two-psbs-at-advanced-stage-says-dfs-secy-malhotra-122053001173_1.html
- **ECLGS and restructuring for borrowers during pandemic had beneficial social impact: Union Bank Chief:** The Government’s Emergency Credit Line Guarantee Scheme (ECLGS), which enabled lenders to provide additional term loans/ working capital to business enterprises and MSMEs, and the Reserve Bank of India’s Resolution Framework 1.0 and 2.0 for lenders and borrowers to deal with Covid-19-related stress, have played a major role in getting the economy back on its feet , says Rajkiran Rai G, MD & CEO, Union Bank of India (UBI). In an interaction with BusinessLine, Rai emphasised that the above measures also had a beneficial social impact.
<https://www.thehindubusinessline.com/money-and-banking/eclgs-and-restructuring-for-borrowers-during-pandemic-had-beneficial-social-impact-union-bank-chief/article65475609.ece>
- **Public-sector bank top brass to get extra cover for bonafide decisions:** The government is considering a proposal to grant greater protection to senior executives of state-run banks, akin to the immunity enjoyed by government servants, to shield them from easy arrests and harassment for “honest business errors” and encourage them to lend without fear, official and banking sources told FE. One of the proposals being weighed aims to ensure that public-sector bankers are granted protection (like government officials) under Section 197 of the Code of Criminal Procedure (CrPC). This section prohibits the courts from taking cognisance of criminal charges against government servants without prior sanction of the competent authority. “The finance ministry and the Indian Banks’ Association (IBA), which has been pushing for higher protection to bankers, are in talks on this issue,” said one of the sources. Once the finance ministry endorses the proposal, it will be sent to the ministry of law for vetting, he added.
<https://www.financialexpress.com/industry/banking-finance/public-sector-bank-top-brass-to-get-extra-cover-for-bonafide-decisions/2541709/>
- **LIC Q4 Results: Net profit declines 17% YoY to Rs 2,409 crore:** Life Insurance Corporation (LIC) of India on Monday said its consolidated net profits for the quarter ended March stood at Rs 2,409.39 crore, down 17.41 per cent compared to Rs 2,917.33 crore in the same quarter last year. Net premium income stood at Rs 1,44,158.84 crore, up 17.88 per cent from Rs 1,22,290.64 crore in the corresponding quarter year ago. This is the first earnings statement from the insurance behemoth after getting listed on the bourses. India’s largest insurer also announced a dividend of Rs 1.50 per share, it said in a regulatory filing on Monday.
<https://economictimes.indiatimes.com/markets/stocks/earnings/lic-q4-results-net-profit-declines-17-yoy-to-rs-2917-crore/articleshow/91892403.cms>



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- **Organic growth, tie-ups start delivering, aims 20pc share in credit cards in 3 years: Axis Bank official:** Axis Bank has started to reap the benefits of its strategy to grow organically alongside strong partnerships to fuel growth in the credit cards business, raking in the highest ever acquisition in the March quarter, a top official said. Buoyed by the growth, the bank is eyeing capturing one-fifth of the credit card market in the medium term, the official said. With Citi's consumer business to be merged with itself going ahead, the bank will not lose sight of delivering quality services, Sanjeev Moghe, President & Head - Cards & Payments, at Axis Bank, said. The fourth-largest private sector bank clocked the highest ever quarterly growth with over 1.1 million credit card acquisitions in the March quarter of 2021-22.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/organic-growth-tie-ups-start-delivering-aims-20pc-share-in-credit-cards-in-3-years-axis-bank-official/articleshow/91867801.cms>
- **Long-term succession planning: Jay Kotak is being readied for top role at Kotak Mahindra Bank:** Harvard alumnus and Uday Kotak's elder son Jay Kotak has lately had significant enhancements to his executive role at the Kotak Mahindra Bank, prompting analysts to view the assignments as a start to long-term succession planning at the financial empire bearing the family name of Asia's richest banker. To be sure, the central bank has put a 15-year tenure cap on chief executive roles at lenders, and Uday Kotak has already led the private bank he founded for more than 18 years.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/long-term-succession-planning-analysts-feel-jay-kotak-being-readied-for-top-role-at-kotak-mahindra-bank/articleshow/91877906.cms>
- **Collective profit of 12 state-owned banks rises 110% in FY22:** The state-owned banks witnessed a sharp rise in their net profits during the financial year 2021-22. The overall profit accounted for Rs 66,539 crore, an increase of 110% over the last year's Rs 31,816 crore. Even after a phenomenal growth, the PSBs continue to lag behind the private banks. The private banks recorded a 29% higher profit of over Rs 91,000 crore as against Rs 70,435 crore last year, according to a Times of India report.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/collective-profit-of-12-state-owned-banks-rises-110-in-fy22-heres-whats-behind-the-rise/articleshow/91884197.cms>
- **Deposit rates unlikely to match rise in lending rate:** Lending rates went up immediately following Reserve Bank of India's 40 basis points repo rate increase but deposit rates remained more or less sticky, and are likely to remain so till the time the market continues to have surplus liquidity, country's top bankers said. There could just be nominal changes. The external benchmark-linked framework makes transmission of monetary policy signals automatic in terms of lending rates, but deposit rates are functions of credit demand as well as the prevalent liquidity situation. "As long as liquidity remains surplus in the system, there is no need for banks to compete for mobilising deposits and therefore deposit rates either remain the same or have seen nominal changes," a chief executive of a mid-size public sector bank said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/deposit-rates-unlikely-to-match-rise-in-lending-rate/articleshow/91892319.cms>
- **Hero Electric partners with Cholamandalam to offer retail finance:** Hero Electric on Monday said it has joined hands with Cholamandalam Investment and Finance Company to offer retail finance for electric two-wheelers. The partnership will enable the company to cater to newer markets with Chola's widespread presence across the country, the electric two-wheeler maker said in a statement. "The fluctuating market scenario and increased preference for sustainable mobility have necessitated the availability of strong finance schemes to encourage the EV shift. Easy and preferred financing options will further favour the green mobility shift, leading to a seamless ownership experience," Hero Electric CEO Sohinder Gill said.



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<https://www.thehindubusinessline.com/companies/hero-electric-partners-with-cholamandalam-to-offer-retail-finance/article65475480.ece>

- **79,669 pieces of fake Rs 500 notes detected by banks in FY22: RBI report:** The number of fake currency note of Rs 500 denomination detected by the banking system more than doubled to 79,669 pieces in the fiscal 2021-22 over the previous year, according to the RBI annual report. The number of counterfeit notes of Rs 2,000 denomination detected in the system was 13,604 pieces during 2021-22, up 54.6 per cent from the preceding financial year.
<https://www.dailypioneer.com/2022/business/rbi-report-says-79-669-pieces-of-fake--500-notes-detected-in-fy22.html#:~:text=The%20number%20of%20fake%20currency,according%20to%20RBI%20annual%20report.>
- **Stressed assets of NBFC-MFIs likely declined to 14% as of end-March: Crisil:** Stressed assets of non-banking financial companies- microfinance institutions (NBFC-MFIs) are estimated to have declined to around 14 per cent as of March 2022 from close to 22 per cent in September 2021, helped by revival in the economy and limited impact of the omicron variant, says a report. However, stressed assets of NBFC-MFIs, which comprise of 30+ Portfolio at Risk (PAR) and loan book restructuring remains well above the pre-pandemic level of around 3 per cent, Crisil Ratings said in a report released on Monday. "Stressed assets of NBFC-MFIs are estimated to have declined a significant 800 basis points to around 14 per cent as of March 2022, after peaking to approximately 22 per cent in September 2021," the report said.
https://www.business-standard.com/article/finance/stressed-assets-of-nbfc-mfis-likely-declined-to-14-as-of-end-march-crisil-122053000826_1.html
- **Sundaram Home Finance raises deposit rates:** Sundaram Home Finance has revised upwards the interest rates on deposits effective June 1. In addition to one-, two- and three-year deposits, the company also accepts deposits for four- and five-year periods, according to a statement. The rate on two-year deposits for individuals other than senior citizens has been increased by 0.25 per cent to 5.90 per cent per annum (5.65 per cent). For 3-5 year deposits, the rate will be 6.05 per cent per annum (5.80 per cent).
[https://www.thehindubusinessline.com/money-and-banking/sundaram-home-finance-raises-deposit-rates/article65475306.ece#:~:text=Rates%20for%20individuals,annum%20\(5.80%20per%20cent\).](https://www.thehindubusinessline.com/money-and-banking/sundaram-home-finance-raises-deposit-rates/article65475306.ece#:~:text=Rates%20for%20individuals,annum%20(5.80%20per%20cent).)
- **Stressed assets of NBFC-MFIs seen down 800 bps in FY22: Crisil:** Stressed assets of non-banking financial companies-microfinance institutions (NBFC-MFIs) are estimated to have declined a significant 800 basis points to about 14 per cent as of March 2022, after peaking to about 22 per cent in September 2021, but still above pre-pandemic levels of about 3 per cent, according to Crisil Ratings. Stressed assets comprise 30 plus days portfolio at risk (PAR), and loan book under restructuring. PAR 30 plus means loan portfolio with 30 days overdue or more divided by total loan portfolio.
<https://www.thehindubusinessline.com/money-and-banking/stressed-assets-of-nbfc-mfis-seen-down-800-bps-in-fy22-crisil/article65476480.ece>
- **Muthoottu Mini Financiers posts 25 per cent growth in AUM in FY22:** Muthoottu Mini Financiers Ltd has reported highest growth of 25.29 per cent for the financial year 2021-22. The company's consolidated Asset Under Management (AUM) touched ₹2,498.60 crore as compared to ₹1,994.21 crore reported in the previous fiscal. The AUM has reported a growth of 21.03 percent during FY19-20, 17.92 per cent during FY 20-21 and 25.29 percent during FY 21-22 respectively. The PAT for the year ended on March 31, 2022 grew by 45 per cent at ₹46.29 crore.
<https://www.thehindubusinessline.com/money-and-banking/muthoottu-mini-financiers-posts-25-per-cent-growth-in-aum-in-fy22/article65475840.ece>



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- **Sri Lanka aims to maintain inflation at 4-6%: Central Bank Governor:** Central Bank of Sri Lanka is targeting to maintain the inflation in the range of 4-6 per cent, P. Nandalal Weerasinghe, Governor of Central Bank of Sri Lanka has said. This, according to him, will be an incentive for the manufacturers to produce more goods. At present, the inflation rate in Sri Lanka is 30 per cent and it will be increasing to 40 per cent in next two to three months
<https://www.thehindubusinessline.com/news/world/sri-lanka-aims-to-maintain-inflation-at-4-6-central-bank-governor/article65475775.ece#:~:text=Central%20Bank%20of%20Sri%20Lanka%20is%20targeting%20to%20maintain%20the,manufacturers%20to%20produce%20more%20goods.>
- **Third-party currency payments for Iran fraught with delays, additional costs:** Despite the Reserve Bank of India (RBI) allowing use of third-party currency for doing business with Iran, Indian tea exporters are facing difficulties as Tehran is unable to make direct payment in euro or dirham. The traders have asked Commerce Minister Piyush Goyal to work a way out, including dipping into the money lying, if any, for use of oil trade.
<https://www.thehindubusinessline.com/money-and-banking/third-party-currency-payments-for-iran-fraught-with-delays-additional-costs/article65475747.ece>
- **PMEGP extended till FY26 with Rs 13,554 crore outlay; to create 40 lakh jobs: Government:** The Prime Minister's Employment Generation Programme has been approved for continuation till the financial year 2025-26 with the total outlay of Rs 13,554.42 crore, the government said on Monday. The scheme will create sustainable employment opportunities for about 40 lakh persons in five financial years, the ministry of micro, small and medium enterprises said.
<https://economictimes.indiatimes.com/news/economy/policy/pmegp-extended-till-fy26-with-rs-13554-crore-outlay-to-create-40-lakh-jobs-govt/articleshow/91897136.cms?from=mdr>
- **Sensex up over 1,000 pts intraday, Nifty above 16,600:** At 1 pm, the BSE Sensex was trading at 55,915.87, up 1031.21 points or 1.88 per cent. It recorded an intraday high of 56,082.65 and a low of 55,466.30. The Nifty 50 was trading at 16,651.95, up 299.50 points or 1.83 per cent. It recorded an intraday high of 16,695.50 and a low of 16,506.15. Mahindra & Mahindra, Infosys, Titan, HCL and Tech Mahindra were the top gainers on the Nifty 50, while JSW Steel, Kotak Bank, ONGC, Sun Pharma and ITC were the top losers.
<https://www.thehindubusinessline.com/markets/sensex-up-over-1000-pts-intraday-nifty-above-16600/article65475475.ece>
- **Rupee surges 12 paise to 77.46 against US dollar in early trade:** The rupee appreciated 12 paise to 77.46 against the US dollar in opening trade on Monday, supported by a fall in the dollar index and positive domestic equities. At the interbank foreign exchange, the rupee opened at 77.53 against the American dollar, then gained further ground to quote 77.46, registering a rise of 12 paise from the last close.
<https://www.thehindubusinessline.com/markets/forex/rupee-surges-12-paise-to-7746-against-us-dollar-in-early-trade/article65475203.ece>

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