



**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

February 8, 2022

- **Union Bank of India's Q3 net profit jumps 49% to Rs 1,085 crore:** State-owned Union Bank of India on Monday posted a 49 percent jump in net profit to Rs 1,085 crore in the third quarter ended December 31. The bank had earned a net profit of Rs 727 crore in the corresponding quarter of the previous financial year. Its total income during the October-December quarter of 2021-22 declined to Rs 19,453.74 crore from Rs 20,102.84 crore in the corresponding quarter of the previous financial year, Union Bank of India said in a regulatory filing. On the asset quality front, the bank's gross non-performing assets (NPAs) fell to 11.62 percent of the gross advances by the end of the December 2022 quarter, compared with 13.49 percent by the end of December 2020. However, net NPAs increased to 4.09 percent, up from 3.27 percent at the end of December 2020.  
<https://www.moneycontrol.com/news/business/earnings/union-bank-of-indias-q3-net-profit-jumps-49-to-rs-1085-crore-8051041.html>
- **Indian Bank posts 34 per cent rise in Q3 net profit:** Public sector lender Indian Bank has reported a 34 per cent jump in its net profit at ₹690 crore for the quarter ended December 31, 2021, when compared with ₹514 crore in the year-ago quarter, supported by higher non-interest income. In the September 2021 quarter, the bank reported ₹1,089 crore net profit. In Q3 of this fiscal, the operating profit of Indian Bank grew 16 per cent at ₹3,288 crore when compared with ₹2,846 crore in the December quarter a year ago. Total income grew three per cent to ₹11,482 crore (₹11,168 crore in Q3 previous fiscal). Net interest income was higher by 2 per cent to ₹4,395 crore (as against ₹4,314 crore). Total non-interest income grew 36 per cent at ₹1,556 crore as against ₹1,143 crore a year ago.  
<https://www.thehindubusinessline.com/money-and-banking/indian-bank-posts-34-per-cent-rise-in-q3-net-profit/article64970925.ece>
- **RBI may hike reverse repo rate by 20 bps outside MPC: SBI report:** State Bank of India (SBI) Research Report stated that the Reserve Bank of India (RBI) is likely to increase the reverse repo rate by 20 bps outside MPC. The report titled '20 bps hike in reverse repo rate outside MPC' is authored by Dr Soumya Kanti Ghosh, Group Chief Economic Adviser, State Bank of India. "Given all this, we believe the time is now appropriate to go for a 20 bps hike on reverse repo rate, but outside the MPC meeting as enshrined in the RBI act that clearly lays down that reverse repo is more of liquidity management. A hike in the reverse repo is also required as a larger corridor has resulted in rate volatility." the report said.



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<https://www.livemint.com/industry/banking/rbi-may-increase-the-repo-rate-by-20-bps-outside-mpc-sbi-ecowrap-report-11644208328308.html>

- **Govt yet to decide on banks to be privatised, say MoS Finance Bhagwat Karad:** The government has not yet decided on public sectors banks that are to be privatised, Minister of State for Finance Bhagwat Karad informed Parliament on Monday. The government had in Budget 2021-22 announced its intent to privatise two public sector banks (PSBs) during the year. "As per inputs received from Department of Investment and Public Asset Management (DIPAM), the government has not yet decided on the banks that are to be privatised. The amendments to the relevant Acts are required to be done before initiating the process of privatisation," Karad said in a written reply to the Lok Sabha. The government has received representations from bank unions wherein they have expressed their views and concerns on the matter of privatisation of banks, the Minister of State for Finance said.  
<https://www.livemint.com/economy/govt-yet-to-decide-on-banks-to-be-privatised-say-mos-finance-karad-11644250817701.html>
- **Ujjivan Small Finance Bank appoints Sriram Srinivasan as head of digital banking:** Ujjivan Small Finance Bank on Monday said it has appointed industry veteran Sriram Srinivasan as the new Head of Digital Banking. Srinivasan will be responsible for accelerating digital adoption across the bank and its services. He has a rich experience of over 26 years, having worked extensively in Japan, India, Singapore, Hong Kong, Vietnam and China markets at the global, country, and regional levels, Ujjivan SFB said in a release. Srinivasan championed and established Digital COE, data and analytics-driven models of digital enablement and growth at Citibank, at a global and regional level, among others, it added.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/ujjivan-small-finance-bank-appoints-sriram-srinivasan-as-head-of-digital-banking/articleshow/89402678.cms>
- **JM Financial Q3 consolidated net profit up 19.94 per cent:** JM Financial reported a 19.94 per cent increase in its consolidated net profit to ₹216.8 crore in the third quarter of the fiscal as against ₹180.76 crore a year ago. For the quarter ended December 31, 2021, total income grew 8.25 per cent to ₹964.48 crore from ₹890.99 crore in the same period last fiscal. "Our consolidated loan book stood at ₹11,240 crore as of December 31, 2021 compared to ₹10,407 crore as of December 31, 2020," it said in a statement on Monday.  
<https://www.thehindubusinessline.com/money-and-banking/jm-financial-q3-consolidated-net-profit-up-1994-per-cent/article64971363.ece>



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- **IIFCL plans to invest ₹2,000 cr in infrastructure bonds by this fiscal:** India Infrastructure Finance Company Ltd (IIFCL) plans to invest about ₹2,000 crore in infrastructure project bonds before March end, said PR Jaishankar, Managing Director & CEO. This investment will only be made in AAA and AA rated infrastructure bonds and the main objective would be to promote the long term infrastructure debt markets in the country. Besides Infrastructure project bonds, IIFCL will also look to invest ₹1,500 crore in InvITs for which there is already huge demand, Jaishankar said. “We have got allocation of ₹1,500 crore for InvITs. We will try to fulfil this mandate also by March end,” Jaishankar told BusinessLine.  
<https://www.thehindubusinessline.com/money-and-banking/iifcl-plans-to-invest-2000-cr-in-infrastructure-bonds-by-this-fiscal/article64970970.ece>
- **RBI, NBFCs in early talks to open up credit card business in India:** The credit card business in the country may be in for a major shift. The Reserve Bank of India (RBI) and a few shadow banks are said to be in exploratory talks over the possibility of allowing the latter to issue credit cards on a standalone basis in a first-of-its-kind move. So far, non-banking financial companies (NBFCs) can only issue co-branded credit cards with banks. This development comes 18 years after the central bank’s circular of July 7, 2004, which stated: “Any company, including a non-deposit taking company, intending to engage in this activity (credit cards) requires a Certificate of Registration, apart from specific permission to enter into this business, the pre-requisite for which is a minimum net-owned fund of Rs 100 crore; and subject to such terms and conditions as the Bank (RBI) may specify in this behalf from time to time.” The circular did not place any regulatory ban on NBFCs issuing credit cards.  
[https://www.business-standard.com/article/economy-policy/rbi-nbfc-in-early-talks-to-open-up-credit-card-business-in-india-122020700001\\_1.html](https://www.business-standard.com/article/economy-policy/rbi-nbfc-in-early-talks-to-open-up-credit-card-business-in-india-122020700001_1.html)
- **Public sector banks up loan growth target as corporate demand sees revival:** Large public sector banks (PSBs) have revised upwards their credit growth target for the current financial year. This is following revival of demand from the corporate sector and small and medium enterprises (SMEs), even as a nascent economic recovery is taking shape. Credit growth of scheduled commercial banks had accelerated to 9.2 per cent year-on-year (YoY) by the end of December 2021 after breaching the 7 per cent-mark in November, for the first time since April 2020. However, loan growth contracted during the first fortnight of January 2022. This resulted in the growth figure falling to 8 per cent. State Bank of India — the country’s largest lender — which reported 8.5 per cent loan growth at the end of December, said it was due to strong growth in retail advances and “resurgence in SME & corporate advances.”  
[https://www.business-standard.com/article/finance/public-sector-banks-up-loan-growth-target-as-corporate-demand-sees-revival-122020601102\\_1.html#:~:text=Public%20sector%20banks%20up%20loan%20growth%20target%20as%20corporate%20demand%20sees%20revival,-](https://www.business-standard.com/article/finance/public-sector-banks-up-loan-growth-target-as-corporate-demand-sees-revival-122020601102_1.html#:~:text=Public%20sector%20banks%20up%20loan%20growth%20target%20as%20corporate%20demand%20sees%20revival,-)



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[Subrata%20Panda%20%26%20Abhijit&text=Credit%20growth%20of%20scheduled%20com  
mercial,first%20time%20since%20April%202020.](#)

- **HDFC Bank, SBI Card focus on cashbacks:** Leading credit card companies HDFC Bank and SBI Card have sharply cut reward points in their premium offerings. HDFC Bank has cut its reward points by 30-50% on its premium cards HDFC Infinia and HDFC Diners Black if they are used on the SmartBuy platform, according to a Macquarie Research report dated 2 February. The private bank was offering 5x reward points on Infinia and Diners Black credit cards, along with 5% cashback for all train ticket purchases done on IRCTC via the bank's SmartBuy platform. The bank now offers 2.5x reward points on the same purchase effective 1 February.  
<https://www.livemint.com/industry/banking/hdfc-bank-sbi-card-focus-on-cashbacks-11644176987158.html>
- **Ujjivan SFB to raise ₹600 crore in 3-6 months:** Ujjivan Small Finance is looking to raise ₹600 crore of fresh capital from institutional investors for increasing their public shareholding to 25%. "The board of directors has approved the issuance of equity shares up to ₹600 crore—that includes premium through Qualified Institutional Placement subject to the approval of the shareholders," the company told the BSE.  
<https://www.livemint.com/industry/banking/ujjivan-sfb-to-raise-rs-600-crore-in-3-6-months-11644234686378.html>
- **MFIs' assets under management likely to grow at 18-22 pc in FY2023: Report:** Domestic rating agency ICRA on Monday revised downwards the FY2022 growth outlook for assets under management (AUM) of NBFC-MFIs to 12-14 per cent but expects it to improve to 18-22 per cent in the financial year 2022-23. The agency said it expects the long-term outlook for non-banking financial companies-microfinance institutions (NBFC-MFIs) to remain robust, driven by the fact that the growth in disbursements is expected to have continued in Q3 FY2022, after the revival in Q2 FY2022. "The same is likely to be continued going forward, supported by healthy demand in the industry, increasing level of economic activity and increasing vaccination in the country," the agency said in a report on Monday. Its Vice-President and Sector Head (Financial Sector Ratings) Sachin Sachdeva said the disruptions caused by the second wave impacted the AUM growth of the industry in H1 FY2022 as the movement of people was greatly hindered and the entities focused on collections instead of disbursements.  
<https://timesofindia.indiatimes.com/business/india-business/mfis-assets-under-management-likely-to-grow-at-18-22-pc-in-fy2023-report/articleshow/89404814.cms>
- **LIC's ownership of shares in listed companies drops to fresh low: Report:** Life Insurance Corporation of India cut its stake in publicly traded companies to a record low in the December quarter as the nation's top institutional investor booked profits. The shareholding



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of India's largest insurer slumped to an all-time low of 3.67 percent of the market value of all publicly traded companies at the end of December from 3.69 percent in the September quarter, data compiled by Prime Database showed. LIC's shareholding in these companies was at a record high of 5 percent in June 2012. The shareholding data includes 278 companies where LIC's stake exceeds 1 percent.

<https://www.moneycontrol.com/news/business/stocks/lics-ownership-of-shares-in-listed-companies-drops-to-fresh-low-report-8049201.html>

- **Axis AMC eyes Rs 500 crore mop-up from states' debt index fund:** Axis Mutual Fund on Monday said it is targeting to collect Rs 500 crore from its new state government debt index fund. The open-ended target maturity index fund investing in constituents of the Crisil IBX SDL index-May 2027 offers high interest rate risk and a relatively low credit risk. The fund is open from February 7 to 21. Axis MF has set a target of mopping up Rs 500 crore during subscription period of the fund which has the benchmark maturity on May 31, 2027, Ragahv Iyengar, chief business development officer at the fund house, told PTI.

<https://www.moneycontrol.com/news/business/axis-amc-eyes-rs-500-crore-mop-up-from-states-debt-index-fund-8050901.html>

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