



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

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- **Bank of Baroda back in black; logs ₹1,209-crore profit in Q1:** Bank of Baroda (BoB) is back in the black in the first quarter of FY22, reporting a standalone net profit of ₹1,209 crore on the back of robust growth in other income and decline in provisions towards bad loans and standard assets. The public sector bank had reported a net loss in both the year ago quarter (₹864 crore) and the preceding/Q4FY21 quarter (₹1,046 crore). NIM improves Net interest income (difference between interest earned and interest expended) was up 16 per cent year-on-year at ₹7,892 crore (₹6,816 crore in the year ago quarter). Other income, comprising commission, exchange & brokerage, treasury income and recoveries in written-off accounts, jumped 63 per cent yoy to Rs 2,970 crore (Rs 1,818 crore). Sanjiv Chadha, MD & CEO, said “The operating profit has shown a very sharp uptick, moving up nearly 41 per cent (to ₹5,707 crore). With the provisioning also contained, the net profit moved up to more than ₹1,200 crore.” “...The asset quality has been fairly resilient, with sequential lowering of gross NPAs as well as net NPAs by a tad. The improvement in the corporate credit cycle should benefit the bank as we forward.”
<https://www.thehindubusinessline.com/money-and-banking/bank-of-baroda-back-in-black-logs-1209-crore-profit-in-q1/article35783371.ece>
- **S&P revises Indian Bank’s rating outlook to stable from negative:** S&P Global Ratings has revised its rating outlook on Chennai-based public sector lender Indian Bank to stable from negative. At the same time, the rating agency affirmed its ‘BBB-’ long-term and ‘A-3’ short-term issuer credit ratings on the bank. S&P Global Ratings said it had revised the rating outlook to reflect its view of Indian Bank’s strengthened capital position stemming from its recent equity capital raising through qualified institutional investors, and its improving profitability. The stable outlook reflects S&P’s expectation that the likelihood of support from the central government to Indian Bank will remain very high over the next 24 months. It also believes Indian Bank’s strengthened capital position should be able to weather asset quality pressures while the bank maintains its financial profile in line with its ratings. In its view, Indian Bank is likely to maintain its solid funding and liquidity profile over the next 18-24 months.
<https://www.financialexpress.com/industry/banking-finance/sp-revises-indian-banks-rating-outlook-to-stable-from-negative/2306102/>
- **DCB Bank Q1 net falls 57.5% to ₹34 cr:** DCB Bank reported a 57.5 per cent drop in its standalone net profit in the first quarter of the fiscal as provisions surged. The private sector lender had a net profit of ₹33.76 crore for the quarter ended June 30, 2021 against ₹79.38 crore in the corresponding period last fiscal. Total income was up by 1.6 per cent to ₹965.67 crore in the first quarter of the fiscal from ₹950.7 crore a year ago. Net interest income saw marginal growth of 0.6 per cent on a year-on-year basis to ₹308.7 crore in the quarter ended June 30, 2021 from ₹306.73 crore a year ago.
<https://www.thehindubusinessline.com/money-and-banking/dcb-bank-q1-net-falls-575-to-34-cr/article35787814.ece>



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- **City Union Bank posts Q1 net of ₹173 crore:** City Union Bank, on Friday, posted 12 per cent growth in year-on-year net profit to ₹173 crore for the quarter ended June 30. The bank posted a net profit of ₹154 crore in the corresponding quarter a year ago. The bank's operating profit grew 8 per cent to ₹383.02 crore in Q1FY22 from ₹356.04 crore for the same quarter last year. Total income dropped marginally to ₹1,193.08 crore (against ₹1,209.95 crore) during the April-June quarter while interest income fell to ₹997.43 (from ₹1,049.36 crore).
<https://economictimes.indiatimes.com/markets/stocks/earnings/city-union-bank-q1-results-net-profit-up-12-at-rs-173-cr-on-lower-provisioning/articleshow/85114142.cms#:~:text=New%20Delhi%3A%20Private%20sector%20City,same%20quarter%20a%20year%20ago.>
- **Karnataka Bank empanelled as 'Agency Bank' for government business:** Karnataka Bank is empanelled by the Reserve Bank of India (RBI) to act as an 'Agency Bank' to facilitate transactions related to the government businesses. A media statement by the bank said on Friday that as an empanelled 'Agency Bank', Karnataka Bank is now authorised to undertake the government businesses such as revenue receipts and payments on behalf of the Central/State governments, pension payments in respect of Central/State governments, collection of stamp duty charges and also any other item of work specifically advised by RBI. Quoting Mahabaleshwara MS, Managing Director and Chief Executive Officer of the bank, it said: "We are privileged to be appointed by the regulator to facilitate transactions pertaining to all kinds of Government-led businesses. With pan-India presence, driven by strong and robust technology and digital platforms, we are confident of being the best choice for the Central and State governments in providing the best possible financial solutions in the most seamless manner. Further, with this arrangement, a level-playing field is being ensured and it will augur well in developing a 'cost-lite' liability portfolio for the bank."
<https://www.thehindubusinessline.com/money-and-banking/karnataka-bank-empanelled-as-agency-bank-for-government-business/article35774798.ece>
- **Muthoot Finance posts 16% rise in Q1 net profit at Rs 971 cr:** Gold loan lender Muthoot Finance has posted a 16 per cent increase in its standalone profit at Rs 971 crore for Q1 of FY21, against Rs 841 crore in the corresponding period of the previous fiscal. Consolidated PAT of the group also achieved a 14 per cent rise at Rs 979 crore against last year's Rs 858 crore. The loan assets of the standalone entity stood at Rs 52,614 crore compared to Rs 41,296 crore in the previous year, a growth of 27 per cent. During the quarter, the gold loan assets increased by Rs 142 crore. Consolidated loan assets under management increased by 25 per cent at Rs 58,135 crore.
<https://www.thehindubusinessline.com/money-and-banking/muthoot-finance-posts-16-rise-in-q1-net-profit-at-rs-971-cr/article35772457.ece>
- **RBI amends guidelines for smoother Libor transition:** The Reserve Bank of India on Friday amended its guidelines on export credit in foreign currency and restructuring of derivative contracts as it moved to ensure a smooth transition from Libor to alternative interest rate benchmarks by 31 December. "The transition away from London Interbank Offered Rate (Libor) is a significant event that poses certain challenges for banks and the financial system," RBI governor Shaktikanta Das said on Friday. The global transition from Libor became necessary after it was discovered that banks were



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manipulating the rate in 2007-08, sparking an investigation by Britain’s Financial Services Authority (FSA).

<https://www.livemint.com/industry/banking/rbi-amends-two-guidelines-to-allow-smoother-libor-transition-11628252174709.html>

- **Piramal seeks RBI nod to settle DHFL’s foreign debt:** The Piramal group has sought the Reserve Bank of India’s (RBI) permission to reach a settlement and issue new debentures to the foreign lenders of DHFL, in what would be the first of its kind transaction. Offshore investors, some of whose identities are not readily available, had put in close to ₹850 crore in masala bonds sold by DHFL — the non-bank mortgage lender that Piramal wants to take over following a bankruptcy court ruling. DHFL’s external commercial borrowings (ECB, or foreign loans) are about ₹3,000 crore. Masala bonds are rupee-denominated debt papers issued by local companies to foreign investors.
<https://economictimes.indiatimes.com/industry/banking/finance/piramal-seeks-rbi-nod-to-settle-dhfls-foreign-debt/articleshow/85114213.cms>
- **Stolen Indian card details in largest slice of database released on Dark Web by cybercriminals:** Details of stolen Indian debit and credit cards dominate a database recently released for free by a criminal group on the Dark web, according to an analysis by Singapore-based cybersecurity company Group-IB. According to Group-IB, “more than 200,000 (22%) of compromised payment cards were from the Indian banks, followed by Mexican (9%), US (9%), and Australian (8%) financial institutions”. Visa and Mastercard dominate the leaked database with 48% and 47% of the cards, respectively. Around 4%, or about 39,000 cards, are attached to RuPay, a global card-payment network launched by the National Payments Corporation of India (NPCI) to compete with foreign payment networks. Debit and credit card users must up their vigil and be on the lookout for any suspicious transactions and must inform their issuing banks immediately in case of any suspicious transactions.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/stolen-indian-card-details-in-largest-slice-of-database-released-on-dark-web-by-cybercriminals/articleshow/85112292.cms?from=mdr>
- **Yes Bank board okays prosecution of Rana Kapoor:** Troubled lender Yes Bank’s board has given sanction to prosecute its jailed promoter Rana Kapoor under the Prevention of Corruption Act (PCA). This came following a requisition by the Central Bureau of Investigation (CBI), which informed a local magistrate’s court of the development and filed a supplementary chargesheet in the Yes Bank fraud case earlier this week. The central agency has charged R Anand, the then area sales manager, as well as a junior ex-employee of Yes Bank in the case, sources privy to the development told ET.
<https://economictimes.indiatimes.com/news/india/yes-bank-board-okays-prosecution-of-rana-kapoor/articleshow/85119630.cms>
- **NCLT admits tea producer McLeod Russel for bankruptcy proceedings:** The National Company Law Tribunal (NCLT) has admitted bankruptcy proceedings against tea producer McLeod Russel, promoted by the Khaitan family of Williamson Magor group. The bankruptcy proceedings were initiated by construction company Techno Electric and Engineering Company in 2019 over a default on interest



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payments towards a Rs 100-crore loan, according to a court order reviewed by ET. Techno Electric had approached NLCT claiming that McLeod Russel did not repay a loan it had advanced through an inter-
corporate deposit which carried an interest rate of 14% per annum. The loan which was granted on
the condition that the tea producer would repay banks with the money and release four tea estates
that were mortgaged to ICICI Bank, it claimed. The title deeds of the four tea estates were to be
transferred to Techno Electric and McLeod Russel had failed to do so, it said.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/nclt-admits-tea-producer-mcleod-russel-for-bankruptcy-proceedings/articleshow/85121116.cms>

- **There's nothing alarming about rise in MSME bad loans: RBI:** The Reserve Bank on Friday allayed the fears of lenders about the rising delinquency levels among small business loan borrowers, who are hit hard by the COVID-19 second wave, saying the numbers are not alarming yet. The government and the central bank push to support MSMEs during the pandemic through credit measures like the emergency credit line guarantee scheme (ESLGS) saw lending to them jumping to ₹9.5 lakh crore in the pandemic-hit FY21 from ₹6.8 lakh crore in FY20, while the asset quality deteriorated to 12.6 per cent as of March 2021 from 12 per cent in December 2020.

<https://www.livemint.com/industry/banking/theres-nothing-alarming-about-rise-in-msme-bad-loans-rbi-11628266662760.html>

- **UPI transactions in July: PhonePe dominates again, Google Pay crosses 1 billion transactions:** PhonePe continued to maintain its lead in the monthly United Payments Interface (UPI) transactions, reporting 1.4 billion transactions, accounting for a 46 percent market share in total UPI transactions in the month of July. Data by the National Payments Corporation of India (NPCI) shows that the total value of transactions done via PhonePe in July stood at Rs 288,572 crore. With no changes in the top deck, Google Pay reported the second highest number of transactions at 1,119.16 million amounting to Rs 230,874 crore, thus crossing the 1 billion mark. Paytm's Payments Bank App saw 454.06 million transactions worth Rs 51,694 crore. Google Pay's volume market share stood at 34.45 percent, and Paytm Payments Bank App at 14 percent. This is a month-on-month (MoM) rise of over 15 percent in volumes for PhonePe, 15 percent for Google Pay and a 18.50 percent rise for Paytm Payments Bank App.

<https://www.moneycontrol.com/news/business/companies/upi-transactions-in-july-phonepe-dominates-again-google-pay-crosses-1-billion-transactions-7291871.html>

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