



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

February 10, 2022

- **SBI moves NCLT against Essel Infraprojects, bank has Rs 100 crore exposure in 2 SPVs:** State Bank of India has moved the National Company Law Tribunal (NCLT) against Essel Infraprojects for recovery of debts under the Insolvency and Bankruptcy Code (IBC), according to people aware of the matter. Essel Infraprojects is the holding company for the infrastructure businesses of media baron Subhash Chandra. It holds assets such as toll roads, power distribution licences, transmission assets, solid waste management contracts and solar power projects through about three dozen special purpose vehicles (SPVs). SBI had loaned around ₹100 crore to two of those SPVs, which were backed by corporate guarantees of Essel Infraprojects, according to sources.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/sbi-moves-nclt-against-essel-infraprojects-bank-has-rs-100-crore-exposure-in-2-spvs/articleshow/89441937.cms>
- **Finance minister to address RBI board on Feb 14:** Finance Minister Nirmala Sitharaman is scheduled to address the post-budget meeting of the RBI's central board on Monday and highlight key points of the Union Budget 2022-23, including the fiscal consolidation roadmap and high capex plan. It has been a custom that the finance minister addresses the RBI board, consisting of RBI Governor and existing four deputy governors, after the budget. The meeting has been scheduled for February 14 where she would be addressing the board members and talk about announcements made in the Budget to perk up growth hit by three waves of COVID-19, sources said. The Budget 2022-23 presented earlier this month estimates a nominal gross domestic product (GDP) growth of 11.1 per cent.  
<https://www.indiatvnews.com/business/news/finance-minister-nirmala-sitharaman-to-address-rbi-board-on-february-14-2022-02-09-758857>
- **Bank of Maharashtra tops PSU lenders' chart in terms of loans, savings deposit growth in Q3:** State-owned Bank of Maharashtra (BoM) has emerged as the top performer among public sector lenders in terms of loans and savings deposit growth during the third quarter of the current financial year, according to an analysis. The Pune-headquartered lender recorded a 22.9 per cent increase in gross advances at Rs 1,29,006 crore in the October-December period of 2021-22, as per the data published by the bank. An analysis of data disclosed by various lenders for the third quarter showed that BoM was followed by Canara Bank which posted a 9.28 per cent growth in total advances with aggregate loans at Rs 7,29,506 crore. In terms of RAM (Retail, Agriculture and MSME) segment, BoM registered a highest growth rate of 18.06 per cent at Rs 75,927 crore.  
<https://www.financialexpress.com/industry/banking-finance/bank-of-maharashtra-tops-psu-lenders-chart-for-loans-savings-deposit-growth-in-q3/2429648/>



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- **Banks headed for privatisation may get most of allocated funds:** The government could allocate a big chunk of the revised estimate of ₹15,000 crore for bank capitalisation allocation for 2021-22 to banks identified for privatisation, as it is confident of moving ahead on its privatisation plans by the second quarter of 2022-23, people aware of the matter said. The strategy is to strengthen the balance sheet of these lenders in order to generate potential investor interest, a government official said. Finance minister Nirmala Sitharaman had announced privatisation of two public sector banks as part of the disinvestment programme for this fiscal. Niti Aayog had reportedly shortlisted Central Bank of India and Indian Overseas Bank for the purpose. However, a final decision on the candidates is yet to be taken.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-headed-for-privatisation-may-get-most-of-allocated-funds/articleshow/89438057.cms>
- **Aggregate NPA provisioning by banks increases in Q3 led by PSU banks:** The aggregate bad loan provisioning by banks increased in the December quarter after falling for the previous two quarters. The trend reversal was mainly on account of higher provisioning by public sector (PSU) banks which focused on sequentially improving the provisioning coverage ratio (PCR). For a sample of 29 banks, the non-performing assets (NPA) provisioning increased by 4.9% sequentially and by 9.7% year-on-year to Rs 31,891.6 crore in the third quarter. The reading had peaked in the March 2022 quarter at Rs 65,986.9 crore and had fallen in the two subsequent quarters to September.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/aggregate-npa-provisioning-by-banks-increases-in-q3-led-by-psu-banks/articleshow/89449453.cms>
- **Mudra loan target not met in FY21:** Financial institutions missed the annual target given by the government Under Pradhan Mantri Mudra Yojana (PMMY) in FY21 by Rs 28,000 crore, on account of pandemic. The national level target under PMMY have been consistently met since inception of the scheme. However, in FY21, an amount of ₹3.22 lakh crore was sanctioned under PMMY against the target of ₹3.50 lakh crore, MoS in the Ministry of Finance, Bhagwat Karad in Rajya Sabha on Tuesday.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/mudra-loan-target-not-met-in-fy21/articleshow/89437997.cms>
- **Banks' bottom line gets a booster shot as bad loans continue to fall:** Commercial banks in the country continued with their improving asset quality trend in the October-December 2021 quarter with slippages remaining under control coupled with healthy recoveries and upgradation of asset classification. The 28-listed banks reported improvement in bottom line with net profits rising 64.1 per cent year-on-year (YoY) and 21.5 per cent sequentially. This is mostly on account of a fall in provisions and contingencies. The net interest income (NII) was Rs 1.38 trillion in Q3 of FY22, up 9.7 per cent YoY and 5.9 per cent sequentially. However, other income moderated to Rs 52,261 crore, down 3.1 per cent YoY and 6.5 per cent sequentially as hardening of bond yields dented gains from treasury books.  
[https://www.business-standard.com/article/finance/banks-bottom-line-gets-a-booster-shot-as-bad-loans-continue-to-fall-122020802130\\_1.html](https://www.business-standard.com/article/finance/banks-bottom-line-gets-a-booster-shot-as-bad-loans-continue-to-fall-122020802130_1.html)



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- **Reserve Bank of India to prematurely redeem sovereign gold bonds:** The Reserve Bank of India (RBI) has decided to prematurely redeem sovereign gold bonds (SGBs), which were issued in 2016 at a price of Rs 4,813 per unit of SGB. Under central government rules, the premature redemption is permitted after the fifth year from the date of issue of such gold bonds on the date on which interest is payable, the RBI said in a statement. The due date of premature redemption of the above tranche shall be February 8. Further, the redemption price of SGBs is based on the simple average closing gold price of 999 purity of the week (Monday-Friday) preceding the date of redemption. The price is published by the India Bullion and Jewellers Association, the RBI added.  
[https://www.business-standard.com/article/finance/reserve-bank-of-india-to-prematurely-redeem-sovereign-gold-bonds-122020900056\\_1.html#:~:text=The%20Reserve%20Bank%20of%20India,4%2C813%20per%20unit%20of%20SGB.](https://www.business-standard.com/article/finance/reserve-bank-of-india-to-prematurely-redeem-sovereign-gold-bonds-122020900056_1.html#:~:text=The%20Reserve%20Bank%20of%20India,4%2C813%20per%20unit%20of%20SGB.)
- **ICICI Bank makes InstaBIZ inter-operable:** ICICI Bank on Wednesday said it has made 'InstaBIZ' interoperable. This would enable merchants including customers of other banks to use the lender's business banking mobile app. "The initiative enables merchants and professionals like doctors and lawyers to instantly create digital collection solutions like UPI ID and QR code, and start collecting money from their customers immediately," the bank said in a statement, adding that they can also digitally apply for Point of Sale (POS) device.  
<https://economictimes.indiatimes.com/small-biz/sme-sector/icici-bank-makes-instabiz-interoperable-to-help-merchants/articleshow/89469372.cms>
- **U GRO Capital posts Q3 net profit of ₹3.38 cr:** U GRO Capital reported a 46.1 per cent drop in its net profit in the third quarter of the fiscal to ₹3.38 crore from ₹6.27 crore in the third quarter of last fiscal. For the quarter ended December 31, 2021, its total income surged by 118 per cent year on year to ₹85.25 crore. Net interest income for the third quarter of 2021-22 stood at ₹39.5 crore compared to ₹23.3 crore a year ago. The total provisioning as of December 31, 2021 stood at ₹33.2 crore versus the regulatory requirement of ₹26.9 crore. "The company has done additional provision of ₹2.7 crore as management overlay provision to provide for future contingencies in view of third wave of Covid in early January of this year," the MSME lending fintech platform said in a statement on Wednesday.  
<https://www.thehindubusinessline.com/money-and-banking/u-gro-capital-posts-q3-net-profit-of-338-cr/article64998012.ece#:~:text=U%20GRO%20Capital%20reported%20a,year%20to%20%20E2%82%B985.25%20crore.>
- **ICRA retains HFCs FY'22 portfolio growth forecast at 8-10 per cent:** ICRA has retained its portfolio growth estimate for housing finance companies (HFCs) at 8-10 per cent in FY2022 and projected a 9-11 per cent growth for FY2023. The credit ratings agency, however, increased its estimate of reported Gross Non-Performing Assets (GNPAs) to 3.6-3.8 per cent as on March 31, 2022 compared to earlier estimate of 3.3-3.6 per cent. Thereafter, some recovery is expected in FY2023, with GNPA estimates of 3.2-3.5 per cent as on March 31, 2023.  
<https://www.thehindubusinessline.com/money-and-banking/icra-retains-hfcs-fy22-portfolio-growth-forecast-at-8-10-per->



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[cent/article64997971.ece#:~:text=Ups%20GNPA%20projection%20to%203.6,per%20cent%20growth%20for%20FY2023.](#)

- **Past issues on lending behind us: IDFC First Bank MD and CEO:** Private sector lender IDFC First Bank is targeting loan disbursements between 18 per cent and 20 per cent in the new fiscal 2022-23. “In the new fiscal 2022-23, disbursements at the bank level will grow anywhere between 18 per cent and 20 per cent. On the retail book, we expect to grow by 25 per cent year on year,” said V Vaidyanathan, Managing Director and CEO, IDFC First Bank, adding that the lender has adequate capital for growth. <https://www.thehindubusinessline.com/money-and-banking/past-issues-on-lending-behind-us-idfc-first-bank-md-and-ceo/article64998130.ece>
- **DCB Bank Q3 net profit falls 21.7% on lower other income and higher expenditure:** DCB Bank reported a 21.7 per cent drop in its net profit to ₹75.37 crore in the third quarter of the fiscal from ₹96.21 crore in the same period last fiscal. The decline was on the back of lower other income and higher expenditure. For the quarter ended December 31, 2021, the bank’s net interest income increased by 3 per cent to ₹345 crore from ₹335 crore a year ago. Net interest margin was 3.61 per cent compared to 3.37 per cent in the second quarter and 3.31 per cent in the first quarter. <https://www.thehindubusinessline.com/money-and-banking/dcb-bank-q3-net-profit-falls-217-on-lower-other-income-and-higher-expenditure/article64998224.ece>
- **Unity SFB offers 7% interest rate to PMC Bank depositors:** Newly-formed Unity Small Finance Bank has dangled a carrot in front of retail depositors of the erstwhile scam-hit Punjab and Maharashtra Co-operative (PMC) Bank, urging them to park with it the claim funds they will be receiving and earn “a healthy 7 per cent interest rate.” Depositors of PMC Bank will be receiving up to ₹5 lakh (including interest accrued up to March-end 2021) by March-end 2022 into their savings bank accounts with Unity SFB. Balances over ₹5 lakh will be received by the depositors in phases running up to January 2032. This is as per the government approved scheme of amalgamation of PMC Bank with Unity SFB. <https://www.thehindubusinessline.com/money-and-banking/unity-sfb-offers-7-interest-rate-to-pmc-bank-depositors/article64998273.ece>
- **SBI, NSE Academy tie-up to promote financial literacy:** State Bank of India’s Strategic Training Unit has entered into a partnership with NSE Academy to promote financial literacy as a necessary life skill. Learners can start to enroll from February 9 for the five inaugural Massive Online Open Courses (MOOCs) of SBI on the NSE Knowledge Hub platform, the bank said in a statement. The course duration ranges from 3-6 weeks, and learners are expected to spend 2-3 hours each week on the course, it added. The five MOOCs that the Bank is offering are: “Banking Fundamentals”, MSME Lending in a Nutshell”. “Electronic Payment System in India”, “Priority Sector Lending Norms” and “NRI Business & Compliance”. <https://www.thehindubusinessline.com/money-and-banking/sbi-nse-academy-tie-up-to-promote-financial-literacy/article64998379.ece>



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- **Indiabulls Housing Finance Q3 profit down 8 per cent at ₹303 crore:** Indiabulls Housing Finance reported an 8 per cent drop in its consolidated net profit for the third quarter of the fiscal to ₹ 302.97 crore from ₹ 329.32 crore in the same period last fiscal. Its total revenue from operations fell 9.5 per cent to ₹2,274.36 crore in the quarter ended December 31, 2021 as against ₹ 2,513.25 crore in the same period last fiscal. On a sequential basis, its loan book declined 4.8 per cent to ₹60,797 crore at the end of the third quarter of the fiscal from ₹ 64,062 crore in the second quarter.  
<https://www.thehindubusinessline.com/money-and-banking/indiabulls-housing-finance-q3-profit-down-8-per-cent-at-303-crore/article64998525.ece>
- **Sensex up 657 points at closing, Nifty ends above 17,400:** The BSE Sensex closed at 58,465.97, up 657.39 points or 1.14 per cent. It recorded an intraday high of 58,507.61 and a low of 58,105.18. The Nifty 50 closed at 17,463.80, up 197.05 points or 1.14 per cent. It recorded an intraday high of 17,477.15 and a low of 17,339.00. Coal India, Maruti, IOC, Shree Cement and Hindalco were the top gainers on the Nifty 50 while ONGC, BPCL, ITC, SBI Life and Tata Steel were the top losers.  
<https://www.thehindubusinessline.com/markets/sensex-up-657-points-at-closing-nifty-ends-above-17400/article64998216.ece>
- **Rupee declines by 10 paise to 74.84 ahead of RBI policy:** The rupee declined by 10 paise to close at 74.84 against the US dollar on Wednesday amid persistent foreign fund outflows and elevated crude oil prices. Investors are cautious ahead of the RBI monetary policy to be announced on Thursday, analysts said.  
<https://www.moneycontrol.com/news/business/markets/rupee-declines-by-10-paise-to-74-84-ahead-of-rbi-policy-8067161.html>

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