



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

May 14, 2022

- **SBI Q4 Results: Net profit jumps 41% YoY but misses estimates; dividend of Rs 7.10 declared:** State Bank of India (SBI) on Friday reported a 41.27 per cent jump in standalone net profit for the quarter ending March at Rs 9,113.53 crore, up from Rs 6,450.75 crore in the same quarter a year ago. This is significantly lower than Rs 10,000 crore that an ET Now analyst poll had estimated. The board of the lender approved Rs 7.10 per share dividend. The record date for the purpose is May 26, 2022. SBI's net interest income for the reported quarter came in at Rs 31,198 crore as against analysts' expectations of Rs 31,800 crore. This is 15.26 per cent higher than Rs 27,067 crore the company announced last year.
<https://economictimes.indiatimes.com/markets/stocks/earnings/sbi-q4-results-net-profit-jumps-42-yoy-but-misses-estimates/articleshow/91537464.cms>
- **Union Bank Q4 net profit up 8 per cent at ₹1,440 cr on NII growth:** Union Bank of India (UBI) reported an 8 per cent year-on-year (yoy) increase in fourth quarter standalone net profit at ₹1,440 crore due to healthy growth in net interest income (NII), a decline in bad loan provisions, and the disinvestment of a major portion of its stake in IndiaFirst Life Insurance. The public sector bank had reported a net profit of Rs 1,330 crore in the year ago quarter. UBI's net profit was up 80 per cent y-o-y to ₹5,232 crore (₹2,906 crore in FY21). The Bank's Board has declared a dividend of ₹1.90 per equity share of ₹10 each for FY2022. Rajkumar Rai G, MD and CEO, said: "Our profits are steady....We are continuing to make higher provisions on accounts, more than the regulatory requirement."
<https://www.thehindubusinessline.com/money-and-banking/union-bank-q4-net-profit-up-8-per-cent-at-1440-cr-on-nii-growth/article65410130.ece>
- **Bank of Baroda Q4 net profit jumps to ₹1,779 cr:** Bank of Baroda has reported a standalone net profit of Rs 1,778.77 crore for the fourth quarter of 2021-22 as against a net loss of Rs 1,046.5 crore a year ago. However, on a sequential basis, the lender's net profit fell 19 per cent from Rs 2,197.03 crore in the third quarter of last fiscal. Its net profit for the full fiscal 2021-22 surged to Rs 7,272.28 crore from just Rs 828.92 crore in 2020-21. The bank's profitability came on the back of a sharp rise in interest income. For the quarter ended March 31, 2022, net interest income grew 21.2 per cent to Rs 8,612 crore from Rs 7,107 crore a year ago.
<https://www.thehindubusinessline.com/money-and-banking/bank-of-baroda-q4-net-profit-jumps-to-rs-1779-cr/article65410559.ece>
- **UCO Bank Q4 net profit surges 290 per cent to Rs 312 crore:** UCO Bank has registered 290 per cent growth in net profit at Rs 312 crore for the quarter ended March 31, 2022, as compared with Rs 80 crore in the same period last year. Net interest income grew by nearly 17 per cent at Rs 1,652 crore during the quarter under review, as against Rs 1,413 crore in the same period last year. Other income for the quarter ended March 2022 declined by around 45 per cent at Rs 589 crore, as against Rs 1,071 crore in the same period last year. For the year ended March 31, 2022, the bank registered a 457 per cent growth in net profit at Rs 930 crore (Rs 167 crore). Operating profit increased by nearly 16 per cent at Rs 4,797 crore (Rs 4,149 crore) during the year.
<https://www.thehindubusinessline.com/money-and-banking/uco-bank-q4-net-profit-surges-290-per-cent-to-rs-312-crore/article65411034.ece#:~:text=Kolkata%2C%20May%2013%20UCO%20Bank,the%20same%20period%20last%20year.>



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- **PNB aiming for ₹6,000 crore recovery this fiscal from NCLT cases, says MD & CEO Goel:** Punjab National Bank (PNB), is aiming to recover ₹6,000 crore this fiscal from the NCLT cases, its Managing Director & CEO Atul Kumar Goel, has said. The public sector bank has aggregate exposure of ₹68,550 crore, out of which ₹66,852 crore has already been provided for, reflecting a provision of 97.52 per cent of this amount, Goel told analysts after declaration of Q4 results. If this recovery of ₹6,000 crore were to be achieved, most of it would only go to the profit and loss account for 2022–23, Goel is understood to have conveyed.
<https://www.thehindubusinessline.com/money-and-banking/pnb-aiming-for-6000-crore-recovery-this-fiscal-from-nclt-cases-says-md-ceo-goel/article65411184.ece>
- **RBI appoints Rajiv Ranjan, Sitikantha Pattanaik as executive directors:** The Reserve Bank on Friday said Sitikantha Pattanaik and Rajiv Ranjan have been appointed as executive directors with effect from May 1. Ranjan will also serve as an ex-officio member of the rate-setting panel Monetary Policy Committee (MPC). Prior to being promoted as ED, Pattanaik was an Adviser in the Department of Economic and Policy Research (DEPR), while Ranjan was serving as Adviser-in-Charge of Monetary Policy Department and Secretary to the MPC.
https://www.business-standard.com/article/current-affairs/rbi-appoints-sitikantha-pattanaik-and-rajiv-ranjan-as-executive-directors-122051301210_1.html
- **RRA recommends withdrawal of 239 more circulars: RBI:** The Reserve Bank of India (RBI) on Friday said its Regulations Review Authority has recommended the withdrawal of additional 239 redundant circulars. Once RRA's latest recommendation is implemented, the total number of such circulars withdrawn will touch 714. Regulations Review Authority (RRA 2.0) was set up to review the regulatory instructions, remove redundant and duplicate instructions and reduce the compliance burden on regulated entities. "The Regulations Review Authority (RRA 2.0) has recommended withdrawal of an additional 239 circulars. With this, the total number of circulars which stand withdrawn would be 714," it said.
<https://www.financialexpress.com/industry/banking-finance/rra-recommends-withdrawal-of-239-more-circulars-rbi/2523868/>
- **KVG Bank bags PFRDA award:** Karnataka Vikas Grameena Bank (KVGB), a regional rural bank sponsored by Canara Bank, has bagged six national awards in different categories from the Pension Fund Regulatory and Development Authority (PFRDA) for its achievements under the enrolment of Atal Pension Yojana (APY). P Gopi Krishna, Chairman of KVGB, received the awards from Supratim Bandyopadhyay, Chairman of PFRDA, in Chennai on Friday. Gopi Krishna said APY is a safety net for workers in the informal sector for getting pre-defined pension after 60 years. So far, the bank has enrolled (cumulative) 2,64,817 accounts under APY. During FY22 alone, the bank enrolled 58,603 accounts against the target of 39,000.
<https://www.thehindubusinessline.com/money-and-banking/kvg-bank-bags-pfrda-awards/article65410402.ece>
- **Banks can continue providing credit to NBFCs for on-lending to priority sectors: RBI:** Reserve Bank of India (RBI) on Friday permitted banks, including small finance banks, to continue providing credit facility to NBFCs for the purpose of on-lending to certain priority sectors. The facility of lending by commercial banks to NBFCs and lending by Small Finance Banks (SFBs) to NBFC-MFIs, for the purpose of on-lending to certain priority sectors, was available till March 31, 2022. "To ensure continuation of the synergies that have been developed between banks and NBFCs in delivering credit to the specified priority sectors, it has been decided to allow the... facility on an on-going basis," RBI said in a circular.
<https://economictimes.indiatimes.com/industry/banking/finance/banks-can-continue-providing-credit-to-nbfc-for-on-lending-to-priority-sectors-rbi/articleshow/91545277.cms>



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- **LIC sets IPO issue price at Rs 949 apiece; listing likely on Tuesday:** Life Insurance Corporation (LIC), which recently concluded India's largest ever public issue, has set the IPO issue price at the top-end of indicated range at Rs 949, ET NOW reported. LIC issue, which ran from May 4 to May 9, was sold in Rs 902 to Rs 949 price band. The issue was subscribed 2.95 times on the final day of bidding Monday, led by strong demand from retail investors, employees and policyholders of the insurer.
<https://economictimes.indiatimes.com/markets/ipo/fpos/lic-sets-ipo-issue-price-at-rs-949-apiece-listing-likely-on-tuesday/articleshow/91532561.cms>
- **RBI imposes Rs 59 lakh penalty on KEB Hana Bank:** RBI on Friday said it has imposed a penalty of Rs 59 lakh on KEB Hana Bank for non-compliance with the certain norms related to 'interest rate on deposits'. The Korean bank has been penalised for non-compliance with the directions issued by RBI on "Reserve Bank of India (Interest Rate on Deposits) Directions, 2016". The statutory inspection for supervisory evaluation of KEB Hana Bank was conducted by RBI with reference to its financial position as on March 31, 2020. RBI, however, said the penalty is based on the deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers.
[https://bfsi.economictimes.indiatimes.com/news/banking/rbi-imposes-rs-59-lakh-penalty-on-keb-hana-bank/91554134#:~:text=RBI%20on%20Friday%20said%20it,Deposits\)%20Directions%2C%202016%22.](https://bfsi.economictimes.indiatimes.com/news/banking/rbi-imposes-rs-59-lakh-penalty-on-keb-hana-bank/91554134#:~:text=RBI%20on%20Friday%20said%20it,Deposits)%20Directions%2C%202016%22.)
- **RBI restricts withdrawals from Shankarrao Pujari Nutan Nagari Sahakari Bank, Kolhapur:** The RBI on Friday imposed several restrictions on Shankarrao Pujari Nutan Nagari Sahakari Bank Limited, Ichalkaranji, Kolhapur, including on withdrawals, in view of the lender's worsening financial position. However, 99.84 per cent of the depositors are fully covered by the DICGC insurance scheme. Under the Deposit Insurance and Credit Guarantee Corporation (DICGC) insurance scheme, deposits of up to Rs 5 lakh are insured. The RBI, in a statement, said the restrictions will remain in force for a period of six months from the close of business on May 13, 2022 and are subject to review. "Considering the bank's present liquidity position, no amount from the total balance across all savings bank or current accounts or any other account of a depositor, may be allowed to be withdrawn, but are allowed to set off loans against deposits subject to the conditions...", it said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-restricts-withdrawals-from-shankarrao-pujari-nutan-nagari-sahakari-bank-kolhapur/articleshow/91547252.cms>
- **Insurers get IRDAI nod to design customised products:** In order to increase insurance penetration and provide a wider choice to policyholders, the Insurance Regulatory and Development Authority of India (IRDAI) has allowed insurance companies to design new and customised products for dwellings, micro and small enterprises for Fire and allied perils. The regulator has issued a circular in this regard. "This move will enable insurance companies to broaden the coverage already provided in the standard products by offering innovative add-ons or varying the existing provisions to meet the needs of the policyholders in terms of suitability and affordability," IRDAI said in a release.
<https://www.thehindubusinessline.com/money-and-banking/insurers-get-irdai-nod-for-customised-products/article65410026.ece#:~:text=In%20order%20to%20increase%20insurance,for%20Fire%20and%20allied%20perils.>
- **AU SFB shares jump 6% after MSCI includes stock in global indices:** Shares of AU Small Finance Bank (SFB) jumped more than 6 per cent on Friday after index provider MSCI included the stock in its global indices. From the Asia Pacific region, MSCI has added 48 stocks and deleted 76, with the most changes in China. India saw four additions and one deletion. The additions include Tata Elxsi (estimated inflows of \$228.5 million), Jindal Steel and Power (\$182.3 mn), Adani Power (\$181.3 mn) and AU Small Finance Bank (\$94 mn). HDFC AMC (estimated outflows of \$75 mn) was deleted from the index.



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https://www.business-standard.com/article/markets/au-sfb-shares-jump-6-after-msci-includes-stock-in-global-indices-122051300267_1.html#:~:text=Shares%20of%20AU%20Small%20Finance,four%20additions%20and%20one%20deletion.

- **Banks resolve 20% loans earmarked for bad bank as delays plague NARCL:** As attempts to get India's bad bank up and running get delayed, about 20% of the assets originally planned for transfer in two tranches has already been resolved, said a person aware of the development. "Almost ₹40,000 crore of bad loans have been resolved since the announcement was first made," the person cited above said on condition of anonymity. He said that by the time it is set up there could be more that gets resolved. After Finance Minister Nirmala Sitharaman announced plans to set up a bad bank in February 2021, bankers had said that about ₹2 trillion of bad loans would be gradually transferred to the entity. It suffered from delays after the Reserve Bank of India (RBI) said it was unhappy over the proposed structure. Lenders then presented a revised proposal to the regulator.
<https://www.tamilbloggers.xyz/banks-resolve-20-loans-earmarked-for-bad-bank-as-delays-plague-narcl/>
- **HDFC Bank plans Alipay-like digital platform by Sept:** India's largest private lender HDFC Bank plans to launch a digital platform for merchants between June and September, which will allow them to accept online and offline payments on the lines of China's Alipay. "It will allow a small kirana store to be the local Amazon for its catchment," Parag Rao, country head (payment business, consumer finance, technology and digital banking) at HDFC Bank said in an interview. The bank, Rao said, has already piloted this with 355,000 merchants.
<https://www.livemint.com/industry/banking/hdfc-bank-plans-alipay-like-digital-platform-by-sept-11652375909195.html>
- **Aditya Birla Capital profit after tax rises 20 pc to Rs 450 crore:** Aditya Birla Capital on Thursday reported a rise of 20 per cent in its consolidated profit after tax at Rs 450 crore in quarter ended March 2022. The consolidated revenue of the company for Q4 FY22 grew 18 per cent from a year ago to Rs 6,962 crore, Aditya Birla Capital (ABCL) said in a release. For the entire financial year 2021-22, the consolidated revenue grew 16 per cent year on year to Rs 23,633 crore. The consolidated profit after tax for the year grew 51 per cent to Rs 1,706 crore, the highest ever recorded by the company, it added.
[https://www.business-standard.com/article/companies/aditya-birla-capital-profit-after-tax-rises-20-to-rs-450-cr-in-march-qtr-122051201441_1.html#:~:text=Aditya%20Birla%20Capital%20on%20Thursday,ABCL\)%20said%20in%20a%20release.](https://www.business-standard.com/article/companies/aditya-birla-capital-profit-after-tax-rises-20-to-rs-450-cr-in-march-qtr-122051201441_1.html#:~:text=Aditya%20Birla%20Capital%20on%20Thursday,ABCL)%20said%20in%20a%20release.)
- **Late sell-off pushes Sensex down 137 points at close, Nifty ends below 15,800:** The BSE Sensex closed at 52,793.62, down 136.69 points or 0.26 per cent. It recorded an intraday high of 53,785.71 and a low of 52,654.89. The Nifty 50, which breached the 16,000-mark intraday, recording an intraday high of 16,083.60, slipped 25.85 points or 0.16 per cent to close at 15,782.15. It recorded an intraday low of 15,740.85. Tata Motors, Sun Pharma, Mahindra & Mahindra, Hindustan Unilver and Titan were the top gainers on the Nifty 50, while Hindalco, State Bank of India, JSW Steel, ICICI Bank and Bharti Airtel were the top losers.
<https://www.thehindubusinessline.com/markets/late-sell-off-pushes-sensex-down-137-points-at-close-nifty-ends-below-15800/article65410419.ece>
- **Rupee closes at all-time low of 77.55 against US dollar:** The rupee pared its initial gains and settled 5 paise lower at its fresh lifetime low of 77.55 against the US dollar on Friday, as inflation concerns and strength of the American currency weighed on the local unit. Forex traders said the rupee consolidated in a narrow range, as the weakness in regional currencies and depressing economic data weighed on the domestic unit, while intervention from the Reserve Bank of India (RBI) restricted the losses. At the interbank forex market, the rupee



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opened at 77.35 against the greenback and moved in a range of 77.26 to 77.55 in the day's trade. The rupee finally ended at an all-time low of 77.55, down 5 paise from its previous close of 77.50.

<https://www.thehindubusinessline.com/markets/forex/rupee-closes-at-all-time-low-of-7755-against-us-dollar/article65411347.ece#:~:text=The%20rupee%20finally%20ended%20at,sentiment%20and%20foreign%20fund%20outflows.>

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