



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

May 25, 2022

- **Q4 results: Bank of India net profit jumps 142% to ₹606 crore:** Bank of India (Boi) reported a 142 per cent year-on-year (y-o-y) jump in Q4 FY22 net profit to ₹606 crore from ₹250 crore in the same quarter a year ago on the back of healthy growth in net interest income (NII) and a sharp decline in loan loss provisions. The public sector bank's standalone net profit for FY22 was up 58 per cent y-o-y to ₹3,405 crore from ₹2,160 crore in FY21. The board recommended a dividend of ₹2 per equity share (20 per cent of face value at ₹10 each, fully paid up) for the FY22. In the reporting quarter, net interest income rose 36 per cent y-o-y to ₹3,986 crore (₹2,936 crore in the year ago quarter).
<https://www.thehindubusinessline.com/money-and-banking/bank-of-india-q4-fy22-pat-zooms-142-y-o-y-to-606-crore/article65456352.ece>
- **Bank of India aims to recover bad loans worth Rs 12,000 crore in FY23, says MD:** State-run Bank of India is targeting bad loan recoveries worth Rs 12,000 crore in this financial year that began on April 1, its managing director and chief executive officer said on May 24. "For the current financial year, in a baseline scenario, we are aiming (recoveries) at about Rs 12,000 crore," Atanu Kumar Das told reporters at a press conference after January-March earnings. "Out of this NCLT (National Company Law Tribunal) recoveries are expected to be around Rs 4,500 crore, NARCL (National Asset Reconstruction Company) will be around Rs 2,500 crore and the remaining will be through a normal recovery process."
<https://www.moneycontrol.com/news/business/bank-of-india-aims-to-recover-bad-loans-worth-rs-12000-crore-in-fy23-says-md-8567921.html>
- **ECB inflows to moderate on rising rates, depreciating rupee: Bank of Baroda:** The overseas fundraising through the external commercial borrowings (ECBs) by corporations in India will moderate in the coming months on monetary policy tightening and steady depreciation of the rupee, according to Bank of Baroda's assessment. ECBs have emerged as an important source of financing for companies including public sector undertakings. In fact, ECBs accounted for 36.8 per cent of India's external debt as of the end of December 2021. In the year ended March 2022 (FY22), ECBs approvals had risen to \$38.2 billion from \$34.8 billion in FY21, RBI data showed. This rise in the use of ECB route was driven by their relative cost advantage owing to lower global interest rates for an extended period of time. It also supplemented the credit demand of the country thus supporting growth.
https://www.business-standard.com/article/finance/ecb-inflows-to-moderate-on-rising-rates-depreciating-rupee-bank-of-baroda-122052400327_1.html
- **PSBs may step-up dividend pay-out due to lower RBI surplus transfer to Govt:** Public sector banks (PSBs) may step-up the quantum of dividend pay-outs after the RBI recently announced a sharply lower surplus transfer of ₹30,307 crore to the government for FY22. If the decision of Bank of Baroda (BoB) to convene a board meeting on May 31 "to consider and approve revision in dividend and consequent change in financial statements of FY22" is anything to go by, other PSBs too may follow



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suit. BoB's board of directors, at their meeting held on May 13, had recommended a dividend at ₹1.20 per equity share (face value ₹2 each fully paid up) for FY222.

<https://www.thehindubusinessline.com/money-and-banking/psbs-may-step-up-dividend-pay-out-due-to-lower-rbi-surplus-transfer-to-govt/article65457633.ece>

- **Facing delay in receiving government guarantee for loans under ECLGS: South Indian Bank MD:** The Emergency Credit Line Guarantee Scheme (ECLGS) has enabled last-mile loans to micro, small and medium enterprises (MSMEs) across the country. However, banks are facing operational delay in receiving the guaranteed credit amount from the government in case of defaults, Murali Ramakrishnan, managing director and chief executive officer at South Indian Bank, told Moneycontrol on May 24. "The ECLGS has been propagated quite well to avert the Covid-19 crisis. In terms of compensation, however, wherever the cases have gone bad the compensation process seems very difficult. Out of 100 cases we submit they only read some five cases and keep 95 cases as work in progress and it takes an enormously long time and that is something which can be expedited," the MD said.
<https://www.moneycontrol.com/news/business/facing-delay-in-receiving-government-guarantee-for-loans-under-eclgs-south-indian-bank-md-8567911.html>
- **Primary co-op banks can lend up to Rs 10 lakh for repair of dwelling units: RBI:** Reserve Bank of India (RBI) on Tuesday said primary cooperative banks can now extend loans of up to Rs 10 lakh to individuals for repair or alterations of their dwelling units in metropolitan centres. The ceiling on loans by such banks to individuals for carrying out repairs/additions/alterations to their dwelling units was revised upwards to Rs 2 lakh in rural and semi-urban areas and Rs 5 lakh in urban areas in September 2013. "The ceiling on such loans is now revised to Rs 10 lakh in metropolitan centres (those centres with population of 10 lakh and above) and Rs 6 lakh in other centres," RBI said in a circular addressed to primary (urban) co-operative banks.
<https://bfsi.economictimes.indiatimes.com/news/policy/primary-co-op-banks-can-lend-up-to-rs-10-lakh-for-repair-of-dwelling-units-rbi/91777321>
- **Credit card spending online nearly Rs 30,000 crore higher than swipes in March: RBI data:** Credit card spending online was nearly Rs 30,000 crore more than the spending done through swipes at points of sale in March, indicating an increased preference among people for e-commerce purchases. Latest data from the Reserve Bank of India (RBI) showed that 7.3 crore credit card holders spent about Rs 68,327 crore for buying online while the amount spent through swipes at Point of Sale (PoS) machines stood at Rs 38,377 crore in March. For the first time, the RBI has provided separate data on spending through online versus PoS payments. In terms of the number of transactions, credit card transactions were marginally lower online at 11 crore as against 11.1 crore offline or at PoS machines.
<https://timesofindia.indiatimes.com/business/india-business/credit-card-spending-online-nearly-rs-30000-crore-higher-than-swipes-in-march-rbi-data/articleshow/91771019.cms>



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- **Ujjivan SFB raises interest rates on fixed deposits:** Ujjivan Small Finance Bank (SFB) on Tuesday said it has increased interest rates up to 7.1 per cent on regular term deposits. The bank's interest rate on fixed deposits has been raised by 75 basis points (0.75 percentage point) to 6.75 per cent per annum for 15 months 1 day to 18 months tenure and by 35 basis points to 7.1 per cent per annum for deposits maturing in 990 days. An individual investing Rs 1,00,000 for 990 days at 7.1 per cent can earn returns up to Rs 1,21,011 at maturity, the bank said in a release. Under the Platina Fixed Deposit scheme, customers can earn 35 basis points more interest to 7.45 per cent per annum for 990 days, while for senior citizens, the rate of interest will now be as high as 7.95 per cent for the same tenure, Ujjivan SFB said in a release.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/ujjivan-sfb-raises-interest-rates-on-fixed-deposits/articleshow/91768907.cms>
- **Axis MF to widen scope of investigation, Axis Bank MD & CEO Chaudhry says:** The scope of the ongoing probe at Axis Mutual Fund has been widened so that the company doesn't miss out on anything or anyone, MD & CEO of Axis Bank Amitabh Chaudhry said. Speaking to CNBC-TV18, Chaudhry said that the scope has been widened so that the investigation doesn't miss out on anything. "One of the individuals was a fund manager as well as an equity analyst, so it is important that we look at all the analysts. So, we have expanded that scope," Chaudhry said. Axis MF, India's seventh-biggest asset manager by way of pooled cash under management, recently sacked its chief dealer Viresh Joshi who is facing a probe for suspected irregularities. Axis MF had to change fund management of seven schemes after charges of front-running emerged.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/axis-mf-to-widen-scope-of-investigation-axis-bank-md-ceo-chaudhry-says/articleshow/91762662.cms>
- **Indians prefer credit cards for online shopping, debit card at physical shops:** Indians spend 76% more on their credit cards online than they do in stores, data shows. According to RBI data, Indians opt to purchase with credit cards online, while debit cards are more frequently used in physical shops. The data released in March states that 7.3 crore credit cardholders spent Rs 68,327 crore online, compared to Rs 38,773 crore spent in stores using card swipe machines. Further, 91.7 crore debit cards were used for 20.8 crore retail transactions and 11.9 crore online transactions. This means that about one in five debit cards was used for in-store buys, and about one in ten was used for online orders.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/indians-prefer-credit-cards-for-online-shopping-debit-card-at-physical-shops/articleshow/91758489.cms>
- **Muthoot Finance announces ₹300-crore NCD issue:** Muthoot Finance Ltd has announced public issue of Secured Redeemable Non-Convertible Debentures of face value of ₹1,000 each. The issue is with a base issue size of ₹75 crore with an option to retain over subscription up to ₹ 225 crore aggregating up to tranche limit of ₹300 crore. The issue opens on May 25 and closes on June 17 with an option to close on such earlier date or extended date as may be decided by the Board of Directors or NCD committee. The Secured NCDs, proposed to be issued, have been rated AA+ (Stable) by ICRA. The rating of the Secured NCDs by ICRA indicates "high degree of safety regarding timely servicing of financial obligations".



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<https://www.thehindubusinessline.com/money-and-banking/muthoot-finance-announces-300-crore-ncd-issue/article65456598.ece>

- **Credit card spending to continue robust growth, may remain above over ₹1 lakh crore: Analysts:** Credit card spending closed the fiscal year 2021-22 on a high of over ₹1 lakh crore in March and is expected to rise further with opening up of sectors like travel and hospitality. According to data with the Reserve Bank of India, the value of transactions on credit cards in March 2022 was ₹1.07 lakh crore as against ₹86,304.76 crore in February. It was more than a 47 per cent jump on a year-on-year basis from ₹72,625.4 crore in March 2021. “As per trends, April and May 2022 spending seems likely to further increase to ₹1.02 lakh crore and ₹1.1 lakh crore,” said a report by ICICI Securities, adding that a revival in air travel, the hospitality sector and increasing inflation outlook set a positive backdrop to credit card spend as well as receivables.
<https://www.thehindubusinessline.com/money-and-banking/credit-card-spending-to-continue-robust-growth-may-remain-above-over-1-lakh-crore-analysts/article65456273.ece>
- **Unity Bank offers 2 liquidity options to senior citizen depositors of PMC Bank:** Unity Small Finance Bank (USFB) has introduced two liquidity options for senior citizen customers of the erstwhile Punjab and Maharashtra Co-operative (PMC) Bank whereby they can either encash the balances in their accounts at a discounted rate or opt for an overdraft facility. This is aimed at alleviating the liquidity issues that some of the senior citizen depositors (of erstwhile PMC Bank who still have balances in Unity SFB after the deposit insurance payout) are facing. “Valid till 31st December 2022 or such date as may be decided by the bank, both options are designed to bring relief for medical emergencies, wedding expenses, home renovation, amongst other personal requirements.
<https://www.thehindubusinessline.com/money-and-banking/unity-bank-offers-2-liquidity-options-to-senior-citizen-depositors-of-pmc-bank/article65456194.ece>
- **LIC Board to meet on May 30 to consider dividend:** The board of Life Insurance Corporation of India will meet on May 30 to approve and discuss the results for the quarter ended March 31, 2022 and the financial year 2021-22. The board will also consider and approve the payment of dividend, if any, at the meeting. LIC shares were listed on the bourses on May 17.
<https://www.thehindubusinessline.com/money-and-banking/lic-board-to-meet-on-may-30-to-approve-results-and-consider-dividend/article65456181.ece>
- **HDFC Bank hikes interest rates on recurring deposits of 27 to 120 months:** HDFC Bank, a private sector lender, has raised interest rates on recurring deposits (RDs). The announcement was made on May 17, 2022, and the bank has raised interest rates on recurring deposits from 27 to 120 months as a result of the modification. The bank will continue to provide a 3.50 per cent interest rate on 6-month RDs. HDFC Bank will continue to give a 4.40 per cent interest rate on recurring deposits of 9 months and a 5.10 per cent interest rate on deposits of 12 months to 24 months. The bank previously offered a 5.20 per cent interest rate on RDs maturing in 27 months to 36 months, but now the rate applicable is 5.40 per cent, a 20 basis point increase.



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<https://www.livemint.com/industry/banking/hdfc-bank-hikes-interest-rates-on-recurring-deposits-of-27-to-120-months-11653386060294.html>

- **IDFC First Bank hikes interest rates on fixed deposits:** IDFC First Bank, a private sector lender, has raised interest rates on fixed deposits of less than ₹2 crore. The bank made the revision on May 23, 2022, and as a result of the adjustment, the bank has hiked interest rates on deposits maturing in 7 days to 2 years. The bank increased the interest rate on 7-29-day deposits from 2.5 per cent to 3.50 per cent, a 100-basis-point increase. The interest rate on deposits maturing in 30 to 90 days was previously 3%, but it has now been increased by 100 basis points to 4.00 per cent. IDFC First Bank had previously offered a 3.50 per cent interest rate on deposits maturing in 91 to 180 days, but that rate has now been increased by 100 basis points to 4.50 per cent.

<https://www.livemint.com/industry/banking/idfc-first-bank-hikes-interest-rates-on-fixed-deposits-check-new-rates-here-11653353343796.html>

- **Sensex down 236 points at closing, Nifty slips below 16,200 amid volatility:** The BSE Sensex closed at 54,052.61, down 236.00 points or 0.43 per cent. It recorded an intraday high of 54,524.37 and a low of 53,886.28. The Nifty 50 closed at 16,125.15, down 89.55 points or 0.55 per cent. It recorded an intraday high of 16,262.80 and a low of 16,078.60. Dr Reddy's, HDFC, Kotak Bank, Powergrid and HDFC Bank were the top gainers on the Nifty 50, while Divi's Lab, Tech Mahindra, Grasim, Hindustan Unilever and Hindalco were the top losers.

<https://www.thehindubusinessline.com/markets/sensex-down-236-points-at-closing-nifty-slips-below-16200-amid-volatility/article65456544.ece>

- **Rupee almost flat against US dollar in early trade:** The rupee started the session on a flat note against the US dollar on Tuesday amid a lacklustre trend in the domestic equity markets and persistent foreign capital outflows. At the interbank foreign exchange, the rupee opened weak at 77.56 against the American dollar, then turned volatile to trade in a tight range of 77.56 to 77.51. The domestic unit was trading at 77.56 against the greenback, registering a fall of just 1 paisa over the last close.

<https://www.moneycontrol.com/news/business/markets/indian-rupee-almost-flat-against-us-dollar-in-early-trade-2-8563761.html>

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