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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

July 27, 2021

- **SBI top-deck recast: Mishra is new HR head, Rana Singh is strategy chief:** The country's largest lender State Bank of India has made new appointments in key functions of Human resources, strategy and Information technology. Om Prakash Mishra is now designated as Deputy managing director (Human Resources-HR). Mishra would also function as Corporate Development Officer (CDO). Prior to becoming the DMD, Mishra was Chief General Manager (CGM) of SBI Hyderabad Circle. He served at various positions in different locations, including as Regional Manager at Regional Business Office, the bank said in a statement. Rana Ashutosh Kumar Singh is the new DMD (Strategy) & Chief Digital Officer. He was earlier DMD (HR) and CDO. He has served the bank as CGM at SBI Chandigarh Circle as well. He was also heading SBI's operations in Germany as CEO of the Frankfurt Branch.
https://www.business-standard.com/article/finance/sbi-top-deck-recast-mishra-is-new-hr-head-rana-singh-is-strategy-chief-121072600868_1.html
- **Bank NPAs decline to Rs 8.34 lakh cr at March-end 2021: Minister:** Non-performing assets (NPAs) or bad loans of banks have declined by Rs 61,180 crore to Rs 8.34 lakh crore at the end of March 31, 2021, as result of various steps taken by the government, Minister of State for Finance Bhagwat K Karad said on Monday. Scheduled commercial banks (SCBs) were carrying NPAs worth Rs 8.96 lakh crore on their balance sheet at the end of March 2020. "Primarily as a result of transparent recognition of stressed assets as NPAs, gross NPAs of SCBs, as per RBI data on global operations, rose from Rs 3,23,464 crore as on 31.3.2015, to Rs 10,36,187 crore on 31.3.2018, and as a result of Government's strategy of recognition, resolution, recapitalisation and reforms, have since declined to Rs 9,33,779 crore on 31.3.2019, Rs. 8,96,082 crore as on 31.3.2020, and further to Rs 8,34,902 crore (provisional data) as on 31.3.2021," he said.
<https://www.moneycontrol.com/news/business/economy/banks-npas-decline-to-rs-8-34-lakh-crore-at-march-end-2021-minister-7225761.html>
- **Finance Minister reiterates 'personally monitoring' MSME dues repaid within 45 days:** Finance Minister Nirmala Sitharaman has reiterated that the Centre will clear all dues to medium, small and micro enterprises (MSMEs) within 45 days. "I am personally monitoring this," she added. Sitharaman made the statement during question hour in Parliament on July 26 while clarifying the government's position on clearing dues owed to MSMEs by the Centre and its public sector undertakings (PSUs). The finance minister's official account tweeted:



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“The Central Government has taken this position that any pending payment to MSMEs will have to be given in 45 days and I am personally monitoring it” (sic).

<https://www.moneycontrol.com/news/business/economy/nirmala-sitharaman-will-clear-msme-dues-within-45-days-i-am-personally-monitoring-this-7223301.html>

- **UK High Court declares Vijay Mallya bankrupt for Indian banks to realise debt:** A British court on Monday granted a bankruptcy order against Vijay Mallya, paving the way for a consortium of Indian banks led by the State Bank of India (SBI) to pursue a worldwide freezing order to seek repayment of debt owed by the now-defunct Kingfisher Airlines. “As at 15.42 [UK time], I shall adjudicate Dr Mallya bankrupt,” Chief Insolvencies and Companies Court (ICC) Judge Michael Briggs said in his ruling during a virtual hearing of the Chancery Division of the High Court. “I have to decide if there is a real prospect of payment of petition debt in full within a reasonable period of time – there is insufficient evidence that [Mallya’s asset realisations in India] will pay the debt in full within a reasonable period of time,” Judge Briggs noted, in reference to defence arguments pointing to a restoration process in India following a Prevention of Money Laundering Act (PMLA) court order for the attachment of Mallya’s assets.
<https://indianexpress.com/article/world/uk-high-court-declares-vijay-mallya-bankrupt-for-indian-banks-to-realise-debt-7423660/>
- **Axis Bank Q1 net profit soars 94% to Rs 2,160 cr:** Private sector lender Axis Bank’s standalone net profit shot up by 94.2 per cent to Rs 2,160.15 crore in the first quarter of the fiscal from Rs 1,112.17 crore a year ago. Net interest income grew 11 per cent to Rs 7,760 crore in the quarter ended June 30, 2021 as against Rs 6,985 crore a year ago. The net interest margin was at 3.46 per cent at June-end 2021, registering a six basis points growth year-on-year. Other income surged 39 per cent to Rs 3,588 crore in the first quarter of the fiscal from Rs 2,587 crore in the corresponding period last fiscal. Provisions declined by 20 per cent to Rs 3,532.01 crore for the April to June 2021 quarter, as compared to Rs 4,416.42 crore a year ago. “The bank has not utilised Covid provisions during the quarter,” Axis Bank said in a statement on Monday.
<https://www.thehindubusinessline.com/money-and-banking/axis-bank-q1-net-profit-soars-94-to-rs-2160-cr/article35541420.ece>
- **No plan to print currency notes to tide over crisis: FM :** The government has no plan to print currency notes to tide over the current economic crisis triggered by the outbreak of COVID-19 pandemic, Finance Minister Nirmala Sitharaman informed Parliament on Monday. To a question on whether there is any plan to print currency to tide over the crisis, the Finance Minister said, "No Sir". Many economists and experts have suggested the government to resort to printing more currency notes to support the economy ravaged by the spread of COVID-19, and protect jobs.



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<https://economictimes.indiatimes.com/news/economy/finance/no-plan-to-print-currency-notes-to-tide-over-crisis-fm/articleshow/84754043.cms>

- **Mastercard ban: RBI seeks action plan from banks:** India's central bank has asked lenders to put in place business continuity plans (BCP) after it ordered operational curbs, effective last week, on Mastercard. It has also sought details on their preparedness to regularise the issuance of credit and debit cards on alternative payments platforms, such as Visa and RuPay, three people aware of the development told ET. The Reserve Bank of India (RBI) has also reached out to various lenders on the problems being faced by the broader banking system after it barred the US payments major from issuing new cards for its alleged failure to comply with data localisation rules. "The regulator has been actively pursuing banks to activate BCPs after it banned Mastercard," a top executive at a lender told ET. "We have also been asked to update the RBI on the impact this move is having on the banking system and what measures banks are taking to plug a possible system-wide impact. There is a dearth of plastic and the on-boarding process will take time."

<https://economictimes.indiatimes.com/industry/banking/finance/banking/mastercard-ban-rbi-seeks-action-plan-from-banks/articleshow/84744882.cms?from=mdr>

- **Kotak Mahindra Bank Q1 net profit up 32%:** Kotak Mahindra Bank reported a 31.9 per cent jump in standalone net profit for the quarter ended June 30 at ₹1,641.92 crore compared to ₹1,244.45 crore in the same period last fiscal. Total income grew 4.9 per cent to ₹8,062.81 crore (₹7,685.4 crore). Net interest income increased 5.8 per cent to ₹3,942 crore (₹3,724 crore). Net interest margin for the first quarter was at 4.6 per cent versus 4.4 per cent a year ago. Other income more than doubled to ₹1,583.03 crore (₹773.54 crore). Of this, fee income surged 50.6 per cent to ₹1,169 crore on an annual basis. Provisions declined marginally to ₹934.77 crore in the first quarter from ₹962.01 crore a year ago. "Covid related provisions as of June 30 were maintained at ₹1,279 crore," the bank said in a statement on Monday.

<https://www.thehindubusinessline.com/money-and-banking/kotak-mahindra-bank-q1-net-profit-up-32/article35540005.ece>

- **SBI Life Insurance Q1 net profit down 42.9% at Rs 223.16 crore :** Private life insurer SBI Life Insurance posted a 42.9 percent year-on-year (YoY) drop in its June quarter (Q1) net profit at Rs 223.16 crore due to additional reserving for COVID-19. The insurer said that considering COVID-19 claims, it has made an additional reserve amounting to Rs 444.72 crore as of June 30. "The company will continue to closely monitor any future developments relating to COVID-19 which may have any impact on its business and financial position," it added. The insurer said that there was a 1.28x increase in number of claims reported from FY21 to Q1FY22. For SBI Life, the total number of COVID-19 death claims in Q1FY22 stood at 8,956. The claims amount net of reinsurance stood at Rs 570 crore. SBI Life Insurance said in its



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investor presentation that the mortality experience is in line with the assumptions. - moneycontrol.

<https://www.moneycontrol.com/news/business/companies/sbi-life-insurance-q1-net-profit-down-42-9-for-june-quarter-7225831.html>

- **RBI imposes monetary penalty on Balasore Cooperative Urban Bank:** The Reserve Bank of India (RBI) on July 23 imposed a monetary penalty of Rs 1 lakh on the Balasore Cooperative Urban Bank Limited, Balasore, Odisha for violating the directions issued by the RBI on exposure norms. This penalty was imposed taking into account the failure of the bank to adhere to the aforesaid directions issued by the RBI, the central bank said in a release. "This action is based on 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," the RBI said. The inspection report of the bank based on its financial position as on March 31, 2019, revealed non-compliance with the aforesaid directions issued by the RBI. <https://www.moneycontrol.com/news/business/rbi-imposes-monetary-penalty-on-balasore-cooperative-urban-bank-7226681.html>
- **MCX data breach: No charges against former MD :** Mrugank Paranjape, the former MD and CEO of Multi Commodity Exchange (MCX), will not face any further charges for the alleged data breach scandal that rocked the exchange during his tenure in 2016. The MCX board, which met last Saturday, has decided to hold back Paranjape's variable pay for the year.. There will be no further inquiry or charges levelled against Paranjape or anybody else into the matter, sources told BusinessLine. The alleged theft of market data at MCX and its use by unauthorised persons was the second major incident of breach at any exchange in India after the National Stock Exchange (NSE) algo trading scandal came to light. <https://www.thehindubusinessline.com/money-and-banking/mcx-data-breach-no-charges-against-former-md/article35542859.ece>
- **ICICI Bank shares hit 52-week high post Q1 earnings:** Shares of ICICI Bank on Monday gained over 1 per cent and touched 52-week high on the bourses after the company's June quarter net profit zoomed 52 per cent. The stock rose by 1.29 per cent to ₹685.40 -- its 52-week high - on the BSE. At the NSE, it gained 1.30 per cent to ₹685.45 -- its 52-week high. <https://economictimes.indiatimes.com/markets/stocks/news/icici-bank-shares-hit-52-week-high-post-q1-earnings/articleshow/84751826.cms>
- **Axis Bank estimates a 17-18% hit on new cards after ban on Mastercard:** Private sector lender Axis Bank estimates a 17-18% hit on credit card issuances owing to a central bank ban on global card network Mastercard, a senior official said on Monday. Sumit Bali, president and head (retail lending and payments) at Axis Bank said on Monday that the only impact it



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currently sees is in the Flipkart co-branded credit card. Launched in July 2019, there are about 1.2 million such co-branded credit cards in force.

<https://www.livemint.com/industry/banking/axis-bank-sees-17-18-hit-on-card-issuances-from-mastercard-ban-11627310624797.html>

- **With new acquisition, Razorpay aims to double monthly loan disbursements:** As three fintech majors get ready for an IPO later this year, Harshil Mathur-led Razorpay is betting on its product capabilities to stay competitive. Last week, this Bengaluru-based unicorn acquired an AI start-up, TERA Finlabs, to boost its SME lending vertical — Razorpay Capital. With this acquisition, Razorpay expects to double its monthly loan disbursements from the current ₹300-400 crore to ₹800-1000 crore by the end of this financial year, co-founder Mathur told Business Line.
<https://www.thehindubusinessline.com/money-and-banking/with-new-acquisition-razorpay-aims-to-double-monthly-loan-disbursements/article35533858.ece>
- **Bitcoin leaps 12% to test recent peaks, ether hits 3-week high :** Cryptocurrencies popped to the top of recent ranges on Monday as short sellers bailed out in the wake of a strong week and while traders hoped a handful of positive comments from influential investors might signal a turnaround in fragile sentiment. Bitcoin rose as far as 12.5% to hit \$39,850, its highest since mid-June during the Asia session, while ether hit a three-week peak of \$2,344. On the heels of bitcoin's best week in almost three months, the move put the squeeze on short sellers.
<https://www.reuters.com/technology/bitcoin-leaps-12-six-week-high-2021-07-26/#:~:text=Bitcoin%20rose%20as%20far%20as,the%20squeeze%20on%20short%20sellers.>
- **Rupee drops by 2 paise to 74.42:** The rupee slipped by 2 paise to close at 74.42 (provisional) against the US dollar on Monday, snapping its three-day gaining streak amid a muted trend in domestic equities. Forex traders said the rupee is trading in a narrow range as investors are awaiting cues from the US Fed's policy decision due this week. At the interbank foreign exchange market, the local unit opened at 74.43 against the dollar and witnessed an intra-day high of 74.40 and a low of 74.52 during the session.
<https://www.moneycontrol.com/news/business/markets/rupee-drops-by-2-paise-to-74-42usd-snaps-3-day-winning-streak-7225971.html>
- **Sensex falls 123 pts as investors book profit in RIL, banks, auto stocks:** Benchmark indices ended a volatile session near the lowest point of the day amid an intensified selling in FMCG, financial, and realty stocks, along with profit-taking in heavyweights like Reliance Industries, Tech Mahindra, TCS, L&T, and Bharti Airtel. The 30-share BSE barometer closed at 52,852 levels, down 123.5 points or 0.23 per cent, while its NSE counterpart shut shop 32 points or 0.2 per cent lower at 15,824-mark. The broader markets, however, outperformed the



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frontline indices with the BSE MidCap and SmallCap indices adding 0.06 per cent and 0.34 per cent, respectively.

https://www.business-standard.com/article/markets/market-live-sensex-nifty-ril-its-icici-bank-tata-motors-l-t-q1-121072600102_1.html

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