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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

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- **Central Bank of India reports 69 per cent jump in net profit :** Central Bank of India (CBoI) reported a 69 per cent year-on-year (yoy) jump in third-quarter standalone net profit at ₹279 crore against ₹165 crore in the year-ago period on the back of healthy growth in net interest income, lower loan loss provision and reduced tax expense. The Mumbai-headquartered public sector bank's net interest income (difference between interest earned and interest expended) was up 23 per cent yoy to ₹2,746 crore (₹2,229 crore in the year ago quarter). Loan loss provisions declined 33 per cent YoY to ₹380 crore (₹565 crore). However, provisions for standard assets and depreciation on investments increased to ₹225 crore (₹200 crore) and ₹193 crore (write back of ₹67 crore), respectively. Outgo on account of tax was sharply down at ₹65 crore (₹284 crore).
<https://www.thehindubusinessline.com/money-and-banking/central-bank-of-indias-reports-69-jump-in-q3fy22-net-profit/article64943860.ece>
- **Rs 50,000 crore of bad debts to be transferred to NARCL by end of fiscal:** The National Asset Reconstruction Co (NARCL) a government backed distressed asset aggregator will buy 15 accounts aggregating to Rs 50,000 crore before the end of the fiscal year. Overall 38 accounts totalling Rs 83,000 crore by banks which will be transferred to the NARCL, State Bank of India (SBI) chairman Dinesh Khara said. The Rs 83,000 crore that banks have agreed to transfer is less than Rs 2 lakh crore envisaged last year. Khara said that is because some assets have been resolved in the last one year. However, banks may consider transferring some more assets later next fiscal.
https://www.business-standard.com/article/economy-policy/rs-50-000-crore-of-bad-debts-may-be-transferred-to-narcl-in-fy22-122012900034_1.html
- **PNB upbeat on achieving ₹4,000 crore net profit this fiscal: Mallikarjuna Rao, MD & CEO:** Punjab National Bank (PNB), the country's second-largest public sector bank, on Friday said it was on track to achieve earlier guided net profit in excess of ₹4,000 crore for this current fiscal. This public sector lender also guided higher credit growth of 8-10 per cent for 2022-23 on the back of improved private investment climate and expected infrastructure boost in the economy. "We are properly in line with the guidance given to you last July that profits for entire fiscal 2021-22 will be more than ₹4,000 crore", Ch S S Mallikarjuna Rao, Managing Director & CEO, PNB, said at a press conference.
<https://www.thehindubusinessline.com/money-and-banking/optimism-on-credit-growth-pnb-on-track-to-achieve-over-4000-crore-net-profit-this-fiscal-says-outgoing-md-ceo-malli/article64943161.ece>
- **Banks in talks with NESL to set up loan registry, information utility:** Banks are in discussion with National E-Governance Services Limited (NESL) to explore the possibility of establishing a loan registry and developing an information utility which will store financial data such as borrowings, default and security interests. "The aim is to increase the efficiency in exchange of information in the consortium arrangement," said a senior bank executive aware of the developments, adding that the proposed



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structure will provide for loan identity number, monitoring mechanism, stock statement maintenance and DP allocation. "This will ensure receiving and storage of common information and providing access to information on a need-to-know basis," he added.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-in-talks-with-nesl-to-set-up-loan-registry-information-utility/articleshow/89169533.cms>

- **Banks' loans rose 8% YoY in two weeks to January 14: RBI data:** Indian banks' loans rose 8% in the two weeks to Jan. 14 from a year earlier, while deposits rose 9.3%, the Reserve Bank of India's weekly statistical supplement showed on Friday. Outstanding loans fell 1.85 trillion rupees (\$24.57 billion) to 114.96 trillion rupees in the two weeks to Jan. 14. Non-food credit fell 1.82 trillion rupees to 114.10 trillion rupees, while food credit fell 29.99 billion rupees to 856.81 billion rupees. Bank deposits fell 2.59 trillion rupees to 159.83 trillion rupees in the two weeks to Jan. 14.
<https://auto.economictimes.indiatimes.com/news/industry/indian-banks-loans-rose-8-on-year-in-2-weeks-to-jan-14-rbi/89201191>
- **SBI lists maiden issue of \$300-mn Formosa bonds on India INX:** The State Bank of India's recent fundraising of \$300 million through issuance of Formosa Bonds is a testimony of the confidence reposed by the overseas investors in the country's growth story, its Chairman Dinesh Khara said on Friday. The lender is the first Indian entity to raise money through Formosa Bond, which is a bond issued in Taiwan. "This first successful issuance of Formosa Bond by any Indian commercial bank, is a testimony of the confidence reposed by the overseas investors into India's growth story and also in SBI, in particular. "This is a reflection of India's March towards the next step of being a developed country," Khara said at the listing ceremony of the Formosa Bonds on India INX.
https://www.business-standard.com/article/finance/sbi-lists-maiden-issue-of-300-mn-formosa-bonds-on-india-inx-122012800621_1.html
- **USISPF recommends urgent action to address distortions and inefficiencies in the banking sector:** Days ahead of the annual budget, a top American business advocacy group, in a set of recommendations to the India's Union Finance Minister, has recommended urgent action to address the distortions and inefficiencies arising out of regulatory mandates in the banking sector. Finance Minister Nirmala Sitharaman is scheduled to present her annual budget on February 1. Washington DC-based US-India Strategic Partnership Forum (USISPF), which represents leading Fortune 500 companies, in a set of recommendations argued that to improve the ease of doing business for institutional investors, the process to register as Qualified Foreign Institutional Investor (QFII) should be streamlined, and the ability to adopt a single window clearance will enable smoother setting up of companies in India.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/usispf-recommends-urgent-action-to-address-distortions-and-inefficiencies-in-the-banking-sector/articleshow/89176556.cms>
- **Decks cleared for setting up of Bad Bank, SBI chairman says all approvals received:** All approvals for setting up of a bad bank have been received paving the way for its formation, said SBI chairman Dinesh Kumar Khara. The National Asset Restructuring Company (NARCL) or what is popularly called a



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bad bank will help lenders in cleaning up their books by acquiring toxic assets and chasing truant borrowers. The SBI chairman said that around 15 accounts will be transferred to the bad bank in the current fiscal year. A total 38 accounts worth 830 billion rupees identified to be transferred to national bad bank, Reuters quoted him as saying.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/decks-cleared-for-setting-up-of-bad-bank-sbi-chairman-says-all-approvals-received/articleshow/89176696.cms>

- **Federal Bank in tie up with Singapore's Scube Capital launches debt fund:** Leading private sector lender Federal Bank has launched a debt/bond fund with a targeted AUM of USD 200 million in association with the Singapore-based fund manager Scube Capital and Equirus Wealth. Only NRI customers of the Kochi-based bank can invest in the US dollar fixed maturity bond fund, which targets to mop up around USD 200 million, Hemant Mishr, co-founder and chief executive of Scube Capital, told PTI on Friday. Scube manages funds across alternate investments, fixed income and multi-asset investments serving different investor segments and have a collective AUM of around USD 300 million.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/federal-bank-in-tie-up-with-singapores-scube-capital-launches-debt-fund/articleshow/89177024.cms>
- **Kotak Mahindra Bank Q3 net profit up 15 pc:** Kotak Mahindra Bank reported a 15 per cent jump in standalone net profit to ₹2,131.36 crore in the third quarter of the fiscal from ₹1,853.54 crore in the same period last fiscal. For the quarter ended December 31, 2021, the bank's net interest income increased by a robust 12 per cent to ₹4,334 crore against ₹3,876 crore a year ago. Net Interest Margin (NIM) for the third quarter of the fiscal was at 4.62 per cent. Other income increased by 5.6 per cent on a year-on-year basis to ₹1,363.66 crore in the third quarter of the fiscal. In a statement on Friday, the bank said other income of the third quarter of 2021-22 includes MTM loss on investments of ₹484 crore versus a ₹5 crore gain a year ago.
<https://www.thehindubusinessline.com/money-and-banking/kotak-mahindra-bank-q3-net-profit-up-15-per-cent/article64943259.ece>
- **DHFL case: Piramal mulls legal options as NCLAT seeks CoC to consider 63 Moons' plea :** Piramal Enterprises Ltd on Friday said it will pursue various legal options, including moving the Supreme Court, after the NCLAT ordered the Committee of Creditors of DHFL to consider the petition filed by 63 Moons Technologies. In a statement on Friday, PEL also said the DHFL acquisition by Piramal Group remains unaffected and the business integration continues as envisaged. "We have analysed the detailed judgment of the NCLAT and consulted our legal advisors. We are confident and will continue to pursue the matter as multiple legal options are available to us for our future course of action, including approaching the Apex court," PEL said.
<https://www.thehindubusinessline.com/money-and-banking/piramal-enterprises-ltd-will-continue-to-pursue-the-matter-as-multiple-legal-options-available/article64942898.ece>



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- **BharatPe to overhaul governance after co-founder row:** IPO-hopeful BharatPe is aiming to quell investor disquiet over a public row involving personal investments by one of its co-founders with an independent audit to bolster internal governance rules, two sources with direct knowledge said. The audit will assess if BharatPe's senior executives are making proper internal disclosures about personal investments and check for conflicts, leading to a new code of conduct, one of the sources told Reuters. BharatPe, which allows shop owners to make digital payments through QR codes, has come under intense investor and Indian media scrutiny after co-founder Ashneer Grover sought damages from Uday Kotak, head of Kotak Mahindra Bank, alleging that the bank declined financing for a personal investment.
<https://economictimes.indiatimes.com/tech/startups/bharatpe-to-overhaul-governance-after-ashneer-grover-row/articleshow/89172982.cms>
- **Avanse Financial raises ₹357 crore via securitisation transaction:** Avanse Financial Services Ltd, a new age education-focused non-banking financial company (NBFC), has raised ₹357 crore via securitization transaction from a global financial institution. This long-term funding is for a period of about 10 years. The transaction was facilitated by Northern Arc Capital (formerly IFMR Capital Finance). This fund will be utilised to strengthen and fulfil Avanse's mission of making education financing seamless and affordable for every deserving Indian student.
<https://www.thehindubusinessline.com/money-and-banking/avanse-financial-raises-357-crore-via-securitisation-transaction/article64942948.ece>
- **Cyclones, severe weather drive century's global insurance costs:** US-based insurance giant Aon has assessed that natural disasters have inflicted insurance losses of \$130 billion in the year just past (2021) well above the 21st century average of \$74 billion and median of \$66 billion, and 18 per cent higher than in 2020. Aggregated costs for insurers have been largely dominated by the tropical cyclone and severe weather perils this century. The two perils combined for more than \$1 trillion, or 60 per cent of the total cumulative industry losses, of which roughly 74 per cent was reported from US.
<https://www.thehindubusinessline.com/money-and-banking/cyclones-severe-weather-drive-centurys-global-insurance-costs/article64942920.ece>
- **RBI's behind the curve approach has served us well: Dy Guv Patra:** Addressing criticism of the RBI being "behind the curve" by continuing with the accommodative stance longer than other countries, Deputy Governor Michael Patra on Friday said "the approach has served us well". India is placed "much better" to deal with future waves of the pandemic as compared to being affected the worst in the first after the nationwide lockdown, he said, expressing concerns on inflation being elevated due to crude prices.
<https://www.livemint.com/industry/banking/rbis-behind-the-curve-approach-has-served-us-well-dy-guv-patra-11643357606126.html>



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- **Govt appoints Dr V Anantha Nageswaran as Chief Economic Advisor:** The central government on Friday appointed Dr V Anantha Nageswaran as the new Chief Economic Advisor (CEA) with immediate effect. The announcement comes ahead of the presentation of the Union Budget for the financial year 2022-2023 and the Economic Survey. Nageswaram was a former part-time member of the PM's Economic Advisory Council (EAC). He has now assumed charge as the next CEA after KV Subramanian announced return to academia after the completion of his three-year term on December 17, 2021.
[https://www.business-standard.com/article/economy-policy/govt-appoints-v-anantha-nageswaran-as-the-chief-economic-advisor-122012801507_1.html#:~:text=Govt%20appoints%20V%20Anantha%20Nageswaran%20as%20new%20Chief%20Economic%20Advisor,-Arup%20Roychoudhury%20%7C%20New&text=The%20government%20has%20appointed%20Venkataraman,Budget%20\(on%20February%201\).](https://www.business-standard.com/article/economy-policy/govt-appoints-v-anantha-nageswaran-as-the-chief-economic-advisor-122012801507_1.html#:~:text=Govt%20appoints%20V%20Anantha%20Nageswaran%20as%20new%20Chief%20Economic%20Advisor,-Arup%20Roychoudhury%20%7C%20New&text=The%20government%20has%20appointed%20Venkataraman,Budget%20(on%20February%201).)
- **Sensex, Nifty end flat amid volatility :** The BSE Sensex closed at 57,200.23, down 76.71 points or 0.13 per cent. It recorded an intraday high of 58,084.33 and a low of 57,119.28. The Nifty 50 closed at 17,101.95, down 8.20 points or 0.05 per cent. It recorded an intraday high of 17,373.50 and a low of 17,077.10. NTPC, UPL, Sun Pharma, Tata Consumer and IndusInd Bank were the top gainers on the Nifty 50 while Maruti, Tech Mahindra, Powergrid, Hero MotoCorp and ICICI Bank were the top laggards. The market breadth turned positive with 1,988 stocks advancing on the BSE as against 1,365 that declined while 105 remained unchanged. Furthermore, 411 stocks hit the upper circuit as compared to the 293 stocks that were locked in the lower circuit. Besides, 167 stocks touched a 52-week high level and 13 touched a 52-week low.
<https://www.thehindubusinessline.com/markets/sensex-nifty-end-flat-amid-volatility/article64943329.ece>
- **Indian rupee up 4 paise at 75.05 against US dollar:** The Indian rupee eked out a marginal 4 paise gain at 75.05 against the US dollar in morning trade on Friday, tracking positive opening in domestic equity markets. However, strong American currency and elevated crude oil price level restricted the rupee's further recovery. Forex traders said geopolitical tensions, sustained foreign fund outflows and hawkish US Fed stance dragged down the local unit, while positive domestic equities supported the local unit in opening deals. At the interbank foreign exchange, the rupee opened at 75.12 against the US dollar and slipped further to 75.13, before staging a mild recovery to trade at 75.05, clocking a gain of 4 paise.
<https://www.thehindu.com/business/markets/rupee-up-4-paise-at-7505-against-us-dollar/article38337944.ece>

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