UV ARC submits bid to buy IFIN's bad loans

Sale to help IL&FS clean its financial services arm book

DEV CHATTERJEE
Mumbai, 21 October

UV Asset Reconstruction Company (ARC) has submitted a bid to buy 62 non-performing accounts worth ₹4,300 crore from IL&FS subsidiary, IL&FS Financial Services (IFIN).

According to the Reserve Bank of India (RBI) regulations, IFIN has initiated the Swiss challenge method to give an opportunity to the higher bidder of the earlier round, ARCIL, to match the fresh bid by UV ARC. The winner from the Swiss challenge is likely to be announced soon. The bids for IFIN's bad loans sale had closed on Tuesday. The potential transaction would be conducted on a full upfront cash consideration basis.

A UV ARC official declined to comment.

For both UV ARC and ARCIL, the acquisition of IFIN's bad loan portfolio will help them increase their market share

The sale will help IL&FS clean up the books of its financial services arm, which had a large portfolio of bad loans. Banks have already classified loans to IFIN as fraud after its parent firm IL&FS collapsed under a massive debt of ₹99,000 crore.

The new board of IL&FS said in July this year that it will be able to recover ₹58,000 crore, or 95 per cent of its recovery target, by the end of the current fiscal year.

For both UV ARC and ARCIL, the acquisition of IFIN's bad loan portfolio will help them increase their market share. IFIN had granted loans to various group companies of IL&FS apart from lending to outside parties.

UV ARC had won the mandate to bag two telecom companies, Reliance Communications and Aircel, after both companies were sent to the National Company Law Tribunal (NCLT) for debt resolution. But the RBI later clarified that the ARCs cannot participate in the Insolvency and Bankruptcy Code process.

Asset reconstruction companies are heavily regulated by the RBI and are registered under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002. According to the business model, ARCs buy bad debt from banks at a deep discount and then help turn around the company, which, in turn, repays its debt.

The ARCs usually get a return of about 22 per cent on their investment and if they make a good bet, there are chances that the returns can go as high as 30 per cent. Several ARCs in India have tied up with foreign stressed funds which help them strategise on turning around companies.

PSBs may get capital support in Q4 to meet regulatory requirements

The capital position of banks will be reviewed in the next quarter for infusion requirement

PRESS TRUST OF INDIA
New Delhi, 21 October

The government is likely to pump capital in public sector banks during the last quarter of the current financial year to meet the regulatory requirements.

The government in the Budget 2021-22 has made an allocation of ₹20,000 crore for the capital infusion in the state-owned banks.

The capital position of banks would be reviewed in the next quarter, and depending on the requirement, the infusion will be made to meet the regulatory needs.

In the current fiscal so far, all 12 public sector banks have posted a profit, which is being ploughed back to bolster the balance sheet of the banks, sources said.

Going forward, they said, the rise in stressed assets would determine capital requirement. If numbers are anything to go by, the sources said, the financial health of public sector banks are showing gradual signs of improvement across the spectrum.

Last month, the Reserve Bank removed UCO Bank and Indian Overseas Bank from prompt corrective action framework (PCAF), following improvement in various parameters and a written commitment that the state-owned lender will comply with the minimum capital norms.

However, the only public sector lender left under the PCA framework is Central Bank of India.

PCA is triggered when banks breach certain regulatory requirements such as return on asset, minimum capital, and quantum of the non-performing asset.

PCA restrictions disable the bank in several ways to lend freely and force it to operate under a restrictive environment that turns out to be a hurdle to growth.

Last financial year, the government infused ₹20,000 crore in the five public sector banks. Out of this, ₹11,500 crore had gone to three banks under the PCA — UCO Bank, Indian Overseas Bank, and Central Bank of India.

The government infused ₹4,800 crore in Central Bank of India, ₹4,100 crore in Indian Overseas Bank and Kolkata-based UCO Bank got ₹2,600 crore. The government has infused over ₹3.15 trillion into public sector banks (PSBs) in the 11 years through 2018-19.

In 2019-20, the government infused ₹70,000 crore capital into PSBs to boost credit for a strong impetus to the economy.

ILLUSTRATION: BINAY SINHA

FUND INJECTION

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RESULTS CORNER

IDBI Bank clocks 75% rise in Sept-qtr profit

ABHIJIT LELE
Mumbai, 21 October

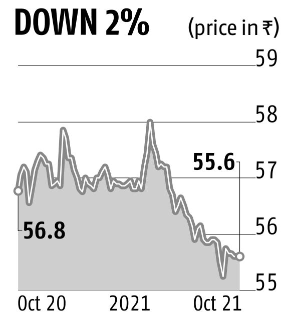
Private lender IDBI Bank posted a 75 per cent rise in net profit at ₹567 crore in the second quarter ended September 2021, on uptick in the net interest income (NII) and dip in provisions.

The Mumbai-based bank, which is on the block for strategic sale by the government, had posted a net profit of ₹324 crore in Q2 FY21.

Its NII rose by nine per cent at ₹1,854 crore for Q2, while the net interest margin (NIM) improved by 32 basis points at 3.02 per cent on a year-on-year basis.

Its provisions declined by 12 per cent to ₹642 crore in Q2 from ₹730 crore in the year-ago quarter. The provision coverage ratio, including technical write-offs, improved to 97.27 per cent in September 2021 from 95.96 per cent a year ago.

DOWN 2% (price in ₹)



Source: Bloomberg

Gross non-performing assets (NPAs) ratio improved to 20.92 per cent in September 30, 2021 against 25.08 per cent on September 30, 2020.

Its net NPA ratio improved to 1.62 per cent in September 2021 from 2.67 per cent a year ago.

Its gross advances were flat at ₹1.64 trillion in September 2021 as against ₹1.63 trillion in September 2020. Rakesh Sharma, the bank's managing director and chief executive, said with economic upturn, the credit is expected to grow at 8-10 per cent in the current financial year.

Its capital adequacy ratio rose to 16.59 per cent in September 2021 from 13.67 per cent a year ago.

IDBI Bank's stock was down by 2.03 per cent to ₹55.6 per share on Thursday.

Correction

The report '*RBI's recurring payment guidelines: 20 days later...*' published yesterday wrongly stated that American Express is not compliant with the new e-mandate norms. American Express has clarified that it has complied with the RBI direction and that it has also developed an alternate solution 'SI Hub'. Currently, merchant integration/onboarding is in progress. The error is regretted.

ICICI Lombard reports marginal rise in profit

Private sector insurer ICICI Lombard General Insurance reported a net profit of ₹446 crore in the September quarter of financial year 2022 (Q2FY22), marginally higher than the last year's net profit of ₹416 crore. But on a sequential basis, the net profit has more than doubled.

The general insurer's gross direct premium rose by 38.72 per cent on a year-on-year (YoY) basis to ₹4,424 crore in Q2FY22 compared to ₹3,189 crore in Q2FY21.

As the firm has merged with Bharti Axa General Insurance business, the numbers are not comparable with the previous year's. The combined ratio, which is a measure of the profitability, of the company in the reporting quarter stood at 105.3 per cent. The insurance company is making an underwriting profit if its combined ratio is below 100 per cent.

BS REPORTER

Bank of Maharashtra net profit up 103% to ₹264 cr

Bank of Maharashtra (BoM) on Thursday reported an over two-fold jump in net profit on a year-on-year (YoY) basis in the quarter ended September 2021 (Q2FY22), helped by robust interest and fee income.

The state-owned bank's net profit rose 102.7 per cent YoY to ₹264 crore from ₹130 crore, a regulatory filing said.

Its net interest income (NII) grew 33.84 per cent YoY to ₹1,500 crore in Q2. The non-interest income was up 22.61 per cent to ₹493 crore, which includes recoveries worth ₹260 crore from exposure to DHFL. The bank's deposits increased 14.47 per cent to ₹1.81 trillion and gross advances grew 11.44 per cent to ₹1.15 trillion on a YoY basis.

Its asset quality profile improved with gross non-performing assets (NPAs) declining to 5.56 per cent in Q2, from 8.81 per cent in the year-ago period.

BS REPORTER

'Employment data was misinterpreted'

Many experts questioned the findings of the enterprises-based survey, which reportedly showed employment generation in the manufacturing sector rising 22 per cent in April-June of 2021-22, compared to the Economic Census of January 2013-April 2014. **S P MUKHERJEE**, chairman of the expert group giving technical guidance to the government on enterprises-based job survey, tells **Indivjal Dhasmana** that there was misinterpretation of the data. As many as 22 per cent higher jobs in factories were not generated in the April-June quarter, but those which existed as on April 1 were higher by 22 per cent. Edited excerpts:

"A SAMPLE SURVEY SHOULD BE JUDGED IN TERMS OF THE ESTIMATES IT PROVIDES FOR THE TOTAL"

The authenticity of the survey would have been greater if we had compared it with the earlier enterprises-based survey for the July-September quarter of 2017.

One, that comparison would have meant going back a few years. Of course, the number of years would have been shorter if we had compared it with the last round rather than going back to the Economic Census of 2013-14. Two, that was a survey covering eight sectors and not nine, which was the case with the new survey. The earlier survey had a slightly lower sample size, with certain establishments not being there. However, the Economic Census had those establishments. Three, the method of estimation for the earlier survey was slightly deficient. Unless I am sure how those estimations were computed, I could not compare the estimates given by the April 1 survey to the previous round. So far as the Economic Census is concerned, there was no question of estimates since those were actual figures.

But how can one compare a survey with a Census, when the latter was conducted seven-eight years ago?

A sample survey should be judged in terms of the estimates it provides for the total. The sample survey can't be considered a well-conducted one if its estimates are not close enough to the total. In this particular quarter, I can't make estimates for the total because I would have to conduct a Census that way. So, what you say is not absolutely wrong and at the same time, not absolutely correct. If I have to compare the findings of a sample and a Census, these should theoretically be available for the same period. But that was not available. If the complete count was available, who would be foolish enough to not conduct a Census? I agree with you that the comparison should have been with a closer period, but there was none available. The Census conducted last year is yet to be published.

Q&A

S P MUKHERJEE
Chairman, expert group giving technical guidance to the government on enterprises-based job survey

When will we be able to make an ideal comparison of the establishments-based survey because the next survey will cover the unorganised sector as well?

It will be later when the survey will cover the unorganised sector. The quarterly survey of April-June of the current fiscal year will be perfectly comparable with the survey that will come for July-September.

Many economists are not able to understand the employment generated by the manufacturing sector because it was hugely battered by the second wave of the pandemic. But the survey showed 22 per cent growth in employment in factories during April-June this fiscal year, compared to the Census of 2013-14.

There is no question of job generation. The figures reported were total employment that existed in a particular sector and not generated during a particular period. These were the figures of employment in the manufacturing sector as on April 1. That figure was higher than reported in the Economic Census of 2013-14.

Is the skilled labour force responsible for vacancies that existed in various sectors during the period?

Not for all vacancies. Around 187,000 vacancies were reported during the period. Around 39 per cent of vacancies that were reported were due to reasons other than retirement and resignation. In the category 'others', the major reason was non-availability of skilled manpower.

How many more surveys on labour will now arise?

Work on two other surveys of different themes are on. One is on migrant workers and the other on domestic workers. Field work has started for a survey on migrant workers. Field work for domestic workers will start before long. These are all-India surveys and the field work will take some time to complete. The survey on migrant workers should come during June or July of the next fiscal year, while that on domestic workers will be later — maybe one more quarter.

When will other surveys come about?

Two other surveys — one on road transport workers and the other on workers engaged by professionals — are to be taken up. We did some work on the technical side. Since then, the government decided not to get this work done because the frame from which the sample was to be drawn was not available. For instance, the Bar Council of India was not obliging us with a list of all their members. Then there was a problem whether this was to be taken up by the labour ministry or the Ministry of Statistics and Programme Implementation.

सरकारी बँकांना भांडवली स्फुरण

चौथ्या तिमाहीत गरजेप्रमाणे पूर्ततेची अर्थमंत्रालयाकडून ग्वाही

पीटीआय, नवी दिल्ली

चालू आर्थिक वर्षाच्या चौथ्या व अंतिम तिमाहीत नियामक आवश्यकतांच्या पूर्ततेसाठी सार्वजनिक क्षेत्रातील बँकांमध्ये भांडवली भरणा केला जाईल, असे केंद्राकडून गुरुवारी स्पष्ट करण्यात आले. चालू आर्थिक वर्षात १२ सरकारी बँकांकडून तिमाहीगणिक दमदार नफ्याची नोंद केली असून, त्यांचे सुधारलेले ताळेबंद पत्रक पाहता त्यांना सरकारकडून मदतीची गरज लागली तर किमानतम राहण्याची शक्यता आहे.

फेब्रुवारीमध्ये मांडल्या गेलेल्या २०२१-२२ च्या अर्थसंकल्पात सार्वजनिक क्षेत्रातील बँकांची भांडवली गरज भागविण्यासाठी २०,००० कोटी रुपयांची तरतूद करण्यात आली आहे. पुढील तिमाहीत सरकारी बँकांची भांडवली स्थिती अभ्यासली जाईल आणि नियामक आवश्यकतेच्या पूर्तता करण्यासाठी गरज भासेल तितकी मदत कमजोर बँकांना केली जाईल, असे अर्थमंत्रालयातील सूत्रांनी सांगितले.

सार्वजनिक क्षेत्रातील प्रमुख बँकांनी पहिल्या दोन तिमाहीत त्या नफाक्षम झाल्याचे दाखवून दिले असले तरी नंतरच्या काळात त्यांच्या थकीत कर्जाच्या प्रमाणात किती वाढ होते त्यावरून त्यांना भांडवली मदतीची गरज लागेल अथवा नाही हे ठरेल, असे सूत्रांकडून सांगण्यात आले.

मागील आर्थिक वर्षात केंद्र सरकारने पाच सरकारी बँकांना २०,००० कोटी रुपयांची भांडवली मदत दिली होती. त्यापैकी ११,५०० कोटी रुपये सर्वात कमजोर असलेल्या आणि रिझर्व्ह बँकेकडून तात्काळ सुधारात्मक कृती (पीसीए) आराखड्यानुसार, निर्बंध आलेल्या यूको बँक, इंडियन ओव्हरसीज बँक आणि सेंट्रल बँक ऑफ इंडिया या तीन बँकांना दिले गेले. आर्थिक वर्ष २०१८-१९ मागील १३ वर्षात एकंदर ४.०५ लाख कोटी रुपयांचे भांडवल सरकारने सार्वजनिक क्षेत्रातील बँकांमध्ये नव्याने टाकले आहे.

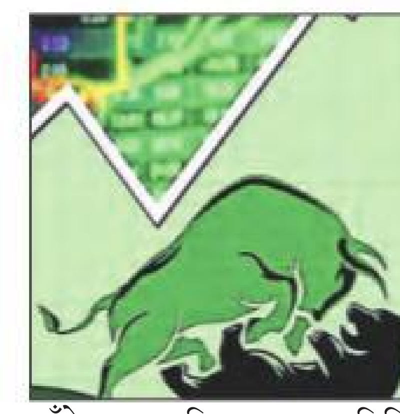
तब्येतीत सुधार

चालू आर्थिक वर्षात सार्वजनिक क्षेत्रातील बँकांच्या वित्तीय स्थितीत विविध अंगाने लक्षणीय सुधारणा झाली असल्याचे दिसून येते. उच्च दोन अंकी स्तरावर बुडीत कर्जाचे प्रमाण गेलेल्या 'यूको बँके'ची गेल्या महिन्यांत रिझर्व्ह बँकेने तात्काळ सुधारात्मक कृती (पीसीए) निर्बंधांमधून मोकळीक केली. विविध मापदंडांमध्ये सुधारणांसह, बँकेने किमान भांडवली पूर्ततेच्या निकषांचे पालन करण्याच्या कालबद्ध कार्यक्रमाच्या लेखी अभिवचनानंतर मध्यवर्ती बँकेने हे पाऊल टाकले. त्या आधी इंडियन ओव्हरसीज बँकेलाही निर्बंधमुक्त करण्यात आले आहे. या व्यतिरिक्त, सेंट्रल बँक ऑफ इंडिया ही सध्या 'पीसीए' निर्बंधांखाली असणारी एकमेव बँक असून, दोन वर्षांपूर्वीपर्यंत अशा बँकांचे प्रमाण अर्धा डझनाहून अधिक होते.

गुंतवणूकदारांना ८.४७ लाख कोटींचा फटका

सलग तिसऱ्या घसरणीत 'सेन्सेक्स'चे ८४२ अंश नुकसान

लोकसत्ता व्यापार प्रतिनिधी



मुंबई : जागतिक बाजारातील नकारात्मक संकेत आणि सेन्सेक्समधील सर्वाधिक योगदान असणाऱ्या रिलायन्स इंडस्ट्रीज, इन्फोसिस आणि टीसीएस या समभागांतील विक्रीने भांडवली बाजारात गुरुवारी प्रमुख निर्देशांक सलग तिसऱ्या सत्रात गडगडले. बाजाराचे वाढलेले मूल्यांकन आणि कंपन्यांच्या निराशाजनक तिमाही वित्तीय कामगिरीने गुंतवणूकदारांच्या चिंतेत भर पडली.

सलग सात दिवस विक्रमी उच्चांक गाठणाऱ्या घोडदौडीनंतर, आता सलग तिसऱ्या दिवशी नफावसुलीमुळे बाजारातील घसरण वाढत गेली आहे. मुंबई शेअर बाजाराचा निर्देशांक - सेन्सेक्स ३३६.६३ अंशाच्या घसरणीसह ६०,९२३.५० पातळीवर बंद झाला. मागील तीन दिवसात सेन्सेक्सने सुमारे ८४२ अंश गमावले आहेत. तर गुंतवणूकदारांची कमाईला ८,४७,३९७ कोटी रुपयांना कात्री लागली आहे.

गुरुवारच्या व्यवहारात राष्ट्रीय शेअर बाजाराचा निर्देशांक - निफ्टीमध्ये ८८.५ अंशाची घसरण झाली. तो दिवसअखेर १८,१७८.१० पातळीवर स्थिरावला.

सेन्सेक्समध्ये एशियन पेंट्सच्या समभागाने ५ टक्क्यांच्या घसरणीसह निराशाजनक कामगिरी केली. त्यापाठोपाठ रिलायन्स इंडस्ट्रीज, इन्फोसिस, टाटा स्टील, टीसीएस आणि डॉ. रेड्डीजचे समभाग घसरणीसह बंद झाले. दुसरीकडे, कोटक बँक, एचडीएफसी, आयसीआयसीआय बँक आणि एनटीपीसीच्या समभागांची कामगिरी सरस ठरली. सेन्सेक्समधील आघाडीच्या ३० कंपन्यांपैकी २१ कंपन्यांचे समभाग घसरणीसह बंद झाले. सेन्सेक्समध्ये क्षेत्रीय पातळीवर माहिती-तंत्रज्ञान, धातू, दूरसंचार, ऊर्जा, गृहनिर्माण आणि प्राथमिक वस्तूंच्या निर्देशांकात २.३० टक्क्यांपर्यंत घसरण झाली. तर बँकेक्स, वित्त, वाहननिर्मिती निर्देशांक सकारात्मक राहिले.

आनंद राठीचे मुख्य समभाग संशोधक नरेंद्र सोळंकी म्हणाले, सकाळच्या सत्रात भांडवली बाजाराची सकारात्मक सुरुवात झाली. मात्र दुपारच्या सत्रात आशियाई बाजारातील घसरणीचा परिणाम झाल्याने बाजारात घसरण झाली.

'पुणे पीपल्स'च्या अध्यक्षपदी सुभाष मोहिते

पुणे : पुणे पीपल्स को-ऑप. बँकेच्या शनिवारी (१६ ऑक्टोबर) झालेल्या संचालक मंडळाच्या सभेत २०२१-२२ साठी बँकेच्या अध्यक्षपदी सुभाष मोहिते आणि उपाध्यक्षपदी सुभाष गांधी यांची निवड केली आहे. मोहिते हे पुणे जिल्हा नागरी सहकारी बँक्स असोसिएशनचे अध्यक्ष आहेत, तर गांधी हे शहरातील प्रतिष्ठित व्यापारी आहेत. पुणे पीपल्स बँकेने सरलेल्या आर्थिक वर्षात १५.२२ कोटी रुपयांचा निव्वळ नफ्याची नोंद करीत, २०१९ कोटी रुपये व्यवसायाचा टप्पा गाठला आहे. बँकेने १२ टक्के लाभांशाची शिफारस केली आहे.

'महाबँके'ला तिमाहीत २६४ कोटींचा नफा

लोकसत्ता व्यापार प्रतिनिधी

मुंबई : बँक ऑफ महाराष्ट्रने (महाबँक) जुलै-सप्टेंबर २०२१ तिमाहीत २६४ कोटी रुपयांचा निव्वळ नफा कमावला आहे. गेल्या वर्षी याच तिमाहीअखेर असलेल्या नफ्याच्या तुलनेत यंदाची वाढ ही तब्बल १०२.७१ टक्के अधिक आहे. महाबँकेचे व्यवस्थापकीय संचालक आणि मुख्य कार्यकारी अधिकारी ए. एस. राजीव यांनी सप्टेंबर तिमाहीचे निकाल गुरुवारी जाहीर केले.

पुण्यात मुख्यालय असलेल्या या बँकेने करोनामुळे एकूण अर्थव्यवस्थेची स्थिती बँकिंग व्यवसायाच्या दृष्टीने खडतर असताना, नफाक्षमतेच्या सर्व निकषांवर उठून दिसेल अशी कामगिरी केली आहे. महाबँकेचे एकूण उत्पन्न तिमाहीत ३,७००.४४ कोटी रुपयांवर गेले आहे, जे मागील वर्षी याच तिमाहीत ३,२७०.०७ कोटी होते. बँकेकडून वितरित एकूण कर्जाच्या तुलनेत बुडीत कर्जाचे प्रमाण (ग्रॉस एनपीए) सप्टेंबर २०२० मधील ८.८१ (९,१०५.४४ कोटी रुपये) टक्क्यांवरून, यंदा सप्टेंबरअखेर ५.५६ (६,४०३.१७ कोटी रुपये) टक्क्यांपर्यंत घटले आहे. नक्त एनपीएचे प्रमाणही ३.३० (३,२१९.९० कोटी रुपये) टक्क्यांवरून १.७३ (१,९१०.३१ कोटी रुपये) टक्क्यांपर्यंत कमी झाले आहे.

बँकेने सप्टेंबरअखेर सहामाहीत ४७२ कोटींचा नफा मिळविला आहे. गेल्या वर्षीच्या याच सहामाहीत बँकेने २३१ कोटींच्या नफ्याची नोंद केली होती. बँकेचा एकूण व्यवसाय २,९६,८०८ कोटी रुपये झाला आहे. बँकेचा कार्यान्वयन नफा ४०.२२ टक्के वाढला असून, गतवर्षाच्या ७५६ कोटी रुपयांच्या तुलनेत यंदा तो १,०६१ कोटी रुपये नोंदला गेला आहे.