

Banks should have stronger overview on NBFC borrowers' lending practices: SBI MD

PTI ■ MUMBAI

Banks need to be given "stronger overview" on the lending practices followed by non-bank lenders who borrow from them, a senior official from SBI has said.

Non-bank finance companies and microfinance institutions should follow the same risk underwriting and credit monitoring principles as followed by the larger banks from whom they borrow money, C S Setty, a managing director at the country's largest lender, said.

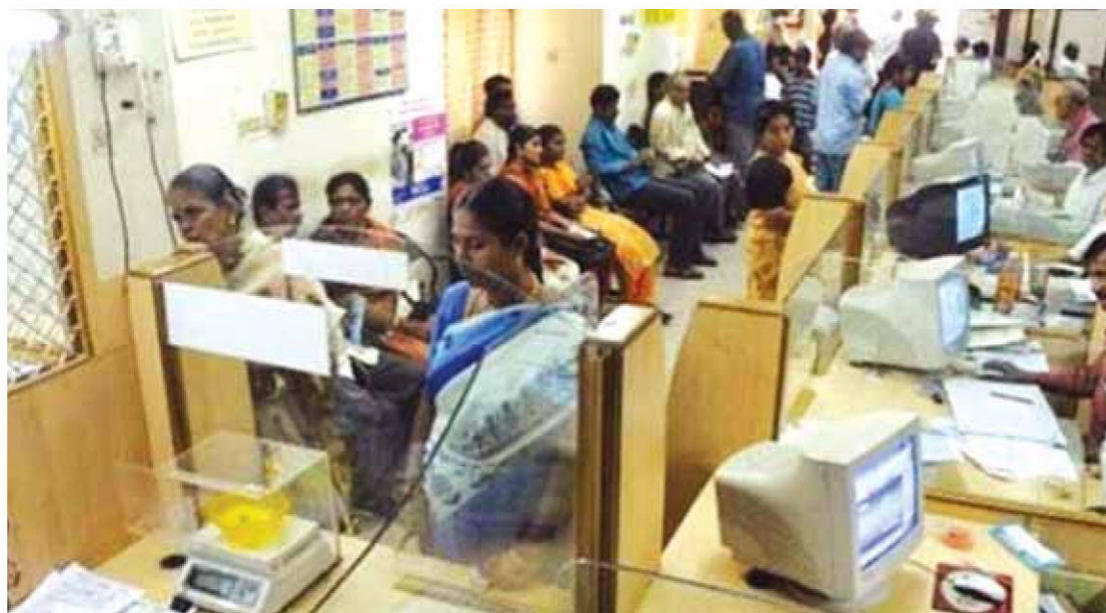
It can be noted that banks lend to such non-bank lenders and also have onlending arrangements, wherein the NBFC or MFI will assess a borrower and utilise its distribution and collection expertise to make a loan.

"The banks should have a stronger overview on lending practices of borrowers from the non-banking lenders," Setty said, emphasizing that the non-bank lenders should follow the same risk underwriting and credit monitoring principles as it is followed by larger banks from whom they borrow.

He added that banks need to be "mindful of aggregate risk of the incipient stress if any" because a good proportion of banks' lending comprises loans to NBFCs and MFIs.

A banker's job is to assess the risk, mitigate it and price it, Setty said, adding that in the last five or six years, NBFCs have taken a lot of loans. He also made it clear that bank lending to such entities should not be seen as one to the financial sector, because ultimately it reaches the real sector of the economy.

"If you take MFIs, what are the governance standards which they are fol-



lowing? And NBFCs, what is the assessment and the quality of standards which they are applying while underwriting. These two have an aggregate risk impact on the banking sector because we are the largest lender to both the NBFCs and the MFI sectors," he said.

Setty also said that SBI is not aggressively looking at increasing the 65,000 business correspondent network, but is focusing on enabling them technologically to deliver more banking products.

He also added that the bank is focusing on unbanked rural areas, urban and metros for expanding the network.

Have commenced dispensing CNG and PNG connections to households: IndianOil

Coimbatore, May 13 (PTI) State-owned IndianOil commenced dispensing of CNG and PNG (piped natural gas) connections to residential units and the company has set a target of providing 1.50 crore connections across the country, a top official has said.

A CNG (compressed natural gas) cylinder testing unit, claimed to be the first-of-its-kind to be set up in Tamil Nadu by AIRVIO Technologies, was inaugurated by IndianOil Corporation Ltd Director-Pipelines S Nanaware near here.

CNG and PNG are almost 30 per cent cheaper than alternate fuels and considered "very safe," he said.

"It does not have any problem as compared with LPG and MS (motor spirit). This is very safe. In particular, households wherever they are using it as a fuel are safe. Because this is lighter than air and (even) if any leakage is there, it will go into the air without causing any harm to anybody and it is also cheaper," he told reporters.

Responding to a query, he said for IndianOil Corporation, the target is to provide 1.50 crore in the country with around nine lakh connections in Coimbatore. "But this (target) is not final. It may reduce or it may increase

also because it all depends on individuals," he said.

The plan was to lay the pipelines across the country except Jammu and Kashmir and the northeast.

"Even in Jammu and Kashmir, a plan is there, but it is difficult to lay pipeline in (such a) terrain. It is entirely in hilly area. But government is trying for that (to lay pipeline) and already have initiated EoI (expression of interest)," he said.

Observing that the Centre was trying to increase the sale of gas in their 'fuel basket' from the present 6.5 per cent to 15 per cent by 2030, he said: "Almost 98 per cent of the population of this country is being targeted for CNG and PNG connections."

The supply of LPG to serve domestic consumption was met by importing it while whatever LPG and CNG gas required was available within the country itself, he said.

He pointed out that with the Centre's plan of achieving net zero emissions by 2070, use of crude oil would be reduced gradually from 2040 onwards and by 2070 it would be hardly be 10 per cent and natural gas consumption would increase to 15 per cent from the current 6.5 per cent.

Replying to a query about apprehensions raised by a section of farmers over laying pipelines in agricultural land, the senior official said: "IndianOil is the only company to lay the pipelines and it was taking the farmers on board. Once they (farmers) give their consent, we (will) lay the pipelines...As of now, we have laid almost 3,000 kilometres of pipeline in Tamil Nadu."

HPCL reports standalone PAT of ₹3,223 cr in Jan-Mar 2023

Hindustan Petroleum Corporation Limited (HPCL) has reported a Nine Year High Quarterly Standalone Profit after Tax (PAT) of Rs 3,223 crore during Jan-Mar 2023 as compared to Standalone.

Profit after Tax of Rs 1,795 crore during the corresponding period of previous year, an increase of 80%. The Consolidated PAT during this period was Rs 3,608 crore as compared to Consolidated PAT of Rs 2,018 crore during the corresponding period of previous year. HPCL has reported Revenue from operations of Rs 1,14,445 crore for the period Jan-Mar 2023 registering growth of 8.7% over the corresponding period of previous year (Rs 1,05,288 crore).



Indian Oil director (refineries) Sukla Mistry presents built-up cabin truck to Zoological Park

Sukla Mistry, Director (Refineries), Indian Oil, presented a built-up cabin truck to National Zoological Park, Delhi under CSR, which will support in enhancing nutrition management of wild animals housed at the Delhi Zoo.

The built-up cabin truck will be primarily used for food distribution, animal translocation programme by the authorities. She also appreciated the relentless efforts of the officials and staff of National Zoological Park, playing a pivotal role in the upkeep of the zoo, while safeguarding the wildlife with immense care; affection. Ms Mistry was joined by Dr. San-



jay Kumar Shukla, Member Secretary, Central Zoo Authority, who appreciated the efforts taken by Indian Oil Corporation for promoting work for wildlife conservation, especially for animals through its CSR activities.





CRUDE WATCH

OIL FALLS ON STRONGER DOLLAR

Tokyo: Oil prices settled more than 1% lower on Friday, falling for the third consecutive week, as the market balanced supply fears against renewed economic concerns in the US and China. **REUTERS**



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<https://epaper.indian>



Recovery not sustaining

CRUDE CHECK. Struggles to breach ₹6,000-level

Akhil Nallamuthu

bl. research bureau

Crude oil saw its prices fall on the back of the persisting demand concerns. The Brent crude futures on the Intercontinental Exchange (ICE) declined 1.2 per cent as it closed the week at \$74.2 a barrel. Likewise, the MCX crude oil futures (June contract) fell 1 per cent for the week, as it ended at ₹5,805 per barrel.

While the demand continues to be a worrying factor, there was an unexpected increase in the inventory in the US. That weighed on the prices. Latest data by the Energy Information Administration (EIA) showed that the crude oil stocks in the US went up by 3 million barrels as against the market expectation of a drop by 2 million barrels.

MCX-CRUDE OIL (₹5,805)

The June futures of crude oil rallied in the first half of last week and marked an intra-week high of ₹6,075 on Tuesday. But after trading above ₹6,000 briefly, the contract declined and ended the week at ₹5,805. The recent trend has been bearish and thus, the likelihood of further fall from the current level looks high.

The nearest supports can be spotted at ₹5,500 and ₹5,000.



Note that ₹5,500 is a substantial support and we expect this level to arrest the fall unless some significant developments impact the prices. So, going ahead, we might see a drop to ₹5,500 and then a recovery to ₹6,000. If ₹6,000 is breached, the upside might extend to ₹6,250 or even to ₹6,500.

On the other hand, if ₹5,500 is taken out, we might see a quick drop to ₹5,000. A breach of this support can trigger a deeper fall, possibly to ₹4,600.

Trade strategy: The probability of a fall looks high. But the risk-reward ratio is unfavourable for fresh shorts. So, refrain from trading crude oil.

On a fall to ₹5,500, the risk-reward will turn favourable for the bulls. So, go long if the contract dips to ₹5,500. Place stop-loss at ₹5,200. Exit when the price recovers to ₹6,000.

इंडियन आयल ने की घरों में सीएनजी और पीएनजी कनेक्शन देने की शुरुआत

कोयंबटूर, प्रेद्र: सार्वजनिक क्षेत्र की तेल वितरण कंपनी इंडियन आयल ने आवासीय इकाइयों यानी घरों में सीएनजी और पीएनजी कनेक्शन की शुरुआत कर दी है। कंपनी ने पूरे देश में 1.50 करोड़ कनेक्शन देने का लक्ष्य रखा है।

तमिलनाडु में सीएनजी सिलेंडर परीक्षण इकाई के उद्घाटन पर इंडियन आयल के निदेशक-पाइपलाइंस एस नरवणे ने कहा कि सीएनजी और पीएनजी वैकल्पिक ईंधन के मुकाबले करीब 30 प्रतिशत सस्ती होती हैं और इनको बहुत सुरक्षित माना जाता है। उन्होंने कहा कि यह हवा से भी हल्की होती हैं। घरों में इस्तेमाल के दौरान अगर इनमें कोई रिसाव होता है तो यह बिना कोई नुकसान पहुंचाए हवा में घुल जाती हैं। उन्होंने कहा कि 1.50 करोड़ कनेक्शन देने का लक्ष्य अंतिम नहीं है और इसे घटाया या बढ़ाया जा सकता है।

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इंडियन ऑयल ने सीएनजी, पीएनजी कनेक्शन का घरेलू वितरण शुरू किया

एजेंसी ■ कोयंबटूर

सरकारी उद्यम इंडियन ऑयल ने सीएनजी (संपीड़ित प्राकृतिक गैस) एवं पीएनजी (पाइप वाली प्राकृतिक गैस) कनेक्शनों का आवासीय इकाइयों में वितरण शुरू कर दिया है। एक वरिष्ठ अधिकारी ने बताया कि कंपनी ने देशभर में 1.50 करोड़ कनेक्शन उपलब्ध कराने का लक्ष्य तय किया है। इंडियन ऑयल कॉर्पोरेशन लिमिटेड के निदेशक (पाइपलाइन्स) एस नरवणे ने एयरवायो टेक्नोलॉजीज द्वारा कोयंबटूर के नजदीक स्थापित होने वाली सीएनजी सिलेंडर परीक्षण इकाई का उद्घाटन किया। यह अपनी श्रेणी की



पहली इकाई बताई जा रही है। इस मौके पर उन्होंने कहा, सीएनजी और पीएनजी अन्य वैकल्पिक ईंधनों की तुलना में लगभग 30 प्रतिशत किफायती होते हैं और बहुत सुरक्षित माने जाते हैं।