

Syndicate Bank posts Rs. 119-cr loss on higher deferred tax provision

Our Bureau

1

Income Tax Calculator

2

Refund Anticipation Loans

3

Personalized Expert Tax Advice

Bengaluru, January 28:

Syndicate Bank reported a net loss of Rs. 119 crore for the third quarter of the current fiscal on account of higher provisioning towards deferred tax.

For the same quarter last year, Syndicate Bank had posted a net profit of Rs. 305 crore. The loss is a first for the bank in more than a decade.

In December, the RBI, after reviewing the asset quality across the banking sector, mandated banks to recognise visibly stressed assets as non-performing assets (NPAs).

“As advised by the RBI, the bank has decided to recognise deferred tax liability in respect of the difference in valuation of held-to-maturity securities between accounting income and taxable income,” the company said.

More provisioning

Further, Syndicate Bank has estimated and provided Rs. 423.18 crore for this during the nine months ended December 2015. Also, the bank made provisioning and contingencies of Rs. 875.23 crore, against Rs. 290.41 crore in the same period last year.

The bank's stock ended 5.1 per cent lower, at Rs. 70, on the BSE on Thursday.

Total income in the quarter came in at Rs. 6,188.25 crore, a 4.5 per cent increase over the Rs. 5,921 crore it posted in the year-ago period.

The bank's gross non-performing assets (NPAs) rose to 4.61 per cent of gross advances in the third quarter, from 3.6 per cent in the year-ago period.

Net NPAs up

Net NPAs were at 3.04 per cent of the net advances for the quarter, up from 2.38 per cent in the same period last year. Net interest margin (NIM) rose to 2.32 per cent from 2.25 per cent in the year-ago period.

Another positive for the bank in the quarter was the increase in savings deposits, which went up 11 per cent to Rs. 49,380 crore (Rs. 44,524 crore in the same period last year).

CASA deposits also went up 9 per cent on a year-on-year basis to Rs. 68,036 crore from Rs. 62,445 crore.

(This article was published in the Business Line print edition dated January 29, 2016)

MORE FROM BUSINESS LINE

Cash crunch echo: brace for poor hikes, even pay cuts

Ban anonymous donations above ₹2,000 to parties: EC Tatas line up big guns in 'war room'

