



**THE INSTITUTE OF
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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

February 1, 2022

- **PNB launches co-branded credit card with Patanjali in partnership with RuPay:** Punjab National Bank (PNB), and Patanjali Ayurved Limited (PAL) have launched co-branded credit cards in partnership with the National Payments Corporation of India (NPCI). The co-branded credit cards are offered on NPCI's RuPay Platform and is available in two variants – PNB RuPay Platinum and PNB RuPay Select.
<https://www.livemint.com/industry/banking/pnb-launches-co-branded-credit-card-with-patanjali-in-partnership-with-rupay-11643640865769.html>
- **UCO Bank Q3 net profit rises 775% at Rs 310.4 crore:** The net profit of UCO Bank during the third quarter (Q3) of the current fiscal increased 775 per cent at Rs 310.4 crore against Rs 35.44 crore in the previous similar period, an official of the lender said on Monday. The operating profit of the PSU bank is Rs 1340 crore in the third quarter, registering a rise of 21.9 per cent year-on-year (Y-o-Y), MD & CEO of UCO Bank Soma Sankara Prasad told a virtual press conference. The net interest income of the bank during the quarter registered a rise of 25.26 per cent y-o-y at Rs 1762.6 crore.
<https://www.financialexpress.com/industry/banking-finance/uco-bank-q3-net-profit-rises-775-at-rs-310-4-crore/2421446/>
- **KVB's Q3 net at ₹185 crore; Highest in the last 18 quarters:** Karur Vysya Bank has reported a significant rise in its net profit at ₹185 crore for the December 2021 quarter as compared to ₹35 crore in the year-ago quarter. The old private sector bank's Q3 profit was its highest-ever quarterly profit in the last 18 quarters. The operating profit of the bank increased to ₹402 crore from ₹269 crore in a year-ago period. Net interest income grew by 18 per cent at ₹687 crore (₹584 crore in the year-ago quarter). Non-interest income for the December quarter (i.e. excluding treasury profit) improved marginally to ₹209 crore (₹197 crore). The net interest margin was at 3.68 per cent. Operating expenses were lower at ₹481 crore (₹578 crore). Total expenses stood at ₹1,198.53 crore as compared to ₹1,344.89 crore. Gross NPA declined to 6.97 per cent during the quarter as compared to 7.37 per cent a year ago. GNPA stood at 7.85 per cent (₹4,143 crore) as of March 31, 2021. Net NPA was maintained at 2.55 per cent as of December 31, 2021.
<https://www.thehindubusinessline.com/money-and-banking/kvbs-q3-net-at-185-crore-highest-in-the-last-18-quarters/article64959698.ece>
- **Economic Survey: UPI is single largest retail payment system in the country:** The large-scale adoption of Unified Payment Interface (UPI) for making payments has resulted in it becoming the single largest retail payment system in the country in terms of volume of transactions, the economic survey of 2021-22 noted. "Financial transactions have been seeing high growth over the last few years with multiple avenues for making digital payments which are growing over time. Unified Payments Interface (UPI) is currently the single largest retail payment system in the country in terms of volume of transactions, indicating its wide acceptance", the government's annual pre-budget survey said.
https://www.business-standard.com/budget/article/economic-survey-upi-is-single-largest-retail-payment-system-in-the-country-122013100968_1.html



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- **Private sector banks less than generous in transmitting rate cut: Economic Survey:** The government laments that private sector banks were less than generous in transmitting the lower borrowing costs compared with their state-owned peers while they made record profits which was higher than state lenders despite having just a third of the market share. "The transmission has been slightly higher in public sector banks than private sector banks in the overall current monetary easing cycle, though it was higher for private banks in April-November 2021," according to the Economic Survey for 2021-22.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/private-sector-banks-less-than-generous-in-transmitting-rate-cut-economic-survey/articleshow/89244758.cms>
- **Over Rs 1,500 crore paid by DICGC to 1.2 lakh depositors of defaulting banks:** Over Rs 1,500 crore has been paid to more than 1.2 lakh depositors of defaulting banks under the Deposit Insurance and Credit Guarantee Corporation (DICGC), since it came into existence in 1961, as per the Economic Survey 2021-22 tabled in Parliament on Monday. The deposit insurance coverage that began with Rs 1,500 in 1961, was raised gradually to Rs 1 lakh in 1993. The amount remained static thereafter till 2020. After the announcement in the Union budget 2020-21, the deposit insurance cover was increased from Rs 1 lakh to Rs 5 lakh per depositor per bank.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/over-rs-1500-crore-paid-by-dicgc-to-1-2-lakh-depositors-of-defaulting-banks/articleshow/89248619.cms>
- **Banks weathered pandemic shock, says Economic Survey:** The commercial banking system has so far weathered the pandemic shock even if there are some looming impacts, said the 2022 Economic Survey tabled in Parliament on Monday. According to the survey, the gross non-performing advances ratio of Scheduled Commercial Banks (SCBs) continued to decline from 11.2 per cent in 2017-18 to 6.9 per cent by September 2021. Moreover, the SCBs witnessed net Non-Performing advances ratio declined from 6 per cent to 2.2 per cent during the same period. The survey further said, "accommodative money policy, along with other regulatory dispensations, asset classification standstill, temporary moratorium and provision of adequate liquidity was put in place in order to provide a safety net to the system." "Liquidity has been down partly but remains in surplus mode and regulatory measures have been realigned," read the survey.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-weathered-pandemic-shock-says-economic-survey/articleshow/89247482.cms>
- **I-T cell calls on foreign bank account holders; notices, summons issued in past 10 days to marked persons:** Indians who were once spotted with secret foreign bank accounts are in for the long haul, with the past returning to haunt them just when they believed their run-ins with the taxman were over for good. Several individuals - including those who were investigated, re-assessed and taxed - have been asked by the Foreign Assets Investigation Unit (FAIU) to share details of offshore bank accounts since 2001, residency status for the past two decades, passport copies and names of overseas service providers. Overseas service providers are professional outfits setting up tax haven vehicles and trusts to hold the funds. FAIU is a newly-formed wing under the Income Tax (I-T) Department. The notices and summons were issued during the past 10 days by FAIU cells in the Air India and Scindia House offices of the I-T Department in Mumbai, three persons told ET.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/i-t-cell-calls-on-foreign-bank-account-holders-notices-summons-issued-in-past-10-days-to-marked-persons/articleshow/89233303.cms>
- **IDBI selloff: Potential investors want Rs 34kcr NPAs given to bad bank:** Potential strategic investors in IDBI Bank want the government to transfer some of the lender's non-performing assets (NPAs) of over Rs 34,000 crore to the new bad bank and also allow investors to form consortiums to bid for the bank. These suggestions have been made in the investor feedback sought by KPMG, the transaction advisor for the IDBI Bank strategic sale, according to officials with knowledge of the matter. IDBI Bank had a market capitalisation of over Rs 52,000 crore at Friday's closing price of Rs 48.55 on the BSE.



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<https://economictimes.indiatimes.com/industry/banking/finance/banking/idbi-selloff-potential-investors-want-rs-34kcr-npas-given-to-bad-bank/articleshow/89234148.cms>

- **Former directors of Cox & Kings under Mumbai Police scanner:** The role of the erstwhile directors of the now-insolvent Cox & Kings (India) is under the scanner of the Mumbai police, which is probing the bankrupt travel and tour group for allegedly defrauding banks and other financial institutions. The city police had earlier arrested the promoter, Ajay Ajit Peter Kerkar, and former chief financial officer Anil Khandelwal, who are now in jail in the case. People in the know said the police have found certain instances of "omission and commission" by the former directors that allegedly facilitated the arrested promoter to siphon off funds through subsidiaries and even park the money in offshore firms.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/former-directors-of-cox-kings-under-mumbai-police-scanner/articleshow/89234980.cms>
- **After hike in limit, over 50% of bank deposits now insured: Economic survey:** Since the increase in limit of deposit insurance to Rs 5 lakh, the number of insured accounts stands at 98% while the global benchmark is 80%, Economic Survey highlighted. In terms of amount, the total insured deposits (Rs 76.2 lakh crore) as at end-March 2021 constituted 50.9 per cent (up from about 30 per cent under Rs 1 lakh cover) of the total assessable deposits (Rs 149.7 lakh crore) as against the international benchmark of 20-30 per cent, stated the survey. The deposit insurance premium is compulsory for all insured banks and is paid by banks to DICGC and is not recovered from the depositors.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/after-hike-in-limit-over-50-of-bank-deposits-now-insured-economic-survey/articleshow/89244680.cms>
- **Bank NPAs down but restructured advances could pose problems: Economic survey:** Banks have weathered the pandemic better than expected with non performing assets (NPAs) lesser than prior to Covid and its resultant lockdowns, but restructured loans have also increased due to the various dispensations offered to support businesses as a result of which there could still be a lagged impact of distress on their assets as the economic impact plays out, the economic survey said. Both gross NPA ratio and net NPA ratio of banks has declined since 2018-19 with GNPA ratio down to 6.9% in September 2021 from 7.5% a year ago. However, the restructured advances ratio of banks has increased 1.5% from 0.4% during the same period. As a result the overall stressed advances ratio has increased to 8.5% in September 2021 from 7.9% in September 2020.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-npas-down-but-restructured-advances-could-pose-problems-economic-survey/articleshow/89246386.cms>
- **NPCI announces UPI safety and awareness week:** In a bid to create awareness amongst consumers, the National Payments Corporation of India (NPCI) and the UPI ecosystem have announced the UPI Safety and Awareness initiative. NPCI and the ecosystem comprising leading banks and fintech will observe February 1 to 7 as UPI Safety and Awareness Week, said a statement on Monday. Further, the whole month of February will be UPI Safety and Awareness Month. "Under this programme, NPCI urges all the customers to follow the concept of UPI Safety Shield, which the company has derived to educate customers all about UPI payments," NPCI further said. Dilip Asbe, MD and CEO, NPCI, said to onboard over 300 million UPI customers and processed a billion transactions a day on the platform. "We are confident that UPI Safety and Awareness initiative will make the customers ready to confidently tread into the unique ecosystem of digital payments and experience seamless digital transactions like never before," he said. The Reserve Bank of India, too, had recently urged customers to follow safe digital banking practices.
<https://www.thehindubusinessline.com/money-and-banking/npci-announces-upi-safety-and-awareness-week/article64959505.ece>



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- **LIC revises annuity rates for two plans:** Life Insurance Corporation of India has revised annuity rates for two of its plans from February 1, 2022. The two annuity plans are Jeevan Akshay VII (plan 857) and New Jeevan Shanti (Plan 858). “The modified version of these plans with revised annuity rates shall be available for sale from February 1, 2022,” LIC said in a statement on Monday. Further, LIC’s Jeevan Akshay VII (Plan no 857) can be purchased from the new distribution channel Common Public Service Centres (CPSC – SPV) along with other existing distribution channels, it further said.
<https://www.thehindubusinessline.com/money-and-banking/lic-revises-annuity-rates-for-two-plans/article64959840.ece>
- **Max Life enables UPI Autopay for premium payments:** Max Life Insurance has enabled the UPI Autopay facility for its customers. “Customers visiting the Max Life website for new purchases or renewal payments can now use the UPI payment option and set up standing instructions for future premiums through UPI Autopay,” it said in a statement on Monday. Manu Lavanya, Director and Chief Operations Officer, Max Life noted that the insurer has enabled simplified digital premium payment capability as a means of effective customer self-service over the past years.
<https://www.livemint.com/companies/news/max-life-enables-upi-autopay-for-seamless-premium-payments-11643686252435.html>
- **Govt converts G-Secs and oil bonds aggregating ₹1.20-lakh crore into securities maturing at a later date:** In the run-up to the Union Budget for FY23, the Government of India did a conversion transaction for Government Securities (G-Secs) and Oil bonds with the Reserve Bank of India (RBI) on January 28, 2022 for ₹1,19,701 crore (Face Value), the central bank said. The transaction involved buying back securities maturing in FY 2022-23, FY 2023-24 and FY 2024-25 from the RBI and issuing fresh securities for equivalent market value, to make the transaction cash neutral. This is probably one of the biggest conversion transactions in recent times.
<https://www.thehindubusinessline.com/money-and-banking/govt-converts-g-secs-and-oil-bonds-aggregating-120-lakh-crore-into-g-secs-maturing-at-a-later-date/article64959062.ece>
- **Sensex up 814 points, Nifty ends above 17,300:** The BSE Sensex closed at 58,014.17, up 813.94 points or 1.42 per cent. It recorded an intraday high of 58,257.63 and a low of 57,746.15. The Nifty 50 closed at 17,339.85, up 237.90 points or 1.39 per cent. It recorded an intraday high of 17,410.00 and a low of 17,264.15. Tech Mahindra, Tata Motors, Wipro, BPCL, and Bajaj Finserv were the top gainers on the Nifty 50 while IndusInd Bank, Kotak Bank, Coal India, UPL and Hindustan Unilever were the top laggards.
<https://www.thehindubusinessline.com/markets/sensex-up-814-points-nifty-ends-above-17300/article64959467.ece>
- **Indian rupee gains 15 paise to 74.92 against US dollar in early trade:** The rupee appreciated 15 paise to 74.92 against the US dollar in opening trade on Monday, supported by the recovery in domestic equities. However, the surge in the rupee was restricted amid elevated crude oil prices and firm American currency. Meanwhile, Finance Minister Nirmala Sitharaman will present the Economic Survey 2021-22, later in the day. At the interbank foreign exchange, the rupee opened at 74.97 against the American dollar, then inched higher to quote 74.92, registering a rise of 15 paise from the last close.
<https://www.moneycontrol.com/news/business/markets/indian-rupee-gains-15-paise-to-74-92-against-us-dollar-in-early-trade-8007331.html>



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