



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

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- **RBI cautions public against undertaking fx transactions on unauthorised platforms:** The Reserve Bank of India (RBI) has cautioned the public not to undertake forex (foreign exchange) transactions on unauthorised Electronic Trading Platforms (ETPs) or remit/deposit money for such unauthorised transactions. The central bank warned that resident persons undertaking forex transactions for purposes other than those permitted under the FEMA (Foreign Exchange Management Act) or on ETPs not authorised by it shall render themselves liable for penal action under the Act. RBI said it has noticed misleading advertisements of unauthorised ETPs offering forex trading facilities to Indian residents, including on social media platforms, search engines, Over The Top (OTT) platforms, gaming apps and the like.
<https://www.thehindubusinessline.com/markets/rbi-cautions-public-against-undertaking-fx-transactions-on-unauthorised-platforms/article64965201.ece>
- **RBI cancels licence of Maharashtra-based Independence Co-operative Bank:** The Reserve Bank of India cancelled the licence of Nashik-based Independence Co-operative Bank Ltd and began the process for winding it up following the erosion of the bank's capital. The bank has stopped operation from the close of business on February 3, putting depositors of the bank in trouble. They would however receive up to Rs five lakh from Deposit Insurance and Credit Guarantee Corporation (DICGC), after the bank's liquidation. RBI has told the Commissioner for Cooperation and Registrar of Cooperative Societies in Maharashtra to issue an order for winding up the bank and appoint a liquidator.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-cancels-licence-of-maharashtra-based-independence-co-operative-bank/articleshow/89325924.cms>
- **RBI to conduct Rs 4 trillion rollover VRRR auction on Friday:** The Reserve Bank of India (RBI) will be conducting a 7-day variable rate reverse repo (VRRR) auction of Rs 4 trillion on Friday. This is a rollover of this week's three day and two day VRRR auctions, and is conducted as per the new liquidity framework of the RBI. Banks, meanwhile, are not participating in the auctions enthusiastically as the system liquidity is being steadily drained by the RBI. On Feb 1's Rs 4 trillion VRRR auctions for three days, banks parked just about half of the scheduled Rs 4 trillion. The next day, for a two day VRRR, banks parked Rs 1.2 trillion out of Rs 2 trillion proposed by the RBI.
https://www.business-standard.com/article/finance/rbi-to-conduct-rs-4-trillion-rollover-vrrr-auction-on-friday-122020301430_1.html
- **Union Bank of India to offer WhatsApp banking powered by Infosys Finacle:** Infosys Finacle and Union Bank of India on Thursday announced the availability of the latter's banking services on WhatsApp following implementation of Finacle Conversational Banking, Finacle Remote Banker, and Finacle Mobile Teller solutions. The new service from the bank, called Union Virtual Connect



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(UVConn), will give its retail customers personalized, daily banking services, at their preferred time, place, and in seven languages initially, it said. With Finacle, the bank has also transformed its branch banking experience, by optimizing branch and teller performance, minimizing queues, enabling relationship manager mobility, and improving operational efficiencies, the statement added.

<https://www.livemint.com/industry/banking/union-bank-of-india-to-offer-whatsapp-banking-powered-by-infosys-finacle-11643889915095.html>

- Bank of Baroda (BOB) customers from February 1 will have to comply with changes made to its cheque payments system. As per the changes, customers are requested to provide the bank advance intimation of high- value cheques issued to beneficiaries. "BOB Customers are requested to provide us advance intimation of cheques issued to the beneficiaries so that Bank at the time of presentment for payment in CTS clearing (as well as on counter) can pass the High Value cheques without any re-confirmation phone call by your base Branch," read an official notification issued by BOB.
<https://www.news18.com/news/business/savings-and-investments/cheque-rule-change-cheques-to-bounce-if-you-do-not-follow-this-new-rule-4728863.html>
- **LIC's embedded value set at over Rs 5 lakh crore: Govt official:** State-run Life Insurance Corporation of India's (LIC) embedded value has been finalised at more than Rs 5 trillion (\$66.82 billion), a government official who is overseeing what is expected to be the country's largest IPO said on Thursday. LIC is likely to sell its entire stake to IDBI Bank in 2022/23, the official told Reuters. Investors are eagerly waiting for the government to indicate LIC's embedded value - a measure of future cash flows in life insurance companies and the key financial gauge for insurers - when it releases the initial public offering (IPO) draft prospectus, expected in a matter of days. While there has been speculation about the number in Indian media - from as low as \$53 billion to as high as \$150 billion - this is the first time the government, which owns 100% of LIC, is commenting on the matter.
<https://economictimes.indiatimes.com/markets/ipos/fpos/lics-embedded-value-set-at-over-66-8-billion-govt-official/articleshow/89320613.cms>
- **IBBI plans to reduce timelines under voluntary liquidation process:** The Insolvency and Bankruptcy Board of India (IBBI) has proposed amendments to regulations governing the voluntary liquidation process to reduce timelines, including bringing down the period for preparation of list of stakeholders by the liquidator to 15 days. Besides, IBBI is looking to amend regulations related to compliance certificate under the voluntary liquidation process. In this regard, a discussion paper has been issued and comments have been sought from the stakeholders till February 22. "The proposed amendments by curtailing the unwarranted time spent on various activities aim to ensure early completion of voluntary liquidation process, thereby, provide quicker exit for the corporate person, release the idle resources faster, and put them into productive uses," IBBI said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/ibbi-plans-to-reduce-timelines-under-voluntary-liquidation-process/articleshow/89306478.cms>
- **LIC nominates MK Gupta on IDBI Bank board:** Life Insurance of Corporation of India (LIC) has nominated Mukesh Kumar Gupta, retired Managing Director of LIC, on the Board of IDBI Bank. Gupta's appointment comes in the wake of Rajesh Kandwal ceasing to be LIC Nominee Director with



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effect from February 2, 2022, as per an exchange filing by the Bank. As at December-end 2021, LIC and the Government had 49.24 per cent and 45.48 per cent stake, respectively, in IDBI Bank. LIC had acquired a majority stake in IDBI Bank in January 2019 and became its promoter with management control.

<https://www.thehindubusinessline.com/money-and-banking/lic-nominates-mk-gupta-on-the-board-of-idbi-bank/article64965716.ece>

- **LIC, Policybazaar join hands to accelerate insurance growth:** IPO-bound Life Insurance Corporation and recently listed Policybazaar.com, one of the largest insurance marketplaces, have joined hands to offer a wide range of term and investment products to consumers. The two companies formally initiated the Business on February 3. This landmark affiliation aims at facilitating seamless digital distribution of life insurance products across the nation. Commenting on the alliance, Sarbvir Singh, CEO, Policybazaar.com said in a statement : "With this alliance, our strategic objective is to expand our reach, especially in the smaller cities to ensure financial inclusion and social security. LIC has spearheaded the life insurance segment in the country and so this alliance will provide an amplified reach to people. We are delighted to partner with them and look forward to providing protection to people across age groups, demographics and locations."
<https://www.thehindubusinessline.com/money-and-banking/lic-policybazaar-join-hands-to-accelerate-insurance-growth/article64965574.ece>
- **Aditya Birla Capital Q3 consolidated net profit doubles to ₹577 crore:** Aditya Birla Capital's consolidated Q3 net profit doubled to ₹576.74 crore compared to ₹288.68 crore a year ago. "The reported consolidated profit after tax includes net gain of ₹161 crore from sale of about 1 per cent stake in the AMC business, through its IPO in October 2021," it said in a statement on Thursday. Total revenue from operations increased by 13.4 per cent to ₹5,705.33 crore as against ₹5,031.79 crore in the same period last fiscal.
<https://www.thehindubusinessline.com/money-and-banking/aditya-birla-capital-q3-consolidated-net-profit-doubles-to-577-crore/article64965371.ece>
- **Mahindra Finance aims to reduce its net NPA below 4% by March-end:** Non-banking financial company Mahindra and Mahindra Finance is aiming to reduce its net non-performing assets (NPA) ratio to below 4 per cent by March-end. In the quarter ended December 31, 2021, the company's net NPA (stage 3 assets), stood at 5.63 per cent (as per IND-AS accounting norms). Under the Reserve Bank of India's Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances (IRACP), released in November last year, its net NPA was at around 11 per cent in the third quarter of the current fiscal. Its Vice-Chairman and Managing Director Ramesh Iyer said the company is committed to reducing net NPAs to below 4 per cent under IND-AS and below 6 per cent under IRACP, by March-end.
https://www.business-standard.com/article/finance/mahindra-finance-aims-to-reduce-its-net-npa-below-4-by-march-end-122020301590_1.html



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- **Edelweiss General Insurance launches AI Voice Bot for motor claim registrations:** Edelweiss General Insurance (EGI), has launched an AI Voice Bot to enable its customers intimate insurance motor claims in a convenient and seamless manner. “This conversational AI Voice Bot, available in Hindi, English and Hinglish, will enable real time registration of claims, 24-7. It has been currently introduced for garage owners and will be offered to all customers as well in a month or two,” the general insurer said in a statement on Thursday. The end-to-end AI Voice Bot is powered by Yellow.ai.
<https://www.thehindubusinessline.com/money-and-banking/edelweiss-general-insurance-launches-ai-voice-bot-for-motor-claim-registration/article64964694.ece>
- **Hero Electric partners Axis Bank for retail financing:** Hero Electric has partnered with Axis Bank to offer retail financing solutions for its entire portfolio. Customers can opt for two-wheeler financing across Hero Electric’s network of over 750 dealers. Axis Bank will additionally offer customised loan amounts and flexible tenure for both customers and dealers, the two companies said in a statement on Thursday. Sohinder Gill, CEO, Hero Electric, said the company has seen an uptick in demand for EVs over the last few months.
<https://www.thehindubusinessline.com/money-and-banking/hero-electric-partners-axis-bank-for-retail-financing/article64965004.ece>
- **Kotak General Insurance ties up with CARS24:** Kotak Mahindra General Insurance has entered into a Corporate Agency agreement with CARS24 Financial Services. “Through this association, CARS24, as a Corporate Agent of Kotak General Insurance, will extend Motor insurance services to its consumers that will fully insure their vehicles with Kotak General Insurance’s comprehensive motor insurance plans,” the two companies said in a statement on Thursday.
<https://www.livemint.com/insurance/news/kotak-general-insurance-partners-cars24-to-offer-motor-insurance-11643881758469.html>
- **HSBC Insurance (Asia Pacific) Holdings Ltd (INAH), one of the shareholders in Canara HSBC OBC Life Insurance Co Ltd (CHOICE), has expressed its intention to acquire Punjab National Bank’s stake in the life insurance company.** PNB currently hold 23% stake in CHOICE. “The bank has received a communication from HSBC Insurance (Asia Pacific) Holdings Ltd (INAH), one of the shareholders of the Co, conveying its intention to acquire Bank’s stake in the Co,” PNB said in a regulatory filing with the exchanges.
<https://www.thehindubusinessline.com/money-and-banking/canara-hsbc-obc-life-hsbc-insurance-conveys-intent-to-acquire-pnbs-stake-in-life-insurer/article64964644.ece>
- **Digital payments through UPI kickstart 2022 on strong foot with transactions worth Rs 8.32 lakh crore in Jan:** UPI transactions kickstarted the new year 2022 on a strong note with the highest ever monthly value recorded at Rs 8.32 lakh crore in January. This is significantly higher than the monthly average of Rs 6.3 lakh crore in the trailing 12-month period, the data from country’s flagship payments processor NPCI showed. Higher transaction figures reflect faster adoption of digital mode of payments in the country, further solidifying the government’s push to make the economy paperless.
<https://www.financialexpress.com/industry/banking-finance/digital-payments-through-upi-kickstart-2022-on-strong-foot-with-transactions-worth-rs-8-32-lakh-crore-in-jan/2425088/>



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- **Exim Bank extends LOC of USD 500 mn to Sri Lanka:** Export-Import Bank of India (Exim Bank) Thursday said it has extended a line of credit of USD 500 million to Sri Lanka for financing the purchase of petroleum products. With the signing of the LOC agreement for USD 500 million, Exim Bank, to date, has extended 10 lines of credit to the Sri Lankan government on behalf of the Indian government, taking the total value of LOCs extended to USD 2.18 billion, a release said.
<https://www.financialexpress.com/industry/banking-finance/exim-bank-extends-loc-of-usd-500-mn-to-sri-lanka/2424898/>
- **Sensex down 770 pts at closing, Nifty below 17,600 :** The BSE Sensex closed at 58,788.02, down 770.31 points or 1.29 per cent. It recorded an intraday high of 59,557.87 and a low of 58,653.94. The Nifty 50 closed at 17,560.20, down 219.80 points or 1.24 per cent, near the day's low of 17,511.15. It recorded an intraday high of 17,781.15. Hero Motocorp, Bajaj Auto, Divi's Lab, Maruti and ITC were the top gainers on the Nifty 50 while HDFC, ONGC, SBI Life, Grasim and Infosys were the top laggards.
<https://www.thehindubusinessline.com/markets/sensex-down-770-pts-at-closing-nifty-below-17600/article64965045.ece>
- **Rupee slips 8 paise to 74.91 against US dollar in early trade:** The rupee declined 8 paise to 74.91 against the US dollar in opening trade on Thursday weighed down by the strength of the American currency and muted domestic equities. Forex traders said elevated crude oil prices also dragged down the local unit. At the interbank foreign exchange, the rupee opened at 74.84 against the US dollar, then slipped further to 74.91, registering a decline of 8 paise over the last close. The rupee on Wednesday had settled at 74.83 against the American currency.
<https://www.thehindu.com/business/markets/rupee-slips-8-paise-to-7491-against-us-dollar-in-early-trade/article38369330.ece>

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