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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

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- **SBI YONO leads neobanking club with 54 million monthly active users:** Neo banks — purely digital banks with no physical presence — are slowly catching the fancy of Indian consumers. Some of them are already making waves globally. With 54 million monthly active users (MAUs), SBI YONO has hit the number one slot in the global list of top neo banks across the globe with a growth of over 35 per cent in MAUs in 2021 according to latest data from App Annie. It's nearest rival Nubank (the largest financial tech company in Latin America which is valued at \$41 billion) is in the second spot. Unlike SBI which is a traditional bank which now has a digital offering, Nubank does not have any legacy of a bank. According to SBI's assessment, YONO is valued at around \$40 billion but analysts say that it would have surpassed or hit \$50 billion in 2021. The state-owned bank is planning to position YONO as a super app for an entire range of financial services.
[https://www.business-standard.com/article/finance/sbi-yono-leads-neobanking-club-with-54-million-monthly-active-users-122020800008_1.html#:~:text=With%2054%20million%20monthly%20active%20users%20\(MAUs\)%2C%20SBI%20YONO,latest%20data%20from%20App%20Annie.](https://www.business-standard.com/article/finance/sbi-yono-leads-neobanking-club-with-54-million-monthly-active-users-122020800008_1.html#:~:text=With%2054%20million%20monthly%20active%20users%20(MAUs)%2C%20SBI%20YONO,latest%20data%20from%20App%20Annie.)
- **RBI begins three-day monetary policy meet to decide on key rates:** The Reserve Bank's rate-setting panel began its three-day deliberations on Tuesday to decide the next monetary policy in the backdrop of Budget 2022-23, inflationary concerns and evolving geo-political situation. Reserve Bank Governor Shaktikanta Das headed six-member Monetary Policy Committee (MPC) is scheduled to announce the policy resolution on Thursday. The meeting was to start on Monday but it was postponed by a day in view of Maharashtra declaring public holiday on February 7 to mourn the death of legendary singer Lata Mangeshkar. It is widely anticipated that the MPC is likely to maintain the status quo on the benchmark interest rate or repo rate. Experts, however, are of the opinion that the MPC may change the policy stance from 'accommodative' to 'neutral' and tinker with the reverse-repo rate as part of the liquidity normalisation process.
<https://www.livemint.com/companies/news/rbi-begins-three-day-monetary-policy-meeting-to-decide-on-key-rates-11644324864446.html>
- **Govt recapitalised PSBs with Rs 3.10 lakh crore capital infusion over last five years: Minister** : The government has recapitalised public sector banks (PSBs) by infusing over Rs 3.10 lakh crore in the last five fiscals, a majority of which was through issuance of recapitalisation bonds, Parliament was informed on Monday. "Government has infused Rs 3,10,997 crore to



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recapitalise banks during the last five financial years i.e., from 2016-17 to 2020-21, out of which Rs 34,997 crore were sourced through budgetary allocation and Rs 2,76,000 crore through issuance of recapitalisation bonds to these banks," Minister of State for Finance Bhagwat Karad said in a written reply in the Lok Sabha. He was responding to a host of questions asked by Congress party's Member of Parliament Manish Tewari. Asked whether heavy haircuts were doled out to large companies such as Essar, DHFL and Videocon, costing the banking sector thousands of crores, Karad said as per data from the Ministry of Corporate Affairs (MCA), as on December 31, 2021, 43 large corporate debtors, each with total admitted claims of Rs 2,500 crore and above, were resolved through the market driven corporate insolvency resolution process (CIRP) under the Insolvency and Bankruptcy Code, 2016. "These corporate debtors (CD) owed a total of Rs 5.44 lakh crore to financial creditors while their liquidation value was Rs 1.06 lakh crore.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/govt-recapitalised-psbs-with-rs-3-10-lakh-crore-capital-infusion-over-last-five-years-minister/articleshow/89412699.cms>

- **Banks' gross bad loans decline to Rs 8 lakh crore as of September: Karad:** The gross bad loans of the banks have declined to a little over Rs 8 lakh crore by end of the September 2021 quarter from over Rs 9.33 lakh crore at the end of March 2019, the government informed in Parliament on Monday. Of this, the share of public sector banks (PSBs) in bad loans proportion has also declined 72 per cent against nearly 80 per cent. Citing Reserve Bank of India's (RBI) data on global operations of scheduled commercial banks, Minister of State for Finance Bhagwat Karad in a reply to the Lok Sabha said the banks' gross non-performing assets (GNPAs) have declined from Rs 9,33,779 crore (GNPA ratio of 9.07 per cent) as on March 31, 2019, to Rs 8,00,463 crore (6.93 per cent) as of September 30, 2021.

<https://www.moneycontrol.com/news/business/economy/banks-gross-bad-loans-decline-to-rs-8-lakh-crore-as-of-september-mos-finance-bhagwat-karad-8053591.html>

- **RBI extends restrictions on Karnataka's Millath Co-Operative Bank till May :** The Reserve Bank on Tuesday extended the restrictions on Millath Co-Operative Bank, Devangere (Karnataka), by another three months till May 7, 2022. As per the directions issued first on May 10, 2019, withdrawals were capped at Rs 1,000 from any account. The directions have been periodically extended till now. In a press statement on Tuesday, the RBI said other terms and conditions of the directives will remain unchanged during the latest three-month extension. The directions also include no new loans, new investments or taking on any new liabilities, including borrowing of funds or paying any other liabilities, sans RBI approval.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-extends-restrictions-on-karnatakas-millath-co-operative-bank-till-may/articleshow/89425483.cms>



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- **Bank fraud complaints rise to 1.45 lakh in FY21:** Fraud complaints registered by the RBI under the various Ombudsman schemes in different categories have risen to 1,45,309 in 2020-21 against 1,35,448 in FY20, Finance Minister Nirmala Sitharaman informed the Rajya Sabha on Tuesday. "RBI has informed that on comparing the complaints against ATM/Debit Cards, Credit Cards and Mobile/Electronic Banking during the period from 2019-20 to 2020-21, there is a decline of 13.01 per cent with regard to complaints in ATM/Debit Cards and there is an increase of 12.01 per cent and 52.99 per cent with regard to complaints in Mobile/Electronic Banking and Credit Card, respectively," she said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-fraud-complaints-rise-to-1-45-lakh-in-fy21/articleshow/89425948.cms>
- **Indian Bank declares loan account of UIL Hong Kong Ltd as fraud:** Indian Bank has declared a loan account of UIL Hong Kong Ltd as fraud for diversion of funds. The loan amount involved is Rs 45 crore. The bank has reported it to the Reserve Bank of India as per rules, it said Tuesday in a regulatory filing to stock exchanges. UIL Hong Kong Ltd, incorporated in Hong Kong and engaged in trading of ferrous and nonferrous metals, is a group company of Mumbai-based Ushdev International Ltd, which is currently facing corporate debt resolution under the bankruptcy court. The bank already declared the said account as non-performing and made full provision to cover the risk.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/indian-bank-declares-loan-account-of-uil-hong-kong-ltd-as-fraud/articleshow/89433384.cms>
- **Indian Bank net profit rises 34% to Rs 690 crore in Dec quarter:** Indian Bank posted a 34 per cent year-on-year (YoY) rise in net profit during the December quarter to Rs 690 crore, led by an improvement in asset quality. "A major reason for the rise in net profit was improvement in asset quality. Deposits and Casa ratio during the quarter also improved," said Shanti Lal Jain, the managing director and chief executive officer.
https://www.business-standard.com/article/finance/indian-bank-net-profit-rises-34-to-rs-690-crore-in-dec-quarter-122020800051_1.html
- **IDFC First Bank raises Rs 1,500 crore through private placement of Tier-2 bonds:** Private sector lender IDFC First Bank has raised ₹1,500 crore through private placement of Tier-2 bonds. Sudhanshu Jain, CFO and Head – Corporate Centre, IDFC First Bank said with the Tier-2 capital raise, the capital adequacy of the lender would be enhanced to 16.5 per cent. "We see strong credit demand in our business lines and such capital will help boost our overall growth prospects," he said in a statement on Tuesday. Life Insurance Corporation of India subscribed to more than 60 per cent of the issue size, the bank said.
<https://economictimes.indiatimes.com/markets/bonds/idfc-first-bank-raises-rs-1500-cr-in- maiden-tier-2-bond-issuance/articleshow/89437009.cms>



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- **YES Bank board’s capital raising committee to meet on Feb 11:** The capital raising committee of the board of YES Bank will meet on February 11 to consider a proposal to seek investor approval for early redemption of Basel II Tier 2 bonds. “...a meeting of the Capital Raising Committee of the board of the bank will be held on February 11 to consider and approve the proposal to seek an approval from investors for early redemption of certain Basel II compliant lower Tier 2 and Upper Tier 2 bond instruments and take such actions as may be required in connection therewith,” the private sector lender said in a stock exchange filing on Tuesday.
<https://www.thehindubusinessline.com/money-and-banking/yes-bank-boards-capital-raising-committee-to-meet-on-feb-11/article64997153.ece#:~:text=The%20capital%20raising%20committee%20of,Basel%20II%20Tier%20%20bonds.>
- **JM Financial Q3FY22 net up 4%:** JM Financial Ltd (JMFL) reported a 4 per cent year-on-year (y-o-y) increase in consolidated net profit at ₹261 crore in the third quarter ended December 31, 2020 against ₹250 crore in the year ago quarter. The Board of Directors have declared an interim dividend of ₹0.50 per share of ₹1 face value each.
<https://www.thehindubusinessline.com/money-and-banking/jm-financial-q3fy22-net-up-4/article64971340.ece>
- **Razorpay acquires Malaysian fintech start-up Curlec:** Fintech unicorn Razorpay has expanded into South-East Asia with the acquisition of a majority stake in a Malaysian fintech firm Curlec, valuing the company between \$19-20 million. Razorpay expects to complete the full acquisition in the next one-and-a-half years. The Kuala Lumpur-based, Curlec builds solutions for recurring payments for businesses. This marks Razorpay’s fourth acquisition overall and its first in the international markets. “This acquisition will allow us to quickly ramp up and start scaling in Southeast Asia as a market. Curlec have been powering recurring payments for multiple companies in the Malaysia market. With them as part of this team, we will have a local team that understands the nuances of the market in Malaysia and Southeast Asia at large,” said Harshil Mathur, CEO and Co-founder, Razorpay.
<https://www.thehindubusinessline.com/money-and-banking/razorpay-acquires-malaysian-fintech-start-up-curlec/article64996237.ece>
- **Policybazaar parent PB Fintech’s Q3 net loss widens to ₹297 crore:** PB Fintech — parent of online insurance and credit comparison platforms Policybazaar and Paisabazaar — has reported a consolidated net loss of ₹297 crore in the third quarter ended December 31, 2021. It had recorded a net loss of ₹19.12 crore in the same quarter last fiscal. For the second quarter ended September 30, 2021, the company had recorded a consolidated net loss of ₹205 crore. Revenue from operations for the quarter under review grew 73 per cent to ₹367 crore as compared to ₹212 crore for the same quarter in the previous fiscal, the company said in its filings with stock exchanges last night.



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<https://www.thehindubusinessline.com/money-and-banking/policybazaar-parent-pb-fintechs-q3-net-loss-widens-to-297-crore/article64996188.ece>

- **Nabard projects 12% growth in West Bengal PSL target** : Nabard has projected a credit target of ₹2.47 lakh crore for priority sector lending (PSL) in West Bengal during 2022-23. This is almost 12 per cent higher than the potential assessed during the year 2021-22 at ₹2.21 lakh crore. According to A R Khan, Chief General Manager of Nabard, West Bengal Regional Office, out of the total estimated credit potential of ₹2.47 lakh crore in the State for the next financial year under the priority sector, the share of agriculture sector including agri-infrastructure and ancillary activities is close to 39 per cent.
<https://www.thehindubusinessline.com/money-and-banking/nabard-projects-12-growth-in-west-bengal-psl-target/article64996561.ece>
- **UP Amendment: Bankers anxious about exposure to Bajaj Hindusthan’s power arm**: The amended UP Sugarcane (regulation of supply and purchase) Act, 1953, has caused consternation among bankers. The amendment has allowed the power utility of Uttar Pradesh to clear the dues it owes to Bajaj Hindusthan Sugar Ltd’s (BHSL) power arm by crediting the escrow accounts of BHSL’s 14 sugar plants in Uttar Pradesh. While this has ensured that the dues payable to farmers by BHSL for sugar cane purchases are cleared in the run up to the State elections, bankers say this “adjustment” goes against the principles of banking and finance. The dues are estimated to be about ₹1,000 crore.
<https://www.thehindubusinessline.com/money-and-banking/up-amendment-bankers-anxious-about-exposure-to-bajaj-hindusthans-power-arm/article64996678.ece>
- **IL&FS: Centre files for interim distribution of resolution proceeds**: The Centre has filed an application with the National Company Law Appellate Tribunal for interim distribution of ₹16,200 crore as part of the ongoing resolution of Infrastructure Leasing and Financial Services Ltd. The application, filed with the Delhi bench of NCLAT, seeks interim distribution of ₹10,950 crore cash and ₹5,250 crore of InvIT units by March 31, 2022. The new board of IL&FS also passed a resolution for this on January 8 this year. “...the need for interim distribution arises because considerable amount of distributable assets (that is, cash and InvIT units) is expected to be available with various IL&FS Group entities by March 31, 2022,” the application said.
<https://www.thehindubusinessline.com/money-and-banking/ilfs-centre-files-for-interim-distribution-of-resolution-proceeds/article64996284.ece>
- **G-Secs rally on cancellation of weekly auction**: The Government Securities (G-Secs) market rallied on Tuesday as the Reserve Bank of India (RBI) cancelled the scheduled weekly G-Sec auction. The cancellation of the auction perked up market sentiment, with the yield of the



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newly issued 10-year benchmark G-Sec (coupon rate: 6.54 per cent) softening about 7 basis points to close at 6.8092 per cent (previous close: 6.8789 per cent).

<https://www.thehindubusinessline.com/money-and-banking/g-secs-rally-on-cancellation-of-weekly-auction/article64997239.ece>

- **RBI imposes ₹10 lakh penalty on Kerala-based Pooram Finserv:** The Reserve Bank of India (RBI) has imposed a monetary penalty of ₹10 lakh on Pooram Finserv Pvt Limited in Kerala's Thrissur for non-adherence with certain provisions. "The Reserve Bank of India (RBI) has, by an order dated February 04, 2022, imposed a monetary penalty of ₹10 lakh (Rupees ten lakh only) on M/s Pooram Finserv Pvt Limited, Thrissur, Kerala (the company) for non-adherence with certain provisions of the RBI Master Direction - Know Your Customer (KYC) Direction, 2016 dated February 25, 2016 and RBI Direction on Raising Money Through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs dated February 20, 2015," the central bank said in a statement.
<https://www.livemint.com/industry/banking/rbi-imposes-rs-10-lakh-penalty-on-kerala-based-pooram-finserv-11644324715746.html>
- **Hero FinCorp raises \$267 mn in funds:** Hero FinCorp Ltd has raised ₹2,000 crore (\$267 million) in growth capital from American private equity major Apollo Management and Hero MotoCorp, among others, the non-banking financial company (NBFC) said in a statement on Monday. Apollo Global Management, committed ₹937 crore (\$125 million) through its Hybrid Value Fund, while the parent, Hero MotoCorp, infused ₹700 crore (\$94 million), it added.
<https://www.livemint.com/industry/banking/hero-fincorp-raises-267-mn-in-funds-11644261250314.html>
- **New business premium of life insurance firms sees tepid growth:** Life insurers reported muted growth in new business premiums (NBP) in January after a tepid showing in December, owing to single-digit growth in private insurers' NBP and degrowth in initial public offering-bound Life Insurance Corporation (LIC) of India's NBP. The third wave of the pandemic, attributed to the Omicron variant, was at its peak in January and could have impacted life insurers' performance. Also, many insurers, particularly in the private space, increased their term plan premiums during this period, which could have had an impact on business. NBP is the premium acquired from new policies for a particular year.
https://www.business-standard.com/article/finance/new-business-premium-of-life-insurance-firms-sees-tepid-growth-122020800012_1.html
- **Large no of complaints against multi-cooperative societies for misuse of investors deposits:** The government on Tuesday said it has received a large number of complaints against some multi-cooperative societies for misappropriation of investors' deposit. In a written reply to the Lok Sabha, Cooperation Minister Amit Shah replied in affirmative when asked whether



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the government is aware that multi-purpose cooperative societies set up in various states, including Rajasthan, have misappropriated crores of rupees of investors. “A large number of complaints have been received for non-repayment/ misappropriation of deposits of investors against some of the multi-state cooperative societies in various states of the country, including Rajasthan.

<https://economictimes.indiatimes.com/news/india/large-number-of-complaints-against-multi-cooperative-societies-for-misuse-of-investors-deposits/articleshow/89435097.cms>

- **Volatile session on D-Street, Sensex closes 187 points higher:** While the BSE Sensex closed at 57,808.58, up 187.39 points (0.33 per cent), recording an intraday high of 57,925.82 and a low of 57,058.77, the Nifty 50 closed at 17,266.75, up 53.15 points (0.31 per cent). The index recorded an intraday high of 17,306.45 and a low of 17,043.65. Tata Steel, Cipla, Reliance, Divi’s Lab and Bajaj Finserv were the top gainers on the Nifty while ONGC, Powergrid, SBI Life, Tata Consumer and IOC dragged the index down.

<https://www.thehindubusinessline.com/markets/volatile-session-on-d-street-sensex-closes-187-points-higher/article64996469.ece>

- **Indian rupee gains 10 paise to 74.59 against US dollar in early trade:** The rupee appreciated 10 paise to 74.59 against the US dollar in opening trade on Tuesday, tracking the weakness of the American currency in the overseas market. However, the surge in the rupee was restricted amid elevated crude oil prices and muted domestic equities. At the interbank foreign exchange, the rupee opened at 74.65, then gained further ground to touch 74.59 against the American dollar, registering a rise of 10 paise from the last close. In the previous session on Friday, the rupee had settled at 74.69 against the greenback.

<https://www.thehindu.com/business/markets/rupee-gains-10-paise-to-7459-against-us-dollar-in-early-trade/article38395652.ece>

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