



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

March 9, 2022

- **RBI Governor Shaktikanta Das launches UPI service for feature phone users:** The Reserve Bank of India on Tuesday announced the launch of a unique feature for payments with a facility where those with feature phones could also use UPI payments. While the payments through mobile phones have gained traction, the addition of feature phones is set to accelerate the digital payments even in rural India where many are still using feature phones. The feature called UPI123Pay will offer payments through IVR Number, app functionality in feature phones, missed call- based transactions and sound-based payments. The Central bank also announced the roll out of a 24x7 helpline for digital payments called DigiSaathi. According to the RBI, UPI123Pay will help achieve financial inclusion goals.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-governor-shaktikanta-das-launches-upi-service-for-40-cr-feature-phone-users/articleshow/90072669.cms>
- **IBA invites applications for full time NARCL CEO:** The Indian Banks' Association (IBA) has called for fresh applications for full time CEO for the government backed bad loan aggregator National Asset Reconstruction Co Ltd (NARCL) less than a year since it was formed. Current CEO Padma Kumar Nair is on deputation from the State Bank of India (SBI) and his current term ends in May. SBI MD J Swaminathan, who is co-ordinating the setting up of this new company said even Nair can apply for this permanent position but the process will involve inviting applications from the market. "Being a public sector entity, they need to conduct this process through an open selection process. The incumbent is also eligible to apply and will be part of the basket for consideration. The board will complete the selection process and appoint the MD & CEO on a regular basis, after obtaining RBI approval," Swaminathan said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/iba-invites-applications-for-full-time-narcl-ceo/articleshow/90078588.cms>
- **HDFC Bank says will reverse market share loss as new cards join spending:** HDFC Bank, the largest issuer of credit cards in India has lost market share in credit card spends between December and January even as its peers have increase their share in the total credit card spends as the nine month Reserve Bank of India (RBI) ban on the bank which was lifted in August 2021 still has residual impact. Latest RBI data shows that out of the total Rs 87,768 crore total credit card spends in India in January 2022, HDFC Bank cornered a 24.76% market share or Rs 21,737 crore down from the 25.13% market share it had in December 2021. More importantly, it is down from the 30.66% market share it had in November 2020 before the RBI ban in December 2020. The bank is the highest issuer of credit cards in India with 16.04 million outstanding cards ahead of SBI Card's 13.31 million cards.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-says-will-reverse-market-share-loss-as-new-cards-join-spending/articleshow/90082310.cms>



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- **Ukraine war may have limited impact on domestic credit market: Report:** The direct impact of the ongoing Russia-Ukraine war on the domestic credit markets appears to be limited as the banking system has adequate liquidity but not the market as a whole, as per a report. According to India Ratings, overall, the duration and intensity of the war will be the key determinant for the macro and micro risks. Although the direct impact seems to be limited on the credit based on limited escalation from the ongoing situation, the rippling effect will be disproportionately higher in case the war continues for long. From a financing point of view, the agency said the domestic banking system has adequate liquidity; but, this does not ensure market and balance-sheet liquidity for the system as a whole. Given the rising uncertainties, high energy prices and cautious sentiments in the capital markets, entities with a weak financial profile may face financing challenges in case the situation worsens.
<https://www.moneycontrol.com/news/business/markets/ukraine-war-may-have-limited-impact-on-domestic-credit-market-report-8208031.html>
- **Citi Commercial Bank Asia-Pacific to hire close to 350 people over three years:** Citi Commercial Bank (CCB) Asia Pacific, which serves mid-sized companies and emerging corporates, plans to hire close to 350 people, including nearly 200 commercial bankers, over the next three years as part of its plans to accelerate growth in the region. “Hiring in the Asia-Pacific represents the largest investment in headcount across CCB globally,” it said in a statement on Tuesday, adding that a majority of these hires will be placed in China, Hong Kong, India and Singapore. About 80 people will be hired in India and 30 in Singapore. In China, CCB plans to add over 80 new hires, and in Hong Kong, the business will add close to 100 additional people. Globally, CCB plans to hire 900 people, including 400 commercial bankers, over the next three years, it further said.
<https://www.thehindubusinessline.com/money-and-banking/citi-commercial-bank-asia-pacific-to-hire-close-to-350-people-over-three-years/article65204525.ece>
- **DHFL resolution: Kapil Wadhawan approaches SC with fresh petition:** Kapil Wadhawan, former promoter of Dewan Housing Finance Corporation Ltd (DHFL) has filed a fresh petition in the Supreme Court challenging three orders of the National Company Law Appellate Tribunal. Wadhawan, in his petition, which was filed late last month, said the three orders have deprived him, as a former Director and guarantor of DHFL, from participating the proceedings of the Committee of Creditors. The respondents include R Subramaniakumar, Administrator of DHFL, the Committee of Creditors and Piramal Capital and Housing Finance Ltd.
<https://www.thehindubusinessline.com/money-and-banking/dhfl-resolution-kapil-wadhawan-approaches-sc-with-fresh-petition/article65204340.ece>
- **PNB Housing Finance board to meet on March 9 to consider fund raising:** PNB Housing Finance Company Ltd’s (PNBHFL) Board of Directors will meet on Wednesday (March 9) to consider fund raising options for the housing finance company. This Board meeting is significant as it comes less than two months after its Managing Director & CEO Hardayal Prasad said that PNBHFL is back to the drawing board to look at raising capital. It maybe recalled that PNBHFL was last year compelled to call off its ₹ 4,000 crore capital-raise plan involving Carlyle Group and other marquee investors. The ₹



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4,000-crore preferential issue of PNBHFL to private equity major Carlyle and other investors had hit a regulatory hurdle last year on the aspect of pricing of the preferential issue.

<https://www.thehindubusinessline.com/money-and-banking/pnb-housing-finance-board-to-meet-on-march-9-to-consider-fund-raising/article65203783.ece>

- **Mastercard to partner with Zeta, to also invest an undisclosed amount:** Banking SaaS start-up Zeta announced a 5-year global partnership with Mastercard. The global card network will jointly launch credit cards with issuers worldwide on Zeta's modern, cloud-native, and fully API-ready credit processing stack. With this partnership, Mastercard is also making an undisclosed financial investment in Zeta. Bhavin Turakhia, co-founder & CEO of Zeta, said, "Amongst other benefits, our stack allows issuers to increase the lending book by composing contextual upsells using our extensive APIs and SDKs; reduce costs via pay-as-you-go SaaS billing; improve customer satisfaction by launching rich, self-serve experiences for card holders; and launch and iterate faster using our infinitely scalable cloud-native deployment. In Mastercard, we have a partner that is committed to undertake this journey with us and truly believes in this mission."
<https://www.thehindubusinessline.com/info-tech/mastercard-to-partner-with-zeta-to-also-invest-an-undisclosed-amount/article65203759.ece>
- **RBI buoys rupee with dollar swap auction for \$5.135 b:** In a move that could cool volatility in the rupee-dollar exchange rate, the Reserve Bank of India on Tuesday accepted bids worth \$5.135 billion at the two-year USD/INR sell/buy swap auction. The RBI received bids aggregating \$13.565 billion against the notified amount of \$5 billion. The central bank accepted 86 bids (out of 246 received) aggregating \$5.135 billion, which entails the RBI selling US dollars (thereby sucking out an equivalent amount of rupee). On maturity of the swap, the RBI will buy back the dollars from market participants.
<https://www.thehindubusinessline.com/money-and-banking/usdinr-swap-auction-rbi-accepts-bids-for-5135-billion/article65204160.ece>
- **Russia-Ukraine war: Rs 1.2 trn SME debt at risk, lower-rated unit worse off:** The direct impact of the Russia-Ukraine war on Indian business would be largely restricted to small entities with low ratings and would be manageable. The effect on credit will be more pronounced in a few sectors such as pharma and subsidy-linked industries like fertilisers, according to India Ratings. As for the indirect impact of war on credit, rating agency said the analysis of top 1,400 corporate entities (excluding oil and financial entities) as per total debt, is expected to be limited-to-moderate. The median EBITDA margins could be impacted by 100-200 bps for commodity-consuming sectors in a scenario of commodity prices sustain at the current levels, rupee depreciates by 10 per cent and an increase in the borrowing costs by one per cent.
https://www.business-standard.com/article/finance/russia-ukraine-war-rs-1-2-trn-sme-debt-at-risk-lower-rated-unit-worse-off-122030800989_1.html



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- **We see clear advantages in a central bank driven digital currency: FM:** Union Finance Minister Nirmala Sitharaman on Tuesday said the 'Digital Rupee' is a conscious call taken in consultation with the Reserve Bank of India (RBI) and the government sees clear advantages in a central bank driven digital currency. The Minister was speaking at the India Global Forum's annual summit here. "It was a conscious call taken in consultation with the central bank- the Reserve Bank of India....we would like them to design it the way they would like to do it, but this year we expect the currency to come out from the central bank itself," Sitharaman said in response to a question on Digital Rupee.
https://www.business-standard.com/article/finance/we-see-clear-advantages-in-a-central-bank-driven-digital-currency-fm-122030800621_1.html
- **Visa, Mastercard prepare to raise credit-card fees:** Visa Inc. and Mastercard Inc. are preparing to increase the fees that many large merchants pay when they accept consumers' credit cards. The fee increases—delayed during the past two years because of the pandemic—are scheduled to kick in next month, according to people familiar with the matter and a document viewed by The Wall Street Journal. Interchange fees account for most of the increase. Merchants pay these fees, which are set by the card networks, when shoppers use their cards. The fees go to the bank that issued the card.
<https://www.wsj.com/articles/visa-mastercard-prepare-to-raise-credit-card-fees-11646743166>
- **Sensex up 581 pts at closing, Nifty ends above 16,000:** The BSE Sensex closed at 53,424.09, up 581.34 points or 1.10 per cent, near the day's high of 53,484.26. It recorded an intraday low of 52,260.82. The Nifty 50 closed at 16,013.45, up 150.30 points or 0.95 per cent, near the day's high of 16,028.75. It recorded an intraday low of 15,671.45. IOC, Sun Pharma, Tata Consumer, TCS and Cipla were the top gainers on the Nifty 50 while Hindalco, ONGC, Tata Steel, JSW Steel and Britannia were the top laggards.
<https://www.livemint.com/market/live-blog/share-market-live-updates-sensex-nifty-bse-nse-stock-market-today-08-03-2022-ongc-hindalco-sun-tv-tcs-11646703427551.html>
- **Indian rupee rises 20 paise to 76.73 against US dollar in early trade:** The rupee advanced 20 paise to 76.73 against the US dollar in the opening trade on Tuesday amid a slight pullback in crude oil prices and a weak dollar. Forex traders said the appreciation in the rupee will be limited as the deepening Russia-Ukraine conflict has sapped risk appetite in the market, pushing investors towards safe-haven assets. At the interbank foreign exchange, the rupee opened on a weak note at 77.02 against the US dollar, then pared its initial losses and touched 76.73, registering a gain of 20 paise from the previous close.
<https://www.moneycontrol.com/news/business/markets/rupee-rises-20-paise-to-76-73-against-us-dollar-in-early-trade-8205871.html>



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