



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

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- **Edelweiss ARC to acquire education loan portfolio of Indian Overseas Bank at 60% discount:** Edelweiss Asset Reconstruction Company won a distressed education loan portfolio at a 60% discount from Indian Overseas Bank (IoB) at an auction last week, said people aware of the matter. Lenders are blaming the surge in unemployment caused by Covid-19 for the rise in defaults in the education loans, one of the persons said. Edelweiss ARC's Rs 237.5 crore offer for the education loan portfolio of Rs 594 crore triggered a Swiss auction held on January 6 by the bank. Since no other bidder made a counteroffer, IOB declared Edelweiss ARC as a successful bidder, the people said. The portfolio had 21,125 education loans that were auctioned under the 20:80 structure. Here 20% of the consideration amount would be paid upfront and for the remaining amount, the ARC would issue security receipts that would be redeemed as and when they recover the overdue.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/edelweiss-arc-to-acquire-education-loan-portfolio-of-indian-overseas-bank-at-60-discount/articleshow/88794421.cms>
- **Ex-RBI Governor Urjit Patel appointed Vice President of AIIB:** Former RBI Governor Urjit Patel has been appointed as a Vice President of the Beijing-based multilateral funding institution AIIB, according to sources in the bank on Sunday. India is a founding member of the Asian Infrastructure Investment Bank (AIIB) with the second highest voting share after China. It is headed by former Chinese vice minister for finance Jin Liqun. Patel, 58, will be one of the five Vice Presidents of the AIIB with a three-year tenure. He is expected to take over his posting next month.
<https://www.thehindu.com/business/Industry/ex-rbi-governor-urjit-patel-appointed-vice-president-of-aiib/article38201191.ece>
- **RBI to set up new fintech department to push innovation:** After setting up a financial technology unit back in 2018, the Reserve Bank of India (RBI) said it will now put together a separate fintech department in view of the sector's rapidly changing landscape. In an internal circular, the central bank said it decided to set up the department to further focus and facilitate innovation in the Indian fintech sector. "Accordingly, a new department has been created with effect from January 4, 2022, by subsuming the fintech division of DPSS, CO. The department will not only promote innovation in the sector, but also identify the challenges and opportunities associated with it and address them in a timely manner," RBI said in the circular.
<https://economictimes.indiatimes.com/tech/technology/rbi-to-set-up-new-fintech-department-to-push-innovation/articleshow/88792612.cms>
- **Notice from BharatPe co-founder: KMB says will take legal action:** Kotak Mahindra Bank (KMB) on Sunday said it was pursuing appropriate legal action against Ashneer Grover, co-founder BharatPe, for a notice sent by him dated October 30, 2021. In a late release, the private sector lender said: "This is with reference to media queries regarding the legal notice dated October 30, 2021, sent on behalf of Mr. Ashneer Grover & Mrs. Madhuri Grover, addressed to Kotak Mahindra Bank." "This notice was received by us and was replied to appropriately at the time, including placing on record our objections to inappropriate language used by Mr. Grover. Appropriate legal action is being pursued. We would like to confirm that there is no breach or violation by the Kotak Group in any manner whatsoever."
<https://www.financialexpress.com/industry/banking-finance/notice-from-bharatpe-co-founder-kmb-says-will-take-legal-action/2402306/>



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- **Deposits in Jan Dhan accounts cross Rs 1.5 lakh crore:** Deposits in bank accounts opened under the Jan Dhan scheme, launched about seven and half years ago by the government, have crossed the Rs 1.5 lakh crore mark. As per the latest finance ministry data, the total balance in over 44.23 crore Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts was at Rs 1,50,939.36 crore at December end, 2021. PMJDY, the National Mission for Financial Inclusion, had completed seven years of implementation in August last year. It was announced by Prime Minister Narendra Modi in his Independence Day address on August 15, 2014.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/deposits-in-jan-dhan-accounts-cross-rs-1-5-lakh-crore/articleshow/88789605.cms>
- **Kotak Mahindra Bank to take legal action against BharatPe's Ashneer Grover in IPO financing matter:** Ashneer Grover, cofounder and managing director of BharatPe, and his wife Madhuri Grover sent a legal notice to Kotak Mahindra Bank on October 31, 2021, for failing to provide financing in Nykaa's initial public offering (IPO). ET has seen the copy of the notice sent by Grover's lawyer. Responding to ET's query in the matter on Sunday, the Mumbai-based lender said it will take "appropriate legal action" against Grover on this matter. "This notice was received by us and was replied to appropriately at the time, including placing on record our objections to inappropriate language used by Mr. Grover," the bank said in a statement. "Appropriate legal action is being pursued." "We would like to confirm that there is no breach or violation by the Kotak Group in any manner whatsoever," the statement read.
<https://economictimes.indiatimes.com/tech/startups/bharatpe-founder-sent-legal-notice-to-kotak-mahindra-bank-for-missing-out-on-nykaa-ipo/articleshow/88792821.cms>
- **UPI faced downtime for several hours on Sunday due to technical glitch:** Unified Payments Interface (UPI), one of the most used payments platforms in the country to make peer-to-peer (P2P) transactions and peer-to-merchant (P2M) transactions, faced downtime on Sunday for several hours due to intermittent technical glitch. The National Payments Corporation of India (NPCI), which operates UPI, put out a statement on their twitter handle saying, "Regret the inconvenience to UPI users due to intermittent technical glitch. UPI is operational now, and we are monitoring the system closely". Sources said, UPI was operational after 5 PM on Sunday. There were multiple level hardware failures which is why UPI faced downtime.
https://www.business-standard.com/article/finance/upi-faced-downtime-for-several-hours-on-sunday-due-to-technical-glitch-122010900665_1.html
- **CSB Bank MD & CEO takes early retirement, lender to set up panel to find successor:** CSB Bank on Saturday said its managing director and chief executive C VR Rajendran has decided to opt for early retirement on health grounds, and the lender will set up a committee to find a successor. "This is to inform you that the bank's board in its meeting held on January 8, 2022, considered and accepted the request of C VR Rajendran to take an early retirement from the position, to take care of his health under the advice of his physicians," CSB Bank said in a regulatory filing.
<https://www.thehindubusinessline.com/money-and-banking/csb-bank-md-ceo-takes-early-retirement-lender-to-set-up-panel-to-find-successor/article38186400.ece>
- **KVG Bank joins hands with Mecwin Tech to finance solar pump-sets for farmers:** Karnataka Vikas Grameena Bank (KVGB), the Dharwad-headquartered regional rural bank, and the Bengaluru-based Mecwin Technologies Ltd, which is involved in the manufacture and supply of solar-powered pump-sets for farmers, signed a memorandum of understanding (MoU) on Saturday to introduce farmer-friendly solar-powered pump-sets using bank finance. Chairman of KVGB, P Gopi Krishna, said the MoU will benefit farmers since Mecwin Technologies Ltd is specialised in the production and management of solar irrigation pump-sets. Apart from this, the bank has the largest branch network in rural areas, he said.



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<https://www.thehindubusinessline.com/money-and-banking/kvg-bank-joins-hands-with-mecwin-tech-to-finance-solar-pump-sets-for-farmers/article38188165.ece>

- **Saini's term as IBBI chief extended:** The government's inability to fill top slots in key regulatory bodies on time continues with the Centre extending the additional charge of Insolvency and Bankruptcy Board of India (IBBI) Wholtime Member Navrang Saini as Chairperson till March 5 this year. It may be recalled that the Centre had in October last year assigned the additional charge to Navrang Saini for a period of three months (till January 13, 2022). While IBBI still has a chairperson for two more months, the post of Chairman at Insurance Regulatory and Development Authority (IRDAI) is vacant for over eight months now. This is glaring especially in light of the fact that the Government is looking to take insurance behemoth Life Insurance Corporation public in the current quarter.
<https://www.thehindubusinessline.com/money-and-banking/ibbi-chairperson-wtm-navrang-sainis-additional-charge-further-extended-till-march-5/article38184880.ece>
- **Banks Q3 expectation: Modest earning growth, asset quality may improve:** Banks are likely to report a modest growth in earnings with improved loan growth in the third quarter of the fiscal and asset quality could improve. Kotak Institutional Equities said it expects an improvement in asset quality outlook for most lenders in the third quarter led by lower slippages and better recovery trends. "There are no large corporate slippages while retail and SME should show improvement on a net basis," it said in a research note.
<https://www.thehindubusinessline.com/money-and-banking/banks-q3-expectation-modest-earning-growth-asset-quality-may-improve/article38205658.ece>
- **Equitas Holdings to fully divest stake in subsidiary ETPL ahead of merger with Equitas SFB:** Equitas Holdings Ltd will divest its entire stake in subsidiary Equitas Technologies Pvt Ltd (ETPL) as part of the requirement for the merger with Equitas Small Finance Bank (ESFB). As part of the RBI's licensing conditions, being the promoter of ESFB, the boards of Equitas Holdings and ESFB had in July 2021 approved the scheme of amalgamation between them. According to this scheme, all the assets held by Equitas Holdings, including its investments in ETPL, have to be transferred to and vested in ESFB. "Since ETPL is not engaged in financial services, the company is required to fully divest its investment in ETPL. Accordingly, the board of directors in its meeting held on January 7, 2022, approved sale of its entire shareholding in the company's subsidiary, ETPL," Equitas Holdings said in a regulatory filing on Saturday.
https://www.business-standard.com/article/companies/equitas-holdings-to-divest-stake-in-etpl-ahead-of-merger-with-equitas-sfb-122010800782_1.html
- **Consider bankers as frontline workers for booster dose: AIBOC to Nirmala Sitharaman:** Bank officers' union AIBOC has urged Finance Minister Nirmala Sitharaman to consider bankers as the frontline workers for administering booster shots amid rising COVID-19 cases across the country. In a letter addressed to the Finance Minister, All India Bank Officers' Confederation (AIBOC) also suggested the implementation of a 5-day week to break the chain of the spread of the virus.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/consider-bankers-as-frontline-workers-for-booster-dose-aiboc-to-nirmala-sitharaman/articleshow/88776479.cms>
- **Sitharaman reviews PSBs' readiness to tackle any disruptions due to Omicron:** Finance minister Nirmala Sitharaman on Friday took stock of the banking sector's readiness to tackle any possible disruptions due to the Omicron Covid-19 variant. Sitharaman also had a discussion with Reserve Bank of India governor Shaktikanta Das after a virtual meeting with heads of public sector banks on the post-pandemic economic recovery and preparedness of the sector in wake of the third wave of coronavirus infections. A finance ministry statement said the minister observed that business outlook is progressively improving in spite of the headwinds from global



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development and the spread of Omicron, and that contact-intensive sectors may require more support during the pandemic.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/sitharaman-reviews-psbs-readiness-to-tackle-any-disruptions-due-to-omicron/articleshow/88767731.cms>

- **Mcap of eight of top-10 most valued firms jumps by over Rs 2.50 trillion:**Eight of the top-ten most valued companies together added a whopping Rs 2,50,005.88 crore in market valuation last week amid a rally in the equity market, with Reliance Industries and Tata Consultancy Services emerging as the lead gainers. Last week, the BSE benchmark Sensex jumped 1,490.83 points or 2.55 per cent. Among the top ten, Infosys and Wipro emerged as the laggards. The valuation of Reliance Industries Limited (RIL) zoomed by Rs 46,380.16 crore to reach Rs 16,47,762.23 crore. Tata Consultancy Services (TCS) added Rs 43,648.81 crore taking its valuation to Rs 14,25,928.82 crore. The market valuation of Bajaj Finance jumped by Rs 41,273.78 crore to Rs 4,62,395.52 crore and that of HDFC Bank rallied Rs 39,129.34 crore to Rs 8,59,293.61 crore. The market capitalisation (Mcap) of ICICI Bank gained Rs 36,887.38 crore to Rs 5,50,860.60 crore and that of State Bank of India went up by Rs 27,532.42 crore to Rs 4,38,466.16 crore.

https://www.business-standard.com/article/markets/mcap-of-eight-of-top-10-most-valued-firms-jumps-by-over-rs-2-50-trillion-122010900398_1.html

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