



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

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- **Axis Bank set to buy Citigroup's \$2.5 billion India retail unit:** Axis Bank Ltd. is nearing a deal to buy Citigroup Inc.'s India retail banking business in a transaction that could be valued at about \$2.5 billion, people familiar with the matter said. An agreement for the consumer unit may be announced as soon as the next few weeks and is contingent on approval from the Reserve Bank of India, the people said, asking not to be identified as the information is private. The deal would include a cash component of less than \$2 billion, accounting for the consumer business's liabilities, the people said. The lender emerged as the buyer after beating out rivals, with factors such as job security for current Citigroup employees and competition concerns being taken into account, one of the people said. Axis Bank will need around six months to merge its consumer business in the country with Citigroup's, a different person said.
https://www.business-standard.com/article/finance/axis-bank-set-to-buy-citigroup-s-india-retail-unit-for-2-5-bn-report-122021400516_1.html#:~:text=Budget%202022-,%20Axis%20Bank%20set%20to%20buy%20Citigroup's,unit%20for%20%20242.5%20bn%3A%20Report&text=Axis%20Bank%20Ltd.%20is%20nearing,familiar%20with%20the%20matter%20said.
- **Discussions on with RBI on crypto, digital currency: Nirmala Sitharaman:** Finance Minister Nirmala Sitharaman on Monday said discussions with regard to private cryptocurrencies and central bank-backed digital currency have been going on with the Reserve Bank and a decision will be taken after due deliberations. Sitharaman, in her Budget speech on February 1, had announced that Digital Rupee or Central Bank Digital Currency (CBDC) would be issued by the RBI in the coming fiscal year. She had also announced the government will levy 30 per cent tax on gains made from any other private digital assets from April 1.
<https://economictimes.indiatimes.com/news/economy/policy/discussions-on-with-rbi-on-crypto-digital-currency-nirmala-sitharaman/articleshow/89572445.cms>
- **India's January WPI inflation eases marginally to 12.96% y/y:** The wholesale price-based inflation eased for the second consecutive month in January at 12.96 per cent, even though food prices hardened, the government said on Monday. WPI inflation has remained in double digits for the tenth consecutive month beginning April 2021. Inflation in December 2021 was 13.56 per cent, while in January 2021, it was 2.51 per cent. Inflation in food articles, however, spiked to a 10.33 per cent in January 2022 from 9.56 per cent in December 2021. Vegetable price rise rate jumped to 38.45 per cent, against 31.56 per cent in the previous month.
<https://economictimes.indiatimes.com/news/economy/indicators/indias-jan-wpi-inflation-eases-marginally-to-12-96-y/y/articleshow/89561450.cms>
- **Loans to ABG Shipyard turned NPAs prior to 2014: FM Nirmala Sitharaman:** Finance Minister Nirmala Sitharaman on Monday said the ABG Shipyard account turned NPA during the erstwhile UPA regime and the banks took lesser than normal time to detect the fraud perpetrated by the shipping firm. "...in this particular case with that kind of a measurement, actually, I should say to the credit to the banks, they've taken lesser than what is normally an average time to detect these kinds of frauds," Finance Minister Nirmala Sitharaman said at a press conference after addressing the members of the RBI board. The minister said normally banks take 52-56 months of time to detect such cases and initiate follow-up actions.
<https://economictimes.indiatimes.com/news/economy/policy/loans-to-abg-shipyard-turned-npas-prior-to-2014-fm-nirmala-sitharaman/articleshow/89563555.cms>



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- **Yes Bank launches Agri Infinity program:** Private sector lender Yes Bank on Monday announced the launch of an annual startup enabler program that seeks to co-develop digital financial solutions for the food and agriculture ecosystem by mentoring entrepreneurial ventures in the sector. Called Yes Bank Agri Infinity, a select cohort of startups will not only receive mentoring by veteran bankers for experiential co-development but also get access to the lender's digital banking infrastructure and network, collaborative opportunities to pilot new solutions and fundraising advisory.
<https://www.thehindubusinessline.com/money-and-banking/yes-bank-launches-agri-infinity-program/article65048192.ece>
- **Kotak Life launches Fortune Maximiser:** Kotak Mahindra Life Insurance on Monday announced the launch of a limited pay participating endowment plan, which can be tailored to the customer's requirement to help plan for a better future. Called Kotak Fortune Maximiser, it will help customers accumulate a corpus to fulfil their larger goals without the financial burden, the company said in a statement. Customers will have three bonus payout options, including an immediate or deferred cash bonus payout as well as paid-up additions, which are ideal for those with long-term financial goals, including retirement, legacy planning and buying a property.
<https://www.thehindubusinessline.com/money-and-banking/kotak-life-launches-fortune-maximiser/article65048556.ece>
- **LIC equity investments touched ₹9.78-lakh crore by Sept 30, 2021: DRHP:** State-run insurance behemoth Life Insurance Corporation of India has ₹9,78,493.814 crore of policyholders' funds invested in equities, which amounts to nearly a quarter of all its investments. "As at September 30, 2021, our policyholders had total investments of ₹39,495,163.78 million on a standalone basis, including investments of more than ₹9,784,938.14 million in equities, representing 24.78 per cent of investments," LIC said in its draft red herring prospectus. In comparison, about ₹7,96,793.8 crore or 21.67 per cent of its total investments was in equities as on March 31, 2021. It was much lower at ₹4.61 lakh crore or 15.02 per cent as on March 31, 2020.
<https://www.thehindubusinessline.com/money-and-banking/lic-equity-investments-touched-978-lakh-crore-by-sept-30-2021-drhp/article65048180.ece>
- **Manappuram Finance Q3 net profit post 46 per cent drop:** Manappuram Finance Ltd has reported a consolidated net profit of ₹261.01 crore for the third quarter of FY22. The profit is lower by 45.98 per cent compared to ₹483.19 crore reported in the year-ago quarter. However, the company's consolidated assets under management (AUM) grew 10 per cent to ₹30,407.13 crore from ₹27,642.48 crore a year ago, and by 6.99 per cent in comparison to ₹28,421.63 crore reported in the preceding quarter (Q2).
<https://www.thehindubusinessline.com/money-and-banking/manappuram-finance-q3-net-profit-post-46-per-cent-drop/article65048771.ece>
- **Cholamandalam eyes Rs 1,000-cr disbursement from new biz areas:** Cholamandalam Investment & Finance Company Ltd (CIFCO) expects its three new business segments targeted at the consumer and SME ecosystem to add about ₹1,000 crore of disbursements each quarter to the total disbursements kitty within six months' time as the Murugappa Group's NBFC hopes to scale up faster through support strategic digital partnerships and a pan-India branch network of more than 1,100 offices. The December 2021 quarter was a strong one for the company, with total disbursements of more than ₹10,000 crore. It expects further momentum in disbursements in the coming months with the launch of the new business divisions.
<https://www.thehindubusinessline.com/money-and-banking/cholamandalam-eyes-rs-1000-cr-disbursement-from-new-biz-areas/article65048654.ece>



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- **KVB, UNANU Technologies tie-up for digital freight finance:** Karur Vysya Bank has joined hands with the Chennai-based UNANU Technologies for digital freight finance to fund transport contractors, using the end-to-end logistics technology platform. UNANU has developed the product catering to the industry, built the Freight Financing System within their suite of software platforms. Using the module “U-Turbo – a marketplace”, they will be able to on-board logistics companies and shippers to this Freight Financing programme. The platform has a complete visibility right from the time of picking up the material from shipper (Proof of Pick up) until it reaches the destination (Proof of Delivery). In transit, tracking of the truck is also provided with the associated software/hardware.
<https://www.thehindubusinessline.com/money-and-banking/kvb-unanu-technologies-tie-up-for-digital-freight-finance/article65048901.ece>
- **RBI DG Rabi Sankar asks for complete ban on cryptocurrencies in India:** Days after the Union Budget proposed taxing cryptocurrencies, which gave rise to apprehensions of legitimising them, an Reserve Bank of India (RBI) official has asked for a complete ban on such virtual currencies citing threat to macroeconomic stability. In a speech to bankers on Monday, RBI deputy governor T Rabi Sankar demolished all the arguments for allowing cryptocurrencies in India as none of them pass basic scrutiny. On the argument that advanced economies (AE) have not resorted to banning such currencies, the deputy governor said it is in the interest of those economies not to ban cryptos because they are not a threat to convertible currencies (most cryptos are priced in dollar) as they are to rupee.
https://www.business-standard.com/article/finance/rbi-dg-rabi-sankar-asks-for-complete-ban-on-cryptocurrencies-in-india-122021401710_1.html
- **ICICI Bank's Sandeep Bakhshi is Business Standard Banker of the Year:** Sandeep Bakhshi, managing director (MD) and chief executive officer (CEO) of ICICI Bank, is the Business Standard Banker of the Year 2020-21 for turning around the private sector lender and changing the perception about it during his tenure of the past three and a half years. Bakhshi took charge in October 2018 amid a controversy around his predecessor, who had to step down over corporate governance issues. Since then, he has not just unhinged the bank from the controversy but also delivered growth on almost all parameters. The second-largest private sector lender in the country is well-capitalised.
[https://www.business-standard.com/article/finance/icici-bank-s-sandeep-bakhshi-is-business-standard-banker-of-the-year-122021400039_1.html#:~:text=of%20ICICI%20Bank-Sandeep%20Bakhshi%2C%20managing%20director%20\(MD\)%20and%20chief%20executive%20officer,three%20and%20a%20half%20years.](https://www.business-standard.com/article/finance/icici-bank-s-sandeep-bakhshi-is-business-standard-banker-of-the-year-122021400039_1.html#:~:text=of%20ICICI%20Bank-Sandeep%20Bakhshi%2C%20managing%20director%20(MD)%20and%20chief%20executive%20officer,three%20and%20a%20half%20years.)
- **Centre may not go for 60% borrowing in the first half of FY23:** The finance ministry is in two minds on whether to go by the usual practice of borrowing around 60 per cent of its target in the first half of FY23, or make its debt calendar more backloaded, Business Standard has learnt. Sources said with pulling back of liquidity by the US Federal Reserve (something other western central banks are expected to follow), and factoring in high global commodity prices and their possible impact on interest rates in India, the government and Reserve Bank of India (RBI) will have to carefully decide on their borrowing plans for April-September 2022.
https://www.business-standard.com/article/economy-policy/centre-may-not-go-for-60-borrowing-in-the-first-half-of-fy23-122021400018_1.html#:~:text=The%20Centre's%20net%20borrowing%20target,target%20is%20Rs%2014.95%20trillion.



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- **e-Rupi limit hike to promote offline digital payment push:** The increase in the e-Rupi voucher cap to ₹1 lakh will boost digital payments in the offline mode and allow direct benefit transfers without having to have a bank account, experts said. On Thursday, the Reserve Bank of India (RBI) increased the cap on e-Rupi vouchers issued by the government to ₹1 lakh per voucher from ₹10,000 and allowed one voucher to be used multiple times until fully redeemed. Launched in August 2021 as a cashless payment product, e-Rupi vouchers allow users to redeem them without a card, digital payments app or internet banking access at select merchants. "It will ensure better digital delivery of benefits of the central and state government schemes to the beneficiaries. Hence, it is likely to play a major role in strengthening direct benefit transfer (DBT) to citizens at the last mile, making it more transparent," said Anand Kumar Bajaj, co-founder, managing director and chief executive of PayNearby.
<https://www.livemint.com/industry/banking/erupi-limit-hike-to-promote-offline-digital-payment-push-11644770833083.html>
- **Sensex crashes over 1700 pts at closing, Nifty below 16,900:** The BSE Sensex closed at 56,405.84, down 1747.08 points or 3.00 per cent. It recorded an intraday high of 57,191.91 and a low of 56,295.70. The Nifty 50 closed at 16,842.80, down 531.95 points or 3.06 per cent. It recorded an intraday high of 17,099.50 and a low of 16,809.65. Majority of the stocks traded on the exchanges closed in the red. Only one scrip, TCS closed in the green on the Nifty 50. JSW Steel, Tata Steel, HDFC Life, Tata Motors and HDFC were the top laggards. Heavyweight HDFC slumped over 5.5 per cent at closing.
<https://www.thehindubusinessline.com/markets/sensex-down-over-1200-pts-intraday-nifty-below-17000/article65048340.ece>

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