



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

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- **SBI YONO, UPI, Net banking services to be unavailable on January 22:** SBI digital services will be temporarily affected on January 22, 2022 due to maintenance issues. Due to a scheduled upgrade of the lender's digital banking platforms, State Bank of India's various digital services will be disrupted on Saturday. According to the bank's official Twitter account, SBI customers will not be able to use services such as Internet Banking, YONO, YONO Lite, UPI on Saturday, during early morning hours. We request our esteemed customers to bear with us as we strive to provide a better banking experience, SBI said in a tweet.
<https://economictimes.indiatimes.com/wealth/personal-finance-news/sbi-yono-upi-net-banking-services-to-be-unavailable-on-january-22-check-details-here/articleshow/89040378.cms>
- **IDBI profit up on the back of recoveries, lower cost of funds:** IDBI Bank reported a 53% rise in net profit mainly due to a decrease in cost of funds which helped both net interest income (NII) and net interest margin (NIM). Net profit rose to Rs 578 crore in the quarter ended December 2021 from Rs 378 crore a year ago. NII or the difference between the interest earned on loans and that paid on deposits increased 31% to Rs 2383 crore mainly as the bank's cost of funds fell 60 basis points year on year to 3.79% in December 2021. One basis point is 0.01 percentage point.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/idbi-profit-up-on-the-back-of-recoveries-lower-cost-of-funds/articleshow/89043411.cms>
- **Tech firm Ospyn to offer digital solution to IOB, Dhanlaxmi Bank:** The Technopark-based content services platform provider Ospyn has clinched a major work order from Indian Overseas Bank (IOB) to automate its banking processes including customer on-boarding services. The technology firm, which has a wide client-base across India and abroad, secured the order from IOB close on the heels of it being selected by private sector Dhanlaxmi Bank to upgrade its banking and administrative processes. "Ospyn will be deploying its business process management (BPM) module 'OspynDocs' to enable IOB to automate its internal operations and customer interactions with total transparency and efficiency at a faster turn around time (TAT)," said Prasadu Varghese, CEO, Ospyn.
<https://www.thehindubusinessline.com/money-and-banking/tech-firm-ospyn-to-offer-digital-solution-to-iob-dhanlaxmi-bank/article64928000.ece>
- **GNPAs to decline below 17% by March-end: IDBI Bank chief:** IDBI Bank expects gross non-performing assets (GNPAs) to decline below 17 per cent of gross advances by March-end 2022 and below 12 per cent by March-end 2023. GNPAs declined to 20.56 per cent as at December-end 2021, against 21.85 per cent as at September-end 2021. Rakesh Sharma, MD & CEO, IDBI Bank, said that once the transfer of stressed assets, aggregating about ₹11,000 crore to the National Asset Reconstruction Company Ltd (NARCL) happens, it will help bring down GNPAs by about 4 percentage points.
<https://www.thehindubusinessline.com/money-and-banking/gnpas-to-decline-below-12-by-march-end-2023-idbi-bank-chief/article64928574.ece>



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- **CSB Bank posts 180% jump in net profit at Rs 148 crore:** Private sector lender CSB Bank reported a 180 per cent jump in net profit at Rs 148 crore in the December quarter as against Rs 53 crore in the year ago period, helped by improvement in asset quality and Rs 51 crore write back in provisions. Its net interest income rose 21 per cent at Rs 303 crore, helped by interest income it received on gold loan NPA accounts. The bank said it managed to contain bad loans in both gold and non-gold assets. Out of the gross NPA of Rs 389 crore, Rs 102 crore is gold loan NPAs which are backed by pledge of gold ornaments.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/csb-bank-posts-180-jump-in-net-profit-at-rs-148-crore/articleshow/89043053.cms>
- **Kotak Bank signs MoU with GIFT SEZ for boosting financial services ecosystem at IFSC:** Kotak Mahindra Bank (KMB) on Thursday signed a Memorandum of Understanding (MoU) with GIFT SEZ Limited (GIFT SEZ) for boosting financial services ecosystem at International Financial Services Centre (IFSC) at Gandhinagar. This will enable both to work together towards greater enhancement of the financial services ecosystem in GIFT IFSC for Alternative Investment Funds (AIFs) and Global Custody Services, a joint statement said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/kotak-bank-signs-mou-with-gift-sez-for-boosting-financial-services-ecosystem-at-ifsc/articleshow/89024840.cms>
- **RBI conducts Variable Rate Repo auction worth ₹75,000 crore:** The Reserve Bank of India (RBI), on Friday, conducted a three-day Variable Rate Repo auction to infuse liquidity amounting to ₹75,000 crore in the banking system in a bid to cool overnight call money market rates. The central bank had conducted a one-day Variable Rate Repo auction for ₹50,000 crore on Thursday, too, as overnight call money market rates shot up following tightness in liquidity due to outflows from Banks on account GST payments by their clients.
<https://www.thehindubusinessline.com/money-and-banking/rbi-on-friday-conducted-a-3-day-variable-rate-repo-auction/article64928967.ece>
- **Overnight call rate surges to 21-month high prompting RBI to act:** A sudden drop in surplus cash in the banking system on Thursday sent the inter-bank overnight call money rate to an 21-month high as banks scrambled to borrow short-term money for meeting their treasury requirements. The shortfall prompted the Reserve Bank of India to announce an immediate borrowing window for Rs 50,000 crore. The central bank's move has underscored its commitment to ensuring liquidity needs even as it unwinds excess cash through Variable Reverse Repo Rate (VRRR) auctions amid the diminishing threat of coronavirus infections.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/overnight-call-rate-surges-to-21-month-high-prompting-rbi-to-act/articleshow/89025301.cms>
- **Bandhan Bank report 36% rise in net profit:** Fall in bad loan provisions helped Bandhan Bank report a 36 per cent rise in net profit at Rs 859 crore in the third quarter to December 31, 2021 against Rs 633 crore in the year ago period with bank management saying that the asset quality stress reached its peak. "The stress in the system has considerably reduced and this will lead to reduction in NPAs going



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forward," said managing director Chandra Shekhar Ghosh. He said that collection efficiency in Assam and West Bengal -- the two states which saw high build up of asset quality stress -- has improved.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bandhan-bank-report-36-rise-in-net-profit/articleshow/89042622.cms>

- **L&T Finance reports 12% growth in net profits during Q3'21-22:** L&T Financial Services reported a 12 per cent growth in net profit on a consolidated basis for the quarter ended December 2021. The company intensified its focus on retail loans which rose 29 per cent year-on-year to Rs 7600 crore. 2.0. The company's retail portfolio mix now stands at 50% (up from 40% in Q3FY21), in line with its stated strategic objective.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/lt-finance-reports-12-growth-in-net-profits-during-q321-22/articleshow/89044569.cms>
- **PTC India sets up internal committee; not ruling out malafide:** PTC India on Friday said it has set up an internal committee to look into the governance issues in PTC Financial Services (PFS) as alleged by the NBFC's outgoing independent directors. PTC India acting chairman and managing director Rajib Kumar Mishra questioned the independent directors' intent to raise questions regarding 10-year old loan and said PFS will soon fill the board level vacancies with 'young' people with 'NBFC background' to make faster decisions. He did not rule out an intent to 'malify the company'.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/ptc-india-sets-up-internal-committee-not-ruling-out-malafide/articleshow/89043481.cms>
- **HDFC Life Insurance Q3 net profit up 3.7 per cent:** HDFC Life Insurance reported a 3.7 per cent increase in its net profit to ₹273.65 crore in the third quarter of the fiscal compared to ₹264.99 crore in the same period last fiscal. For the quarter-ended December 31, 2021, the private sector life insurer registered a 27.8 per cent jump in net premium income to ₹12,124.36 crore as against ₹9,487.01 crore a year ago. Its 13th month persistency ratio was at 84.5 per cent as on December 31, 2021 compared to 79.2 per cent a year ago. Solvency ratio was 190 per cent at the end of the third quarter this fiscal versus 202 per cent a year ago. Vibha Padalkar, Managing Director and CEO, HDFC Life Insurance said "We continued to deliver consistent and robust growth of 21 per cent in nine months of 2021-22, resulting in a private market share of 15.2 per cent in terms of Individual WRP."
<https://www.thehindubusinessline.com/money-and-banking/hdfc-life-insurance-q3-net-profit-up-37/article64928039.ece>
- **SBI Life Insurance Q3 net profit jumps 56.3 pc:** SBI Life Insurance registered a 56.3 per cent jump in third quarter net profit to ₹364.06 crore compared to ₹232.85 crore a year ago. For the quarter ended December 31, 2021, its net premium income shot up by 30.9 per cent to ₹18,025.34 crore against ₹13,766.49 crore in the same period last fiscal. "Value of New Business increased by 54 per cent to ₹2,230 crore in the nine months of the fiscal 2021-22," it said in a statement on Friday.
<https://www.thehindubusinessline.com/money-and-banking/sbi-life-insurance-q3-net-profit-jumps-up-563/article64928106.ece>



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- **PCI calls for roll back of zero MDR in Budget:** Ahead of the Union Budget 2022-23, Payments Council of India has called for the roll back of the zero MDR regime for UPI and Rupay debit cards in the country. In its request to the Finance Ministry, PCI has sought the withdrawal of the zero Merchant Discount Rate (MDR) regime for UPI and RuPay debit cards. Alternatively, it has asked that the industry should be incentivised with an amount of ₹4,000 crore to bridge the losses. “The industry expects a loss of ₹5,500 crore from UPI and RuPay MDR being zero,” said PCI in a statement on Friday. With zero MDR, the government has taken away the ability of these Payment Service Providers to invest in and maintain the financial infrastructure they have built, it further said. “The payments industry hopes to have some relief, which can then be used by them to further expand the digital payments infrastructure of the country, and work on innovative initiatives to further the digital financial inclusion in the country,” it said. MDR was waived off on UPI and RuPay platforms starting January 1. Vishwas Patel, Chairman, PCI, and Director, Infibeam Avenues, said: “We request the government to consider a roll back of the zero MDR, with a view to broaden the merchant acceptance base particularly in the MSME space and also to facilitate the deployment of payments infrastructure by non-bank players, who have been the biggest deployers of capital in this area for the past few years.” PCI has also suggested deleting Section 10A from the PSS Act, and to remove UPI, UPIQR and RuPay from the ambit of rule 119AA of the Income Tax Act, for the development of the digital payments sector.
<https://www.thehindubusinessline.com/money-and-banking/pci-calls-for-roll-back-of-zero-mdr-in-budget-2022-23/article64928074.ece>
- **Optimal hedge ratio for ECBs is at 63 pc: RBI Paper:** The optimal hedge ratio for the External Commercial Borrowings (ECBs) raised by firms in India is estimated at 63 per cent for the periods of high volatility in the foreign exchange (forex/FX) market, according to a Reserve Bank of India (RBI) Working Paper. An optimal hedge ratio is a ratio that implies the percentage of total asset or liability exposure that an entity ought to hedge against exchange rate fluctuations.
<https://www.thehindubusinessline.com/money-and-banking/optimal-hedge-ratio-for-ecbs-is-at-63-rbi-paper/article64927987.ece>
- **Ujjivan Small Finance Bank launches Platina fixed deposit:** Ujjivan Small Finance Bank launched Platina Fixed Deposit, which offers interest of 15 basis points in addition to the regular Ujjivan SFB term deposit rates. The general FD for 990 days tenure gives 6.75% for general citizens and 7.50% for senior citizens, but Platina FD offers 15 bps over and above these interest rates, as per the company.
<https://www.livemint.com/industry/banking/ujjivan-small-finance-bank-launches-platina-fixed-deposit-11642756537360.html>
- **Weak global cues push Sensex down 427 pts; Nifty ends below 17,300 :** The BSE Sensex closed at 59,037.18, down 427.44 points or 0.72 per cent. It recorded an intraday high of 59,329.63 and a low of 58,620.93. The Nifty 50 closed at 17,617.15, down 139.85 points or 0.79 per cent. It recorded an intraday high of 17,707.60 and a low of 17,485.85. Bajaj Auto, Hindustan Unilever, Maruti, Hero MotoCorp and HDFC Bank were the top gainers on the Nifty 50 while Bajaj Finserv, Tech Mahindra, Shree Cement, Coal India and Divi’s Lab were the top laggards.



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