



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

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- **Uncertainty over privatisation of PSBs, general insurance company:** Uncertainty looms over the privatisation of two public sector banks and one general insurance company as announced in the Budget last year. There is no clarity yet if the government will introduce a Bill in the Budget session for the privatisation of public sector banks. "Other than IDBI Bank, we propose to take up the privatisation of two Public Sector Banks and one general insurance company in 2021-22. This would require legislative amendments," Finance Minister Nirmala Sitharaman had announced while presenting the Budget for FY22 on February 1 last year. She had also talked about bringing a legislation in last year's Budget session itself.
<https://www.thehindubusinessline.com/money-and-banking/uncertainty-over-budget-announcement-about-privatisation-of-public-sector-banks-general-insurance-company/article64931189.ece>
- **PNB may sell stake in NCDEX, Pridhvi ARC to free up capital:** Punjab National Bank (PNB) is looking to sell its stake in Pridhvi Asset Reconstruction and Securitisation Co. Ltd and National Commodity & Derivatives Exchange Ltd, or NCDEX, to free up capital to expand lending. While PNB owns 10% in Pridhvi ARC, its stake in NCDEX is at 7.29%. The lender wants to hire legal advisers and other intermediaries to prepare the required documents and to manage the divestment process, according to a notice published by the bank. It said that it could either sell the entire stake or a portion of it by 28 February.
<https://www.livemint.com/industry/banking/pnb-may-sell-stake-in-ncdex-pridhvi-arc-to-free-up-capital-11642962749030.html>
- **PSU Bad bank, ARC reforms are awaited as NPA threat looms:** Even as the wait goes on for the National Asset Reconstruction Company (NARC) or 'bad bank', which was announced in the previous Union Budget and proposed reforms for the private asset reconstruction companies (ARCs) to take off, the dead weight of old accounts continues to languish on the banks' books. With the recovery rate slipping and the chances of more potential bad loans in the future emerging, new buyers are needed for these bad loans. Delays in bad loan resolution have meant that the recovery rate from bad loans, which jumped from 26% pre-bankruptcy code to around 39% as of FY21, is slipping again.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/psu-bad-bank-arc-reforms-are-awaited-as-npa-threat-looms/articleshow/89086610.cms>
- **FSS-assisted model through 'Smart Cash' to reach 1000 villages by March:** FSS is looking to expand its assisted model through its 'smart cash' operations to 1000 villages with over 2000 people by March. FSS Smart Cash is a multipurpose kiosk which will help consumers avail cash and other financial services using Grameen Pay which is an app for rural banking. "The kiosks have been started in two states - Madhya Pradesh and Maharashtra," V. Balasubramanian, CEO, FSS Cashtech told ET. "By



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February, it will be available in Tamil Nadu, Karnataka and Uttar Pradesh. And by March, we should be in 1000 villages of over 2000 people."

<https://economictimes.indiatimes.com/industry/banking/finance/banking/fss-assisted-model-through-smart-cash-to-reach-1000-villages-by-march/articleshow/89084955.cms>

- **Fullerton India and Paytm tie up to provide lending products:** Fullerton India and One97 Communications, which owns Paytm, have partnered to provide lending products to merchant partners and consumers. "With the partnership, the two will leverage data-driven insights and wide reach to bring credit to new-to-credit users," said a statement on Monday. The programme will offer Paytm Postpaid or buy-now-pay-later to consumers on the Paytm platform while utilising Fullerton's risk assessment capabilities and scale, it further said.
https://www.business-standard.com/article/news-cm/fullerton-india-partners-with-paytm-122012400165_1.html
- **Indipaisa, Hitachi Payments tie-up to develop new fintech platform for MSMEs:** Hitachi Payment Services and Indipaisa have tied up to develop a new Fintech platform for India's MSMEs. "In partnership with Hitachi Payment Services, Indipaisa will offer a range of payment solutions to match the specific needs of Indian MSME owners and operators, to help them grow their businesses, comply with government tax laws, and build a better future for themselves and their families," the companies said in a statement on Monday. "Our technological know-how, centralised infrastructure and expansive network will further help in democratising digital payments, thereby providing an impetus towards financial inclusion for the marginalised MSMEs," said Anuj Khosla, CEO, Digital Business, Hitachi Payment Services.
<https://www.thehindubusinessline.com/money-and-banking/indipaisa-hitachi-payment-services-introduce-new-fintech-platform-for-msmes/article64937132.ece>
- **Payment on the go: City Union Bank launches contactless debit card in a fitness watch:** City Union Bank (CUB), in association with fitness technology company GOQii and powered by the National Payments Corporation of India (NPCI), has introduced the CUB fitness watch debit card, a wearable payment solution. With the concept of 'Just wear, tap and pay' the new fitness watch debit card will enable CUB customers to make contactless payments on the go. Also, the smartwatch will keep a tab on health and fitness.
<https://www.thehindubusinessline.com/money-and-banking/city-union-bank-launches-contactless-debit-card-in-a-fitness-watch-for-payments-on-the-go/article64937336.ece>
- **HDFC AMC net down 3 per cent on higher operational cost:** HDFC Asset Management Company has reported that its net profit in the December quarter was down three per cent to ₹360 crore, as against ₹369 crore logged in the same period last year, largely due to higher operational cost and fall in other income. Revenue from operation was up 14 per cent at ₹550 crore (₹482 crore). Overall operational cost increased 35 per cent to ₹151 crore (₹112 crore). Other income was down 24 per cent to ₹86 crore (₹113 crore). Asset under management increased 7 per cent at ₹4.37 lakh crore against ₹4.07 lakh crore. Its market share was down at 11.6 per cent against 13 per cent in same period last year. The fund house processed 3.44 million systematic transactions worth ₹1,190 crore in December.



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<https://www.thehindubusinessline.com/money-and-banking/hdfc-amc-net-down-3-pc-on-higher-cost/article64937528.ece>

- **SBI Card Q3 net profit up 84 per cent at ₹386 crore:** SBI Card, the country's largest pure-play credit card issuer, on Monday reported an 84 per cent increase in net profit for the third quarter ended December 31, 2021 at ₹386 crore (₹210 crore). Total revenue for the quarter under review increased 24 per cent to ₹3,140 crore (₹2,540 crore). For the nine months ended December 31, 2021, SBI Card's net profit grew 28 per cent to ₹1,035 crore (₹809 crore). Total revenues for the nine months ended December 31, 2021 grew 14 per cent to ₹8,285 crore (₹7,245 crore), SBI Card said in a statement.
<https://www.thehindubusinessline.com/money-and-banking/sbi-card-q3-net-up-84-per-cent-at-386-crore/article64937660.ece>
- **Axis Bank Q3 net profit jumps 224 per cent:** Axis Bank's standalone net profit for the third quarter of the fiscal shot up 223.7 per cent as provisions declined significantly and net interest income grew in double digits. The private sector lender reported a net profit of ₹3,614.24 crore for the quarter ended December 31, 2021, compared to ₹1,116.6 crore a year ago. The bank's net interest income grew 17 per cent y-o-y to ₹8,653 crore in the third quarter of the fiscal from ₹7,373 crore a year ago. Net interest margin for the third quarter improved by 14 basis points (bps) q-o-q to 3.53 per cent. It was 3.59 per cent including interest from income tax refunds in the third quarter of last fiscal.
<https://economictimes.indiatimes.com/markets/stocks/earnings/axis-bank-q3-results-net-profit-jumps-224-to-rs-3614-beats-estimate/articleshow/89094557.cms>
- **Embedded finance start-up Falcon eyes \$30 million revenue by March 2023:** Embedded Finance start-up Falcon, which launched in India on Monday, announced its target of hitting \$30 million revenue by March 2023. Backed by some marquee investors from the US, India, and West Asia, the start-up aims to tap into the \$24-billion market opportunity presented by companies rushing to offer embedded payments and lending products. Licious founders Abhay Hanjura & Vivek Gupta, Sila Money founder Shamir Karkal, former Affirm CFO Jeremy Solomon, besides executives from Softbank, UAE Sovereign Fund, Silicon Valley Bank, Robinhood and Facebook, are among some early backers of the embedded finance platform. Falcon is co-founded by Prabhtej Bhatia and Priyanka Kanwar, who have "assembled a talented team of leaders from RBL Bank, HDFC, FIS, Mahindra Comviva, Intermiles and Accenture".
https://www.business-standard.com/article/finance/embedded-finance-start-up-falcon-eyes-30-million-revenue-by-march-2023-122012400995_1.html
- **ICICI Bank repatriates \$370 million of capital from foreign arms in FY22:** ICICI Bank's foreign subsidiaries have sent a total of \$370 million of equity capital back to its parent bank in the current financial year, adding to the bank's total capital base. ICICI bank Canada repatriated capital worth \$170 m in January and ICICI Bank UK repatriated capital worth \$200 million in the second quarter, said Sandeep Batra, executive director, ICICI Bank in the earnings call on Saturday.
<https://www.livemint.com/industry/banking/icici-bank-repatriates-370-million-of-capital-from-foreign-arms-in-fy22-11642952839916.html>



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- **RBI imposes monetary penalty on 8 cooperative banks:** The Reserve Bank of India (RBI) on January 24 imposed monetary penalties on eight cooperative banks for the violation of loan and know your customer norms. These banks are Rajkot Peoples Cooperative Bank, Vasai Janata Sahakari Bank, Mogaveera Cooperative Bank, The Varachha Cooperative Bank, The Associate Cooperative Bank, Bhadradi Cooperative Urban Bank, The Jammu Central Co-operative Bank and Jodhpur Nagrik Sahakari Bank.
<https://www.moneycontrol.com/news/business/rbi-imposes-monetary-penalty-on-8-cooperative-banks-7977281.html>
- **RBI to conduct variable rate repo auction under LAF today:** The Reserve Bank of India will conduct a variable rate reverse auction (VRRR) for Rs 75,000 crore on January 24, the central bank has said in a release. The VRRR is usually undertaken to reduce the money flow by taking out existing cash present in the system. The central bank has been rebalancing the surplus liquidity in the system by shifting it out of the fixed-rate overnight reverse repo window to VRRR auctions of longer maturity. This rebalancing has proceeded on a pre-announced glidepath and has evolved satisfactorily, RBI Governor Shaktikanta Das said on December 8.
<https://www.moneycontrol.com/news/business/rbi-to-conduct-variable-rate-repo-auction-under-laf-today-7974571.html>
- **Gold muted ahead of Fed meeting for rate hikes cues:** Gold prices were little changed on Monday, as investors awaited the U.S. Federal Reserve's meeting for clues on its interest rate hikes, while concerns over inflation and Russia-Ukraine discord kept bullion's safe-haven allure intact. Spot gold was flat at \$1,836.21 per ounce by 0403 GMT. U.S. gold futures were up 0.3% to \$1,836.80
<https://www.moneycontrol.com/news/business/markets/gold-muted-ahead-of-fed-meeting-for-rate-hikes-cues-7974401.html>
- **Rupee falls 9 paise to 74.52 against US dollar in early trade:** The rupee declined 9 paise to 74.52 against the US dollar in opening trade on Monday, as muted domestic equities and elevated crude oil prices weighed on investor sentiments. At the interbank foreign exchange, the rupee opened weak at 74.43 against the US dollar, then slipped further to 74.52 against the greenback, registering a decline of 5 paise from the last close.
<https://www.moneycontrol.com/news/business/markets/indian-rupee-falls-9-paise-to-74-52-against-us-dollar-in-early-trade-7974441.html>
- **CSB Bank shares gain 6% on better December quarter numbers:** CSB Bank shares added 6 percent intraday to Rs 255.40 on January 24 as the company reported better numbers for the quarter ended December 2021. On January 21, CSB Bank has reported 179.45 percent jump in its Q3FY22 net profit at Rs 148.25 crore as against Rs 53.05 crore in Q3FY21. Its net interest income increased to Rs 303.34 crore from Rs 251.18 crore, YoY.
<https://www.moneycontrol.com/news/business/stocks/csb-bank-shares-gain-6-on-better-december-quarter-numbers-7973991.html>



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- **Sensex falls over 1,500 points at closing, Nifty slips below 17,200:** It was a blood bath on Dalal Street on Monday with benchmark indices closing in deep red amid a broad-based sell-off as bears kept their grip on the market, the fifth consecutive session of losses. The BSE Sensex closed at 57,491.51, down 1545.67 points or 2.62 per cent. It slipped below the 57,000 mark during the day, recording an intraday low of 56,984.01. It recorded an intraday high of 59,023.97. The Nifty 50 closed at 17,149.10, down 468.05 points or 2.66 per cent. The Nifty 50 slipped below the 17,000 mark to record an intraday low of 16,997.85. It recorded an intraday high of 17,599.40. The majority of the stocks traded on the exchanges closed in the red. Only two stocks- Cipla and ONGC closed in the green on the Nifty 50. JSWL Steel, Bajaj Finance, Tata Steel, Grasim and Hindalco were the top losers n the Nifty 50 losing around 5-7 per cent.

<https://www.thehindubusinessline.com/markets/sensex-falls-over-1500-pts-at-closing-nifty-slips-below-17200-amid-heavy-sell-off-on-weak-global-cues/article64937342.ece>

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