



FrankBanker
Idea Exchange for Bankers

5th March 2022



ISSUE 6

LATEST FACTS

| | |
|----------------|--------------------------------------|
| REPO | 4.0% |
| REVERSE REPO | 3.35 % |
| BANK Rate | 4.25 % |
| FOREX RESERVES | \$ 631 Billion |
| CPI INFLATION | 6.01% (Jan 22) |
| GDP Growth | 5.4% (Oct-Dec 21) 8.9% (est FY22) |
| BITCOIN | ₹ 29,84,576.27 |
| ETHEREUM | ₹ 2,00,691.07 |



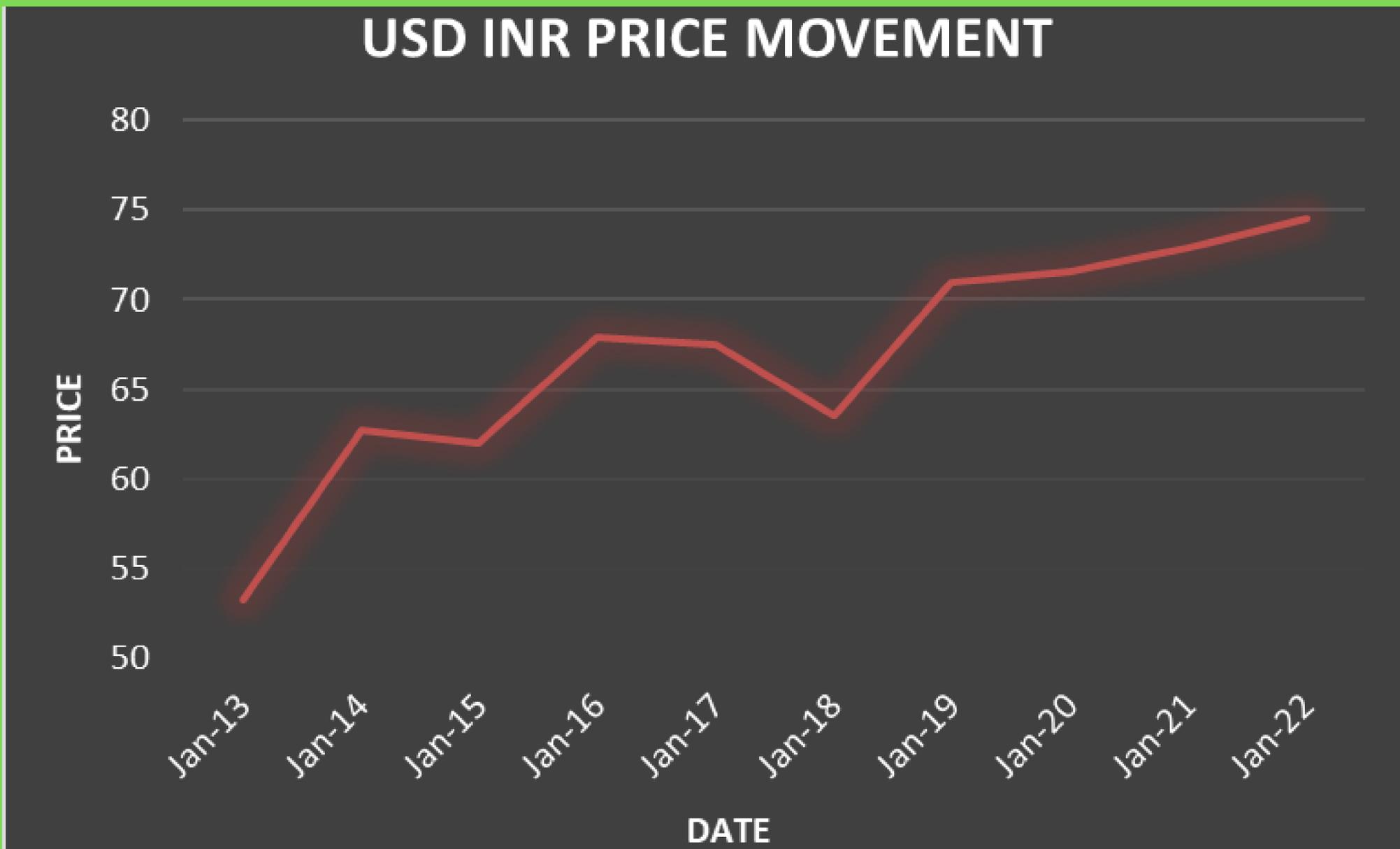


RBI Actions

- RBI extended the deadline for revised **NPA classification rules for NBFCs** from March 31 to September 30. The guidelines mandated that NPAs can be upgraded to Standard assets only after all interest and principal outstanding **across credit facilities** are repaid.
- RBI has cancelled the licence of Maharashtra-based **Sarjeraodada Naik Shirala Sahakari Bank Limited** as it has failed to comply with the regulations and has inadequate capital and earning prospects
- RBI has **penalised three Cooperative Banks** - Nagrik Sahakari Bank Maryadit, Chhattisgarh and Jila Sahakari Kendriya Bank Maryadit in Panna and Satna- for deficiencies in regulatory compliances.

Source: RBI <https://bit.ly/3hBu4jQ>

Data Story- 10 year USD INR move



- Over the course of 10 years the **INR depreciated by 33.3%** from ₹53.275 to ₹74.529 per USD, at a **CAGR of 3.41%**
- Last 4 years in particular have seen a flattening curve with reduced volatility partly due to proactive intervention by RBI



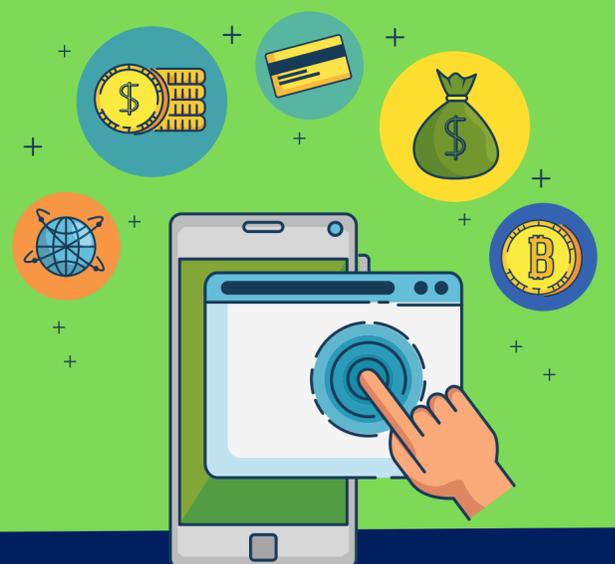
NSE Co-location scam



- NSE Co-location scam was in news recently. The genesis of the case go back to 2012, when NSE permitted some members/brokers to co-locate within its premises
- Normal data protocols send data to all users connected on the network at the same time. However owing to co-location, a securities firm OPG securities allegedly got faster access to NSE's secondary servers
- Stock prices move every microsecond on tick-by-tick (TBT) basis. This vicinity to NSE's servers gave them faster access to TBT updates
- Faster access meant they could take positions before other players. Especially at disadvantage were the Retail investors. The case came to light in 2015 when a whistleblower complained to SEBI
- While Co-location is not Illegal but the issue raised questions about governance and system practices at the country's premiere exchange

FinTech News

- Fintech Startup **Snapmint** Raises \$9 Mn to launch Innovative BNPL Products.
- Early stage **QED Investors** plans to invest \$500 million in Indian startups over the next three year.
- Student loan fintech platform **Kuhoo** raised \$20 million seed fund from West Bridge Capital.
- Fintech lending platform **Pocketly** raised \$3Mn Series A funding from investors including Dholakia ventures and Cred's Kunal Shah
- **Junio**, a kid focussed pocket money fintech raised \$6 Mn pre -series A funding from NB Ventures (UAE) and others



**Hot
New**

LATEST HAPPENINGS

- The Supreme Court ruled recently that District Magistrates can ask Advocates to take possession of defaulter's property under the **SARFAESI ACT (2002)**
- **Union Bank of India** partnered with Ambit Fininvest for co-lending to MSMEs
- As per media reports, private equity group Carlyle is considering a \$500-600 Mn investment in **Yes Bank**
- **Fino Payments Bank** plans for a reverse merger with its holding company Fino Paytech Ltd by June
- RBI has given its in-principle approval for merger of **Rupee Cooperative bank** with **Saraswat Bank**

TERM OF THE WEEK

- **SWIFT** (Society for Worldwide Interbank Financial Telecommunication) is an electronic payment messaging system used by banks and financial institutions worldwide
- SWIFT does not actually perform electronic funds transfers; rather, it serves as the messaging system that enables a worldwide network of financial institutions to exchange funds
- Although it was originally designed only to facilitate transactions, its flexible and scalable format allowed for expansion into other areas such as securities, treasuries, trades, and system transactions
- SWIFT has defined templates for different transaction messages. For eg.
 - *MT 101 - Request for Transfer*
 - *MT 111 - Stop Cheque payment*
 - *MT 700 - Issue of Documentary Credit*



Like it?

DO CONSIDER SUBSCRIBING



@FrankBanker



@TheFrankBanker



<https://bit.ly/3uGIFTX>



www.FrankBanker.com



FrankBanker
Idea Exchange for Bankers

Only for knowledge sharing through limited circulation