

TBA Bulletin 21

Week gone by December 30 – January 4, 2021

BFSI-Steady start in the sector as RBI announces fresh open market operations but the biggest news was made by IDBI as it has now been removed as governmental undertaking under Article 12 of the constitution.

TECH- Vandalism against tech companies again takes the headlines as Jio writes to Punjab CM over network sites vandalism and Digital Currency reaches all time highs by the end of the year.

FINTECH- With the steady rise in digital payment system in the country, RBI unveils digital payment index to track and check the extent of digital payments transactions.

FOOD AND BEVERAGE-Indian craft beer company Bira gets investment of 30 Million dollars from Japanese investors.

BFSI

NATIONAL

RBI releases report on trend and progress of Banking in India, 2019-2020

- Scheduled Commercial Banks (SCBs)' gross non-performing assets (GNPA) ratio declined from 9.1 per cent at end-March 2019 to 8.2 per cent at end-March 2020 and further to 7.5 per cent at end-September 2020. The accretion to NPAs as per the Reserve Bank's Income Recognition and Asset Classification (IRAC) norms would have been higher in the absence of the asset quality standstill provided as a Covid-19 relief measure
- Capital to risk weighted assets (CRAR) ratio of SCBs strengthened from 14.3 per cent at end-March 2019 to 14.7 per cent at end-March 2020 and further to 15.8 per cent at end-September 2020, partly aided by recapitalization of public sector banks and capital raising from the market by both public and private sector banks.
- Net profits of SCBs turned around in 2019-20 after losses in the previous two years; in H1:2020-21, their financial performance was shored up by the moratorium, standstill in asset

classification and ploughing back of dividends.

- The balance sheet growth of Urban Co-operative Banks (UCBs) moderated in 2019-20 on lower deposit accretion and muted expansion in credit; while their asset quality deteriorated, increased provisioning resulted in net losses.

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RBI announce fresh Open Market Operations

- The decision was taken after a review of current liquidity and financial conditions.
- On January 7, the RBI will purchase three government securities (G-Sec) of different maturity dates aggregating to Rs 10,000 crore and sell two securities aggregating to the same amount using the multiple price auction method.

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IDBI Ltd. Is now considered not a government undertaking under Article 12 of the Constitution

- In the landmark case of *Mrinamye Rohit Umrotkar vs. Union of India & ors.* (Writ Petition (L) No. 6704 of 2020) the Bombay High Court held that " *the transition of the Development Bank from a body corporate to a Company (IDBI) without deep and pervasive administrative, financial and functional control of the Government of India over such Company having been shown gives little reason to hold that after the enactment of the Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003, IDBI could still be regarded as an undertaking of the Government of India*"

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Central Consumer Protection Authority (CCPA) seeks RBI intervention in case of delay of refund in failed transactions

- In a letter to Reserve Bank of India RBI, the CCPA Chief Commissioner stated that 2,850 complaints pertaining to "transactions failed/cancelled but money not refunded" forming 20 per cent of grievances registered in the banking sector have been received.
- RBI, being the banking regulator, is requested to look into the matter and take up the issue with the banks urging them to adhere to the timelines stipulated in guidelines issued by RBI in this regard.

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TECHNOLOGY

NATIONAL

Amazon planning to launch computer science education programme in India

- Amazon is in plans to launch its childhood-to-career programme Future Engineer in India, a job posting tips. Debuting in the US in January last year, the initiative is aimed to fund computer science classes to help students learn coding and computers. Amazon is currently hiring for a manager to lead the Amazon Future Engineer programme in India. The latest move comes nearly a year after CEO Jeff Bezos visited the country and announced the company's investment of \$1 billion (roughly Rs. 7,319 crores) in the country to digitise small and medium business in the country.
- "The initial research for Amazon Future Engineer in India is currently underway and we look to the chosen candidate to dive deep into operationalising the programme to what is relevant for India and the student needs," the company said in its posting.

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Reliance Jio writes to Punjab Chief Minister over incidents of vandalism at network sites

- Reliance Jio has written to Punjab Chief Minister and Punjab Director General of Police (DGP) seeking their intervention into "incidents of sabotage and vandalism at Jio Network sites" in the state by unknown persons
- The letter alleges that police personnel at local level are not taking action or filing FIRs against vandalism and that is why such incidents are not stopping. Jio has requested the DGP to take action
- Almost 1,500 plus sites have already been damaged and vandalised till yesterday and more incidents are being reported across Punjab. Estimated cost of damage is already to the tune of hundreds of crores, according to Reliance Jio.

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INTERNATIONAL

New York Stock Exchange starts process of delisting three telecom companies over security risks

- The New York Stock Exchange (NYSE) is starting the process of delisting securities of three Chinese telecom companies, after President Donald Trump last month barred US investments in Chinese firms Washington says are owned or controlled by the military.
- It's "a modest step, but at least an awakening to national security and human rights-related risk", said Roger Robinson, a former White House official who supports curbing Chinese access to US investors. The order sought to give teeth to a 1999 law that mandated that the Department of Defense compile a list of Chinese military companies. The Pentagon, which only complied with the mandate this year, has so far designated 35 companies, including oil company CNOOC and China's top chipmaker, Semiconductor Manufacturing International.

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Apple hits record after December surge sends it past Amazon

- Apple shares briefly rallied to an intraday record on Tuesday, continuing a year-end surge that's cementing its lead over Amazon as 2020's best performer among the largest technology stocks.
- After enjoying a boom in e-commerce sales this year, Amazon is expected to see slower expansion in 2021. Revenue is projected to climb 19 percent in 2021 after expanding at an estimated 35 percent clip in 2020.

- Apple rose as much as 1.5 percent to \$138.79 (roughly Rs. 10,200) before closing with a 1.3 percent decline. The Cupertino, California-based company is trading at 34 times projected 2021 profit, up from 10 at the beginning of 2019. Amazon is valued at 56 times estimated earnings.

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Bitcoin jumps to record 28,600 dollars as 2020 rally reaches new heights

- Bitcoin on Wednesday jumped to a record \$28,599.99 (roughly Rs. 21 lakhs), after the digital currency almost quadrupled in value this year amid heightened interest from bigger investors.
- The world's most popular cryptocurrency was last up 2.3 percent at \$28,012 (roughly Rs. 20.5 lakhs). It has surged by nearly half since breaking \$20,000 (roughly Rs. 15 lakhs) for the first time on December 16.
- Investors said limited supply of bitcoin, produced by so-called "mining" computers that validate blocks of transactions by competing to solve mathematical puzzles, has helped power upward moves over recent days.
- The latest gains took bitcoin's market capitalisation past \$518 billion (roughly Rs. 37,93,300 crores), according to industry website CoinMarketCap.

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Tencent Games said to be removed from Huawei App store over revenue dispute

- Tencent's online game offerings have been removed from Huawei's app store since the two companies failed to reach an agreement on revenue sharing, Tencent and a source said on Friday.
- Tencent sells some of the top-ranked online games worldwide, while Huawei has a 41.4 percent share of the China mobile phone market and 14.9 percent

of the global market, according to data from market research firms IDC and Canalys

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FINTECH

NATIONAL

Reserve Bank unveils digital payment index

- The Reserve Bank of India (RBI) has constructed a composite Digital Payments Index (DPI) to capture the extent of digitisation of payments across the country.
- The RBI-DPI has been constructed with March 2018 as the base period. The DPI for March 2019 and March 2020 work out to 153.47 and 207.84 respectively, indicating appreciable growth.
- Going forward, RBI-DPI shall be published on RBI's website on a semi-annual basis from March 2021 onwards with a lag of 4 months.

- Each of these parameters have sub-parameters which, in turn, consist of various measurable indicators.

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FOOD AND BEVERAGE

NATIONAL

Japan's Kirin to invest 30 million dollars in maker of craft beer Bira

- Japan's beer maker Kirin Holdings will invest \$30 million in New Delhi-based B9 Beverages, the companies said on Monday, as it seeks to secure a spot in India's growing craft beer market amid falling sales at home.
- The Japanese brewer will acquire a stake of under 10 per cent in B9, the maker of India's popular craft beer Bira, a Kirin spokesman and Bira CEO Ankur Jain told Reuters. They declined to give further financial details.
- B9 had been in talks with international brewers - including Kirin - and other investors to sell a stake of up to 20 per cent in the company, Reuters reported in August

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