



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
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## DAILY NEWS DIGEST BY BFSI BOARD, ICAI

December 2, 2021

- **SBI to engage consultant for performance evaluation of Directors:** State Bank of India (SBI) has decided to engage the services of a consultant to carry out performance evaluation of all the Directors on the Board of the Bank, Central Board and Board Level Committees. Currently, India's largest bank has 13 Directors on the Central Board and 10 Board Level Committees, including Executive Committee of the Central Board, Audit Committee, Risk Management Committee, and Nomination & Remuneration Committee. The consultant is expected to devise parameters for performance evaluation and assess the quality, quantity and timelines of flow of information between management and the board of directors that is necessary for the Central Board, Chairman, Directors (Executive and Non-executive), and Board Level Committees to effectively and reasonably perform their duties.  
<https://www.thehindubusinessline.com/money-and-banking/sbi-to-engage-consultant-for-performance-evaluation-of-directors/article37795524.ece>
- **Private sector banks lower lending rates more than PSU Banks during the pandemic:** Private sector banks have been leading the way in reducing cost of funds in the past year of pandemic even as state-run banks are not far behind. While the overall lending rates have fallen as much as 100 basis points, for private banks it has been more. Weighted average lending rates for outstanding rupee loans of commercial banks fell 96 basis points- bps (one basis point is 0.01 per cent) between March 2020 and October 21, data released by the RBI indicates. But these rates have fallen more sharply for private sector banks at 109 basis points compared to 85 bps dip for public sector banks and 187 bps for the foreign banks in the country.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/private-sector-banks-lower-lending-rates-more-than-psu-banks-during-the-pandemic/articleshow/88035844.cms>
- **Bank credit to industry revives, but real estate, education loans lag:** Even as bank credit to industry, which comprises 29.3% of total non-food industry credit, showed some signs of an uptick with 4.1% year-on-year rise in October, data from the Reserve Bank of India's sectoral credit deployment shows that credit towards commercial real estate and education loans has shrunk by 0.5% and 8.7% on year, respectively. "Banks have been following a cautious stance in underwriting over past one year owing to Covid impact and focus has been more on secured retail and working capital loans to highly rated borrowers. While banks have actively pursued stronger growth in mortgage and even in LAP (long against property) segments, they have maintained a strong control on their commercial real estate exposure in order to reduce asset quality risks given uncertain economic environment," said Nitin Aggarwal, vice president, research-banking sector at Motilal Oswal Financial Services.  
<https://www.financialexpress.com/industry/banking-finance/bank-credit-to-industry-revives-but-real-estate-education-loans-lag/2380190/>



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- **For bondholders of Reliance Capital, only half recovery likely:** Reliance Capital (RCap) bondholders are expected to recover just about half their investments in the stressed financier's debt instruments, with a quick resolution under the stewardship of a central bank-appointed administrator potentially helping increase value of cash flow-generating RCap assets. Some RCap investments in operating subsidiaries such as insurance, broking and asset reconstruction are likely to yield good value, half a dozen top industry executives dealing with RCap investments told ET. Large institutional investors, including LIC and Employee Provident Fund Organisation (EPFO), collectively own about ₹6,000 crore of RCap bonds. They are also expected to report considerable recoveries.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/only-half-recovery-likely-for-reliance-capital-bondholders/articleshow/88019095.cms>
- **HDFC, Axis Bank sold Reliance Capital debt facilities to ACRE:** A few months before the Reserve Bank of India (RBI) superseded the board of Reliance Capital (RCap), Ares SSG Capital-backed Assets Care & Reconstruction Enterprise (ACRE) acquired debt facilities from HDFC and Axis Bank at 27-28 paise on a rupee. ACRE, an asset reconstruction company, purchased a ₹524-crore term loan from housing finance company HDFC Ltd and a ₹100-crore term loan and ₹490-crore non-convertible debentures (NCDs) from Axis Bank, the people said. Both trades were carried out on an all-cash basis, one of the persons cited above said.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-axis-bank-sold-reliance-capital-debt-facilities-to-acre/articleshow/88019126.cms>
- **HDFC, Bajaj Finance hike rates on long term deposits ahead of RBI meet:** In a move that could bring some respite to savers, two of the largest non-banking lenders, HDFC Ltd and Bajaj Finance, have hiked their long-term deposit rates ahead of the Reserve Bank of India's (RBI) monetary policy meeting, in a sign that the rate cycle may be turning. India's largest mortgage lender, HDFC Ltd, hiked its long-term rates by upto 15 basis points (bps). It is now offering an annual return of 6.25 per cent on a 33-month deposit of upto Rs 2 crore. Similarly, a deposit of Rs 2 crore will fetch an annual return of 6.7 per cent for a period of 66 months, and 6.8 per cent for a period of 99 months. These rates are effective immediately i.e., December 1. Senior citizens (60 years+) will be eligible for an additional 0.25 per cent per annum on deposits upto Rs 2 crore, other than recurring deposits.  
[https://www.business-standard.com/article/finance/hdfc-bajaj-finance-hike-rates-on-long-term-deposits-ahead-of-rbi-meet-121120100480\\_1.html](https://www.business-standard.com/article/finance/hdfc-bajaj-finance-hike-rates-on-long-term-deposits-ahead-of-rbi-meet-121120100480_1.html)
- **Deutsche Bank strengthens wealth management team in India:** Deutsche Bank is strengthening its wealth management in India to take advantage of the increased entrepreneurial wealth in the country. The German lender has hired more than 15 bankers and product professionals across various segments to join the India business in 2021 and early 2022. The additional hires are being made across the areas of relationship management and investment advisory.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/deutsche-bank-strengthens-wealth-management-team-in-india/articleshow/88026169.cms>



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- **FSS launches UPI eVoucher to advance financial inclusion:** Payments processor FSS (Financial Software and Systems) on Wednesday said it has enhanced its Unified Payment Interface (UPI) Suite to support eVouchers to accelerate digital payments adoption among financially underserved segments. The UPI eVoucher enables customers to transfer funds for a specific purpose in real-time to any mobile number, regardless of whether the beneficiary has a bank account, the company said in a statement.  
[https://www.business-standard.com/article/current-affairs/fss-launches-upi-e-voucher-to-advance-financial-inclusion-121120101472\\_1.html#:~:text=%3A%20Financial%20Software%20and%20Systems%20\(FSS,the%20financially%20under%2Dserved%20segments.](https://www.business-standard.com/article/current-affairs/fss-launches-upi-e-voucher-to-advance-financial-inclusion-121120101472_1.html#:~:text=%3A%20Financial%20Software%20and%20Systems%20(FSS,the%20financially%20under%2Dserved%20segments.)
- **Bank unions threaten two-day nationwide strike against proposed privatisation of PSBs:** The United Forum of Bank Unions (UFBU), an umbrella body of nine unions, has given a call for a two-day strike from December 16 to protest against the proposed privatisation of two state-owned lenders. In the Union Budget presented in February, Finance Minister Nirmala Sitharaman had announced the privatisation of two public sector banks (PSBs) as part of its disinvestment plan. The government has already privatised IDBI Bank by selling its majority stake in the lender to LIC in 2019 and merged 14 public sector banks in the past four years.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-unions-threaten-two-day-nationwide-strike-against-proposed-privatisation-of-psbs/articleshow/88031301.cms>
- **SBI credit card to charge a fee of Rs 99 + tax on all EMI purchases from Dec 1:** SBI credit card in its email to its customers has informed that processing fees of Rs 99 plus taxes will be levied on all EMI purchase transactions with effect from today, December 1, 2021. Processing fee will be levied for all EMI purchase transactions done at merchant outlets, e-commerce websites and app using SBI credit cards. This is likely to hit the burgeoning purchases being made by cardholders using EMI payment options offered by merchant websites such as 'Buy Now Pay Later'( BNPL) etc. It may make BNPL purchases using SBI credit cards more expensive.  
<https://economictimes.indiatimes.com/wealth/borrow/sbi-credit-card-to-charge-a-fee-of-rs-99-tax-on-all-emi-purchases-from-dec-1/articleshow/87669627.cms>
- **SBI Ecowrap: Private investment revival seems around the horizon:** New investment announcements in the current year look encouraging as around ₹8.6-lakh crore have been declared so far in the last seven months of FY22 (around ₹11 trillion reported last year). With the private sector contributing around 67 per cent of this i.e., ₹5.80-lakh crore, it seems the private investment revival is on the horizon, said Soumya Kanti Ghosh, Group Chief Economic Adviser, State Bank of India (SBI), in the latest edition of SBI Ecowrap.  
<https://www.thehindubusinessline.com/money-and-banking/sbi-ecowrap-private-investment-revival-seems-around-the-horizon/article37782535.ece>
- **States need to take credible steps to address debt sustainability concerns: RBI report :** As the impact of the second wave of the Covid pandemic wanes, the State governments need to take credible steps to address debt sustainability concerns, according to a Reserve Bank of India (RBI) report. The report



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“State Finance: Study of Budgets” noted that the combined debt-to-GDP ratio of States, which stood at 31 per cent at end-March 2021, is expected to remain at that level by end-March 2022 and is worryingly higher than the target of 20 per cent to be achieved by 2022-23, as per the recommendations of the Fiscal Responsibility and Budget Management (FRBM) Review Committee, chaired by NK Singh.

<https://www.thehindubusinessline.com/money-and-banking/states-need-to-take-credible-steps-to-address-debt-sustainability-concerns-rbi-report/article37783625.ece>

- **Digital payments remain strong, marginal decline in November:** Digital payments continued to maintain a strong momentum in November although the value and volume of transactions fell marginally compared to the record highs of October that was led by festive season spends. The Unified Payments Interface, which crossed the 400 crore mark for the number of transactions in October, continued to remain well above the level. However, the number of transactions on the UPI platform declined slightly to 418 crore in November 2021 compared to 421 crore transactions recorded in October, according to data from the National Payments Corporation of India.  
<https://www.thehindubusinessline.com/money-and-banking/marginal-decline-in-digital-payments-in-november/article37783706.ece>
- **Sensex up by 620 at closing, Nifty ends above 17,100:** The BSE Sensex closed at 57,684.79, up 619.92 points or 1.09 per cent. It recorded an intraday high of 57,846.45 and a low of 57,346.78. The Nifty 50 closed at 17,166.90, up 183.70 points or 1.08 per cent. It recorded an intraday high of 17,213.05 and a low of 17,064.25. IndusInd Bank, JSW Steel, Tata Motors, Axis Bank and Adani Ports were the top gainers on the Nifty 50 while Cipla, Divi's Lab, Ultratech Cement, Dr Reddy's and Bharti Airtel were the top laggards.  
<https://www.thehindu.com/business/markets/sensex-rebounds-620-points-nifty-above-17100/article37786638.ece>
- **Rupee gains 22 paise to end at 74.91 against US dollar:** The rupee gained 22 paise to close at 74.91 (provisional) against the US dollar on Wednesday as positive domestic equities and a weak American currency in the overseas markets boosted investor sentiment. At the interbank forex market, the domestic unit opened at 74.96 against the greenback and witnessed an intra-day high of 74.79 and a low of 75.02 during the day's trade. It finally ended at 74.91 a dollar.  
[https://www.business-standard.com/article/finance/rupee-gains-22-paise-to-end-at-74-91-against-us-dollar-121120100993\\_1.html](https://www.business-standard.com/article/finance/rupee-gains-22-paise-to-end-at-74-91-against-us-dollar-121120100993_1.html)

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