



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

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- **Central Bank of India, NPCI tie-up to launch RuPay debit card for corporates:** Central Bank of India (CBoI) has announced its partnership with the National Payments Corporation of India (NPCI) to launch 'RuPay Business Platinum Debit Card' for firms/corporates. This card offers an ATM withdrawal limit of ₹1 lakh along with a purchase of up to ₹3 lakh at POS or E-Commerce, to its users, the public sector bank and NPCI said in a joint statement. Further, card users can withdraw up to ₹75,000 at ATMs abroad and perform purchases globally worth up to ₹3 lakh at POS and international online merchants. Along with Purchase Protection coverage of ₹2 lakh, customers using this card will get accidental death and air accident coverage worth ₹10 lakh and ₹20 lakh respectively, the statement said, adding the Cardholders will be able to earn reward points on every purchase.
<https://www.thehindubusinessline.com/money-and-banking/central-bank-of-india-npci-tie-up-to-launch-rupay-debit-card-for-corporates/article38061031.ece>
- **Public sector bank CEOs earn 3 times their staff:** Chief executive officers of public sector banks (PSBs) earned thrice as much as the 'average employee' in the company in FY21, while those leading small finance banks (SFBs) earned 75 times more than the average pay, according to the Reserve Bank of India (RBI). As for the compensation paid to a private sector bank's (PVB) CEO, it was 67 times more than the average employee. This figure was lower for foreign banks (FBs), where the average remuneration received by employees is relatively high. 'Average employee pay' is calculated as the ratio of total staff costs to total employee strength.
<https://www.thehindubusinessline.com/money-and-banking/ceos-of-public-sector-banks-earn-thrice-the-average-pay/article38061935.ece>
- **Kotak Mahindra Bank to boost lending to agri-tech sector :** Kotak Mahindra Bank expects emergence of more specialised and high-tech companies to bring intelligent and credit-oriented promoters to agriculture technology space for boosting lending to this sector. The bank sees good traction in terms of cash flow throughput on the e-NAM (National Agricultural Market) platform from less advanced states such as Jharkhand, Odisha and Bihar whose APMC market set-ups are less evolved.
<https://www.thehindubusinessline.com/money-and-banking/kotak-mahindra-bank-to-boost-lending-to-agri-tech-sector/article38064620.ece>
- **Federal Bank partners Schwing Stetter India:** Private lender Federal Bank on Wednesday said it has signed a memorandum of understanding (MoU), with Schwing Stetter (India) Ltd, a subsidiary of Schwing GMBH, Germany, one of the largest manufacturers of concrete and construction equipment in India. This MoU will enable both Federal Bank and Schwing Stetter to offer customized financial solutions to their customers, it said. The bank said it will work towards catering to the customers' needs through commercial equipment loans with easy monthly repayment plans best suited for the customers.



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<https://www.livemint.com/industry/banking/federal-bank-partners-schwing-stetter-india-11640774798942.html>

- **The ₹300-crore loan at the heart of the RBL Bank mystery:** A ₹300-crore loan that was written off within seven months of being sanctioned has emerged as the key reason for the banking regulator's sudden intervention in private lender RBL Bank, two people directly aware of the development said. RBL Bank made the loan to a company as part of a consortium of lenders in 2018, and RBI has been seeking details about the bank's loan portfolio from risk department for the past few months, the people said, requesting anonymity. Details about the borrower could not be immediately ascertained.
<https://www.livemint.com/industry/banking/handling-of-300-cr-loan-put-rbl-under-scrutiny-11640805069876.html>
- **LIC 'Digi Zone' inaugurated in Mumbai:** The Life Insurance Corporation of India (LIC) on Wednesday inaugurated "LIC Digi Zone" at Bandra Kurla Complex, Mumbai, to enhance its sales and services for its customers. The Corporation will offer information regarding its products and services through kiosks installed in the Digi Zone premises, as per the LIC statement. Customers can buy policies online, pay premium and avail other services as well at the Digi Zone. MR Kumar, Chairman, LIC, said: "LIC plans to undertake the next wave of digital transformation to unlock several benefits of accelerating growth, driving customer satisfaction and improving intermediary productivity and loyalty."
<https://www.thehindubusinessline.com/money-and-banking/lic-digi-zone-inaugurated-in-mumbai/article38066044.ece>
- **Paytm Payments Bank expands its board, inducts three independent directors:** Paytm Payments Bank (PPBL), an associate entity of Paytm, has expanded its board with the appointment of three independent directors — Ramesh Abhishek (former DPIIT secretary), Manju Agarwal (former State Bank of India veteran) and Shinjini Kumar (ex-Country Business Manager for Citibank). They bring decades of experience in their respective fields that would help the bank reach its goal of serving the unbanked and under-banked citizens of this country.
<https://www.thehindubusinessline.com/companies/paytm-payments-bank-expands-its-board-inducts-three-independent-directors/article38060878.ece>
- **Bad loans could rise to 8.1% by Sept 2022 unless stress moderates:** Bad loans in the banking sector could increase to 8.1% of total advances by September 2022 under the baseline scenario, up 120 basis points (bps) from September this year, the Reserve Bank of India (RBI) said on Wednesday. Macro-stress tests for credit risk also show that gross non-performing asset (GNPA) ratio may increase from 6.9% in September 2021 to 9.5% in September 2022 under a severe stress scenario, RBI said in its half-yearly Financial Stability Report. The baseline scenario uses forecasted values of macroeconomic variables like gross domestic product (GDP) growth, combined fiscal deficit-to-GDP ratio and retail inflation, among others.
<https://www.livemint.com/industry/banking/bad-loans-could-rise-to-8-1-by-sept-2022-unless-stress-moderates-11640784726500.html>



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- **Retail-led credit model facing headwinds as home loan delinquencies rise: RBI :** The Reserve Bank has flagged concerns on the deteriorating credit quality in the retail books of lenders and warned that the retail-led model of selling credit, led by housing loans, is confronting headwinds now. Between April and the first week of December, credit disbursal grew to 7.1 per cent as against 5.4 per cent growth a year ago and 5.2 per cent in March 2021, according to the financial stability report released on Wednesday.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/retail-led-credit-model-facing-headwinds-as-home-loan-delinquencies-rise-rbi/articleshow/88573498.cms>
- **Success rate for discounting MSME receivables on TReDS improved in FY21: RBI:** The success rate of the Trade Receivables Discounting System (TReDS) for financing trade receivables of micro, small and medium enterprises (MSMEs) improved in FY21, with 91.29 per cent of the invoices uploaded on the electronic platform getting financed versus 90.16 per cent in FY20. TReDS is an electronic platform for facilitating the financing/discounting of trade receivables of MSMEs through banks and non-banking finance companies (NBFCs).
<https://www.thehindubusinessline.com/money-and-banking/success-rate-for-discounting-msme-receivables-on-treds-improved-in-fy21-rbi/article38061450.ece>
- **Banks need to raise more capital to deal with stress, says RBI:** Banks will need to raise more capital to help meet the potential demand for credit and insulate themselves from ongoing stress among borrowers, “especially when monetary and fiscal measures unwind”, the Reserve Bank of India said on Tuesday. “Based on the capital position as of 30 September, all public sector banks (PSBs) and private banks (PVBs) maintained the capital conservation buffer well over 2.5%. However, banks would need a higher capital cushion to deal with challenges on account of the ongoing stress experienced by borrowers as well as to meet the economy’s potential credit requirements,” it said in its Report on Trend and Progress of Banking In India for 2020-21.
<https://www.livemint.com/industry/banking/banks-need-more-capital-to-deal-with-stress-and-credit-demand-says-rbi-11640690241411.html>
- **Rupee ends 9-day winning streak, slips 3 paise against US dollar:** The rupee snapped its nine-day winning streak to settle 3 paise lower at 74.73 (provisional) against the US dollar on Wednesday following weakness in domestic equities. At the interbank foreign exchange market, the rupee started on a tepid note at 74.69 against the dollar. During the day, it witnessed a high of 74.68 and a low of 74.86.
<https://www.thehindubusinessline.com/markets/forex/rupee-ends-9-day-winning-streak-slips-3-paise-against-us-dollar/article38062689.ece>
- **Sensex down 90 points, Nifty above 17,200 in volatile trade:** Indian stocks snapped their two-day winning streak to end a tad lower after a choppy session on December 29, as buying in pharma and auto names minimised the losses. At close, the Sensex was down 90.99 points, or 0.16 percent, at 57,806.49, and the Nifty was down 19.70 points, or 0.11 percent, at 17,213.60.
<https://www.moneycontrol.com/news/business/markets/taking-stock-sensex-down-90-points-nifty-above-17200-in-volatile-trade-7879391.html>



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