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DAILY UPDATES BY BFSI COMMITTEE, ICAI

May 8, 2021

• SBI digital services to be affected due to maintenance on May 7: State Bank of India's various digital services will be affected on Friday evening due to the scheduled up-gradation of the lender's digital banking platforms. Last month, the bank's digital banking platforms, including Yono, Yono lite, internet banking, Unified Payments Interface (UPI) was affected due to maintenance. "We will undertake maintenance activities between 22:15 hrs on May 7, 2021, and 1:45 hrs on May 8, 2021. During this period INB/YONO/ YONO Lite/ UPI services will be unavailable. We regret the inconvenience caused and request you to bear with us," SBI said on Twitter on Thursday.

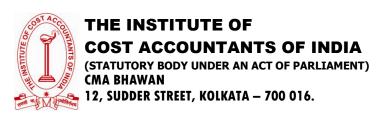
https://economictimes.indiatimes.com/industry/banking/finance/banking/sbi-digital-services-to-be-affected-due-to-maintenance-on-may-7/articleshow/82437481.cms?from=mdr

• No immediate plans to raise capital: SBI Chairman Dinesh Kumar Khara: SBI chairman Dinesh Kumar Khara said that the bank does not have immediate plans to raise capital as a reasonable profit of the last fiscal would be ploughed back to take care of foreseeable business growth. "We had raised Tier I and Tier II bonds earlier. Considering the growth we had seen last year, we are having a comfortable capital adequacy ratio," he told PTI in an interview. As regards the current year, he said the bank has enough resources to take care of the business growth. "This year, as of now we are hoping we will have a reasonable plow back of profit to take care of foreseeable growth of assets," said the SBI chief. However, he added, the bank would continue to monitor the situation, and "as and when we feel there is a need for raising capital, we will certainly go to the market and raise the fund. As of now, plans in that direction have not been finalised."

https://www.business-standard.com/article/finance/no-immediate-plans-to-raise-capital-sbi-chairman-dinesh-kumar-khara-

121050701146 1.html#:~:text=SBI%20chairman%20Dinesh%20Kumar%20Khara%20said%20t hat%20the%20bank%20does,care%20of%20foreseeable%20business%20growth.&text=The%20country's%20largest%20lender%2C%20SBI,rate%20to%206.70%20per%20cent.

UCO Bank gets shareholders' nod for preference issue to govt, offsetting accumulated losses: State-run UCO Bank on Friday said its shareholders have approved issuance of preferential shares to the government for Rs 2,600 crore capital infusion. The shareholders have also approved adjusting the bank's accumulated losses by March 2020 against the balance in the share premium account. The decisions were taken at the extraordinary general



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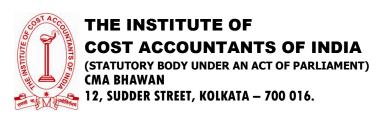
meeting of the shareholders on Friday (May 7), UCO Bank said in a regulatory filing. These proposals have been considered and approved by the shareholders through remote e-voting and e-voting during the meeting, it added. The shareholders have approved issuance of 203,76,17,554 equity shares at an issue price of Rs 12.76 per equity share aggregating to Rs 2,600 crore on preferential basis to Government of India, it said in the filing. Also, the shareholders approved "appropriation of bank's accumulated losses of Rs 12,537.40 crore as at March 31, 2020 by utilising the balance standing to the credit of share premium account of the bank as on date to set off and take the same into account during current financial year 2021-22," it said.

https://www.moneycontrol.com/news/business/uco-bank-gets-shareholders-nod-for-preference-issue-to-govt-offsetting-accumulated-losses-6867851.html

• HDFC Q4 net profit surges 42 per cent: Housing Development Finance Corporation (HDFC) Ltd reported a 42.4 per cent jump in its standalone net profit at ₹3,179.83 crore for the fourth quarter of 2020-21. Its standalone net profit was ₹2,232.53 crore in the fourth quarter of 2019-20. For the full fiscal 2020-21, HDFC's net profit however, declined 32.3 per cent to ₹12,027.3 crore versus ₹17,769.65 crore in 2019-20. "The profit numbers for the year ended March 31, 2021 are not comparable with that of the previous year. In the previous year, the corporation had recorded a fair value gain consequent to the merger of GRUH Finance with Bandhan Bank amounting to ₹9,020 crore," HDFC said in a statement on Friday. For the quarter ended March 31, 2021, HDFC reported a net interest income of ₹4,065 crore, which was 14 per cent higher compared to ₹3,564 crore in the previous year.

https://www.thehindubusinessline.com/money-and-banking/hdfc-q4-net-profit-surges-42-per-cent/article34505565.ece

• LIC relaxes claim settlement requirements: Keeping in mind safety of its customers amid the second wave of the COVID-19 pandemic, state-run Life Insurance Corporation of India (LIC) Friday announced a slew of relaxations in claim settlement requirements, making the process easier and hassle free. In order to facilitate speedy settlement of death claims in the current situation where death has occurred in a hospital, in lieu of municipal death certificates, the insurer has allowed alternate proofs of death, a release said. The other proofs of death include death certificate, discharge summary/death summary containing clear date and time of death issued by government/ESI (employees' state insurance) /armed forces/corporate hospitals and counter-signed by LIC class I officers or development officers of 10 years standing. This has to be submitted along with a cremation/burial certificate or authentic identifying receipt issued by the relevant authority, the release said.



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https://economictimes.indiatimes.com/industry/banking/finance/insure/lic-relaxes-claimsettlement-requirements/articleshow/82459823.cms?from=mdr

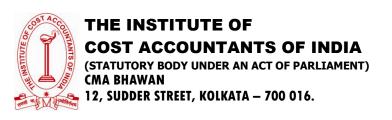
Bank credit shrinks by Rs 89,087 cr in April on second wave impact: Commercial bank credit in India shrunk by Rs 89,087 crore in April, reflecting a lean period at the start of new financial year (FY22) and the effect of the second wave of pandemic. The outstanding credit as on April 23 stood at Rs 108.60 trillion, according to Reserve Bank of India data. In absolute terms, bank credit usually declines in the first month of the new financial year, as it is a lean period (this trend can be observed for the last five years), CARE Rating said in a statement. The yearon-year growth in credit has also moderated amid the rising second wave of the pandemic. The bank credit expanded by 5.7 per cent in 12 months till April 23, 2021, as against 6.8 per cent a year ago.

https://www.business-standard.com/article/finance/bank-credit-shrinks-by-rs-890-87-bn-inapril-on-second-wave-impact-121050701238 1.html

COVID-19: Banks ready health booster shot: Banks are set to launch multiple schemes under the RBI's Rs 50,000-crore on-tap liquidity window announced on Wednesday. The schemes are aimed at rapidly boosting private investment in healthcare and financing individuals who have contracted Covid. In a meeting with the finance ministry, large public sector banks discussed the possibility of making available credit online using the liquidity facility. Banks will go to the drawing board and will design the schemes with extremely competitive rates and draw up the eligibility criteria.

https://timesofindia.indiatimes.com/business/india-business/banks-ready-health-boostershot/articleshow/82442934.cms#:~:text=Mumbai%3A%20Banks%20are%20set%20to,liquidit y%20window%20announced%20on%20Wednesday.&text=Banks%20can%20monitor%20it%2 Obetter, all %20 branches %20 across %20 the %20 country.

Microfinance firm CreditAccess Grameen net profit surges 83% to Rs 65 crore in Q4: Microfinance firm CreditAccess Grameen reported an 83% jump in consolidated net profit at Rs 65 crore for the fourth quarter despite higher write-off of loans and making additional provision to cover the likely asset stress ahead. The spread of the second wave of Covid-19 pandemic has created challenges for every business. "We are anticipating the collections to witness a temporary decline in Q1 FY22 on account of several intermittent lockdowns/restrictions being imposed across various states," managing director Udaya Kumar Hebbar said. The lender wrote off Rs 318 crore during the fourth quarter while it made additional provision of Rs 112 crore.



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https://economictimes.indiatimes.com/industry/banking/finance/banking/microfinance-firm-creditaccess-grameen-net-profit-surges-83-to-rs-65-crore-in-g4/articleshow/82439155.cms?from=mdr

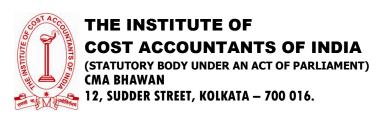
PayU sees a three-fold jump in transactions to \$100 billion in three years: PayU, online payments service provider and Prosus' fintech arm, is expecting a three-fold-jump in GMV (gross merchandise value) to \$100 billion over a three-year-period. The GMV refers to the total value of transactions carried out through PayU platforms and products. An increase in adoption in digitisation and payment solutions by small merchants along with rising popularity of e-commerce players and their 'sale days' are seen as major growth drivers in a pandemic-led new normal.

https://www.thehindubusinessline.com/money-and-banking/payu-sees-a-three-fold-jump-in-transactions-to-100-billion-in-three-years/article34504174.ece

• Public sector banks losing market share in loans to private sector rivals: The proposed privatisation of two public sector banks (PSBs) in FY22 could accentuate the already declining market share of PSBs in loans, with the share of private sector banks (PvSBs) expected to go up further. A realignment of market share in loans has been happening in the banking space over the last four years. PSBs' (or state-owned Banks) market share in loans declined to around 59 per cent (of all scheduled commercial banks' outstanding credit) in December 2020 against around 65 per cent in December 2017. However, during this period, PvSBs market share rose to around 36 per cent from around 30 per cent, going by Reserve Bank of India data.

https://www.thehindubusinessline.com/money-and-banking/public-sector-banks-losing-market-share-in-loans-to-private-sector-rivals/article34504920.ece

• RBI sets up advisory group to assist Regulatory Review Authority: The Reserve Bank of India's Regulations Review Authority (RRA 2.0) has constituted a six-member Advisory Group headed by S Janakiraman, Managing Director, State Bank of India, to support it in reviewing the central bank's regulations and compliance procedures with a view to streamlining/rationalising them to make them more effective. The Authority has been set up initially for a period of one year from May 1, 2021. M. Rajeshwar Rao, Deputy Governor, RBI was appointed as the Regulations Review Authority last month. "The Group will assist the RRA by identifying areas/ regulations/ guidelines/ returns which can be rationalised and submit reports periodically to RRA containing the recommendations/ suggestions," RBI said in a statement on Friday.



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https://www.thehindubusinessline.com/money-and-banking/rbi-sets-up-advisory-group-toassist-regulatory-review-

authority/article34508184.ece#:~:text=The%20Reserve%20Bank%20of%20India's,rationalisin g%20them%20to%20make%20them

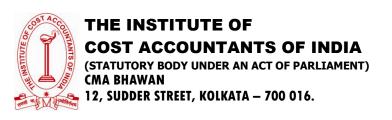
Banks using own funds for Covid-19 loans can take reverse repo rate benefit: The Reserve Bank of India today said banks deploying their own resources to lend for enhancing Covid-19 health Infrastructure will also get to park surplus funds (up to the size of the Covid loan book) in the reverse repo window at rate 25 bps lower than the repo rate. These loans will continue to be classified under Priority Sector Lending (PSL) till repayment/maturity, whichever is earlier. Banks may deliver these loans to borrowers directly or through intermediary financial entities regulated by the RBI. On May 5, RBI governor Shaktikanta Das announced open an on-tap liquidity window of Rs 50,000 crore with tenures of up to three years at the repo rate till March 31, 2022. The scheme aims to boost provision of immediate liquidity for ramping up Covid-related healthcare infrastructure and services in the country.

https://www.business-standard.com/article/finance/banks-using-own-funds-for-covid-19loans-can-take-reverse-repo-rate-benefit-121050700736 1.html

India's forex reserves jump by \$3.91 billion to \$588.02 billion: The country's foreign exchange reserves swelled by \$3.913 billion to reach \$588.02 billion in the week ended April 30, 2021, RBI data showed on Friday. In the previous week ended April 23, the reserves had risen by \$1.701 billion to \$584.107 billion. The forex kitty had touched a lifetime high of \$590.185 billion in the week ended January 29, 2021. In the reporting week ended April 30, 2021, the rise in reserves was on account of an increase in foreign currency assets (FCAs), a major component of the overall reserves. FCAs rose by \$4.413 billion to \$546.059 billion, as per the weekly data by the Reserve Bank of India (RBI).

https://www.moneycontrol.com/news/business/economy/indias-forex-reserves-jump-by-3-91-billion-to-588-02-billion-6867721.html

Gold rises for 3rd day to Rs 47,484/10 gm, crosses 100-day EMA and SMA; Silver dearer by Rs 1,535 : Gold prices rose for the third straight day by Rs 492 to Rs 47,484 per 10 gram in the Mumbai retail market on May 7 owing to dollar depreciation, positive global cues and a sharp rally on May 6. The precious metal gave a strong breakout above 100 SMA and EMA and break past the \$1,800/oz level. The precious metal soared by Rs 693 or 1.48 percent during the week in the domestic market on safe-haven appeal as Treasury yields and dollar weakened. The rate of 10 gram 22-carat gold in Mumbai was Rs 43,495 plus 3 percent GST, while 24-carat 10 gram was Rs 47,484 plus GST. The 18-carat gold quoted at Rs 35,613 plus



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GST in the retail market. Silver prices surged by Rs 1,535 to Rs 70,835 per kg against its closing price on May 6.

https://www.moneycontrol.com/news/business/commodities/gold-rises-for-3rd-day-to-rs-4748410-gm-crosses-100-day-ema-and-sma-silver-dearer-by-rs-1535-6866891.html

• Sensex up 256 points, Nifty breaches 14,800 as value buying emerges: The BSE Sensex closed at 49,206.47, up 256.71 points or 0.52 per cent. It hit an intra-day high of 49,417.64 and a low of 49,036.38. The Nifty 50, after hitting an intra-day high of 14,863.05 in the second half, closed at 14,823.15, up 98.35 points or 0.67 per cent. It hit an intra-day low of 14,765.50. The breadth of the market was positive with 1,698 stocks advancing, 1,312 declining and 169 remaining unchanged on the BSE. As many as 349 securities hit the upper circuit and 186 hit the lower circuit; 274 hit their 52-week high, while 38 touched a 52-week low. Tata Steel, JSW Steel, Hindalco, Adani Ports and SBI Life were among the top gainers on the Nifty 50, while Tata Consumer, Hero Motocorp, Bajaj Auto, Eicher Motors and UPL were among the laggards.

https://www.thehindubusinessline.com/markets/stock-markets/sensex-up-256-points-nifty-breaches-14800-as-value-buying-emerges/article34506860.ece

• Rupee ends 27 paise higher at 73.51 against dollar: The rupee gained for the second straight day and closed 27 paise higher at 73.51 (provisional) against the US dollar on Friday, supported by positive domestic equities and a weak American currency. At the interbank forex market, the rupee opened at 73.62 and hit an intra-day high of 73.50 and a low of 73.76. The local unit finally settled at 73.51, registering a gain of 27 paise over its previous close.

https://www.thehindubusinessline.com/markets/forex/rupee-rises-18-paise-to-7360-against-us-dollar/article34504335.ece