



MONTHLY
Banking, Financial Services & Insurance (BFSI)

E-Bulletin

THE ASSOCIATED CHAMBERS OF COMMERCE AND INDUSTRY OF INDIA

DEPARTMENT OF BANKING & FINANCIAL SERVICES

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RSM INDIA

Partnering with the Information Technology (IT)/ ITeS Sector for Digital Transformation

The Information Technology (IT)/ IT enabled Services (“IT/ITeS”) Sector is witnessing unprecedented growth in India. This is due to the fact that businesses globally are undergoing digital transformation and India is the largest and most cost efficient talent pool of technical resources. India is accounting for approximately 55% global market share with exports of US\$ 150 billion and domestic revenue of US\$ 45 billion in FY21. The growth is driven by rapid digitization and the IT industry's timely transition to remote working environments. It is expected that this momentum will continue, and India's exports may touch US\$ 300 billion in the next 5 years.

The sector has following major segments:

- IT and ITeS Services companies providing services to third party customers.
- IT and ITeS captive companies for MNCs and global businesses for their own requirements. IT Products companies and E-commerce companies.

Indeed, in the ambitious journey ahead, the IT/ITeS sector will need to partner with organizations that can navigate them in achieving their business objectives.

RSM Astute Consulting Pvt. Ltd. along with its affiliates (together “RSM India”) has been closely working with corporates in the IT/ITeS sector. **With a team of over 2,000 personnel across 11 cities, RSM India assists IT/ITeS Sector in the following areas:-**

- Entity set up and devising proper capital structure keeping in view the Foreign Direct Investment and FEMA Regulations, company law and other applicable regulations.
- Enabling access to capital by IPO leveraging the current bullish run of stock markets and attractive valuations or raise Private Equity.
- Preparation of IFRS/ Ind AS compliant financial statements, consolidation, proforma financial statement for past 3 years based on acquisitions etc. and stress testing the same from investor perspective.
- Strengthening governance – Appointment of independent directors, appointment/ redesignation of KMPs, secretarial and legal compliances, corporate actions pre-IPO, Designing IFC, ERM and Legal Compliance Framework, ESG etc.

- Tax and Transfer Pricing compliances.

RSM India, the sole Indian member of RSM International, has been ranked as one of the top 6 accounting, tax and consulting firms in India (International Accounting Bulletins, 2011-2020). RSM International has 48,000 personnel in 120 countries, with annual combined fee income of US\$ 6.3 billion (Rs.46,000 crores). Founded by Dr. Suresh Surana, RSM India is a home-grown organization with access to world-class capabilities.

“Built on the four pillars of client-centric approach, competent and contemporary teams, industry vertical focus and extensive use of technology, RSM India partners for its

clients’ success. It assists the clients in setting up proper corporate and governance structure, raise capital and meet tax and regulatory compliance requirements. RSM India has a team of IT professionals, cybersecurity experts, and certified ethical hackers to assist clients in the areas of IT Policy design, IT General Controls Audit and Cybersecurity Audits. The company is empaneled with Indian Computer Emergency Response Team (CERT-In), Ministry of Electronics and Information Technology.. We are committed to working closely with the IT/ITeS sector in India and assisting in the phenomenal growth.” Says K. Chandrasekaran, RSM India – Executive Director.



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SPEECHES

The role of prudential policy in addressing climate change

Speech by Fernando Restoy, Chairman, Financial Stability Institute, Bank for International Settlements, “Sustainability: green-washing or emerging issues for deposit insurers?”

In the area of financial regulation, it is now widely accepted that prudential regulators need to thoroughly analyse the financial impact of climate change on firms' safety and soundness and to consider adjustments in the current prudential framework, as warranted to protect the stability of the financial system. Achieving the right balance between disclosure obligations, supervisory action and, if needed, the adjustment of capital requirements would then be a key objective.

At the same time, it would not be appropriate to assign prudential authorities a prominent role in the direct public policy response to the climate emergency. This should be left to governments. Regulatory instruments have, at most, an uncertain impact on the actual transition path towards a more sustainable economy. Moreover, in delivering on their core mandate to preserve financial stability, prudential authorities need to consider trade-offs and adopt decisions that may not always be fully aligned with climate-related policy actions taken in other areas.

It is true that, by adjusting the prudential framework to the extent needed to rigorously incorporate the impact of climate-related risks, regulation can support broader government

policies and societal expectations geared towards economic sustainability. At the same time, prudential authorities cannot work in a vacuum. As I have argued before, well designed general government policies that facilitate a sensible transition path would also help regulators to meet their core mandate by reducing the scope of policy trade-offs. There is therefore a clear complementarity between different social goals that will be easier to achieve by respecting the adequate separation of the different policy domains.

Source : <https://www.bis.org/speeches/sp211008.htm>

India's capital account management – an assessment

**Speech delivered by Shri T Rabi Sankar,
Deputy Governor, Reserve Bank of India**

India has come a long way in achieving increasing levels of convertibility on the capital account. It has broadly achieved the desired outcome for the policy choices it has made, in terms of achieving a stable composition of foreign capital inflow. At the same time, India is on the cusp of some fundamental shifts in this space with increased market integration in the offing and freer non-resident access to debt on the table. The rate of change in capital convertibility will only increase with each of these and similar measures. With that comes the responsibility to ensure that such flows are managed effectively with the right combination of capital flow measures, macro-prudential measures and market intervention. All of us need to consider deeply the issues I have highlighted above and arrive at effective

solutions. Market participants, particularly banks, will have to prepare themselves to manage the business process changes and the global risks associated with capital convertibility. The regulator's job is somewhat different. As someone once said, the job of a regulator is like the gas regulator in the kitchen - it cannot ensure the quality of the dish, but it can prevent the kitchen from blowing up. The quality of the dish – that is, the efficiency with which investment needs of the country are met - is up to how well Authorized Dealers and other intermediaries adjust to the increasingly fuller capital account convertibility.

Source : <https://www.bis.org/review/r211018a.pdf>

BANKING, FINANCIAL SERVICES & INSURANCE (BFSI) ACTIVITIES IN THE MONTH

ASSOCHAM EGROW Bi-Monthly Shadow Monetary Policy Committee
“Discussion on Monetary Policy” Thursday, 5th October 2021 (03:00 PM – 05:00 PM)

Eminent Panellists

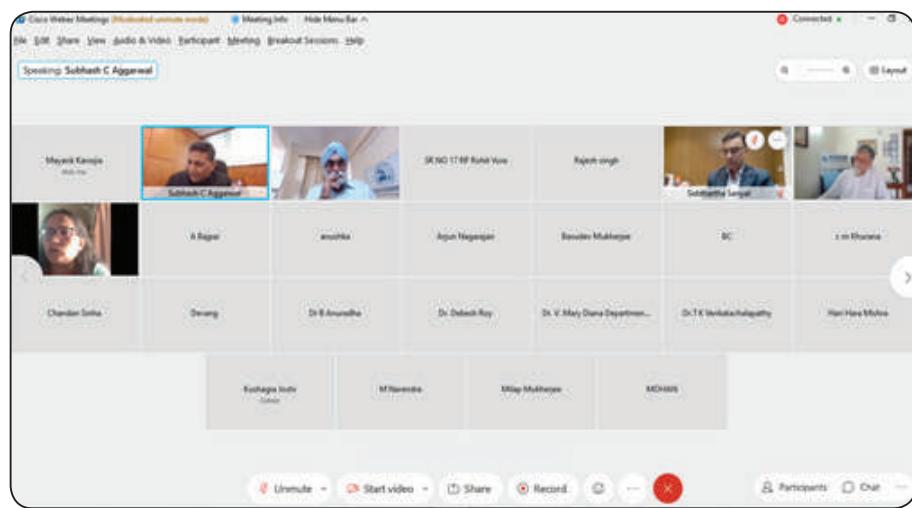
- Dr. Arvind Virmani, Former Chief Economic Advisor, Government of India & Chairman, EGROW Foundation.
- Dr. Charan Singh, Chairman, ASSOCHAM National Council for Banking.
- Shri Arjun G Nagarajan, Chief Economist, Sundaram Assets Management Company Limited.
- Shri S. C. Aggarwal, Senior Member, ASSOCHAM & CMD, SMC Group.
- Ms. Upasna Bhardwaj, Sr. Economist & Sr. VP, Kotak Mahindra Bank.
- Shri Siddhartha Sanyal, Chief Economist & Head- Research, Bandhan Bank.
- Shri CMA Rohit J Vora, Rohit & Associates, Cost Accounting.

Key Takeaway's

- The GDP growth rate for the FY22 is on track and estimated to be 10 % +/-1%.
- The issue of logistics and supply chain disruptions are affecting growth.
- The favourable base effects and muted food prices are

expected to keep the headline inflation trajectory 50-70bps lower than RBI's projections until December 2021.

- RBI should consider Exit Policy. As the US taper gets under way, there could be an outflow of capital affecting domestic liquidity.
- Inflation expectation is lower this time than few months back.
- Global uncertainty continues, including the trade war between China/US, energy crisis and China's Evergrande.
- The corporates are recovering, production of 8 core industries is healthy and economy is limping fast to normalization.
- Fiscal policy has a bigger role ahead in post-Covid recovery phase.
- RBI could focus on sectors to alleviate pain during post-covid recovery.



ASSOCHAM National E-Conference On Green Investment & Sustainability

“Progress & Way Forwards” Wednesday, 27th October 2021 (11:00 AM – 02:00 PM)

Eminent Dignitaries

- Shri Ashwini Kumar Choubey Hon'ble Minister of State Ministry of Environment, Forest and Climate Change, Government of India
- Shri Sudhendu J. Sinha; Adviser (Infrastructure Connectivity & Electric Mobility), NITI Aayog
- Shri Bharat Lal Additional Secretary and Mission Director, NJJM, Department of Drinking Water and Sanitation, Ministry of Jal Shakti, Govt. of India
- Dr. Charan Singh; Chairman, ASSOCHAM National Council For Banking
- Ms. Juhi Gupta; Head of Sustainability, PepsiCo India
- Shri Annanya Agarwal; CEO & Co-founder, Runaya
- Shri Sanjiv Sharma; Executive Director . Indian Oil Corporation Limited
- Shri Nishant Arya; Vice Chairman, JBM
- Shri Rahul Agarwal; Vice President, Invest India
- Shri Ravi Bhatnagar; Co- Chairperson ASSOCHAM CSR Council, Director External Affairs & Partnerships (South Asia), Reckitt
- Shri Sunil Chari; CMD, Rossari Biotech
- Mr. Vipul Sabharwal; Managing Director, Luminous Power Technologies Pvt Ltd
- Shri Sumit Sharma ; Programme Officer, UN Environment Programme, India
- Shri Ravi Singh; Secretary General and CEO; WWF- India
- Prof. (Dr.) Adarsh Pal Vig Chairman Punjab Pollution Control Board
- Shri Shiva Shailendran Head of Cities Operations, Uber India South Asia
- Shri Ajit Pai Distinguished Expert- Economics & Finance, NITI Aayog
- Dr. Avanish Kumar Co- Chairperson ASSOCHAM CSR Council and Director, GMR Varalakshmi Foundation
- Shri Sonal Verma Partner – ESG, Dhir & Dhir Associates
- Shri Ashwin Kak Head of Procurement and Sustainability, India & South East Asia AB InBev
- Shri Arun Raveendran SR. Manager, Sustainability & Compliance, PepsiCo
- Shri B K Soni CMD, Eco Recycling Ltd
- Shri Nirbhay Lumder Head CSR, CGI India
- Shri Bose Varghese Head - Green Initiatives at Infosys Limited
- Dr. Lopamudra Priyadarshini General Manager, CSR, Sustainability & Corporate Relations, Land, R&R, PR & Communications. Hindalco Industries Limited

Key Takeaway's

Shri Ashwini Kumar Choubey

- “Government schemes and policies such as Swachh Bharat mission, Pradhan Mantri AwasYojana, Smart Cities, Pradhan Mantri Jan Dhan Yojana, Deen Dayal Upadhyay Gram Jyoti Yojana and Pradhan Mantri UjjwalaYojana, etc. are all contributing towards achieving Sustainable Development Goals. Both Central and state governments continues to target and maintain economic growth by introducing and implementing various policies and measures relating to sustainable development, climate change, energy efficiency and air pollution”

- “Under the Pradhan Mantri Ujjwala Yojana scheme, more than 8.5 Crore gas connections were given to women of below poverty line families. This has contributed to cleaner air and resulted in a drastic reduction of respiratory disease and untimely deaths as per recent medical reports. Under the leadership of Hon’ble PM, the nation has embarked on a path of climate policy initiatives and green recovery through a structured approach, planned investments to tackle climate change such as renewable energy, energy efficiency, and low-carbon transport are the foremost priorities and central to the development agenda”.



ASSOCHAM National E-Summit on Financial Inclusion

“Roadmap for an Inclusive Bharat” Friday, 29th October 2021 (11:00 AM – 02:00 PM)

Eminent Dignitaries

- Ms. Manisha Sensarma, Economic Advisor- DEA, Ministry of Finance, Gol
- Shri Kiran Shetty, Chief Executive Officer & Regional Head, SWIFT India
- Shri Venkatraman Gopalakrishnan, CEO, TVS Credit Services Ltd.
- Shri Shravan Shetty, Managing Director, Primus Partners
- Dr. Charan Singh, Chairman, ASSOCHAM National Council for Banking
- Shri Sudatta Mandal, DMD, Small Industries Development Bank of India (SIDBI)
- Shri Basudev Mukherjee, Assistant Secretary General, ASSOCHAM
- Shri Prasar Sharma, President & Head-Finance, BW Businessworld
- Shri Rakesh Singh, MD & CEO, Aditya Birla Finance Ltd.
- Ms. Richa Mukherjee, Director- Public Policy & Corporate Affairs, PayU India
- Shri Shachindra Nath, Executive Chairman & MD, UGRO Capital Ltd.
- Shri Amit Tewary, Co-Founder & CEO, 4Fin
- Shri Pradeep Goel, CMD, Prudent Asset Reconstruction Companies Ltd.
- Shri Abizer Diwanji, Partner, Financial Service Leader, EY India

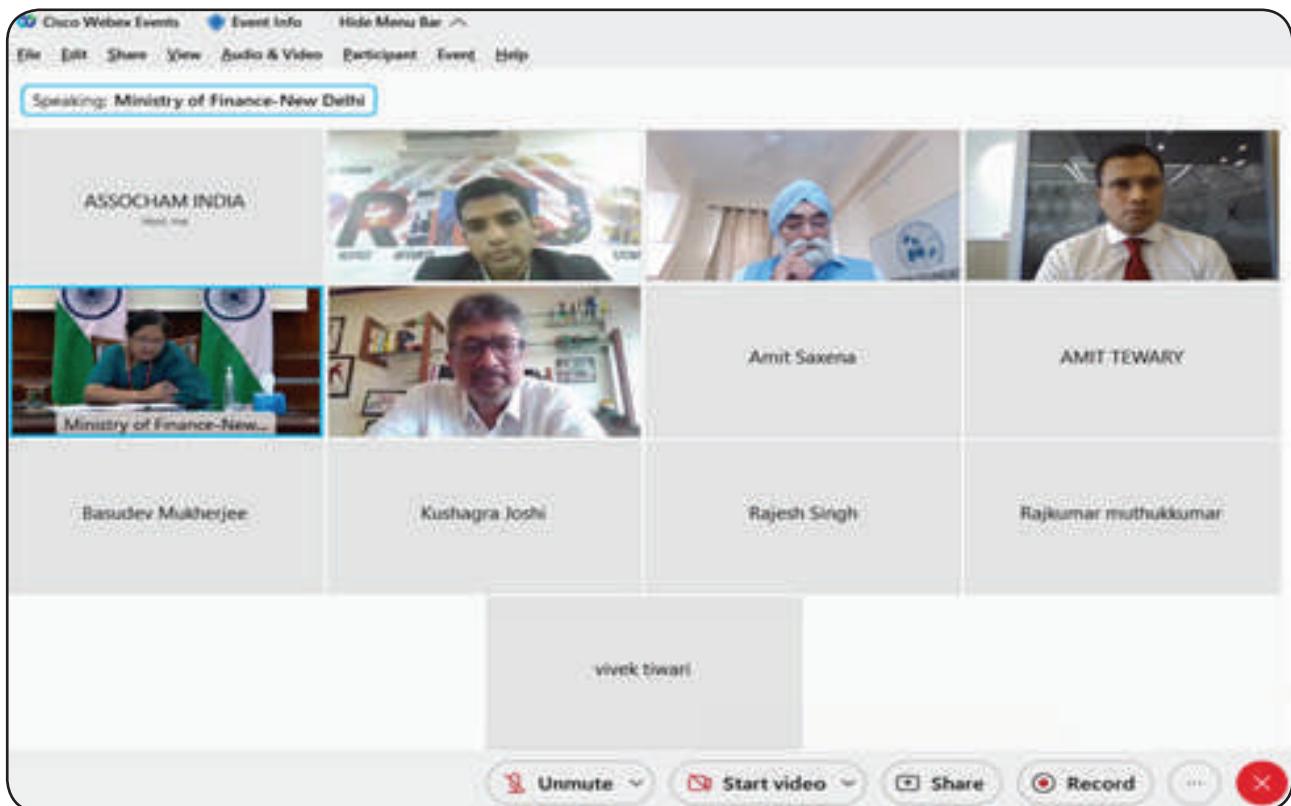
- Shri Amit Saxena, Founder & CMD, Ekosh Financial Services Pvt. Ltd.
- Shri Ashutosh Mishra, Chief Risk Manager, National Bank for Agriculture and Rural Development (NABARD)
- Shri T. L. Arunachalam, Director & Head- Cyber & Emerging Risks Practice, Bharat Re-Insurance Brokers Pvt. Ltd.
- Shri Rajkumar M, Chief Risk Officer, Orange Retail Finance India Pvt. Ltd.
- Shri T. K. Arun, Consulting Editor, The Economic Times
- Shri Subhash Chandra Agarwal, CMD, SMC Group

Key Takeaway's

Ms. Manisha Sensarma

- As of October 2021, about 44 crore beneficiary accounts under the Pradhan Mantri Jan Dhan Yojana (PMJDY) have been linked as part of 'JAM' (Jan Dhan-Aadhaar-Mobile) trinity thereby helping the Government improve the targeting of its programmes by addressing the right section of people.
- “Knowing that resources are limited and need to be used in a judicious manner, what we have now tried to attempt through use of technology and leveraging Aadhaar is that intended benefits should reach the eligible and identified beneficiaries so that there is no leakage of resources,”

- In absence of this infrastructure, while facing the challenges of the pandemic it would have been very difficult for the Government to deliver the way the delivery mechanisms were put in place had the PMJDY accounts not been in place.
- “During the Covid, there were many benefits that were provided particularly directly into beneficiaries’ accounts as direct benefit transfer (DBT),
- Noting that women are a major component in PMJDY accounts, “In the package that was announced after March 2021, an amount of Rs 500 per month for initial three months for women could be transferred in a very seamless manner because of the existence of PMJDY accounts.”
- These benefits which were announced during the Covid pandemic could seamlessly reach the beneficiaries because of the infrastructure that had been created for downtrodden and those at the bottom pyramid of the population. “For instance, some of the benefits which were transferred during pandemic, it included cash transfers to the vulnerable sections, insurance coverage for health workers, employment provisions and measures for migrant workers, besides, wage component was also increased under Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA).”
- In order to bridge the gaps by focusing on MSMEs and NBFCs there were relief-based measures as various announcements were made during the pandemic and regulatory, compliance measures were announced during this period, so as to streamline the processes.
- In an all-India debt and investment survey conducted by NSSO in 2019 whereby about 2,000 rural villages and 4,000 urban blocks were covered, it was found that about 95 per cent of households had at least one financial asset viz., be it a savings account, retirement account, risk free product, insurance account, some savings scheme. “So even the vulnerable sections are getting covered under financial inclusion, that in itself is a pointer that we intend to cover the bottom pyramid of population.”
- Talking about the Mudra Scheme - categorised in three parts viz., Shishu, Kishor and Tarun, launched to provide credit to MSMEs as term loans or meeting their working capital requirements, particularly in manufacturing, trading and services sectors she said, “We are happy to record that out of total disbursements, roughly about 87 per cent of the loan disbursements are under Shishu category providing loans up to Rs 50,000. So small entrepreneurs are being addressed and catered to by this scheme. Simultaneously it addresses women entrepreneurs as they account for two-third of beneficiaries covered under Mudra Loans.”
- Digital payments have become very resilient and the kind of response being received is very-very encouraging. “As of September 2021, 259 banks had joined the digital space, so technology is helping simplify procedures and make our lives easier including for small vendors.”



TOP BANKING NEWS

- **SBI set to raise up to Rs 6,000 cr via local AT1 next week**

State Bank of India is rushing to raise funds before the interest rate cycle turns following the Reserve Bank of India's expected liquidity normalisation measures. India's largest lender is set to sell Additional Tier 1 bonds worth up to Rs 6,000 crore, which are expected to open for subscription during Navratri festival next week.

Source : https://economictimes.indiatimes.com/markets/bonds/sbi-set-to-raise-up-to-rs-6000-cr-via-local-at1-next-week/articleshow/86759898.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cpst

- **Bank of Baroda to anchor its app, bob World, as the main bank**

Bank of Baroda is planning to position its digital platform bob World centrally as the main bank, added to which all the other banking channels will function. The public sector lender is taking up a strategy similar to what SBI has been trying to do by integrating all its services on its YONO platform. According to MD & CEO Sanjiv Chadha, that post the pandemic the bank had seen a spike in digital transactions, and that almost twice the number of branch visits were happening on the app

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-of-baroda-to-anchor-its-app-bob-world-as-the-main-bank/articleshow/86747411.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Infrastructure finance by banks, NBFC-IFC remains sluggish in Q1 FY2022: Study**

Total infrastructure credit by banks and NBFC-Infrastructure Finance Companies (NBFC-IFCs) remained sluggish in the first quarter of the current fiscal due to the disruptions caused by the second wave of the COVID-19 pandemic. According to Icra Ratings However, with the government's focus on the infrastructure sector, the demand for infrastructure credit is likely to improve over the medium term.

Source: https://economictimes.indiatimes.com/news/economy/finance/infrastructure-finance-by-banks-nbfc-ifc-remains-sluggish-in-q1-fy2022-study/articleshow/86752453.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Govt keeps interest rates on small savings schemes unchanged for third quarter of FY22**

On 7th October, 2021 The government kept the interest rates on small schemes, including NSC and PPF, unchanged for the third quarter of 2021-22 amid the Covid-19 pandemic and elevated level of inflation.

Source: http://timesofindia.indiatimes.com/articleshow/86648440.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Bank of India kick starts Outreach Programme**

After Hon'ble finance minister, Nirmala Sitharaman's nudge to state-run banks for holding loans melas across India from October, state-run Bank of India has kick started its "customer outreach programme," to promote doorstep banking and be an active partner in the ongoing economic revival process.

Source : https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-of-india-kick-starts-outreach-programme/articleshow/86811497.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Visa launches India's first Card-on-File tokenization service for merchants**

Global payments firm Visa, on Wednesday launched Card-on-File (CoF) tokenization services in India in line with the recently issued RBI guidelines. Launched in partnership with Juspay, India's first CoF tokenization service is now available across ecommerce leaders such as Grofers, bigbasket and MakeMyTrip

Source : https://economictimes.indiatimes.com/industry/banking/finance/banking/visa-launches-indias-first-card-on-file-tokenization-service-for-merchants/articleshow/86808230.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Kotak Mahindra Bank becomes 1st scheduled private sector bank to collect direct, indirect taxes**

Kotak Mahindra Bank Ltd (KMBL) has received approval from the government for

collection of direct and indirect taxes, such as income tax, Goods and Services Tax (GST) etc, through its banking network. With this, the bank becomes the first scheduled private sector bank to receive approval after the announcement by Honble Finance Minister Nirmala Sitharaman allowing all banks to participate in government-related business.

Source : https://economictimes.indiatimes.com/industry/banking/finance/banking/kotak-mahindra-bank-becomes-first-scheduled-private-sector-bank-to-collect-direct-indirect-taxes/articleshow/86780328.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **We have to lead sustainability indicators: SBI Chairman Dinesh Khara**

According to Dinesh Khara, Chairman at State Bank of India, ESG (Environmental Social Governance) would assume a key role in ramping up growth. "India is taking its rightful place on the world stage and as a global leader, we have to lead not only on growth indicators but also sustainability indicators," speaking at ESG India Leadership Awards.

Source : https://economictimes.indiatimes.com/industry/banking/finance/banking/we-have-to-lead-sustainability-indicators-sbi-chairman-dinesh-khara/articleshow/86844342.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Eko to disburse \$1 billion worth of loans in the next three to five years**

Domestic remittance player Eko on October 7 announced its foray into the lending ecosystem by creating the 'first

time credit' module for ambitious sellers. The company is looking to dispense close to \$1 billion worth of loans in the next 3-5 years with flexible repayments infrastructure, the company wants to provide affordable capital and AI-backed services to MSMEs, allowing them to instill digital transformation within their operations.

Source : https://economictimes.indiatimes.com/industry/banking/finance/banking/eko-to-disburse-1billion-worth-of-loans-in-the-next-three-to-five-years/articleshow/86842886.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Exim Bank targets 8-10% loan growth in FY2022, : Managing Director Harsha Bangari**

According to top bank official on October 7, Export-Import Bank of India (Exim) Bank is looking at an 8-10 per cent growth in its loan portfolio in the current fiscal. In the first half of fiscal 2021-22, the development finance institution had clocked a 5 per cent loan growth.

Source : https://economictimes.indiatimes.com/industry/banking/finance/banking/exim-bank-targets-8-10-loan-growth-in-fy2022-says-managing-director-harsha-bangari/articleshow/86841486.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **RBI Guv responds to SBI note about excess liquidity; says banks must do own risk assessment**

Two-and-a-half weeks after the country's largest bank, State Bank of India, flagged risks to banks' margins from excess liquidity

and pricing of credit products. According to Reserve Bank of India Governor Shaktikanta Das, the lenders have to conduct own risk assessments and price loans accordingly. "I don't think SBI has flagged this as a complaint. I think SBI has flagged this issue as a concern... which is for banks to take note of. Whatever be the liquidity situation, in any case banks have enough liquidity and RBI has the reverse repo windows open. It is for banks to do their own risk assessment and price their loans accordingly,"

Source : https://economictimes.indiatimes.com/markets/stocks/news/guv-das-responds-to-sbi-note-about-excess-liquidity-says-banks-must-do-own-risk-assessment/articleshow/86864099.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Gradual unwinding of liquidity measures to support growth, keep inflation under control: Bankers**

Terming the Reserve Bank's Friday monetary policy announcement as balanced, bankers said the gradual unwinding of liquidity measures will support growth while keeping inflation under control. The six-member monetary policy committee (MPC) kept the repo rate unchanged at 4 per cent and maintained an accommodative policy stance. The RBI also suspended the G-Sec Acquisition Programme (G-SAP) and is proposed to undertake five 14-day variable rate reverse repo (VRRR) auctions on a fortnightly basis between today and December 3, 2021.

Source : https://economictimes.indiatimes.com/industry/banking/finance/banking/gradual-unwinding-of-liquidity-measures-to-support-growth-keep-inflation-under-control-bankers/articleshow/86871681.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **RBI working on offline digital payments framework, hikes IMPS limit to Rs 5 lakh**

The Reserve Bank of India (RBI) on October 8, 2021 made a series of announcements on the payments system, including an increase in the per-transaction limit for Immediate Payment Service (IMPS) to Rs 5 lakh from Rs 2 lakh and the introduction of geotagging for payment system touch points. The per-transaction limit in IMPS, effective from January 2014, is currently capped at Rs 2 lakh for channels other than SMS and IVRS, for which it stands at Rs 5,000. "With RTGS now operational round the clock, there has been a corresponding increase in settlement cycles of IMPS, thereby reducing the credit and settlement risks.

Source : <https://www.financialexpress.com/industry/banking-finance/rbi-working-on-offline-digital-payments-framework-hikes-imps-limit-to-rs-5-lakh/2346722/>

- **RBI remains net purchaser of US dollar in August**

RBI net purchased USD 7.205 billion. It had bought USD 16.16 billion and sold USD 8.955 billion during the month. In August 2020, the central bank had net bought USD 5.307 billion from the spot market. According to the data, RBI had net purchased USD 68.315 billion from the spot market. It had

bought USD 162.479 billion from the spot market and sold USD 94.164 billion during 2020-21.

Source: <https://www.financialexpress.com/economy/rbi-remains-net-purchaser-of-us-dollar-in-august/2351905/>

- **Banks flag concerns over US rules on consumer data, seek govt guidance**

India's banks have approached the government with their concerns over the mandatory sharing of customer details with US authorities under that country's expanded National Defense Authorization Act (NDAA), which took effect on January 1. A government official confirmed that the Indian Banks' Association (IBA) has sought government intervention and guidance on the issue. Banks have pointed out that the provision will raise costs and any compliance shortfall can have serious implications.

Source :https://economictimes.indiatimes.com/industry/banking/finance/banks-flag-concerns-over-us-rules-on-consumer-data- seek-govt-guidance/articleshow/87147394.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Indian banks face rise in bad loans to 8-9% of lending: CRISIL**

Indian banks are likely to see a rise in gross non-performing assets (NPA) to 8-9% of total lending at the end of this fiscal year from 7.5% last year, rating agency said in a report on Tuesday. According to Krishnan Sitaraman, senior director and deputy chief ratings officer, the rises will be led by retail clients and

the micro, small and medium (MSME) segments, noting they represent 40% of total bank credit.

Source :https://economictimes.indiatimes.com/industry/banking/finance/banking/indian-banks-face-rise-in-bad-loans-to-8-9-of-lending-crisil/articleshow/87135072.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **ICICI Bank seeks buyers for Rs 338-crore exposure to Soma Infrastructure**

ICICI Bank on October 11, 2021 sought expressions of interest (EoIs) from asset reconstruction companies (ARCs) for its Rs 338-crore exposure to Soma Infrastructure. The asset is being offered on a full-cash basis. Soma Infrastructure is a Hyderabad-based company that owes ICICI Bank over Rs 149 crore in principal dues, and another Rs 189 crore in accrued interest and other charges.

Source :<https://www.financialexpress.com/industry/banking-finance/icici-bank-seeks-buyers-for-rs-338-crore-exposure-to-soma-infrastructure/2352019/>

- **We expect gold loans to grow 25-30% for full year: Shyam Srinivasan, MD & CEO, Federal Bank**

According to Shyam Srinivasan; MD & CEO, Federal Bank, As the economy opened up, our efforts doubled. We had much recovery and upgrades than incremental slippage in Q2. Our quality of portfolio is getting as pristine as it should be. Federal Bank reported a net profit of Rs 460.26 crore for the second quarter of the fiscal.

Source : <https://www.financialexpress.com/industry/banking-finance/we-expect-gold-loans-to-grow-25-30-for-full-year-shyam-srinivasan-md-ceo-federal-bank/2355111/>

- Razorpay launches tokenisation solution in partnership with Mastercard, RuPay and Visa**

Fintech firm Razorpay on October 15, 2021 announced a new a tokenisation solution for businesses that will allow their end-customers to have the convenience of saved card transactions with added security and in compliance with the RBI guidelines. The 'Razorpay TokenHQ' will work across all major card networks including Mastercard, RuPay and Visa, and almost the entire base of five million businesses using Razorpay's services will be ready to support tokenised card transactions.

Source : <https://www.financialexpress.com/industry/banking-finance/razorpay-launches-tokenisation-solution-in-partnership-with-mastercard-rupay-and-visa/2355186/>

- P2P lending machine fires on all cylinders amid slackened bank loan disbursals**

It has never been better for peer-to-peer (P2P) lending platforms, which are seeing a considerable increase in the number of people wanting to lend or borrow money. While slackened loan disbursals by banks and other institutional lenders have driven borrowers to peer-to-peer lenders, low fixed-income returns are prompting rich investors to lend money on these platforms at rates ranging from 10% to 18% per annum.

Source : https://economictimes.indiatimes.com/industry/banking/finance/banking/p2p-lending-machine-firing-on-all-cylinders-amid-slackened-bank-loan-disbursals/articleshow/87232970.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- Privatisation of public sector banks (PSBs): Bill to facilitate it likely in the winter session**

The government may introduce two key financial sector bills, including the proposed law for facilitating privatisation of public sector banks as announced by the finance minister in the Budget. The government is also likely to table amendments to the Pension Fund Regulatory and Development Authority (PFRDA) Act, 2013, to enable separation of the National Pension System Trust (NPS) from the PFRDA for ensuring universal pension coverage.

Source : <https://www.livemint.com/industry/banking/privatisation-of-public-sector-banks-psbs-bill-to-facilitate-it-likely-in-the-winter-session-11635057231588.html>

SELECT RBI CIRCULAR'S

Date of issue	Circular name	Subject
29.10.2021	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12184	Opening of Current Accounts by Banks - Need for Discipline
28.10.2021	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12183	Gold Monetization Scheme (GMS), 2015
22.10.2021	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12181	Sovereign Gold Bond Scheme of the Government of India (GoI) - Procedural Guidelines - Consolidated
22.10.2021	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12180	Sovereign Gold Bond Scheme (SGB) 2021-22- Series VII/VIII/IX/X
22.10.2021	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12179	Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs
14.10.2021	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12178	Data Format for Furnishing of Credit Information to Credit Information Companies
08.10.2021	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12177	Priority Sector Lending- Banks' lending to NBFCs for on-lending – Extension of facility
07.10.2021	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12176	Inclusion of "Paytm Payments Bank Limited" in the Second Schedule of the Reserve Bank of India Act, 1934
05.10.2021	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12174	Value Free Transfer (VFT) of Government Securities – Guidelines
04.10.2021	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12173	Basel III Capital Regulations - Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital – Eligible Limit for Instruments Denominated in Foreign Currency/Rupee Denominated Bonds Overseas
04.10.2021	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12172	Enhancement in family pension of employees of banks - Treatment of additional liability
01.10.2021	https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=12171	Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances

WEEKLY STATISTICAL SUPPLEMENT – RBI

Reserve Bank of India – Bulletin Weekly Statistical Supplement – Extract						
1. Reserve Bank of India - Liabilities and Assets*						
Item	2020		2021		Variation	
	Oct. 23	Oct. 15	Oct. 22	Oct. 22	Week	Year
	1	2	3	4	4	5
4 Loans and Advances						
4.1 Central Government	-	-	-	-	-	-
4.2 State Governments	6463	8296	4802	-3495	-	-1661

* Data are provisional

2. Foreign Exchange Reserves								
Item	As on October 22, 2021		Variation over					
			Week		End-March 2021		Year	
	₹ Cr.	US\$ Mn.	₹ Cr.	US\$ Mn.	₹ Cr.	US\$ Mn.	₹ Cr.	US\$ Mn.
	1	2	3	4	5	6	7	8
1 Total Reserves	4793167	640100	-31781	-908	574214	63116	667127	79568
1.1 Foreign Currency Assets	4321443	577098	-28850	-853	397275	40405	511969	59574
1.2 Gold	287854	38441	-2535	-138	40131	4561	16529	1581
1.3 SDRs	144680	19321	-196	74	133817	17835	133732	17834
1.4 Reserve Position in the IMF	39189	5240	-200	10	2991	316	4897	580

*Difference, if any, is due to rounding off

3. Scheduled Commercial Banks - Business In India

(₹ Crore)

Item	Outstanding as on Oct. 8, 2021	Fortnight	Variation over			
			Financial year so far		Year-on-year	
			2020-21	2021-22	2020	2021
1	2	3	4	5	6	
2 Liabilities to Others	—	—	—	—	—	—
2.1 Aggregate Deposits	15755753	156805	734455	642240	1364025	1453805
2.1a Growth (Per cent)		1.0	5.4	4.2	10.5	10.2
2.1.1 Demand	1786335	-37405	-147025	-74858	128813	316356
2.1.2 Time	13969418	194210	881480	717098	1235211	1137449
2.2 Borrowings	253399	7501	-54194	9374	-87371	-1846
2.3 Other Demand and Time Liabilities	584167	782	-83914	-72440	13120	64405
7 Bank Credit	11013458	56641	-27366	63949	554114	669963
7.1a Growth (Per cent)		0.5	-0.3	0.6	5.7	6.5
7a.1 Food Credit	62408	66	11629	1154	3103	-985
7a.2 Non-food credit	10951050	56575	-38995	62795	551011	670948

4. Money Stock: Components And Sources

(₹ Crore)

Item	Outstanding as on 2021		Variation over									
			Fortnight		Financial Year so far				Year-on-Year			
			2020-21		2021-22		2020		2021			
	Mar. 31	Oct. 8	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	1	2	3	4	5	6	7	8	9	10	11	12
M3	18844578	19567496	171461	0.9	1006273	6.0	722918	3.8	1919671	12.1	1761260	9.9
1 Components (1.1.+1.2+1.3+1.4)												
1.1 Currency with the Public	2751828	2830514	15582	0.6	259405	11.0	78685	2.9	478935	22.5	221360	8.5
1.2 Demand Deposits with Banks	1995120	1920877	-37359	-1.9	-146786	-8.4	-74243	-3.7	133734	9.2	329971	20.7
1.3 Time Deposits with Banks	14050278	14768367	192401	1.3	889288	7.0	718089	5.1	1296976	10.6	1205064	8.9
1.4 'Other' Deposits with Reserve Bank	47351	47738	838	1.8	4365	11.3	387	0.8	10026	30.5	4865	11.3
2 Sources (2.1+2.2+2.3+2.4-2.5)												
2.1 Net Bank Credit to Government	5850374	6124433	48310	0.8	669497	13.5	274059	4.7	724319	14.8	494574	8.8
2.1.1 Reserve Bank	1099686	1138634	20124		-66591		38949		-72585		213033	
2.1.2 Other Banks	4750689	4985798	28186	0.6	736088	18.5	235110	4.9	796904	20.4	281541	6.0
2.2 Bank Credit to Commercial Sector	11668466	11720568	54556	0.5	-33079	-0.3	52101	0.4	601750	5.8	715002	6.5
2.2.1 Reserve Bank	8709	4434	-1363		1638		-4275		7192		-10370	
2.2.2 Other Banks	11659757	11716134	55918	0.5	-34717	-0.3	56376	0.5	594558	5.7	725372	6.6

5. Liquidity Operations By RBI

(₹ Crore)

Date	Liquidity Adjustment Facility				MSF*	Stand-ing Liquidity Facili-ties	Market Stabili-sation Scheme	OMO (Outright)		Long Term Repo Opera-tions	Target-ed Long Term Repo Opera-tions#	Special Long-Term Repo Opera-tions for Small Finance Banks	Special Re-verse Repo£	Net Injec-tion (+)/ Absorp-tion (-) (1+3+ 5+ 6+ 9+10 +11 +12-2 -4- 7-8-13)
	Repo	Reverse Repo*	Variable Rate Repo	Variable Rate Reverse Repo				Sale	Pur-chase					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Oct. 18, 2021	–	201304	–	–	806	–	–	–	–	–	–	–	–	-200498
Oct. 19, 2021	–	44534	–	–	3928	–	–	–	–	–	–	–	–	-40606
Oct. 20, 2021	–	207337	–	200008	1678	–	–	–	–	–	–	–	–	-405667
Oct. 21, 2021	–	169520	–	–	370	2500	–	225	315	–	–	–	–	-166560
Oct. 22, 2021	–	140873	–	418395	461	-2500	–	90	–	–	–	–	8365	-569762
Oct. 23, 2021	–	14916	–	–	476	–	–	–	–	–	–	–	–	-14440
Oct. 24, 2021	–	3560	–	–	216	–	–	–	–	–	–	–	–	-3344

TOP NBFC'S-MFI NEWS

- RBI Fixes Average Base Rate To Be Charged By NBFC-MFIs At 7.95% For Next Quarter**

The Reserve Bank of India communicated that the applicable average base rate to be charged by Non-Banking Financial Company - Micro Finance Institutions (NBFC-MFIs) to their borrowers for the quarter beginning October 1, 2021 will be 7.95%. The Reserve Bank had, in its circular dated February 7, 2014, issued to NBFC-MFIs regarding pricing of credit, stated that it will, on the last working day of every quarter, advise the average of the base rates of the five largest commercial banks for the purpose of arriving at the interest rates to be charged by NBFC-MFIs to their borrowers in the ensuing quarter.

Source : https://www.business-standard.com/article/news-cm/rbi-fixes-average-base-rate-to-be-charged-by-nbfc-mfis-at-7-95-for-next-quarter-121093000832_1.html

- Banks, NBFCs report jump in advances in September quarter**

In a sign that bank credit growth may be on an uptrend, most bank and non-bank lenders reported a jump in disbursal of advances in the quarter ended September. HDFC Bank saw its advances book grow by around 15.4% year on year at the end of the September quarter, proforma numbers released by the private sector lender showed. Its total loans aggregated to Rs

11.98 lakh crore at the end of September, up 4.4% sequentially. Its total loans were at Rs 10.38

Source : https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-nbfcs-report-jump-in-advances-in-september-quarter/articleshow/86787086.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- Affordable Housing Finance Companies bear the brunt of Covid: ICRA**

The affordable housing finance companies which had been growing at significantly higher rates than the overall housing finance industry in the past witnessed a moderation in growth following the Covid-19 induced challenges in the operating environment, According to rating agency ICR, The growth in the loan book for such companies moderated to 10% year on year at the end of the March 2021 quarter due to the lockdowns following Covid wave 2; while portfolio remained flat as on June 30, 2021, as compare

Source : https://economictimes.indiatimes.com/industry/banking/finance/affordable-housing-finance-companies-bear-the-brunt-of-covid-icra/articleshow/86808037.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- US-based Arena Investors evinced interest to acquire Srei before RBI took control**

Arena Investors, a US-based company, had proposed to buy 74% in Srei Equipment Finance, a wholly owned subsidiary of Srei Infrastructure Finance for about Rs 2,000 crore before the Reserve Bank of India (RBI) took control of the non-bank lender on Monday, two people familiar with the matter. The Srei group had forwarded the proposal to RBI for a review a couple of months ago.

Source : https://economictimes.indiatimes.com/industry/banking/finance/us-based-arena-investors-evinced-interest-to-acquire-srei-before-rbi-took-control/articleshow/86786127.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Select NBFCs to now have internal ombudsman on lines of banks: Shaktikanta Das**

With the objective of upping customer experience, the Reserve Bank on October 8, 2021 announced an internal ombudsman scheme (IOS) to redress grievances at select non-banking finance companies (NBFCs). According to Shaktikanta Das, RBI Governor, The IOS will be on the lines of a similar system adopted at banks and will redress grievances related to deficiencies in service. The increased significance, strength and reach of NBFCs across the country have necessitated having in place better customer experience including grievance redress practices," he said. Das said over the last few years, the RBI has taken a slew of measures to improve consumer protection at NBFCs which include asking such lenders to appoint nodal officers to address grievances in 2013 and launch of the ombudsman scheme for NBFCs in 2018.

Source : <https://www.financialexpress.com/industry/banking-finance/select-nbfcs-to-now-have-internal-ombudsman-on-lines-of-banks-shaktikanta-das/2346329/>

- **Central Bank of India enters co-lending partnership with IIFL Home Finance**

Central Bank of India on October 12, 2021 announced that has entered into a strategic co-lending partnership with IIFL Home Finance. Under this arrangement, IIFL Home Finance Ltd. will originate and process loans as per jointly formulated credit parameters & eligibility criteria and Central Bank of India will take into its book 80% of the SME LAP Loans under mutually agreed terms, the bank said in regulatory filing.

Source : <https://www.livemint.com/industry/banking/central-bank-of-india-enters-co-lending-partnership-with-iifl-home-finance-11633441767017.html>

- **Central banks gear up for tapering; expect movement in equities, other assets may remain contained**

The word 'Tapering' if anything, in the last decade, has long ceased to be a verb. Many by now would have personified it to be an evil-looking demon. However, if we were to see the initial outcomes post the Fed announcement, the markets have taken the latest communication on the onset of this demon in its stride. The stock markets have remained largely placid so far.

Source : <https://www.financialexpress.com/market/central-banks-gear-up-for-tapering-expect-movement-in-equities-other-assets-may-remain-contained/2350375/>

- **Sa-Dhan seeks additional Rs 7,500 crore towards credit guarantee scheme for MFIs**

Sa-Dhan, a self-regulatory organization for microfinance institutions (MFIs), has written to Finance Minister Nirmala Sitharaman seeking allocation of additional Rs 7,500 crore for the credit guarantee scheme for micro lenders.

Source : <https://www.financialexpress.com/economy/sa-dhan-seeks-additional-rs-7500-crore-towards-credit-guarantee-scheme-for-mfis/2344318/>

- **Four-tier scale-based regulatory guidelines for NBFCs from Oct 2022: RBI**

A four-layered scale-based approach to regulate non-banking finance companies (NBFC) in the country will kick in from October 1, 2022 to ensure tight oversight of the sector. Further, the Reserve Bank of India (RBI) has set a limit of Rs 1 crore per borrower for financing subscriptions to initial public offer (IPO). The ceiling will come into effect from April 1, 2022. The NBFC sector can fix more conservative limits, the RBI said in its preface to the new rules. The regulatory structure will comprise four layers based on their size, activity, and perceived risk. The lowest layer will be the base layer, followed by the middle, upper and top layers.

Source : https://www.business-standard.com/article/finance/four-tier-scale-based-regulatory-guidelines-for-nbfcs-from-oct-2022-rbi-121102201530_1.html

- **RBI caps NBFC IPO funding at Rs one crore per borrower from FY23**

Non-banking finance companies (NBFC) cannot lend more than Rs 1 crore to investors seeking to buy stocks in initial share sales from April 1 next year, According to India's central bank on October 22. Tightening capital adequacy and provisioning rules for last-mile lenders to reduce risks to the broader financial system.

Source : https://economictimes.indiatimes.com/news/economy/policy/rbi-caps-nbfc-ipo-funding-at-rs-one-crore-per-borrower-from-fy23/articleshow/87216686.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Gold loans turn fastest-growing segment as banks lean on safety**

Gold loans have become the fastest-growing major loan segment for banks in a year when the persisting pains of the pandemic have led lenders to look for low-risk growth. Outstanding loans against gold jewellery stood at Rs 62,926 crore as on August 27, 66% higher on a year-on-year (y-o-y) basis, as per sectoral data put out by the RBI.

Source : <https://www.financialexpress.com/industry/banking-finance/gold-loans-turn-fastest-growing-segment-as-banks-lean-on-safety/2356056/>

TOP INSURANCE NEWS

- **Union minister: Maha govt not paying crop insurance premium**

Union minister of state for finance Bhagwat Karad on October 1, 2021 took potshots at the state government, claiming that it had not been paying crop insurance premium, and called out State Deputy Chief Minister Mr. Ajit Pawar for opposing inclusion of petrol and diesel under the GST fold. Karad largely spoke about the central regarding ease of doing business and financial over the past seven years, claiming that the Narendra Modi government had largely got rid of corruption.

Source : <https://timesofindia.indiatimes.com/city/pune/union-minister-maha-govt-not-paying-crop-insurance-premium/articleshow/86716134.cms>

- **Health Insurance rules changing from October 1, 2020**

Beginning October 1, 2020 a lot of changes may kick in the Health insurance zone. The new rules apply to waiting period after getting health insurance, claim rejection by the companies, inclusion of many more illnesses in the health cover. However, the consumer taking the health insurance must also note that the premium paid on health insurance may also go up.

Source : <https://zeenews.india.com/personal-finance/health-insurance-rules-changing-from-october-1-2020-details-here-2313019.html>

- **Insurance directors to be hired on seniority not by bank board : Delhi HC**

The Delhi high court on Monday ruled that

directors and general managers of public sector general insurance companies should be selected on the basis of seniority and not by the Banks Board Bureau (BBB). The Delhi HC also set aside the government appointments of insurance directors and GMs between 2018-2020. The case for selection based on seniority was filed by National GM Ravi was set to get a promotion under the earlier rules But, when it fell to the BBB to make appointments National GM Ravi lost out on a plum posting, resulting in him filing a case.

Source : <https://timesofindia.indiatimes.com/business/india-business/insurance-directors-to-be-hired-on-seniority-not-by-bank-board-delhi-hc/articleshow/86754789.cms>

- **Insurers can maintain current accounts in appropriate number of banks: Irdai**

Insurance regulator Irdai on Wednesday said insurers can maintain current accounts in an appropriate number of banks for premium collection and policy payments for the convenience of policyholders and ease of doing business. Insurance Regulatory and Development Authority of India (Irdai) has issued the clarification in the backdrop of the RBI's circular on "Opening of Current Accounts by Banks - Need for Discipline".

Source https://economictimes.indiatimes.com/industry/banking/finance/insure/insurers-can-maintain-current-accounts-in-appropriate-number-of-banks-irdai/articleshow/86816601.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Metlife plans to raise its stake in Indian venture; acquire stake of IGE, Elpro**

US-based insurance firm Metlife on October 11, 2021 said it proposes to raise its stake in its Indian venture by acquiring a 15.27 per cent stake of IGE (India) Private Limited and Elpro International Limited in PNB MetLife India Insurance Company. With the acquisition, MetLife International Holdings, LLC (MIHL) in PNB Metlife will increase to 47.32 per cent, MetLife said in a statement. The share purchase agreement with IGE and Elpro International is subject to all necessary regulatory approvals.

Source :https://economictimes.indiatimes.com/industry/banking/finance/insure/metlife-plans-to-raise-its-stake-in-indian-venture-acquire-stake-of-ige-elpro/articleshow/86759189.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **B C Patnaik takes charge as MD of LIC**

According to Insurance behemoth LIC on October 15, B C Patnaik has taken charge as the managing director (MD) of the company. He was appointed as Managing Director vide a government notification dated July 5, 2021, LIC said in a statement. Prior to taking charge as MD of LIC, Patnaik was the Secretary General, Council for Insurance Ombudsman.

Source : https://economictimes.indiatimes.com/industry/banking/finance/insure/b-c-patnaik-takes-charge-as-md-of-lic/articleshow/86674316.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Insurance claim can be denied if vehicle driven without valid registration: Supreme Court**

An insurance claim can be denied if a vehicle does not have valid registration, the Supreme Court said on October 14, 2021 while rejecting a claim in theft of a car which had temporary registration. A bench headed by Justice U U Lalit said the claim of insurance amount be dismissed if there is a fundamental breach of the terms and conditions of the policy.

Source:https://economictimes.indiatimes.com/industry/banking/finance/insure/insurance-claim-can-be-denied-if-vehicle-driven-without-valid-registration-supreme-court/articleshow/86648598.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Life insurance companies poised for strong Q2**

Indian life insurance companies are poised to post up to 34% growth in the value of premiums, paced by higher volumes, group insurance coverage and sale of fixed-income linked coverage products. However, margin expansion could be restrained due to a rise in reinsurance rates. Analysts are also monitoring residual Covid-linked claims in the second quarter after a sharp jump in the first quarter that led to a rise in provisions.

Source : https://economictimes.indiatimes.com/industry/banking/finance/insure/life-insurance-companies-poised-for-strong-q2/articleshow/86841698.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

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Source https://economictimes.indiatimes.com/industry/banking/finance/insure/insurers-can-maintain-current-accounts-in-appropriate-number-of-banks-irdai/articleshow/86816601.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

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Source : https://economictimes.indiatimes.com/industry/banking/finance/insure/life-insurance-companies-poised-for-strong-q2/articleshow/86841698.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Deepak Parekh urges IRDAI to allow insurers to sell pension, health policies**

HDFC Life Chairman Deepak Parekh on October 18, 2021 strongly batted for insurance companies to be allowed to sell pension and health covers. While speaking at the Annual General Meeting (AGM) of HDFC Life held in Mumbai, Deepak Parekh said that if Insurance Regulatory and Development Authority of India (IRDAI) allows insurers to sell pension and health policies, it would deepen risk coverage in the country.

Source : <https://www.livemint.com/insurance/news/deepak-parekh-urges-irdai-to-allow-insurers-to-sell-pension-health-policies-11626739608102.html>

- **Health insurance premium stable in Jul-Sep, says report**

Premium for health insurance was largely stable during July-September, despite reports suggesting a rise in premium amid the pandemic, according to Insurance Price Index data for the third quarter of 2021, compiled by PolicyX.com, an insurance web aggregator.

Source: <https://www.livemint.com/insurance/news/health-insurance-premium-stable-in-jul-sep-says-report-11633324299442.html>

- **Pradhan Mantri Fasal Bima Yojana: Crop insurance being revamped from kharif 2022, panel set up**

According to provisional data of 19 states (excluding Karnataka), there is over 10% fall in enrollment of farmers under crop insurance during Kharif 2021 from last season's 1.68 crore. The premium

to be paid by farmers is fixed at 1.5% of the sum insured for rabi crops and 2% for Kharif crops, while it is 5% for cash crops under PMFBY. Aiming to roll out an overhauled Pradhan Mantri Fasal Bima Yojana (PMFBY) from kharif 2022, the government has constituted a working group comprising officials from Centre, key crop-producing states and top executives of public sector insurance companies to suggest “sustainable, financial and operational models.

Source : <https://www.financialexpress.com/economy/pradhan-mantri-fasal-bima-yojana-pmfby-being-revamped-from-kharif-2022-panel-set-up/2351260/>

- **Stock-specific opportunities can still be found in the mid and smallcap space: Mihir Vora, Max Life Insurance**

According to Mihir Vora, Senior Director and CIO, Max Life Insurance. The broader mid-cap and small-cap rallies may be over, but there are stock-specific opportunities still to be found in that space. Unlike the previous peaks, which were triggered by global flows, it is the local money this time. He added, Retail participation is very high, aided by low interest rates and increased savings during lockdown.

Source : <https://economictimes.indiatimes.com/wealth/personal-finance-news/stock-specific-opportunities-can-still-be-found-in-the-mid-and-smallcap-space-mihir-vora-max-life-insurance/articleshow/87222007.cms>

- **Digit Insurance eyes Rs 6,500 cr in premia sales by October 2022**

Fairfax-promoted Digit Insurance is confident of taking its premia sales to over

Rs 6,500 crore when it completes five years of operations in the next October, a top official of the Bengaluru-based general insurer has said. Fairfax-promoted Digit Insurance is confident of taking its premia sales to over Rs 6,500 crore when it completes five years of operations in the next October.

Source : https://economictimes.indiatimes.com/industry/banking/finance/insure/digit-insurance-eyes-rs-6500-cr-in-premia-sales-by-october-2022/articleshow/87081261.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Insurance industry: Balancing the board**

The recent times, particularly after February – March 2020, have changed the world in so many ways we could not have imagined. COVID-19 brought about human suffering, pain and agony in ways that most humankind could not have ever visualized. It can be counted as a black swan event, if there ever was one. One of the most affected sectors has been the insurance sector. The COVID-19 pandemic has resulted in a massive number of health claims. Already, the Indian insurance industry was passing through challenging times.

Source : <https://www.financialexpress.com/industry/banking-finance/insurance-industry-balancing-the-board-board/2354844/>

- **SBI General Insurance collaborates with Google Pay to offer health insurance**

SBI General, one of India's leading General Insurance companies, announced its technological collaboration with Google Pay today, enabling users to buy SBI General's

health insurance on the Google Pay app in a quick and hassle-free way. This is in line with SBI General's vision to consistently expand its distribution of general insurance solutions through digital channels.

Source : <https://www.livemint.com/insurance/news/sbi-general-insurance-collaborates-with-google-pay-to-offer-health-insurance-11635322657850.html>

- **Future Generali India insurance enters into bancassurance tie-up with Bank of India**

Private sector general insurer Future Generali India Insurance (FGII) has entered into a bancassurance tie-up with the Bank of India (BoI) for further penetration of its general insurance products. "Through this alliance, FGII will offer its wide array of best-in-class and innovative insurance solutions to 5,084 BoI branches spread across 28 States and 8 Union Territories,".

Source : <https://www.thehindubusinessline.com/money-and-banking/future-generali-india-insurance-enters-into-bancassurance-tie-up-with-bank-of-india/article37158656.ece>

- **Paytm's insurance business to raise Rs.920 crore from Swiss Re**

Ahead of its initial public offering Paytm's associate company Paytm Insuretech Pvt Ltd is raising a strategic round of Rs 920 crore from global reinsurance firm Swiss Re. The company will invest in by way of equity shares and compulsorily convertible preference shares for a 23% stake. While Rs 397 crore investment will happen up front, the remaining amount will come in tranches subject to fulfilment of certain milestones.

Source : <https://www.moneycontrol.com/news/business/startup/paytms-insurance-business-to-raise-rs-920-cr-from-swiss-re-7635761.html>

- **Max Life Insurance secures 10.8% market share among private life insurers**

Max Life Insurance on October 21, 2021 announced that its Assets Under Management (AUM) has crossed ₹1 lakh crore, as of 23 September 2021. The private insurer has clocked 6x growth in the last 11 fiscals.

Source : <https://www.livemint.com/insurance/news/max-life-insurance-secures-10-8-market-share-among-private-life-insurers-11633009212708.html>

TOP CORPORATE BOND MARKET NEWS

- **Sebi examining feasibility of corporate bond ETF: Ajay Tyagi**

The Securities and Exchange Board of India (Sebi) is planning to introduce corporate bond exchange traded fund (ETF) in an attempt to boost activity in the corporate bond market. "Sebi is examining how to increase ETF liquidity on exchange platforms and the feasibility According to Sebi chief Ajay Tyagi," "Globally, ETFs have emerged as popular products and provide liquid exposure to investors.

Source : <https://economictimes.indiatimes.com/markets/stocks/news/sebi-examining-feasibility-of-corporate-bond-etf-ajay-tyagi/articleshow/84664652.cms>

- **Indian corporate bond market can double to Rs 65-70 lakh cr by March 2025: Crisil**

According to rating agency Crisil, The supply of corporate bonds in the domestic market is expected to double to Rs 65-70 lakh crore by fiscal 2025 with the financial sector contributing around 50 per cent to this growth, The demand for corporate bonds, however, is likely to be Rs 60-65 lakh crore by March 2025."Over the next five fiscals, corporate bond issuances outstanding could more than double from around Rs 33 lakh crore or crore or 16 per cent of gross domestic product (GDP) at the end of fiscal 2020 to Rs 65-70 lakh crore - tantamount to 22-24 per cent of GDP - by the end of fiscal 2025,"

Source : https://economictimes.indiatimes.com/markets/bonds/indian-corporate-bond-market-can-double-to-rs-65-70-lakh-cr-by-march-2025-crisil/articleshow/81194135.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **What's behind the demand for Indian high-yield dollar bonds?**

There are no takers in India for corporate notes with even a whiff of credit risk. But such is the fear among global investors around China's overleveraged property developers that money can't stop pouring into Indian high-yield dollar bonds. Domestic debt issuances by all except the top-rated borrowers have shrunk since the collapse of the IL&FS Group, a major infrastructure financier, in September 2018. Firms rated below AA have managed to garner just 382 billion rupees (\$5.2 billion) this year, a far cry from their 2017 haul of 2.1 trillion rupees.

Source : https://economictimes.indiatimes.com/markets/bonds/for-indian-junk-bonds-its-love-in-the-time-of-evergrande/articleshow/86858668.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **RBI ends bond purchase plan, maintains status quo on rate**

The Reserve Bank of India on October 22, 2021 halted its bond-buying efforts, signalling it's likely to begin scaling back pandemic-era easy money policies,

although governor Shaktikanta Das stressed that nothing would be done to "rock the boat" as a nascent economic recovery takes hold. Our entire approach is that of gradualism. According to RBI Governor Shaktikanta Das, "We do realize that as we are approaching the shore; when the shore is so close, we don't want to rock the boat because we realize there is a life, there is a journey beyond the shore".

Source : <https://www.livemint.com/industry/banking/rbi-ends-bond-purchase-plan-maintains-status-quo-on-rates-11633715909084.html>

- **3-5 year bonds offer the best roll down potential**

September was an eventful month for the bond market. The expectation of a reduction in government borrowing and chatter on global bond index inclusion fueled a rally in the bond market in the first half of the month. It got further accentuated by the below expectation inflation print of 5.3% in August 2021. The 10-year government bond yield came down from 6.22% on August 31, 2021 to 6.14% by September 20, 2021. On a monthly closing basis, the 10-year Gsec yield ended flat at 6.22%.

Source : <https://www.financialexpress.com/money/your-money-3-5-year-bonds-offer-the-best-roll-down-potential-today/2348886/lite/>

- **Gilts slump as RBI stops bond buying**

Sovereign bonds slumped, with yield on the 10-year benchmark paper rising past the psychologically significant 6.30% mark, as the Reserve Bank of India on Friday said

there is no requirement for a fresh round of the 'Government Securities Acquisition Programme' at the moment. The paper touched a high of 6.31% today and was last at 6.29%, two basis points higher than previous close. Bond prices and yields move inversely.

Source : https://economictimes.indiatimes.com/markets/bonds/gilts-slump-as-rbi-stops-bond-buying/articleshow/86860461.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **RBI offers comfort to bond market unnerved by G-SAP withdrawal**

The scrapping of the Government Securities Acquisition Programme (G-SAP) programme pushed up bond yields raising the borrowing costs for the government, but the assurance that the liquidity stance would remain accommodative may temper it. The benchmark bonds rose as much as five basis points during Friday's trading to 6.32 percent.

Source : https://economictimes.indiatimes.com/markets/bonds/gsaps-scrapped-for-now-bond-traders-fret/articleshow/86870647.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **RBI says India's inclusion in global bond index may happen in next few months**

According to Reserve Bank of India Governor Shaktikanta Das on October 14 it is in an advanced stage of discussion regarding the country's inclusion in the global bond index, and the same may happen in the coming months.

According to RBI Governor, "Tough to give a timeline, but global bond index inclusion should happen in the next few months,"

Source : https://economictimes.indiatimes.com/markets/bonds/rbi-says-indias-inclusion-in-global-bond-index-may-happen-in-next-few-months/articleshow/86864715.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **RBI tells SBI to bid aggressively at next switch auction; redemptions need to be brought down**

The Reserve Bank of India, in a recent interaction with the State Bank of India, is said to have requested the PSU lender to purchase a large quantum of bonds set to be offered in the conversion programme on October 18. On October 18, the government is scheduled to switch two short-term bonds – the 5.09 per cent, 2022 paper and the 8.08 per cent, 2022 paper (maturing in April 13, 2022 and August 2, 2022) with three longer-term floating rate bonds – the FRB 2028 bond, the FRB, 2031 bond and the FRB 2034 bond.

Source : https://economictimes.indiatimes.com/markets/bonds/rbi-tells-sbi-to-bid-aggressively-at-next-switch-auction/articleshow/87028003.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **SBI raises Rs 6,000 cr by issuing bonds**

The country's largest lender SBI said it has raised Rs 6,000 crore by issuing Basel III compliant bonds. In June, the bank had received approval from its central board for raising fresh additional tier 1 capital of up to Rs 14,000 crore. The committee of

directors for capital raising at its meeting on October 18, 2021, accorded its approval to allot 6,000 Basel III compliant fully paid-up debt instruments in the nature of debentures qualifying as AT 1 capital of the bank to bond subscribers, SBI said in a regulatory filing.

Source : <https://www.financialexpress.com/industry/banking-finance/sbi-raises-rs-6000-cr-by-issuing-bonds/2351901/>

- **Sebi may cap ISINs for corporate bonds**

The Securities and Exchange Board of India (Sebi) on October 29, 2021 proposed to cap International Securities Identification Numbers (ISINs) for corporate bonds, in a bid to boost liquidity in the debt market. "Issuers have represented that capping of ISINs and reissuing bonds in the same ISINs have aided them in better projection of cash flow requirements and, thus, enabling them to effectively carry out their asset liability management requirements.

Source : https://economictimes.indiatimes.com/markets/bonds/sebi-may-cap-isins-for-corporate-bonds/articleshow/87218128.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

- **Banks' debt sales are driving the corporate bond market**

Financial institutions account for more than one-third of all the investment-grade debt issued this year. U.S. banks are overrun with cash. So they are loading up on debt. The six largest U.S. lenders have issued some \$314 billion of bonds so far this year, already most for any year since 2008.

Source : <https://www.livemint.com/market/stock-market-news/banks-debt-sales-are-driving-the-corporate-bond-market-11635251581806.html>

- **Yields on corporate bond, treasury-bills, commercial papers rise on domestic concerns**

Yields on corporate bonds, treasury-bills (T-bills) and commercial papers (CPs) are

up 5-15 basis points across tenures because of domestic factors such as rising yields on government securities and a higher cut-off set by the central bank at a reverse repo auction amid low demand from investors.

Source : <https://www.financialexpress.com/market/yields-on-corporate-bond-treasury-bills-commercial-papers-rise-on-domestic-concerns/2340489/>

Department of Banking & Financial Services Upcoming Programme

ASSOCHAM-EGROW Bi-Monthly Shadow Monetary Policy Committee Meeting	November 2021
ASSOCHAM 8th National E-Summit On Non-Banking Finance Companies & Infrastructure Financing (Dec 2021)	December 2021

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