



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
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## DAILY NEWS DIGEST BY BFSI BOARD, ICAI

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- **RBI may be looking at changing its reserve management strategy:** RBI may be internally exploring shedding its traditional approach to foreign exchange reserve management amidst falling global yields adding to the fiscal costs of managing the reserves. A research paper by RBI economists suggests that the central bank should be more active in its forex assets management including looking beyond SDR currencies and active management of its gold reserves. Global interest rates which have been on declining over the last four decades in advanced economies, touched their historic lows in 2020. "This low yield environment has made it an arduous task for the reserve managers to generate reasonable returns on their foreign assets" said a paper by Ashish Saurabh and Nitin Madan of RBI's department of External Investments and Operations.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-may-be-looking-at-changing-its-reserve-management-strategy/articleshow/87161875.cms>
- **Gross NPAs of banks may decline to 6.9% by March 2022: Report:** Gross non-performing assets (NPAs) and net NPAs of banks are likely to decline to 6.9-7 per cent and 2.2-2.3 per cent, respectively, by the end of March 2022 as compared to 7.6 per cent and 2.5 per cent, respectively, as of March 31, 2021, according to a report by rating agency ICRA. GNPA and NNPA stood at 8.6 per cent and three per cent, respectively, as on March 31, 2020. "The GNPA and NNPA are expected to further decline to 6.9-7 per cent and 2.2-2.3 per cent by March 2022, which will continue to be a relief for the bottomline (profit) of lenders," the credit rating agency said in the report.  
[https://www.financialexpress.com/industry/banking-finance/gross-npas-of-banks-may-decline-to-6-9-pc-by-march-2022-report/2353269/#:~:text=Gross%20non%2Dperforming%20assets%20\(NPAs,report%20by%20rating%20agency%20ICRA.](https://www.financialexpress.com/industry/banking-finance/gross-npas-of-banks-may-decline-to-6-9-pc-by-march-2022-report/2353269/#:~:text=Gross%20non%2Dperforming%20assets%20(NPAs,report%20by%20rating%20agency%20ICRA.)
- **YES Bank showing remarkable progress; to take to two more years to stabilise: Former SBI chief:** Crisis-hit YES Bank has shown remarkable progress after its management was taken by the clutch of investors led by State Bank of India (SBI) last year and may take two more years to stabilise, said former SBI chairman Rajnish Kumar. "The situation in which YES Bank was, you have to give three years time at least for it to stabilise... it has shown remarkable progress as the condition was very bad when SBI salvaged it," he told PTI while sharing a sneak peek of his memoir. In his book titled 'The Custodian of Trust', Kumar said that SBI was reluctant to play the lender of last resort role for the YES Bank but circumstances compelled it to rescue the country's fourth largest private sector lender.  
<https://www.livemint.com/industry/banking/yes-bank-showing-remarkable-progress-to-take-to-2-more-yrs-to-stabilise-former-sbi-chief-11634729089342.html>
- **Citi appoints Rajeev Mantri as CFO, Citi India and cluster finance head, south Asia:** Citi has announced the appointment of Rajeev Mantri as chief financial officer (CFO), Citi India, and cluster finance head, south Asia, effective October 5, 2021, said a statement issued today. In this role, Mantri will be based in Mumbai, and responsible for the finance function, overseeing business planning and



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strategy, balance sheet management, financial controls, reporting and tax matters and will focus on delivering the financial plan, while working closely with key stakeholders on franchise-level matters in India. In addition, he will also provide governance and oversight on the finance function of Sri Lanka and Bangladesh.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/citi-appoints-rajeev-mantri-as-cfo-citi-india-and-cluster-finance-head-south-asia/articleshow/87156631.cms>

- **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.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-flag-concerns-over-us-rules-on-consumer-data-seek-govt-guidance/articleshow/87147394.cms>
- **Insurers settle claims worth ₹20,859 cr:** Insurers have so far settled claims worth ₹20,859 crore related to Covid-19. According to the latest data available with the industry, the settlement ratio stood at 88 per cent as on October 13, for ₹20,859.4 crore. Of the total claims of 25,96,072, 22,84,429 have been settled by insurers. Insurers, however, are now seeing a dip in demand for Covid-specific policies. "We find that the demand for health cover is now shifting towards non-communicable diseases (NCDs) and critical illnesses," Sanjay Datta, Head - Underwriting & Claims, ICICI Lombard General Insurance Company, told BusinessLine.  
<https://www.thehindubusinessline.com/money-and-banking/insurers-settle-claims-worth-20859-cr/article37095429.ece>
- **L&T Finance Holdings' Q2 net profit down 15.5%:** L&T Finance Holdings reported a 15.5 per cent drop in its consolidated net profit for the second quarter of the fiscal. Its net profit stood at ₹224.03 crore for the quarter-ended September 30, 2021 as against ₹265.12 crore in the same period last fiscal. However, on a sequential basis, it posted a 26.5 per cent jump from its net profit of ₹177.02 crore in the June 2021 quarter. Its total revenue from operations increased by 10.5 per cent to ₹3,051.82 crore in the second quarter of the fiscal from ₹3,408.1 crore a year ago. However, other income declined by 18 per cent on a year-on-year basis to ₹82.64 crore in the July to September 2021 quarter. "In the second quarter of the fiscal, all L&T Finance Holdings businesses witnessed robust disbursement momentum," it said in a statement on Wednesday.  
<https://www.thehindubusinessline.com/money-and-banking/lt-finance-holdings-q2-net-profit-down-155/article37094434.ece#:~:text=L%26T%20Finance%20Holdings%20reported%20a,the%20same%20period%20last%20fiscal.>
- **BNP Paribas keen to become 'go to' bank for India Inc's overseas buys:** BNP Paribas, which operates in over 70 countries, sees itself emerging as the "go to" investment bank for Indian corporates looking to expand their global footprint through the mergers & acquisitions (M&A) route, Aymar de Liedekerke Beaufort, Head of Territory, India, has said. "We do see several Indian corporates emerging



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as champions (at the global stage). We want to work with the top 100 Indian corporates and believe many of these will have specific acquisitions to do in Europe and this is where they may need a bank like us,” Beaufort told BusinessLine in an interview.

<https://www.thehindubusinessline.com/money-and-banking/bnp-paribas-keen-to-become-go-to-bank-for-india-incs-overseas-buys/article37094519.ece>

- **NPCI launches NTS platform for card tokenisation:** National Payments Corporation of India (NPCI) on Wednesday announced the launch of NPCI Tokenization system (NTS) to support tokenisation of cards as an alternate to storing card details with merchants. “The NPCI Tokenization System (NTS) will support the tokenisation of RuPay cards to further enhance the safety of customers and provide a seamless shopping experience to consumers,” it said in a statement. With NTS, acquiring banks, aggregators, merchants and others can get themselves certified with NPCI and can play the role of Token Requestor to help save the token reference number (Token Reference On File or TROF) against all card numbers saved, it further said. “All these businesses can maintain their RuPay consumer base utilising TROF for future transactions initiated by their respective RuPay consumers,” it said.  
<https://www.thehindubusinessline.com/money-and-banking/npci-launches-nts-platform-for-card-tokenisation/article37085011.ece>
- **RBI imposed a monetary penalty of ₹1 crore on Paytm Payments:** The RBI has imposed a monetary penalty of ₹1 crore on Paytm Payments Bank (PPBL) and ₹27.78 lakh on Western Union Financial Services Inc (WUFSI). RBI said the monetary penalty on PPBL has been imposed for an offence under the Payment and Settlement Systems Act, 2007 (PSS Act). The penalty on WUFSI, a money transfer service – cross-border in-bound service (customer-to-customer only) operator – has been imposed for non-compliance with certain provisions of RBI’s directions contained in its Master Direction on Money Transfer Service Scheme (MTSS Directions), according to a central bank statement.  
<https://www.livemint.com/industry/banking/rbi-imposes-rs-1-crore-penalty-on-paytm-payments-bank-11634737876574.html>
- **EPFO adds 14.81 lakh members in August:** The provisional payroll data of EPFO continued to show a growing trend consecutively for the last five months and added around 14.81 lakh net subscribers in August. The net subscriber addition has increased by 12.61 per cent as compared to July’s figures. Out of the total 14.81 lakh net subscribers, around 9.19 lakh workers are new members of the EPFO. Around 5.62 lakh workers exited but rejoined the EPFO by changing jobs. Workers in the age-group of 22-25 years registered highest number of net enrolments with 4.03 lakh additions during August, the Union Labour Ministry claimed in a release.  
<https://www.thehindubusinessline.com/money-and-banking/epfo-adds-1481-lakh-members-in-august/article37097037.ece>
- **RBI rule on recurring payments: Small businesses, start-ups feeling the heat:** Small businesses and start-ups running on a subscription model are losing out on users and timely payments due to the Reserve Bank of India’s new rule on recurring payments. For instance, the non-profit digital rights advocacy group, Internet Freedom Foundation (IFF), which runs on a monthly donorship model, lost nearly 70 per cent of its existing membership base of close to 423. Apar Gupta, Advocate and



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Executive Director, IFF, told BusinessLine: “It took us three years to build our member base. Most of our donors signed up using their debit and credit cards, which has been the primary mode of recurring online payments in India. After the RBI mandate came into being post-September 30, they weren’t able to sign up or make those payments.

<https://www.thehindubusinessline.com/money-and-banking/small-businesses-start-ups-feeling-the-heat/article37096979.ece>

- **Govt to soon reach out to potential buyers of debt-laden IDBI Bank:** The government will soon reach out to interested buyers of IDBI Bank and inform them about the broad contours of the strategic disinvestment, which is going to lay the groundwork for privatisation of public sector banks. The Centre, through its advisors, will share the strategic sale plan with investors, and how the deal is expected to be structured, an official said. The exercise would be undertaken before the government comes out with the preliminary information memorandum (PIM) and invites expression of interest (EoI) for the IDBI Bank sale, said an official. The investors’ interest would be gauged, and suitable structuring of the transaction would be done, he added.  
[https://www.business-standard.com/article/finance/govt-to-soon-reach-out-to-potential-buyers-of-debt-laden-idbi-bank-121101901589\\_1.html](https://www.business-standard.com/article/finance/govt-to-soon-reach-out-to-potential-buyers-of-debt-laden-idbi-bank-121101901589_1.html)
- **Gold prices jump above Rs 47,500/10 gm on firm global trend, festive demand; Silver costlier by Rs 1,386 a kg:** Gold prices rose by Rs 164 to Rs 47,548 per 10 gram in the Mumbai bullion market tracking firm global trend and festive demand. The precious metal upside was capped by sharp appreciation in rupee, firm dollar and rising Treasury yields. The price of 10 gram, 22-carat gold in Mumbai was Rs 43,554 plus 3 percent GST, while 24-carat 10 gram stood at Rs 47,548 plus GST. The 18-carat gold quoted at Rs 35,661 plus GST in the retail market. Silver prices surged by Rs 1,386 to Rs 64,496 per kg against its closing price on October 18.  
<https://www.moneycontrol.com/news/business/commodities/gold-prices-jump-above-rs-4750010-gm-on-firm-global-trend-festive-demand-silver-costlier-by-rs-1386-a-kg-7604921.html>
- **Sensex drops over 200 pts in early trade; Nifty slips below 18,400:** Equity benchmark Sensex tumbled over 200 points in opening trade on Wednesday, tracking losses in index majors TCS, Bajaj Finance and Axis Bank as market participants booked profits at higher levels. The 30-share index was trading 209.46 points or 0.34 per cent lower at 61,506.59 in initial deals. Similarly, the Nifty dropped 85.45 points or 0.46 per cent to 18,333.30. Bajaj Finance was the top loser in the Sensex pack, shedding around 2 per cent, followed by IndusInd Bank, Bajaj Finserv, Bajaj Auto, Tata Steel and Axis Bank. On the other hand, Nestle India, HUL, Bharti Airtel, Asian Paints and HCL Tech were among the gainers.  
<https://www.thehindubusinessline.com/markets/stock-markets/sensex-drops-over-200-pts-in-early-trade-nifty-slips-below-18400/article37083295.ece>
- **Rupee ends 47 paise higher against the dollar on Wednesday:** The rupee ended 47 paise stronger on Wednesday due to dollar inflows in the backdrop of foreign portfolio investors eyeing investments in public offerings by Indian companies and due to the weakening of the greenback. The Indian unit closed at 74.88 per dollar against the previous close of 75.35. In intraday trade, the rupee saw a high of 74.83 to the dollar and a low of 75.1350.



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<https://www.thehindubusinessline.com/money-and-banking/rupee-ends-47-paise-higher-against-the-dollar-on-wednesday/article37095701.ece>

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