



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

July 9, 2021

- **LIC to have Chief Executive Officer, Managing Director; government does away with Chairman post :**
The Life Insurance Corporation of India (LIC) will now have the post of Chief Executive Officer and Managing Director instead of the Chairman position, with the government making changes to relevant rules ahead of the insurer's initial public offering this fiscal. The changes have been made by the Department of Financial Services under the finance ministry by amending Life Insurance Corporation of India (Employees) Pension (Amendment) Rules. Besides, some other rules under LIC Act, 1956, have been amended. "Chief Executive and Managing Director means the Chief Executive Officer and Managing Director appointed by the Central Government under section 4 of the Act (LIC Act 1956)," according to a gazette notification issued on July 7. To facilitate the listing of the insurance behemoth, the government has already approved raising its authorised share capital to Rs 25,000 crore. Besides, the Department of Economic Affairs under the finance ministry recently amended the Securities Contracts (Regulation) Rules.
<https://economictimes.indiatimes.com/industry/banking/finance/insure/lic-to-have-chief-executive-officer-managing-director-government-does-away-with-chairman-post/articleshow/84234846.cms?from=mdr>
- **HDFC Bank's CSR spends grow 18 per cent to Rs 635 crore in FY21:** Largest private sector lender HDFC Bank on Thursday said its social sector spending increased 18.06 per cent to Rs 634.91 crore in FY21 from Rs 535.31 crore in the preceding year. The 18.06 per cent growth in its corporate social responsibility (CSR) spends was faster than the 16.80 per cent jump in its consolidated net profit. Entities above a certain threshold are mandated to spend at least 2 per cent of the average net profits of the immediately preceding three years on CSR activities. In a statement, the bank said the spend in the pandemic-hit FY21 included Rs 110 crore allocated towards COVID-19 relief efforts. Its interventions under the "Parivartan" initiative impacted 8.5 crore lives across the country, the statement said.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-banks-csr-spends-grow-18-per-cent-to-rs-635-crore-in-fy21/articleshow/84235761.cms?from=mdr>
- **Punjab National Bank, Home Finance arm at odds over Sebi order regarding Carlyle deal:** PNB Housing Finance and its parent Punjab National Bank (PNB) appear to be on a collision course over the pricing and structure of a proposed share sale to US buyout firm Carlyle, with the former deciding to wait for an appeals court ruling even as the lender suggested compliance with the market regulator's order of an independent valuation. In a fresh twist to the Rs 4,000-crore deal, the PNB board said it wants the home financier to consider restructuring the deal, approved by the PNB Housing board in May, after independently valuing the business. The Securities and Exchange Board of India (Sebi) has sought an arms-length valuation of its business before PNB Housing prices the issue. By contrast, PNB Housing said it would rather wait for the order of the Securities Appellate Tribunal (SAT), which is scheduled to hear the matter on July 12. The earlier round of hearing was adjourned on July 5. "The board of the company, by a majority resolution passed on July 6, decided that since the issue involved



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relates to interpretation of law and is sub judice before the SAT, the board will await the SAT's order on this issue," PNB Housing said in a regulatory filing Wednesday.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/punjab-national-bank-home-finance-arm-at-odds-over-sebi-order-regarding-carlyle-deal/articleshow/84223450.cms?from=mdr>

- **RBI imposes ₹1 crore penalty on Karnataka Bank:** The Reserve Bank of India (RBI) has imposed a penalty of ₹1 crore on Karnataka Bank, the lender informed the stock exchanges. In an intimation to the stock exchanges on Wednesday, the bank said: "Pursuant to Regulation 30 of the SEBI (LODR), Regulations, 2015, we wish to inform that Reserve Bank of India (RBI), vide email dated July 7, 2021, has imposed a monetary penalty of ₹1 crore on the bank for contravention of the directions contained in RBI circular on 'Lending to Non-Banking Financial Companies (NBFCs) and 'Bank Finance to Non-Banking Financial Companies (NBFCs)' while sanctioning credit facilities to M/s Infrastructure Leasing and Financial Services Ltd (IL&FS) and its group companies."
<https://www.thehindubusinessline.com/money-and-banking/rbi-imposes-1-crore-penalty-on-karnataka-bank/article35205520.ece>
- **Hasty withdrawal of easy policy can undo gains: RBI Guv Shaktikanta Das:** Any hasty withdrawal from the present monetary policy accommodation can potentially undo all the gains that have been achieved after the devastating Covid-19 pandemic, Reserve Bank of India (RBI) Governor Shaktikanta Das told Business Standard in an exclusive interview. Inflation is showing signs of stickiness, but it is only a "transitory hump" that should moderate in the third quarter, he said. Therefore, the monetary policy committee (MPC) is more inclined to look through the perk-up in prices, as "growth is the main challenge" for now. The governor said the RBI is still very watchful about the inflation scenario, but is taking comfort in the 2-6 per cent range allowed by the flexible inflation targeting regime. Ultimately, the aim of the central bank is to ensure that inflationary expectations remain firmly anchored at around 4 per cent.
https://www.business-standard.com/article/economy-policy/hasty-withdrawal-of-easy-policy-can-undo-gains-rbi-guv-shaktikanta-das-121070800055_1.html
- **Deutsche Bank AG's net profit in India rises 48% in FY21:** Deutsche Bank AG announced its India branches have posted a 48 per cent increase in net profit for the year-ended March 31, 2021 at ₹1,527 crore. It had reported a net profit of ₹1,031 crore in 2019-20. Net revenue in the fiscal 2020-21 grew 23 per cent to ₹5,537 crore as against ₹4,510 crore a year ago. The growth in net revenue was "driven by consistent performance across all our businesses in India, aided in large part by a strong cost and risk discipline," it said in a statement on Thursday. Its net non-performing assets fell by 44 basis points to 0.86 per cent of net advances in 2020-21 as against 1.31 per cent in 2019-20. Advances increased by three per cent on an annual basis to ₹52,438 crore as on March 31, 2021 while deposits grew by 11 per cent to ₹66,224 crore.
<https://www.thehindubusinessline.com/money-and-banking/deutsche-bank-ags-net-profit-in-india-rises-48-in-fy21/article35208409.ece>



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- **DealShare raises \$144 million in Series D led by Tiger Global:** Social e-commerce start-up DealShare, known for pioneering the community group buying (CGB) model in India, has raised \$144 million in Series D funding. The round led by Tiger Global was co-led by WestBridge Capital, Alpha Wave Incubation (a venture fund backed by ADQ, and managed by Falcon Edge Capital) and Z3Partners with participation from Partners of DST Global, Matrix Partners India, and Alteria Capital. This transaction marks the third funding for the company in a span of seven months, with the valuation increasing nine-fold to \$455 million within two-and-a-half years, on the back of high growth momentum. With the current round, the total funding raised by DealShare stands at \$183 million.
<https://www.thehindubusinessline.com/money-and-banking/dealshare-raises-144-million-in-series-d-led-by-tiger-global/article35208239.ece>
- **DBS Bank India FY'21 net profit surges to ₹312 crore:** DBS Bank India's net profit surged by 181 per cent in 2020-21 to ₹312 crore from ₹111 crore in the fiscal year 2019-20. As of November 27, 2020, Lakshmi Vilas Bank (LVB) was amalgamated with DBS Bank India Ltd (DBIL) and the results include LVB's performance since that date. Net revenue for DBIL grew by 85 per cent to ₹2,673 crore in 2020-21 from ₹1,444 crore in 2019-20. The net revenue for last fiscal includes ₹134 crore from LVB. Total deposits increased by 44 per cent to ₹51,501 crore, which includes ₹18,823 crore from LVB. Savings account balances grew by about 207 per cent, and current account balances grew by about 98 per cent year on year, including the growth on account of the amalgamation.
<https://www.thehindubusinessline.com/money-and-banking/dbs-bank-india-fy21-net-profit-surges-to-312-crore/article35208080.ece>
- **Insurtech InsuranceDekho eyes \$40-50 million capital raise in Series A round:** InsuranceDekho, an insurtech startup, plans to do a Series A capital raise of \$ 40-50 million, Ankit Agrawal, CEO and Co-Founder has said. "We will hit the market soon..in a couple of weeks. This will be one of the biggest Series A capital raise round for a company in this insurtech space", Agarwal told BusinessLine. Launched in 2017, InsuranceDekho had in 2020-21 clocked ₹1,200 crore premium and sourced 1 million policies and plans to grow 3X in 2021-22.
<https://www.thehindubusinessline.com/money-and-banking/insurtech-insurancedekho-eyes-40-50-million-capital-raise-in-series-a-round/article35215083.ece>
- **Caspian Debt opens office in Delhi:** Caspian Debt, a provider of debt funding to startups and social enterprises, has opened its regional office in Delhi/NCR. "There has been a significant growth in the number of clients from the Delhi/NCR region from FY19 to FY21, and we see a huge potential in this region's startup ecosystem," S Viswanatha Prasad, Founder, and Managing Director, Caspian Debt said in a release. Including its head office in Hyderabad, the new office in Delhi will be the third office for Caspian Debt. Caspian Debt has already funded more than 30 companies outside Delhi NCR and expects to scale this up further. Caspian Debt has funded more than 160 startups and social enterprises so far, according to the release.
<https://www.thehindubusinessline.com/money-and-banking/caspian-debt-opens-office-in-delhi/article35213576.ece>



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- **Q1FY22 results: Banks likely to report muted earnings, some stress in asset quality:** Banks are likely to report muted earnings with pressure on asset quality for the first quarter of 2021-22, reflecting subdued economic activities due to localised lockdowns amidst the second wave of the pandemic. A number of banks have already released provisional data on key business parameters for the quarter-ended June 30, 2021, that reflect muted growth in advances and robust increase in deposits. Private sector banks are set to release their first quarter results in coming weeks. HDFC Bank will report its results on July 17, followed by others like Axis Bank and ICICI Bank. Non-food bank credit growth slowed to 5.9 per cent in May compared with 6.1 per cent in the year-ago month, data from the Reserve Bank of India revealed.
<https://www.thehindubusinessline.com/money-and-banking/q1fy22-results-banks-likely-to-report-muted-earnings-some-stress-in-asset-quality/article35209766.ece>
- **RBI asks banks to shift from LIBOR to alternative reference rates by Dec 31:** The Reserve Bank on Thursday asked banks and financial institutions to use any widely accepted alternative reference rate (AAR) instead of LIBOR (London Interbank Offered Rates) as the reference rate for entering into new financial contracts. The Reserve Bank's directive follows a decision of the Financial Conduct Authority (FCA), UK which on March 5, 2021 had announced that all LIBOR settings would either cease to be provided by any administrator or would no longer be representative. In order to deal with the emerging situation, the RBI has asked banks and financial institutions to "cease entering into new financial contracts that reference LIBOR as a benchmark and instead use any widely accepted alternative reference rate (ARR), as soon as practicable and in any case by December 31, 2021."
https://www.business-standard.com/article/finance/rbi-asks-banks-to-shift-from-libor-to-alternative-reference-rates-by-dec-31-121070801327_1.html
- **Non-life insurers' premium income up 7% YoY to Rs 14,809 cr in June:** Non-life insurers' premium income jumped 7 per cent year-on-year (YoY) in June to Rs 14,809.27 crore, from Rs 13,842.27 crore in the same period last year. Sequentially, the premium income of non-life insurers was up 20 per cent, after a slump of 28 per cent in May, when insurers earned premium income of Rs 12,316.5 crore. In April the premium income was Rs 17,309.54 crore. The non-life insurance industry is comprised of general insurers, standalone health insurers, and specialised PSU insurers. The general insurers, 25 in total, saw their premium income go up by 5 per cent in June to Rs 13,041.51 over the same period last financial year. And, the standalone health insurers, on the other hand, saw their premium income rise by 46.61 per cent YoY in June to Rs 1,556.89 crore, riding on the demand for health products post the pandemic.
https://www.business-standard.com/article/finance/non-life-insurers-premium-income-up-7-yoy-to-rs-14-809-cr-in-june-121070801165_1.html
- **Gold prices jump to Rs 48,324 per 10 gram on safe-haven appeal; silver slumps:** Gold prices edged higher for the third straight day by Rs 301 to Rs 48,324 per 10 gram in the Mumbai retail market on rupee weakness and selloff in global equity markets. The precious metal gained on safe-haven appeal plan on worries over Delta variant of the virus which has slowed the economic recovery. The rate of 10 gram 22-carat gold in Mumbai was Rs 44,265 plus 3 percent GST, while 24-carat 10 gram was Rs



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48,324 plus GST. The 18-carat gold quoted at Rs 36,243 plus GST in the retail market. Silver prices eased by Rs 386 to Rs 69,042 per kg against its closing price on July 7.

<https://www.moneycontrol.com/news/business/commodities/gold-prices-jump-to-rs-48324-per-10-gram-on-safe-haven-appeal-silver-slumps-7147181.html>

- **Benchmark indices crash nearly 1 per cent as US talks of stimulus unwinding:** The BSE Sensex closed at 52,568.94, down 485.82 points or 0.92 per cent. It hit an intra-day high of 53,103.03 and a low of 52,428.84. The Nifty 50 closed at 15,727.90, down 151.75 points or 0.96 per cent. It hit an intra-day high of 15,885.75. The index slipped below the 15,700-mark during the second half to hit an intra-day low of 15,682.90. The breadth of the market turned negative with 1,738 stocks declining, 1,448 advancing and 144 remaining unchanged on the BSE. As many as 411 securities hit the upper circuit and 243 the lower circuit; 378 hit their 52-week high, while 17 touched a 52-week low. Tech Mahindra, SBI Life, Eicher Motors, Bajaj Auto and HCL Tech were the top gainers on the Nifty 50, while Tata Motors, JSW Steel, Hindalco, Tata Steel and ONGC were the top laggards.

<https://www.thehindubusinessline.com/markets/stock-markets/benchmark-indices-crash-nearly-1-per-cent-as-us-talks-of-stimulus-unwinding/article35212016.ece>

- **Rupee declines by 9 paise to 74.71; extends losses for third day:** Falling for the third day in a row, the rupee weakened further by 9 paise to end at 74.71 against the US currency on Thursday as weaker domestic equities weighed on forex market sentiment. The US dollar traded strong against other Asian currencies after the minutes from the last Federal Reserve meeting indicated a tighter monetary policy ahead.

<https://www.thehindubusinessline.com/markets/forex/rupee-declines-by-9-paise-to-7471-extends-losses-for-third-day/article35213074.ece>

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