



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

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- **Govt notifies general insurance and DICGC bills:** The government has notified the General Insurance Business (Nationalisation) Amendment Bill and the Deposit Insurance and Credit Guarantee Corporation (DICGC) (Amendment) Bill, after President Ram Nath Kovind gave his assent to both the laws. The Bills were passed by the Lok Sabha and Rajya Sabha earlier this month through a voice vote. The General Insurance Business (Nationalisation) Amendment Act will allow the government to cut its stake in state-owned general insurers to below 51%. The Deposit Insurance and Credit Guarantee Corporation (Amendment) Act ensures that bank account holders are paid up to ₹5 lakh within 90 days of the Reserve Bank of India placing any bank under moratorium. Finance minister Nirmala Sitharaman has said that depositors of 23 cooperative banks – including Guru Raghavendra Sahakara Bank, Bengaluru, and People's Cooperative Bank, Kanpur -- which were declared under stress, would benefit from this legislation. In her budget speech in February, Sitharaman had announced the government's intent to take up two public sector banks and one general insurance company for privatisation.
<https://economictimes.indiatimes.com/news/india/govt-notifies-general-insurance-and-dicgc-bills/articleshow/85331575.cms?from=mdr>
- **Special court remands Yes Bank's former chief Rana Kapoor in CBI custody till August 21 in loan fraud case:** A special court on Saturday remanded Rana Kapoor in the CBI's custody till August 21, allowing a plea by the federal agency for custodial interrogation of the jailed banker. The Central Bureau of Investigation had sought Kapoor's custody in connection with a second First Information Report (FIR) it had registered in a fraud case involving transactions between the lender and the Avantha group. In lieu of loans sanctioned by Yes Bank to the Avantha group of companies when Kapoor was at the helm, the CBI has claimed that he allegedly received illegal gratification in the form of a property in a prime location in New Delhi at much less than the realizable market value.
<https://economictimes.indiatimes.com/news/india/special-court-remands-rana-kapoor-in-cbi-custody-till-august-21-in-loan-fraud-case/articleshow/85331577.cms?from=mdr#:~:text=The%20Economic%20Times-,Special%20court%20remands%20Yes%20Bank's%20former%20chief%20Rana%20Kapoor%20in,than%20the%20realisable%20market%20value.>
- **DICGC Act amendment may encourage merger of weak UCBs with stronger banks:** To facilitate the reconstruction of a weak bank or its amalgamation with another bank, the Deposit Insurance and Credit Guarantee Corporation (DICGC) can henceforth defer or vary the time limit for receipt of repayments due to it from the insured bank or the transferee bank. The aforementioned clause has probably been incorporated in the DICGC (Amendment) Act, 2021, so the monies the Corporation pays (up to the deposit insurance limit of ₹5 lakh per depositor) to the depositors of sick banks under "direction, prohibition, order or scheme (of amalgamation)" can be recovered at a later date.
<https://www.thehindubusinessline.com/economy/dicgc-act-amendment-may-encourage-merger-of-weak-ucbs-with-stronger-banks/article35910708.ece>



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- **India attracts \$2 billion in fintech investment in H1 of 2021: Report:** India almost matched its total fintech investment in 2020, with \$2 billion in investment in the first half of 2021, according to KPMG's Pulse of Fintech, a bi-annual report on fintech investment trends. India had attracted \$2.7 billion in fintech investment in 2020. Globally, the overall global fintech funding across mergers & acquisition (M&A), private equity (PE) and venture capital (VC) deals soared to a new high with funding increasing from \$87 billion in H2'20 to \$98 billion in H1'21, across 2,456 deals. This was in comparison to 2020's annual total of \$121.5 billion across 3,520 deals. "Dry powder cash reserves, increasing diversification in hubs and subsectors, and strong activity across the world contributed to the record start to 2021," the report said.
<https://www.thehindubusinessline.com/money-and-banking/india-attracts-2-billion-in-fintech-investment-in-h1-of-2021-report/article35911696.ece>
- **Muthoot Finance expects gold loan business to drive bottom line in Q2:** NBFC Muthoot Finance expects gold loan business to drive its bottom-line in the second quarter while demand for vehicle finance and home loan division is expected to remain muted for another quarter. The Kerala-based finance company, which also operates a home loan, micro-finance and insurance broking subsidiaries said the company is going slow on non-gold business and the share of gold loan profit in the consolidated profit for the first quarter has increased to 99%. "We should be seeing growth in the non-gold business only from the third quarter. Vehicle finance and home loan sector has not picked up so far and is still in difficulty," George Alexander Muthoot, managing director, Muthoot finance, said.
<https://www.financialexpress.com/industry/banking-finance/muthoot-finance-expects-gold-loan-business-to-drive-bottom-line-in-q2/2310555/>
- **PNB bank fraud accused gets bail for attending daughter's roka ceremony in Mumbai:** Punjab National Bank (PNB) scam accused Vipul Chitalia has been granted bail to attend a pre-marriage ceremony of his daughter. A special CBI court granted bail to the Gitanjali group's vice president on Thursday. Chitalia was arrested in March 2018 in connection with the scam in which diamond traders Nirav Modi and Mehul Choksi are the prime accused. Since then, Chitalia has been in the judicial custody at the Arthur Road Jail, Mumbai. Chitalia sought bail to attend a ceremony ahead of his daughter's marriage. Special judge V C Barde allowed him to attend the ceremony at his residence in suburban Borivali in police escort on August 14 and 15, as per the court order.
<https://www.livemint.com/industry/banking/pnb-bank-fraud-accused-gets-bail-for-attending-daughter-s-roka-ceremony-in-mumbai-11628824783077.html>
- **Sundaram Mutual to launch digital platform for distributors:** Sundaram Mutual will launch InvWise, an online platform for its distributors to execute investment transactions of investors. To be launched on Sunday, it will provide end-to-end digital transaction experience to distributors and investors. InvWise will facilitate Sundaram's distribution partners to initiate transactions for their investors in a completely paperless and straight through process. The platform covers the most popular transaction features such as lumpsum investments, SIPs, SWPs, STPs and redemptions. The platform will also enable partners to bring in new investors to the industry through a paperless eKYC route, it said.
<https://www.thehindubusinessline.com/markets/stock-markets/sundaram-mutual-to-launch-digital-platform-for-distributors/article35910358.ece>



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