



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

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- **Finance Minister Nirmala Sitharaman to meet CEOs of public sector banks on August 25:** Finance Minister Nirmala Sitharaman is scheduled to meet heads of public sector banks (PSBs) on August 25 to review financial performance of the lenders and progress made by them to support the economy battered by COVID-19 pandemic. Given the importance of the banking sector in generating demand and boosting consumption, sources said the meeting with the MD and CEOs of PSBs is considered important. Recently, the Finance Minister said the government is ready to do everything required to revive and support economic growth hit by the COVID-19 pandemic. "Growth will be given its importance. Growth will be pushed both by the Reserve Bank and by us...", she had said. Interestingly, this would be the first physical review meeting since the outbreak of the pandemic in March last year. The meeting is expected to take stock of the banking sector, progress on restructuring 2.0 scheme announced by Reserve Bank of India (RBI), sources said, adding that banks may be nudged to push loan growth in productive sectors.
<https://bfsi.economictimes.indiatimes.com/amp/news/banking/finance-minister-nirmala-sitharaman-to-meet-ceos-of-public-sector-banks-on-august-25/85345360>
- **Bank of Maharashtra tops PSU lenders chart in terms of loan, saving deposit growth in Q1:** State-owned Bank of Maharashtra (BoM) has emerged as the top performer among public sector lenders in terms of loan and savings deposit growth during the first quarter of the current financial year. The Pune-headquartered lender recorded 14.46 per cent increase in gross advances at Rs 1,10,592 lakh crore in April-June period of 2021-22, as per the published data of BoM. It was followed by Punjab & Sind Bank which posted 10.13 per cent growth in advances with aggregate loans at Rs 67,933 crore at the end of June 2.
https://www.business-standard.com/article/finance/bom-tops-psu-banks-chart-in-terms-of-loan-saving-deposit-growth-in-q1-121081500329_1.html
- **Bankers hopeful of a revival in corporate loan growth as economy opens up :** Bank credit to industry remains muted, falling 1.7% in the year to date, with companies slashing debt and harnessing existing capacities in a demand environment made uncertain by the pandemic. But bankers expect a revival in corporate loan growth as the economy opens up, making a strong business case for capital expenditure. Chunky industrial loans, which make up about 30% of non-food credit, have witnessed lukewarm demand so far in 2021, latest central bank data showed, underscoring a trend among companies to conserve cash, deleverage as much as possible, and leave under-utilised the respective loan limits sanctioned by lenders. Retail credit demand has expanded, however, through the period of episodic lockdowns and curbs on mobility.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/bankers-hopeful-of-a-revival-in-corporate-loan-growth-as-economy-opens-up/articleshow/85345389.cms?from=mdr#:~:text=In%20a%20report%20published%20earlier,liquidi>



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ess%20case%20for%20capital%20expenditure.](#)

- **FPIs invest Rs 2,085 cr in Indian equities in first half of August:** Foreign portfolio investors (FPIs) bought Indian equities worth Rs 2,085 crore in the first half of August owing to improvement in economic activity. As per depositories data, overseas investors pumped in a net Rs 2,085 crore between August 2-13. During the same period, they pulled out a net Rs 2,044 crore from the debt segment. The inflows in August can be attributed to an improvement in economic activity in the domestic market, even though concerns over the third wave of COVID-19 lingers globally, as per Shrikant Chouhan, executive vice president, equity technical research at Kotak Securities. The small figure indicates lack of conviction on the part of FPIs, said VK Vijayakumar, chief investment strategist at Geojit Financial Services.
<https://www.thehindubusinessline.com/markets/stock-markets/fpis-invest-rs-2085-cr-in-indian-equities-in-first-half-of-august/article35922897.ece>
- **PMJDY turns 7; brings 43 crore under formal banking system:** As India celebrates its 75th Independence Day, nearly 43 crore poor beneficiaries in the country now have a basic bank account, thanks to Centre's flagship financial inclusion scheme, Pradhan Mantri Jan Dhan Yojana (PMJDY). The scheme, announced by Prime Minister Narendra Modi in August 2014, has dispelled initial apprehensions on its efficacy and proved to be a steady vehicle for financial inclusion. As per latest government data, PMJDY now has 42.89 crore beneficiaries (basic bank account holders) with ₹1,43,834 crore total balance. More than half of the beneficiaries are women (23.76 crore) while 28.57 crore are from rural and semi urban areas.
<https://www.thehindubusinessline.com/money-and-banking/pmjdy-turns-7-brings-43-crore-under-formal-banking-system/article35926143.ece>
- **M-cap of 8 out of top 10 valued firms jumps over Rs 1.6 lakh cr; TCS tops chart:** 8 of the 10 most valued companies added a total Rs 1,60,408.24 Cr to their market valuation last week. On Friday, the benchmark reached its lifetime high of 55,487.79, crossing the 55,000 -mark for the first time. The Mcap of HDFC Bank surged Rs 17,370.86 Cr to Rs 8,43,703.53 Cr. HDFC added Rs 13,304.96 Cr to Rs 4,88,217.12 Cr. ICICI Bank's valuation climbed Rs 5,321.09 Cr to Rs 4,88,352.01 Cr and that of Kotak Mahindra Bank jumped Rs 1,774.49 Cr to Rs 3,54,482.60 Cr. In contrast, the mcap of Bajaj Finance dipped Rs 4,288.54 crore to Rs 3,71,340.29 Cr and that of SBI declined Rs 3,837.58 Cr to Rs 3,84,963.12 Cr. In the ranking of the most valued firms, Reliance Industries was leading the chart followed by TCS, HDFC Bank, Infosys, HUL, ICICI Bank, HDFC, SBI, Bajaj Finance and Kotak Mahindra Bank.
<https://www.businesstoday.in/markets/company-stock/story/m-cap-of-8-out-of-top-10-valued-firms-jumps-over-rs-16-lakh-cr-tcs-tops-chart-304229-2021-08-15>
- **After a lull, NBFCs banking on better times:** Non banking finance companies (NBFC), which had witnessed a drop in disbursements and collections in Q1 (April-June) FY22, expect business to bounce back to the pre-pandemic levels by the end of this fiscal. While collections have already started improving, disbursements are also expected to gain momentum in the run-up to the festival season,



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good monsoon and pent-up demand for credit across various sectors. According to Mahesh Thakkar, Director General of Finance Industry Development Council (FIDC), Q1 of the current fiscal was not very good, but Q2 (July-September) is seeing an improvement. By Q3 (October-December) the industry should bounce back to around 95 per cent of the pre-pandemic levels.

<https://www.thehindubusinessline.com/money-and-banking/after-a-lull-nbfcs-banking-on-better-times/article35927705.ece>

- **No material impact on card issuers: Nomura on RBI restrictions:** The restrictions imposed by the Reserve Bank of India (RBI) on global payment networks has affected plastic issuers. The last to attract the regulator's gaze was Mastercard — banks cannot on-board new customers on this platform, effective July 22, 2021. The RBI had earlier restricted American Express and Diners Club. This leaves only Visa and home-grown RuPay as payment providers that are under no restrictions. Nomura Global Markets Research says it does not foresee any material impact on card issuers in the near term (especially credit card issuers), but there could be a medium-term impact if this situation persists.
https://www.business-standard.com/article/finance/no-material-impact-on-card-issuers-nomura-on-rbi-restrictions-121081500973_1.html

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