



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

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- **IBA moves RBI seeking licence to set up Rs 6,000-cr NARCL; approval likely in next few weeks:** The Indian Banks' Association (IBA) has moved an application to the Reserve Bank of India (RBI) seeking licence to set up a Rs 6,000-crore National Asset Reconstruction Company Ltd (NARCL) or bad bank, according to sources. NARCL was incorporated last month in Mumbai following the registration with Registrar of Companies (RoC). According to sources, the company after mobilising an initial capital of Rs 100 crore and fulfilling other legal formalities has approached the RBI seeking licence to undertake asset reconstruction business. The RBI in 2017, raised the capital requirement to Rs 100 crore from the earlier level of Rs 2 crore, keeping in mind the higher amount of cash required to buy bad loans. RBI has its process and procedure for granting licence for such business, sources said, adding, it could take next few weeks to obtain licence from the regulator.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/iba-moves-rbi-seeking-licence-to-set-up-rs-6000-cr-narcl-approval-likely-in-next-few-weeks/articleshow/85534137.cms?from=mdr>
- **NABARD's loans rise 25.2 per cent to reach Rs 6 lakh crore in FY21:** The total loans and advances extended by NABARD during 2020-21 registered a growth of 25.2 per cent year-on-year to reach Rs 6 lakh crore, with half of it going into production and investment, the bank said in its annual report. The report said NABARD earned Rs 34,671.2 crore income during 2020-21, or a 6.1 per cent increase over the preceding year. Its profit before tax in 2020-21 was Rs 6,081.4 crore, against Rs 5,234.3 crore in the year-ago period. The profit after tax was Rs 4,320 crore compared with Rs 3,859.2 crore in 2019-20. The National Bank for Agriculture and Rural Development (NABARD) also said its balance sheet size reached Rs 6.57 lakh crore as on March 31, 2021, most of which is on account of non-idle (earning) assets that, in turn, helped create private and public investments at the ground level. "We achieved a record year-on-year growth of 24 per cent in our total assets and similar impressive growth in loan portfolio," NABARD Chairman G R Chintala said in the annual report.
<https://economictimes.indiatimes.com/industry/banking/finance/banking/nabards-loans-rise-25-2-per-cent-to-reach-rs-6-lakh-crore-in-fy21/articleshow/85533273.cms?from=mdr#:~:text=The%20Economic%20Times-,NABARD's%20loans%20rise%2025.2%20per%20cent%20to%20reach%20Rs%206,promoting%20over%208.7%20lakh%20SHGs.>
- **Karnataka Bank plans to raise Rs 6,000 crore via debt;** Karnataka Bank plans to raise up to Rs 6,000 crore debt capital during the current financial year, and it will seek shareholders' approval in the ensuing AGM next month. Besides, the private sector lender has also planned to raise equity capital by issuing 15 crore shares through a qualified institutional placement (QIP). Its annual general meeting (AGM) is scheduled for September 2. On the debt raise plan, it said that in the normal course of business, a bank borrows money to meet its business requirements through various means and to meet its capital requirements. Accordingly, it is proposed to obtain consent of the members of the



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bank for borrowing funds in Indian/foreign currency up to Rs 6,000 crore in the form of debt instruments, in one or more tranches, Karnataka Bank said in its annual report 2020-21.

<https://economictimes.indiatimes.com/markets/companies/karnataka-bank-plans-to-raise-rs-6000-cr-via-debt/articleshow/85534535.cms>

- **RBI appoints 3 new executive directors:** The Reserve Bank of India (RBI) has promoted three new officials to the post of executive directors (EDs), the central bank said in an internal circular. According to this circular issued by RBI's human resources department, Ajay Kumar, A.K. Choudhary and Deepak Kumar are the three officers in Grade F who have been promoted as executive directors for the year 2021-22. Mint has reviewed a copy of the circular. Before being promoted to the new post, Ajay Kumar was heading New Delhi regional office of RBI as regional director. Choudhary was the chief general manager-in-charge of department of supervision in Mumbai and Deepak Kumar was the chief general manager in charge of department of information technology at RBI.
<https://www.livemint.com/industry/banking/rbi-appoints-3-new-executive-directors-11629627579168.html>
- **Three insurance-related firms to raise Rs 10,000 crore through IPOs:** Adding more fire to the already-frenzied IPO market, three insurance sector companies are entering the primary market with initial public offerings in coming months to mop up over Rs 10,000 crore. These companies are — PB Fintech, which runs the insurance brokerage Policybazaar; standalone health insurer Star Health & Allied Insurance Company; and third-party administrator Medi Assist Healthcare Service. They have already filed their draft prospectus with markets regulator Sebi. Already over 40 companies have hit the IPO market so far this year, raising close to Rs 70,000 crore. August alone saw four listings, and the fifth one (Nuvoco Vistas Corp, which raised Rs 5,000 crore) is slated for Monday and as many as 24 more have filed their IPO papers so far this month, seeking to mop up over Rs 4,000 crore.
<https://www.moneycontrol.com/news/business/ipo/three-insurance-related-firms-to-raise-rs-10000-crore-through-ipos-7371731.html>
- **FPIs pump in Rs 7,245 crore in August so far:** Foreign portfolio investors (FPI) have pumped in a net Rs 7,245 crore into the Indian capital markets in August so far amid positive sentiments due to an improving macroeconomic environment. The gradual increase in the amount of net inflows indicates that investors are slowly dropping their cautious stance and gaining higher conviction on the Indian markets, said Himanshu Srivastava, associate director - manager research, orningstar India. As per depositories data, Rs 5,001 crore was invested in equities and Rs 2,244 crore in the debt segment by overseas investors between August 2-20. This took the total net investment to Rs 7,245 crore.
<https://www.moneycontrol.com/news/business/economy/fpis-pump-in-rs-7245-crore-in-august-so-far-7371551.html>
- **Seven of top-10 companies add Rs 1.31 lakh crore in m-cap; HUL, TCS lead chart:** Seven of the 10 most valued domestic companies together added Rs 1,31,173.41 crore in market valuation last week, with HUL and TCS emerging as the biggest gainers. Reliance Industries, Infosys, HDFC, Bajaj Finance and Wipro also saw a rise in their market valuations, while HDFC Bank, ICICI Bank and SBI suffered losses. The market capitalisation (m-cap) of Hindustan Unilever Limited (HUL) zoomed Rs 50,234.21



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crore to Rs 6,15,016.63 crore. The valuation of Tata Consultancy Services (TCS) jumped Rs 35,344.44 crore to reach Rs 13,15,919.03 crore. Bajaj Finance added Rs 30,442.29 crore to its valuation to stand at Rs 4,01,782.58 crore, while Infosys gained Rs 8,335.27 crore to reach Rs 7,34,755.12 crore.

<https://economictimes.indiatimes.com/markets/stocks/news/seven-of-top-10-cos-add-rs-1-31-lakh-cr-in-m-cap-hul-tcs-lead-chart/articleshow/85529954.cms>

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