NOVEMBER 2019 VOLUME-52

ASSOCHAM
INDIA

Banking e-Bulletin

CONTENTS

THE ASSOCIATED CHAMBERS OF COMMERCE AND INDUSTRY OF INDIA

DEPARTMENT OF BANKING & FINANCIAL SERVICES

ASSOCHAM Corporate Office: 5, Sardar Patel Marg, Chanakyapuri, New Delhi-110 021

Tel: 011-46550568 (Hunting Line) • Fax: 011-23017008, 23017009 • Web: www.assocham.org

Dr. Rajesh Singh
Mob: +91-9871204880
E-mail: rajesh.singh@assocham.com

Kushagra Joshi
Mob: +91-8447365357
E-mail: kushagra.joshi@assocham.com

TOP RBI SPEECHES

Indian Banking at Crossroads: Some Reflections(Shri Shaktikanta Das, Governor, Reserve Bank of India - Saturday, November 16, 2019 – Delivered at the First Annual Economics Conference, Amrut Mody School of Management, Ahmedabad University):-

I am very happy to be amongst you today to address the first Annual Economics Conference being organised by the Amrut Mody School of Management, Ahmedabad University. The theme of the conference – “50 years of Bank Nationalisation: Indian Banking at Crossroads” - provides the perfect backdrop for a discussion on the evolution of Public Sector Banks(PSBs), their journey over the last 50 years and a vision for their future. The banking system has played a critical role in the upliftment of our country, especially in the recent decades which saw unprecedented economic growth. However, the banking system, especially the public sector banks, has experienced a large churn after the Global Financial Crisis(GFC) as it tries to grapple with multiple challenges, including high non-performing loans (NPLs), global and domestic economic downturns, adaptation of technology and competition from new age fintech companies. In my address today, I shall attempt to discuss the challenges that lay ahead for the broader banking sector and what we expect of them going forward. I shall also briefly touch upon our approach to tackling the issues in the non-banking finance companies and urban co-operative banks, which are important segments of the financial sector.

Many a time, to see through to the future, looking back at the past provides insights that are of much help. With that limited objective, I shall wade back a little to the past for the sake of contextualising our discussion. In 1967, credit to agriculture constituted only 2.2 per cent of the total advances of the Scheduled Commercial Banks in sharp contrast to industry which constituted 64.3 per cent. Five cities in the country, viz., Ahmedabad, Mumbai, Delhi, Kolkata and Chennai accounted for around 44 per cent of the bank deposits and 60 per cent of the outstanding bank credit in1969. This led to the widespread political perception that, left to themselves, the private sector banks were not sufficiently aware of their larger responsibilities towards society. The solutions that the policy makers thought of at that time included exerting various degrees of control over the banking system, which ultimately culminated in the decision to nationalise 14 private sector banks in 1969, followed by the nationalisation of six more private sector banks in 1980. The impact of the decision to nationalise banks has been succinctly summarised in the History of RBI, Volume III: “….at the time of nationalisation as many as 617 towns out of 2,700 in the country were not covered by commercial banks. And, even worse, out of about 600,000 villages, hardly 5,000 had banks. The spread, too, was uneven……”

Current Challenges and the Role of Exogenous Factors

Against this historical detour, let me come to the challenges faced by the banks today, many of which are a result of how various exogenous factors have played out over the years. Everyone concerned should realise that banks are in the business of taking bonafide risks. This means that out of a host of exposures which a bank chooses to take, a few may go bad. The PSBs, which have been used as vehicles to further the development agenda of the Government, had to achieve and maximise multiple objectives. The high growth phase prior to the GFC (2008) was aided by bank credit to a large extent, mostly by PSBs, leading to risk build ups in the balance sheet of the lenders. In particular, bank credit to infrastructure sector increased at an unprecedented rate. This exposed the PSBs to the travails of the infrastructure sector, which materialised significantly in the post-crisis years.

Further, the tail end of the above high growth period in advances to infrastructure coincided with a period of slowdown in economic growth and tightening of environmental clearances. Also, the transformation of major term lending institutions into universal banks/NBFCs led to commercial banks becoming the primary source of long-term debt financing to projects in infrastructure and core industries. An immediate consequence of these circumstances was that it led to a spurt in the level of 'restructured standard assets', i.e., assets which were restructured without being downgraded as non-performing assets (NPAs). Eventually, most of the restructured assets which were allowed to be classified as 'standard' became NPAs as the restructuring packages proved to be unviable. Inadequate credit assessment by banks and governance issues also played their due part in the risk build-up.

As documented, the increase in NPAs was significantly higher in PSBs as compared to their private and foreign counterparts. PSBs, probably to fulfil the additional social objective of their mandate, had taken higher exposure in some of the critical sectors of the economy such as mining, iron and steel, and infrastructure. NPA levels in these sectors shot up as all these sectors suffered external shocks leading to the respective stress – mining and energy was hit by the cancellation of allocation of coal blocks; iron and steel sector faced cost pressures due to dumping of cheaper steel from China; telecommunications sector underwent a disruption in the form of cancellation of 2G spectrum allotment; and the construction sector was marred by delays in obtaining necessary government approvals, in particular environmental clearances.

To add to these issues, shocks in the form of debt waivers/moratoriums and payment issues of DISCOMs also meant significant costs to the fisc and also affected the health of the banking sector as well as the credit culture. Interestingly, data put together by the Indian Banks Association shows that of the 10 states that announced debt waiver schemes since 2017, only three states have reimbursed almost completely as promised. Thus, it is imperative that write-off amounts are reimbursed to the banks and DISCOM payments are made in a time bound manner, so as to improve the health of banks and their capacity to lend in subsequent years.

Corporate Governance – The Elephant in the Room

This brings me to some of the internal challenges faced by the PSBs, and their governance could easily be identified as a central concern. In fact, many of the problems that currently seem to affect the PSBs such as the elevated levels of NPA, capital shortfalls, frauds and inadequate risk management can mostly be attributed to the manifestation of underlying corporate governance issues. The role of independent Boards in fostering a compliance culture by establishing the proper systems of control, audit and distinct reporting of business and risk management has been found wanting in some PSBs leading to build-up of NPAs. Also, the understanding of risks from a business perspective by the Boards in some banks has been inadequate due to skill gap and, competency issues. The fact remains that a strong corporate governance culture, with a focus on transparency and accountability, has to percolate from a strong Board which sets the example by leading.

Let me also touch upon governance issues in private sector banks (PVBs) which originate from altogether different set of concerns. The issues here mainly relate to incentive structure of their managements, quality of audits and compliance and also functioning of Audit and Risk Management Committees. The Reserve Bank has recently issued guidelines for compensation in private sector banks which include specification of minimum variable pay component and clawback arrangements, among others.

Resolution of Stressed Assets

Apart from governance, one of the biggest challenges faced by the PSBs, and the banking system in general, is the resolution of stressed assets. For a long time, India did not have a bankruptcy law in place, and hence the Reserve Bank introduced various restructuring frameworks which were designed to emulate the desirable attributes of a bankruptcy law. The enactment of the Insolvency and Bankruptcy Code, 2016 (IBC) has been a game changer in this regard. Despite the impression that IBC has been marred with numerous litigations leading to delays in resolution, I am optimistic that these are teething problems in a new law. Majority of the companies that went through insolvency proceedings under IBC and ended in liquidation so far were already stressed entities for a long time whose value had been eroded significantly and were pending before the Board for Industrial and Financial Reconstruction (BIFR). The real impact of the IBC is to be seen in the fresh cases where I expect the law to provide an efficient avenue to effect a resolution.

To complement these efforts, the Reserve Bank has put in place a framework for resolution of stressed assets through a circular dated June 7, 2019 which envisages a time bound implementation of a resolution plan, failing which disincentives in the form of additional provisions will kick in.

While these provisions are available for real sector firms, the situation is entirely different when it comes to resolution of financial firms. In this regard, the Government, on November 15, 2019 has notified the rules containing a framework for resolution of financial services providers (FSPs) under the IBC. The applicability of these rules would be limited to certain financial services providers to be separately notified by the Government in consultation with regulators.

Our resolute efforts towards recognition, repair and resolution have resulted in non-performing assets (NPAs) of the banking system declining for the first time in March 2019 after a gap of 7 years. Fresh slippages declined and the system-level provision coverage ratio jumped to 60.5 per cent from 48.3 per cent a year ago. The capital adequacy ratio of the banking system has increased to 14.3 per cent, much higher than the Basel norms. This has benefited from the recapitalization of PSBs in the order of Rs. 2.9 lakh crore by the Government in the recent period.

Mergers of Public Sector Banks

The government, with an objective to create strong and competitive banks, has announced an amalgamation of PSBs in order to create stronger banks with global presence. This consolidation is in the direction of the recommendations of the first report of the Narasimham Committee in 1991, where the requirement for fewer but stronger banks for Indian economy had been highlighted. The idea was to enable such banks to compete at the national and international level. A well-executed merger generates synergies of workforce and capital, helps in streamlining of operations and leads to significant improvements in efficiency. It can also entail diffusion of best practices across the board between banks. The bigger and agile banks, in principle, could reposition themselves with better branding exercises. I must, however, hasten to add that the merger process has to be executed without creating any disruption in the normal functioning of these banks.

Non-Bank Financial Companies (NBFC) Sector

It is well recognised that NBFCs play a prominent role in the Indian financial system by catering to financial needs of a wide variety of customers and niche sectors, providing complementarity and competition to banks. The NBFC sector largely depends on market and bank borrowings, thereby creating a web of inter-linkages with banks and financial markets. As Housing Finance Companies (HFCs) now fall under the regulatory purview of the Reserve Bank, we are undertaking a review of extant regulations and are in the process of harmonising these regulations for HFCs with applicable regulations for NBFCs.

In the aftermath of the IL&FS crisis and subsequent defaults by a few companies, asset quality concerns have emerged, which imposes liquidity constraints on NBFCs. The Reserve Bank has been proactive in taking several measures to address these concerns and strengthen the regulatory and supervisory architecture of the NBFC sector, thereby ensuring that the sector remains stable and robust. We have attached considerable importance to make them resilient through harmonization of regulations and a robust liquidity framework. RBI on November 4, 2019 has come out with guidelines on liquidity risk management framework for NBFCs. Our objective is to ensure proper governance and risk management structures in NBFCs.

Urban Co-operative Banks

Let me now turn to co-operative banks. They contribute significantly in credit delivery and in bringing other financial services to the people. The performance of some of these institutions, however, has been hampered due to operational and governance issues. The recent unearthing of fraud in one of the urban co-operative banks (UCBs) has brought up issues relating to their governance, prudent internal control mechanisms, and adequacy of checks and balances to the forefront.

Turning back to history, the Urban Co-operative Banks were brought under the ambit of the Banking Regulation (BR) Act, 1949 with effect from March 1, 1966. Certain provisions of the BR Act, however, were not made applicable to them, limiting the scope of regulation and supervision over them. Broadly speaking, banking-related functions of cooperative banks are regulated by the Reserve Bank and management-related functions are controlled by the concerned State / Central Government. The Reserve Bank's regulatory control over UCBs is affected due to this duality of control. RBI has made concerted efforts in the past to mitigate the adverse impact of dual regulation in the form of MoUs with State/ Central Governments and setting up of a State-level Task Force for Co-operative Urban Banks (TAFCUB). However, challenges still persist. At present, the Reserve Bank is working with the Government to amend the Act governing co-operative banks. We have suggested several legislative changes to the Central Government for better regulation and supervision of UCBs. On our part, we are reviewing the existing architecture of regulation and supervision of UCBs and shall carry out necessary changes in sync with the evolving requirements.

Going forward, UCBs are likely to increasingly face competition from players such as Small Finance banks (SFBs), Payments Banks, NBFCs and Micro-Finance Institutions (MFIs). It is, therefore, necessary for them to adopt robust technology to enable them to provide banking services at lower costs and with adequate safeguards. The Reserve Bank has been taking proactive steps to assist these institutions to adopt a robust IT infrastructure. The proposed national level Umbrella Organisation (UO) is expected to provide liquidity and capital support to member co-operative banks, and will therefore contribute to the strength and vibrancy of the sector.

New Frontiers of Banking

The emergence of new banking models, in the form of Payments Banks and Small Finance Banks, have widened the horizons of banking in India. The Government and the Reserve Bank have taken several initiatives to encourage greater use of electronic payments to achieve a 'less cash' society. These measures have led to digital payments to GDP ratio rising to 8.6 per cent at end-March 2019 from 6.7 per cent at end-March 2016. During the same period, the number of per capita digital transactions rose from 4.6 to 17.6. Similarly, Fin-Tech is offering alternative models of lending and capital raising. In this regard, crowd-funding, peer-to-peer lending, invoice financing (Trade Receivables Discounting System (TReDs)) and digital lending have made their presence felt. They have helped in improving the efficiency of intermediation by bringing down the costs, sachetisation of products and services and in expanding the reach of financial services to a greater number of people.

More recently, Artificial Intelligence (AI), Machine Learning (ML) and Big Data are becoming central to financial services innovation. Analysis of vast amount of data, both structured and unstructured, has been made possible using these techniques. Increasing levels of expectations of compliance to regulations and a greater focus on data and reporting has brought RegTech and SupTech into limelight. They are being applied in areas such as risk management, regulatory reporting, data management, compliance, e-KYC / anti-money laundering (AML)/ Combating the Financing of Terrorism (CFT), and fraud prevention.

In light of these developments, conventional banking is making way for next-generation banking with focus on digitization and modernization. The need for brick and mortar branches is being reviewed continuously as digitization has brought banking to the fingertips of the people, obviating the need to physically visit a bank branch. The transformation of the financial services landscape caused by technological innovations can blur the difference between a bank and a technology company, as technological giants are making rapid strides into areas such as payments, traditionally the domain of banks. This will present testing grounds for the regulators to delicately balance promotion of innovation and applying uniform supervisory and regulatory framework.

Concluding Observations

Let me conclude by saying that banks have a critical role in the economy. The privilege of raising unsecured liabilities from the society and generating revenue by deploying them in various avenues and ventures necessitates prudent risk assessment of such deployment. In this process, the banks do have a responsibility to shoulder when it comes to contributing to the growth of productive sectors of the economy including infrastructure.

As we move forward, we at the RBI are focusing on governance, risk management, internal audit and compliance functions in banks more closely. In a bid to strengthen oversight of commercial banks, co-operative banks and NBFCs, we have created a unified department of supervision (DoS) and a unified department of regulation (DoR) with effect from November 1, 2019. This move will enhance the efficacy of supervision and regulation as these entities operate in an increasingly integrated environment with overlapping business domains. It is our endeavour to update the knowledge and skill levels of supervisors on a continuous basis. We are adopting a multi-pronged approach in this aspect. We are in the process of setting up a College of Supervisors to augment and reinforce supervisory skills among regulatory and supervisory staff. In addition, an internal supervisory research and analysis wing is being created to supplement and support regulatory and supervisory activities. As indicated earlier, technology would continue to play a vital role in enhancing the efficacy of regulation and supervision in a continual manner.

We are also addressing some of the long persisting issues in our regulatory and supervisory framework in a systematic and time bound manner towards building a more efficient and robust financial system.

TOP BANKING NEWS

- **Google, Walmart Help Drive India Payments Past 1 Billion Transactions:**

  A payments platform created by India's largest retail banks surpassed a billion transactions in October, a milestone that affirms the tremendous growth of services offered by U.S. giants from Walmart Inc. to Amazon.com Inc. and Google. Indian digital payments took off when the government pushed demonetization in 2016, invalidating most of the country's high-value currency notes in a move to curb corruption and push Indians away from cash. The Unified Payments Interface or UPI has now surpassed a 100 million users three-and-a-half years after its launch, thanks to booming smartphone use and wireless data rates among the lowest in the world. Amazon and Google now vie with local startup Paytm, Walmart-PhonePe and a host of other players in a digital payments market forecast to quintuple to $1 trillion by 2023. "UPI has had the fastest acceptance rate not just among payment platforms but digital platforms of any kind," said Dilip Asbe, chief executive officer of the National Payments Corporation of India, which groups the lenders that developed the system. "We aim to expand the UPI base to 500 million users in the next three years." UPI sports an open architecture allowing digital wallet apps, payment banks and startups to link freely to its platform. That's a contrast to the closed systems of China's dominant services, WeChat and Alipay. It simplifies transactions between apps and banks linked through a biometric ID system called Aadhaar. Regulated by the central bank, it allows the instant transfer of funds between bank accounts through a mobile device using a simple virtual handle, without sharing bank or personal details. UPI's creators now want to take the platform beyond the country's borders and allow payments in places like Singapore or the Middle East with a dense population of Indian expatriates. Global tech companies are racking up enormous losses as they battle for a slice of a market forecast to grow to $1 trillion by 2023 from about $200 billion early this year, according to Credit Suisse. Between SoftBank-backed Paytm, Walmart's PhonePe and Amazon Pay alone, collective losses totaled over $1 billion in the financial year ending March, a 167% spike from the previous year, according to the Economic Times. Losses are mounting as they drive further into India's smaller cities and towns, luring merchants and first-time phone users with cashbacks and financial sweeteners. All those players aim to get into services like lending as their next move, so they can start making money, said Arnav Gupta, a New Delhi-based digital strategy analyst at Forrester Research. "The market potential in a country of nearly 1.4 billion Indians is massive."But competition is set to worsen. Facebook Inc.'s WhatsApp is seeking final approval for the full-fledged countrywide launch of its payments service, which has been in a long-drawn pilot phase with just 1 million users. Experts predict that the entry of WhatsApp into the arena will mark another inflection point because of an estimated user base of more than 400 million. WhatsApp Payments will be launched "soon" in India, Facebook founder Mark Zuckerberg told investors in a post-earnings conference call this week. WhatsApp is said to be seeking final approval after storing user data on local servers, as mandated by the central bank.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/google-walmart-help-drive-india-payments-past-1-billion-transactions/articleshow/71856231.cms

Dated: Nov 01, 2019

- **SEBI Asks Banks To Disclose Bad Loan Divergences Within A Day Of RBI Report:**

India's markets regulator has asked publicly traded banks to disclose bad loan divergences with the Reserve Bank of India's assessment within a day of receiving a final report from the banking regulator, tightening norms for asset quality disclosures. "The listed banks shall make disclosures of divergences and provisioning beyond specified threshold not later than 24 hours upon receipt of the Reserve Bank's Final Risk Assessment Report rather than waiting to publish them as part of annual financial statements," the Securities and Exchange Board of India (Sebi) said on Thursday. Terming the information about divergences with RBI's assessment material and price-sensitive, Sebi said it required prompt disclosures to shareholders. The latest directive effectively ends listed banks' dilemma over how they should handle the information. In April, RBI mandated banks to disclose information about provisioning, if in its assessment the additional provisioning exceeded 10% of a bank's profit before provision and contingencies. Banks were also directed to disclose information if additional non-performing assets (NPAs) were more than 15% of their reported NPAs. Such divergences in asset classification were being disclosed in notes to accounts in annual financial statements following the RBI directive. A Sebi official said divergences are price-sensitive and need to be communicated to the exchanges at the earliest. "Any delay needs to be explained, and the material divergences ideally from the beginning should have been disclosed to the exchanges as soon as RBI inspection was over. The banks shouldn't ideally have waited for RBI or Sebi directives," the Sebi official said, requesting anonymity.

A controversy about disclosures began in June 2017 when Sebi sought responses from three banksAxis Bank, ICICI Bank and Yes Bankfor inadequate disclosures regarding divergences and provisioning. Yes Bank and ICICI Bank had disclosed 558% and 19.5% divergence, respectively, for 2016-17 in the notes to accounts section of their annual financial statements. While BSE found the reporting on divergences satisfactory, NSE disagreed. Yes Bank had then responded to a Mint story published on 2 June 2017, saying that “the divergences identified by RBI, as part of the annual risk-based supervision were advised to be kept confidential”. Considering that the new Sebi norms have been announced in consultation with RBI, banks would no longer be able to withhold such information. Interestingly, Yes Bank on 13 February 2019 disclosed that RBI did not find any divergences for 2017-18, which earned it the ire of RBI. In an exchange filing on 16 February, Yes Bank said it has received a letter from RBI, which noted that the risk assessment report was marked “confidential” and it was expected that no part of it would be divulged except for the information in the form and manner of disclosure prescribed by regulations.

Source: https://www.livemint.com/news/india/sebi-mandates-divergence-disclosures-by-banks-to-stock-exchanges-11572525623617.html

Dated: Nov 01, 2019

- **PIL In HC Seeks Lifting Of Restriction On Cash Withdrawal From PMC Bank:**

  The Delhi High Court on Friday sought response of the Centre, AAP government and the RBI on a PIL seeking removal of restrictions on cash withdrawals from the scam-hit Punjab and Maharashtra Cooperative (PMC) Bank Ltd. A bench of Chief Justice D N Patel and Justice C Hari Shankar issued notice to the Finance Ministry, Delhi government, RBI and the PMC bank directing them to indicate their stand on the plea which has sought 100 per cent insurance cover for customers’ money deposited in the bank. The Punjab & Maharashtra Cooperative Bank has been put under restrictions by the Reserve Bank of India (RBI) following the unearthing of a Rs 4,355-crore scam. Deposit withdrawals have been capped at Rs 40,000 over a six-month period, causing panic and distress among depositors.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/pil-in-hc-seeks-lifting-of-restriction-on-cash-withdrawal-from-pmc-bank/articleshow/71849786.cms

Dated: Nov 01, 2019

- New Bank Timings In Maharashtra From Today, Check Changed Time Table: To improve convenience and ease of banking for customers, the timings of all public sector banks have been changed in Mumbai and the rest of Maharashtra from today. The new rules define banking hours based on whether the branch is located in a residential or commercial area. The timings in one particular area will be uniform all over the state. For example, whether you are visiting a PSU bank branch in Mumbai’s residential area or in Pune’s residential area, the operating hours of all such banks will be the same. So far, bank timings varied from one bank to another and from one branch to another. Most banks followed a 10 am to 5 pm work hour schedule and were open for the public till 3:30 pm. New bank timings:In residential areas, the new banking hours are from 9 am to 4 pm while for customers the banking hours are from 9 am to 3 pm. In commercial areas, banking hours are from 11 am to 6 pm but for customers the banks will close an hour early at 5 pm. In all other areas, banks will now function from 10 am to 5 pm. For customers, these banks will shut doors at 4 pm. These timings are applicable to all public sector banks like the State Bank of India (SBI), Bank of Baroda, Punjab National Bank, Canara Bank, Corporation Bank, etc. Why the change in bank timings:The bank timing change process is part of reforms in PSBs under finance ministry's Enhanced Access and Service Excellence Programme (EASE) 2.0. The Indian Banks' Association (IBA) had approved three time slots for customer banking hours for PSBs all over India. The timings were - 9 am to 3 pm, 10 am to 4 pm and 11 am to 5 pm. In each state, the State Level Bankers' Committee (SLBCs) were asked to come with recommendations of uniform time slots after consultation with the leadership of different banks. While some states implemented it earlier, Maharashtra SLBC had recommended the implementation of uniform banking hours with effect from November 1.

Source: https://www.livemint.com/industry/banking/new-bank-timings-in-maharashtra-from-today-check-changed-time-table-11572577879485.html

Dated: Nov 01, 2019

- **Diluting Government Stake Below 50 Per Cent In PSBs No Solution:**

Associations of employees and officers of public sector banks (PSBs) have expressed disagreement with Nobel laureate Abhijit Banerjee's view that the government should privatise PSBs to tackle the crisis in the sector, asserting that diluting the Centre's stake in PSBs is "no solution". Instead, the unions said, ensuring "proper governance in the system" and "removing political interference" will address the problem of NPAs that has been weakening the financial health of the PSBs. During his recent visit to India, Banerjee said there is need to bring down the stake of the government to below 50 per cent in PSBs so that decisions could be taken without the fear of Central Vigilance Commission (CVC). "We do not know how privatisation of PSBs will tackle the crisis in the sector? The NPA problem is mainly due to economic slowdown, lack of governance in the system and political interference. Dilution of the Centre's stake is no solution," United Forum of Bank Unions' convenor (West Bengal) Siddhartha Khan told. Echoing Khan, All India Bank Officers' Confederation joint general secretary Sanjay Das said reducing the government's stake in PSBs to below 50 per cent to take the bankers out of CVC ambit is no panacea. "It is a fact that bankers are often harassed in the default cases without addressing the root cause of the NPA issues, but the presence of CVC provides checks and balances in the system," Das said. In August, the CVC constituted the Advisory Board for Banking Frauds headed by former Vigilance Commissioner T M Bhasin to examine bank fraud over Rs 50 crores and recommend action. The banking system has been afflicted by the scourge of high NPAs for nearly five years, which has led to erosion of net worth and unfolding of scams in the sector, with the Punjab and Maharashtra Cooperative Bank (PMC) being the new addition. "We have been advocating proper governance in the system and removal of political interference as these will address the problem of NPAs. Unfortunately, political parties who come to power derive political mileage through loan melas and loan waivers," Das said. Khan, also working president of All India SBI Staff Federation, said, "If the government's stake is brought down to below 50 per cent in the PSBs, which will provide loans under PM Mudra Yojana or advances under the 59-minute loan scheme and many other programmes. "The government controlled PSBs provide loans in these schemes, though we know a fraction of these loans may not be recovered. Had a proper governance system been in place, the banks would not face the NPA problem," he said. "We do not know in what context Abhijit Banerjee had said that, but we are against dilution of government holding in the public sector banks. It will provide no solution to the NPA problems," Bank Employees Federation of India's Vice President Pradip Biswas told. Instead of accepting haircut or writing-off bad loans, the government should "initiate criminal proceedings against the wilful defaulters" to address the NPA problem in the banking sector, he added.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/diluting-government-stake-below-50-per-cent-in-psbs-no-solution-unions/articleshow/71850959.cms

Dated: Nov 01, 2019

- **Over 3,400 Branches Of 26 PSBs Closed Or Merged In Last 5 Years:**

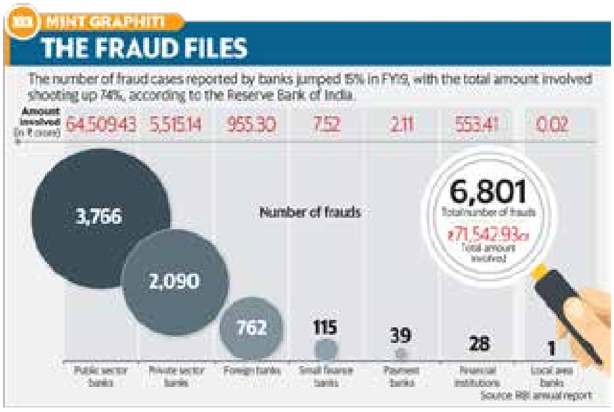
Over 3,400 branches of 26 public sector banks (PSBs) have been either closed or merged during the last five financial years due to merger under the consolidation exercise in the banking space, revealed an RTI query. Of this, 75 per cent of the affected branches belong to the country's biggest lender State Bank of India (SBI). To a query under the Right to Information (RTI) Act filed by a Neemuch-based activist Chandrashekhar Gaud, the Reserve Bank of India (RBI) informed that 26 PSBs of the country either closed or merged 90 branches during FY 2014-15, 126 branches in 2015-16, 253 branches in 2016-17, 2,083 branches in 2017-18 and 875 branches during 2018-19. The RTI information came out at a time when the Centre is planning to consolidate 10 PSBs into four mega state-owned lenders. According to RTI reply, the maximum 2,568 branches of the SBI were affected due to merger or closure in the last five financial years. The RBI informed that Bharatiya Mahila Bank, State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore were merged with SBI with effect from April 1, 2017. In addition, the merger of Vijaya Bank and Dena Bank with Bank of Baroda came into effect from April 1 this year. Meanwhile, employee organizations of public banks have opposed to the government's new plan to consolidate the banking space. All India Bank Employees' Association (AIBEA) General Secretary C H Venkatachalam told PTI that at least 7,000 branches of these banks likely to be affected, if the government forms four big banks by out of the ten state-owned banks in the country. Most of these affected branches will be from the metros and cities. Venkatachalam expressed apprehensions that the proposed merger would decline the business of the PSBs concerned. It is generally seen that customers stop banking with the branch, once it was closed or merged with another one. However, economist Jayantilal Bhandari said that merger of PSBs is the need of the hour. "The state exchequer will benefit after creation of big banks by merging smaller public sector banks. In addition, the large state-run banks will be able to distribute relatively more loans to the common people due to their strong financial condition, which will spur the economic growth in the country," he said.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/over-3400-branches-of-26-psbs-closed-or-merged-in-last-5-years-rti/articleshow/71879529.cms

Dated: Nov 03, 2019

- **Lenders May Ask RBI To Ease Fraud Classification Norms:**

  Banks are considering asking the Reserve Bank of India (RBI) to ease classification norms for fraud-hit loan accounts, amid a surge in such cases in India. Banks currently set aside capital worth the full value of their dues from a fraud-hit loan account over a period of four quarters to cover the risk of defaults by the borrower. Lobby group Indian Banks' Association is considering asking RBI to allow banks to classify only that part of the loan amount as fraud where fraudulent transactions have been detected. "A forensic audit helps us identify transactions where fraud has taken place. So the question is whether only that portion should be declared as fraud or the entire account?" a senior banker aware of the matter said on condition of anonymity. "If your nose is hurt, do you call your entire body sick? That's the key question we are grappling with. We are planning to take up the issue among lenders next week." In the case of Dewan Housing Finance Corp. Ltd (DHFL), lenders have already segregated the bad loan book from the retail loan book as part of a resolution plan. DHFL had been looking to sell its project loan book worth Rs. 35,000 crore to Oaktree Capital, which had earlier bought assets worth Rs. 3,000 crore from the housing finance company. "In DHFL's case, we will be declaring only a part of the loan amount as fraud. Assets of NBFCs (non-banking financial companies) are largely loan book. Why should all our accounts including retail be declared as fraud? Not every loan asset is bad. It's the wholesale loan book where there are inter-related party transactions, which has issues," said Rajkiran Rai G., managing director and chief executive officer of Union Bank of India. "In case it is declared as fraud, we expect only 40% of the banking exposure worth Rs. 40,000 crore to be classified as fraud." A draft forensic report by accounting firm KPMG discovered that out of funds worth around Rs. 27,000 crore borrowed by DHFL from banks for on-lending to homebuyers, around Rs. 10,050 crore was invested in mutual funds. The forensic report also found that about 25 group companies to which DHFL had lent a total of Rs. 14,000 crore had an average profit of about Rs. 1 lakh, raising suspicion that the mortgage lender might have diverted funds. Forensic experts said classification of fraud based on the loan amount is difficult as the fraud happens at the entity level. It's the intent of borrower that needs to be looked at, they said, adding that banks have been under-reporting cases of loan fraud. "There is a growing trend of wilful default cases from a fraud perspective, which is hurting banks. Banks need to look at technologies and early warning signals from a fraud perspective," said Vikram Babbar, partner and financial services lead (forensic and integrity services) at EY. "However, banks are only looking at credit risks whether money will come back or not. They don't have proper system and methodologies in place to identify frauds. That should be the focus so that they can avoid provisions in future." In its Financial Stability Report released in June, RBI said it was reviewing its "master direction" on frauds and considering additional measures for timely recognition of frauds and enforcement action against violations. "There is a significant time lag between the occurrence of a bank fraud and its detection," said RBI. For instance, the amount involved in frauds that occurred between FY01 and FY18 formed 90.6% of those reported in FY19. The relative share of public sector banks in the overall fraud amount reported in FY19 was in excess of their relative share in the credit, RBI said in its report. The RBI report also found that frauds related to loans continued to be dominant, constituting 90% of all frauds by value that were disclosed in FY19. In this category, cash credit and working capital loan frauds dominated in the case of state-run banks, whereas retail term loans (non-housing) were a major contributor to such frauds at private banks. According to RBI, one of the major areas of non-uniformity in processes pertains to identifying red-flagged accounts. The red-flagging of accounts based on an indicative list of early warning signals is not uniform across banks, said RBI.



Source: https://www.livemint.com/industry/banking/lenders-may-ask-rbi-to-ease-fraud-classification-norms-11572800280262.html

Dated: Nov 03, 2019

- **RBI Issues New Guidelines Over Private Bank CEO Remuneration:**

The Reserve Bank of India (RBI) has told private banks to raise the variable portion of remuneration to at least half of the total for their chief executives and whole-time directors so that top management rewards reflect the 'pay for performance' principles. The RBI has also streamlined the clawback rules for whole-time directors and material risk takers to penalise them if future financial performance falters and discourage excessive risk taking for short term gains. "In order for incentive-based remuneration to work, the variable part of remuneration should be truly and effectively variable, and can even be reduced to zero in line with the symmetry principle," the RBI said Monday. It said "a substantial proportion of compensation i.e., at least 50%, should be variable and paid on the basis of individual, business-unit and firm-wide measures that adequately measure performance." RBI said that at higher levels of responsibility, the proportion of variable pay be higher, with a limit of 300% of the fixed pay. The new rules are applicable to private sector banks, including local area banks, small finance banks and payments banks from April 1, 2020. These are revised for the first time after 2012 when the central bank had capped variable pay at 70% of the fixed pay in a year, to discourage excessive risk taking for short-term gains. RBI said compensation should be adjusted for all types of risks with compensation outcomes symmetric with risk outcomes. The central bank has revised the rules at a time when several private banks have faltered with stress in asset quality. "The objective has also been to better align the guidelines to address misconduct risk," it said. For whole-time directors and material risk takers, RBI said payment of at least 60% of the total variable pay must be deferred for a minimum of three years, subject to clawback arrangements. According to the regulator, variable pay can be in the form of share-linked instruments, or a mix of cash and share-linked instruments. "There should be a proper balance between the cash and share-linked components in the variable pay. Only in cases where the compensation by way of share-linked instruments is not permitted by law/ regulations, the entire variable pay can be in cash," RBI said. It said all the fixed items of compensation, including perquisites and perquisites that are reimbursable, be treated as part of fixed pay. Further, contributions toward superannuation or retirement benefits will be treated as part of fixed pay. Private sector banks, foreign banks operating under the wholly owned subsidiary mode, and foreign banks operating in India under the branch mode are required to obtain regulatory approval for grant of remuneration to whole-time directors and CEOs. Foreign banks operating in India under branch mode would be required to continue to submit a declaration to RBI annually from their head offices to the effect that their compensation structure in India, including that of CEOs, is in conformity with the principles laid down by the Financial Stability Board (FSB). The compensation proposals for CEOs and other staff of foreign banks operating in India that have not adopted the FSB principles in their home country are required to implement the compensation guidelines as prescribed for private sector banks in India. The RBI said guaranteed bonus is not consistent with sound risk management or the 'pay for performance' principles and should not be part of the compensation plan. Therefore, guaranteed bonus should only occur in the context of hiring new staff as joining/sign-on bonus and be limited to the first year.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-issues-new-guidelines-over-private-bank-ceo-remuneration/articleshow/71901749.cms

Dated: Nov 05, 2019

- **63 Moons Moves High Court To Recover Rs 200 Crore From DHFL:**

63Moons Technologies has moved the Bombay High Court, seeking directions against Dewan Housing Finance Corporation (DHFL) for the recovery of around Rs 200 crore that it said was due from the mortgage lender and to ensure that promoters Dhiraj and Kapil Wadhawan do not leave the country. Jignesh Shah-promoted 63 Moons, which had subscribed to the non-convertible debentures (NCD) of DHFL, approached the court on Monday after the company failed to repay the money. Counsel for DHFL challenged the maintainability of the petition, arguing that the trustees of the bondholders had already moved an application in the Pune bench of the Debt Recovery Tribunal (DRT) for the recovery of dues on behalf of the debenture holders and hence this plea could not be entertained. After hearing both parties, Justice SJ Kathawala adjourned the matter until further development at the DRT. The Pune bench of the DRT is scheduled to hear on Tuesday the case filed by Catalyst Trusteeship, a trustee to the NCD holders. DHFL is being investigated by central agencies over alleged financial irregularities. The case came up a day after DHFL announced to the stock exchanges that it had stopped payment to creditors, including fixed deposit holders, following the direction of the Bombay High Court. "The High Court of Bombay in the case filed by Reliance Nippon Life Insurance passed an order on September 30 and October 10, restraining the company from making payments to any of its secured/unsecured creditors, including the payments to any fixed-deposit holders," DHFL said in a late evening regulatory filing.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/63-moons-moves-high-court-to-recover-rs-200-crore-from-dhfl/articleshow/71915278.cms

Dated: Nov 05, 2019

- **RBI Slaps Rs 5 Cr Penalty On Gujarat-Based Mehsana Urban Co-Operative Bank:**

  The RBI on Tuesday said it has imposed a penalty of Rs 5 crore on The Mehsana Urban Co-operative Bank, Gujarat, for contravention of norms on 'loans and advances to directors, relatives and firms/concerns in which they are interested'. The penalty was imposed through an order dated November 4, it said. After statutory inspection of the bank regarding its financial position as on March 31, 2018, the central bank said the penalty was imposed "for contravention of the directions issued by RBI on 'Loans and Advances to Directors, Relatives and Firms/ Concerns in which they are Interested', and non-compliance with the Master Directions on 'Know Your Customer (KYC)'". The RBI, however, added that the penalty is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the Mehsana-based bank with its customers. After the inspection, a notice was issued to the co-operative bank.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking /rbi-slaps-rs-5-cr-penalty-on-gujarat-based-mehsana-urban-co-operative-bank/ articleshow/71928286.cms

Dated: Nov 05, 2019

- **IDBI Bank Issues Public Notice On Vijay Mallya As 'Wilful Defaulter':**

  IDBI Bank has declared Vijay Mallya a willful defaulter and issued a public notice on Wednesday with his old passport size photograph for default on payments worth Rs 1,566 crore in respect to Kingfisher Airlines. IDBI Bank NPA Management Group in Mumbai issued a public notice about willful defaulter with the now defunct Kingfisher Airlines as the borrower and Vijay Mallya as the director and guarantor. The notice carries an old black and white photograph of Vijay Mallya with his address given as UB Tower, Bangalore. Vijay Mallya is currently in London and the Indian government has initiated legal proceedings to seek his extradition. The pooled security charged to the consortium of banks, including IDBI Bank, includes the first pari passu charge on current assets of Kingfisher Airlines, hypothecation of 2 helicopters, mortgage of Kingfisher House, Mumbai owned by Kingfisher Airlines, first charge on the fixed assets including ground support and equipment, computers, office equipment, furniture, fixtures of Kingfisher Airlines, residual charge on shares of United Spirits and McDowell Holdings pledged to SREI and J&K Bank, charge over Kingfisher Airlines brand including trademarks, personal guarantee of Vijay Mallya, corporate guarantee of United Breweries Holdings. IDBI Bank has informed and cautioned the public through the notice that "no person shall deal with any of the properties of the borrower/ guarantor as huge dues are to be recovered from them". IDBI Bank said these borrowers and guarantors failed and neglected to pay the instalments of principal, interest to IDBI Bank. The borrower/ guarantor are required to pay an outstanding sum of Rs 1566.61 crore as on October 1, 2018 together with interest till the date of payment.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/idbi-bank-issues-public-notice-on-vijay-mallya-as-wilful-defaulter/articleshow/71938990.cms

Dated: Nov 06, 2019

- **RBI Panel Suggests Stronger Corporate Governance In Core Investment Companies:**

A working group set up by the Reserve Bank of India (RBI) has recommended that core investment companies (CICs) implement stronger governance practices, including formation of board level committees, appointment of independent directors, and internal audits. These are part of the recommendations submitted by the Working Group (WG) to Review Regulatory and Supervisory Framework for Core Investment Companies (CICs) set up on 3 July, 2019. The group was headed by Tapan Ray, former secretary at Ministry of Corporate Affairs. Core investment companies are non-banking financial companies (NBFCs) that hold not less than 90% of their net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in group companies. Experts have been seeking review of CIC guidelines ever since defaults by Infrastructure Leasing and Financial Services Ltd (IL&FS), a large systemically important core investment company. "Currently, corporate governance guidelines are not explicitly made applicable to CICs. To strengthen the governance practices, the working group recommends constitution of board level committees viz. audit committee, nomination and remuneration committee and group risk management committee," the report said. Unlike NBFCs, which are required to constitute committees of the board, no such corporate governance standards are mandated for CICs. The same director could be part of boards of multiple companies in a group, including CICs. "In a few cases, the working group said, it has been observed that the CIC had lent funds to group companies at zero percent rate of interest with bullet repayment of 3-5 years and without any credit appraisal," it said. Further, the committee also recommended preparing consolidated financial statement and ring-fencing the boards of CICs by excluding employees or executive directors of group companies from its board. The report highlighted that the absence of restriction on the number of CICs that can exist in a group and non-deduction of capital of CICs for their exposures in group companies (including in step down CICs), creates scope for excessive leveraging. The working group therefore suggested that step-down CICs may not be permitted to invest in any other CIC while allowing them to invest freely in other group companies. That apart, the committee also suggested that the capital contribution by a CIC in a step-down CIC, over and above 10% of its owned funds, should be deducted from its adjusted net worth, as applicable to other NBFCs. The number of layers of CICs in a group, it said, should be restricted to two and any CIC within a group shall not make investment through more than a total of two layers of CICs, including itself. Currently CICs are not required to submit off-site returns or Statutory Auditors Certificate (SAC). The committee recommended that offsite returns may be designed by RBI and prescribed for CICs on the lines of other NBFCs. "Annual SAC submission may also be stipulated. Onsite inspection of the CICs may be conducted periodically," it added. In August 2019, there were 63 CICs registered with RBI. As on 31 March, 2019, the total asset size of the CICs was Rs. 2.63 trillion and they had approximately Rs. 87,048 crore of borrowings. The top five CICs consist of around 60% of the asset size and 69% borrowings of all the CICs taken together. The borrowing mix consists of debentures (55%), commercial papers (16%), financial institutions, other corporates (16%) and bank borrowings (13%).

Source: https://www.livemint.com/industry/banking/rbi-panel-suggests-stronger-corporate-governance-in-core-investment-companies-11573038504883.html
Dated: Nov 06, 2019

- **DHFL Auditors Filed A Fraud Complaint With MCA In August:**

  Auditors of Dewan Housing and Finance Corp. Ltd filed a fraud complaint with the corporate affairs ministry as early as August, a crucial piece of information that the lender's management withheld from bank and shareholders, two people with direct knowledge said. The ministry has since ordered the Serious Fraud Investigation Office (SFIO) to probe the case. The reference by statutory auditors Deloitte Haskins and Sells and Chaturvedi and Shah was made under Section 143(12) of the Companies Act, 2013 that mandates them to inform the ministry if they suspect fraud, one of the two people cited above said on condition of anonymity. "The auditors are not obligated to let the company know if they are making a fraud reference, but DHFL was apprised of the same," said the second person, who also declined to be named. Without knowledge of the suspected fraud, lenders proceeded to work on a resolution plan to revive the debt-laden home financier. The debt recast plan stands scuttled after information about the fraud and the SFIO probe trickled in. Out of DHFL's total debt of about Rs. 83,873 crore, it owes Rs. 38,342 crore to banks. Under the proposed restructuring plan, banks were to take a 51% stake in the company by converting a portion of DHFL's debt into equity. The lenders are waiting for the SFIO probe to get over before they can work on the resolution plan. The earlier resolution plan will be pursued only if it is found that there was no mala fide intent on the part of the promoters. "During the course of the audit, the auditors had also raised concerns on certain repayments," the first person said. "Repayments by some entities could not be traced in the financial statements of DHFL." "There was no such observation. And even the audit report was with disclaimers," a person close to the DHFL management said. "The company also made provisions for losses, according to the audited financials. And that was made public in the management notes and the financials submitted to banks." A special audit by accounting firm KPMG also made similar observations in a report, portions of which have been reviewed by Mint. The KPMG report cites alleged fraudulent transactions worth Rs. 31,000 crore. The KPMG report cited repayments by 28 entities amounting to Rs. 1,941 crore, which could not be traced in DHFL's bank statements. In fact, the statutory auditors in their report had pointed to transactions of over Rs. 40,000 crore that were problematic and for which the management failed to provide satisfactory responses. These transactions included intercorporate deposits of Rs. 5,652 crore, certain loans and pass-through certificates amounting to Rs. 32,425 crore and Rs. 257 crore, respectively. These were due to deficiency of documents and accounting entries without depositing of cheques. "Multiple accounting entries were initially recorded in certain customer accounts for receipts despite the cheques or negotiable instrument not been deposited in the bank(s) and these have been subsequently reversed," said the auditors in their report on 22 July. In fact, the auditors also issued a "disclaimer of opinion", which in audit parlance means no opinion is being given regarding the financial statements of a client, whether the accounts are fair or true. Soon after that, on 4 August, Deloitte quit as auditor for DHFL on the basis of the disclaimer. Meanwhile, SFIO, under the corporate affairs ministry, has started examining the role of the promoters and management of DHFL. "Auditors would soon be called to record their opinion on DHFL," said a regulatory official, who declined to be named.

Source: https://www.livemint.com/companies/news/dhfl-auditors-filed-a-fraud-complaint-with-mca-in-august-11573063042062.html

Dated: Nov 06, 2019

- **India's Bad Debt Pile Eased By Write-Offs, Underlying Problem Far From Resolved:**

  Indian banks wrote off more than $30 billion worth of bad debt in the year to June 30, helping to lower stressed loans on their books by 8.5%, according to central bank data reviewed by Reuters. The write-offs illustrate the urgent problem of bad loans as borrowers struggle to service, let alone pay-off, their debt in a stuttering economy. As of June 30, total stressed assets on the books of Indian banks were at $137.50 billion, down from $150.22 billion a year ago, according to central bank data reviewed by Reuters. A large part of this reduction reflected the write-off by banks of loans worth $30.64 billion in the last financial year, the data obtained by Reuters via a right to information filing showed. And in the period ending June 30 - the first quarter of the current financial year - write-offs amounted to 445.77 billion rupees ($6.31 billion), the data showed. Without the write-offs and with the incremental bad debt the pile may have ballooned to nearly $175 billion by the end of June. Moreover, analysts warn the shaky shadow banking industry could worsen an already harsh climate for lenders. Soaring bad debt levels, especially on the books of state-run lenders, have choked the Indian banking system and crippled its ability to generate fresh lending and revive economic growth that has slumped to a six-year low. The frail growth has put the brakes on sectors like autos and real estate, causing fresh heartburn for banks. Although the Indian government and central bank has said the worst of India's bad loans crisis may be over, many analysts and market insiders remain skeptical given fresh cracks in the large shadow banking industry following the collapse of infrastructure lending behemoth, IL&FS late last year. "Because of the new stress that building up in real-estate, autos, non-banking financial companies, and other sectors we expect that the worst is not over and there may be an increase in the stressed assets pile," said Karthik Srinivasan, head of financial sector ratings at rating agency ICRA, the Indian unit of Moody's. "The slower than expected resolution process also means that there is unlikely to be any reduction in the numbers," he said. A Credit Suisse report from earlier this year also warned that while banks NPAs had declined from 11.7% in March 2018 to 9.6% in the first quarter of this financial year, the stressed loans are expected to top 12% in the coming quarters. As of June 30, total outstanding dues on accounts where sums to banks have remained unpaid for between 60-90 days stood at $10.4 billion, while overdues ranging between 30-60 days were at $8.8 billion. These accounts will only be classified as non-performing assets after the 90-day period.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/indias-bad-debt-pile-eased-by-write-offs-underlying-problem-far-from-resolved/articleshow/71968181 .cms

Dated: Nov 08, 2019

- **Shri Anil Ambani Dragged To Court For $680 Million Unpaid Loan:**

  Three Chinese banks are suing the brother of Asia's richest man in a London court for failing to pay back $680 million in defaulted loans. The Industrial & Commercial Bank of China Ltd., China Development Bank and the Export-Import Bank of China agreed to loan $925.2 million to Anil Ambani's firm Reliance Communications Ltd. in 2012 on condition that he provide a personal guarantee, ICBC's lawyer Bankim Thanki told the court. Some repayments were made by the wireless carrier but in February 2017, it defaulted on its payment obligations. The embattled Indian tycoon says that while he agreed to give a non-binding "personal comfort letter," he never gave a guarantee tied to his personal assets - an "extraordinary potential personal liability." He's the brother of Mukesh Ambani, who's worth $56 billion and is the wealthiest man in Asia and 14th richest in the world. Anil, on the other hand, has seen his personal fortune dwindle over recent years, losing his billionaire status. ICBC "failed and continues to fail, to distinguish between Mr. Ambani on the one hand, and the company to whom the loans were being extended... on the other," Ambani's lawyer Robert Howe said in a court filing. Anil Ambani was chairman of Reliance Communications, which fell into administration earlier this year. His wider telecommunications-to-infrastructure empire Reliance Group has continued to struggle under a mountain of debt. As of July, four of its biggest units, excluding the phone company, had about 939 billion rupees ($13.2 billion) of debt, Bloomberg reported in September. Anil Ambani was caught up in a similar case earlier this year, when India's Supreme Court threatened him with prison after Reliance Communications failed to pay to pay 5.5 billion rupees to Ericsson AB's Indian unit. The judges gave him a month to find the funds, and his brother, Mukesh, stepped in to make the payment. The brothers' relationship has been fraught since their father's death left behind a vast empire that was split between them. While Mukesh's oil & petrochemicals businesses have flourished, Anil's assets dwindled. According to a court filing, Anil went to Beijing in the winter of 2011 to negotiate the loan with ICBC's former Chairman Jiang Jianqing directly. The lenders sought a share pledge before granting the loans, but the legal dispute centers on whether Ambani or one of his associates went on to provide a personal guarantee as security. Hasit Shukla, Reliance's commercial & treasury head, signed a personal guarantee on Ambani's behalf by power of attorney when the loan was set up seven years ago, Thanki said. But Ambani didn't give Shukla the authority to sign for him, making the guarantee non-binding, his lawyer Robert Howe said in written submissions. "Mr. Ambani's position is that the claim made by ICBC in relation to his alleged personal guarantee for loans to RCOM is without merit," a spokesman for the tycoon said in an email. Industrial & Commercial Bank is the sole claimant in the London case, and is representing itself and the other two lenders. "This is a straightforward debt claim to recover outstanding loans made to RCOM in good faith, and secured by a personal guarantee given by Mr. Anil Ambani," the banks said in a statement. In Thursday's court hearing, ICBC's lawyers asked Judge David Waksman for an early ruling or a conditional order requiring Ambani to pay into court the unpaid sum and interest under the facility agreement. Ambani has declined to give any evidence of his wealth, they said.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/anil-ambani-dragged-to-court-for-680-million-unpaid-loan/articleshow/71974646.cms

Dated: Nov 09, 2019

- **Ensure Adequate Credit To Small Businesses:**

  Junior finance minister Anurag Thakur on Monday asked banks to ensure smooth flow of credit to MSMEs which are in genuine need of funds. It can be noted that despite many measures announced by successive governments, small businesses continue to face funding issues, as banks don't chase them as they do with large companies for a variety of reasons. "Banks should also focus on genuine customers who need financial support to grow their businesses and the MSME sector, which is the backbone of our economy, needs a lot of support from the banking industry," he said at the 101st foundation day celebrations of the state-run Union Bank of India here this evening. Listing out the slew of reforms taken in the banking sector, he said, "we have adopted the four R approach to resolve the balance sheet issues of banks: recognising, resolving and recovering, recapitalising and reforms". As a result, bad loans have come down from Rs 10.36 lakh crore in March 2018 to Rs 9.38 lakh crore in March 2019 system-wide, while for public sector banks, the same has come down to Rs 7.9 lakh crore from Rs 8.96 lakh crore. He also asked banks to genuine commercial decisions without fear of witch-hunt later. Speaking on the occasion, Union Bank managing director Rajkiran Rai G said, through the hundred years journey, the bank has been serving national priorities. The bank launched three new products--Union Sampurna- a technology to provide one-stop solution for farm sector; e- way bills and an ATM geo-locator.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/ensure-adequate-credit-to-small-businesess-anurag-thakur/articleshow/72012372.cms

Dated: Nov 11, 2019

- **Just 5 Banks Claim 80% Of UPI's Big Billion October Fest:**

  Four large banks State Bank of India, HDFC Bank, Axis Bank and ICICI Bank are dominating the retail digital payments business, riding on the Unified Payments Interface (UPI) wave, which crossed a billion transactions in a month in October. These banks together account for more than 45% of the total transactions reported on UPI last month, according to numbers sourced by ET from bankers in the know of the matter. An ET analysis of the trends over the past four months showed that the four large banks consistently reported close to 40% share of overall UPI payments. "Wallets are still growing, but issues around full KYC have caused wallet mainstays like the domestic money transfer business to move back into the banking channels; while new avenues of business have been elusive, their existing lines of business have declined as well," said one of the bankers. While the trend of banks dominating payments is not new, the fact that four to five major banks are getting majority share of UPI transactions was a worrying trend, say industry experts. Although the four banks have together recorded more than 500 million transactions on the UPI railroad, according to the numbers, another private sector lender, Yes Bank, leads with more than 400 million transactions, followed by Paytm Payments Bank which recorded slightly less than 200 million transactions. "Large banks have been dominant in card payments as well; in the case of UPI also the trend continues. Only during the initial years of wallets (did) a significant chunk of retail digital payments move outside the banks' ecosystem, (but) UPI has managed to bring them back into the game," said a senior banker with a private sector bank on condition of anonymity. Yes Bank confirmed that it had reported 415 million transactions through its UPI handles. State Bank of India, Paytm Payments Bank, HDFC Bank, Axis Bank and ICICI Bank did not respond to separate email queries. While the four banks allow UPI payments to originate from their own mobile applications, a large part of the transactions are driven by third-party applications they partner with, such as PhonePe and Google Pay. Both Google and WhatsApp, which is testing its payments product, work with these four banks for UPI payments. If Yes Bank's transactions are added for October, then the share of the five commercial banks put together becomes more than 80%. "Yes Bank has managed to ride the UPI wave with PhonePe, which offers the Yes Bank handle for transactions, they have also struck partnership with many third-party apps like Swiggy, MakeMyTrip, Cleartrip, Redbus and others," said another banker in the know of the matter. Yes Bank has more than 20 partnerships with third-party applications, according to data shared by the National Payments Corporation of India. While wallets had challenged banks briefly in the payments space, issues around full KYC which was made mandatory and initial restrictions on inter-operability have caused them to lose market share. "With the volume of UPI transactions growing so fast, there will be stress on the systems of these banks which can cause technical declines to shoot up. The need is to get more banks to partner with major third party apps to reduce risks," said a top executive of a fintech company.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/just-5-banks-claim-80-of-upis-big-billion-october-fest/articleshow/72015654.cms

Dated: Nov 12, 2019

- **Options Before RBI As Inflation Firms Up, Economy Teeters:**

  As India, Asia's third largest economy heads for a winter of deep economic downturn, the prolonged monsoon season that played havoc with farm output and pushed up retail inflation has presented the Reserve Bank of India a dilemma ahead of its monetary policy review in December. The central bank has to decide whether to further cut its benchmark policy rates to boost investments or to put an end to the rate cut cycle in view of escalating consumer price index (CPI)-based inflation. The case for a rate cut is fairly strong with industrial output in September contracting 4.3%, its worst performance since the current series was launched in 2012. Output of capital goods, which indicates investment activity in manufacturing, contracted 20.7% in September against a 6.9% expansion in the period a year ago. However, CPI-based inflation shot up in September to a 14-month high of 3.99%, nearly touching RBI's medium-term target of 4% on account of a surge in food prices as a prolonged monsoon delayed arrivals into the market. This could bind the hands of central bank in announcing a further rate cut. CPI data for October is due on Wednesday. "Our forecast for October Consumer Price Inflation was 4% but the continued surge in vegetable prices looks set to push it further up. At present, signals from the economy are conflicting between elevated CPI-based inflation and the muted real sector performance," said Aditi Nayar, principal economist, ICRA Ltd. Economists see a rate cut in the offing but there are strong factors that could influence the RBI's decision making to pause monetary easing. One of them is the efficacy of a rate cut in reducing cost of capital on the ground for corporate borrowers as banks have limitations in reducing their lending rates despite the rate cuts. That is because banks will have to reduce deposit rates too if they lower the lending rates, which is difficult considering the high interest rate on small savings with which they compete. The other factor is the view among experts, which is getting louder by the day, that the need of the hour is a stimulus for boosting consumption rather than a stimulus to investments, which may take longer time to show results. According to Pronab Sen, former chief statistician of India, investments are a function of investors' perception of future demand. "Unless there is a visible change in the demand side, it is not going to affect investments at all. You can cut interest rates or corporate tax rate. It is not going to affect investments very much," Sen said, in an interview to CNBC TV18 on Tuesday, adding that the 0.4% contraction in consumer non-durables output in September was indicative of people cutting back on day-to-day consumption as well as of their perception about their ability to consume in future. "The efficacy of a further cut in policy rates in boosting economic activity is unclear. It is a complicated scenario, but there seems to be a higher likelihood of a rate cut. The second quarter GDP numbers expected later this month will give further clarity on the likely rate actions," said Nayar. Second quarter GDP numbers are widely believed to reflect the stress in industrial output, which contracted in September. The average industrial output in the second quarter had shown a 0.36% contraction compared with a close to 3% expansion in the first quarter, during which the economy expanded by 5%. RBI governor Shaktikanta Das has moved away from the precedent of revising rates in tranches of 25 basis points, arguing for more flexibility in rate setting which could help the central bank in making the most appropriate response in a volatile situation. RBI had cut the rate by an irregular 35 basis points in August, the fourth so far this year. It had so far cut rates five times this year to stimulate growth, taking the cumulative reduction to 135 basis points to 5.15% at present. Das, in a speech in April, had argued that rate revisions could be in terms of 10 basis points or 35 basis points when warranted. At its last monetary policy review, the central bank cut its GDP growth estimates to 6.1% from 6.9% for this fiscal.

Source: https://www.livemint.com/news/india/options-before-rbi-as-inflation-firms-up-economy-teeters-11573621005415.html

Dated: Nov 13, 2019

- **Banks May Be Given Incentive To Extend Loans In Backward Areas:**

RBI Deputy Governor Shri MK Jain on Wednesday made a case for incentivizing banks to extend loans to poor in backward areas in a bid to promote financial inclusion. Speaking at an event organized by the National Bank for Agriculture and Rural Development (NABARD), Jain said despite impressive growth in formal agriculture granted, there are still several challenges which need to be tackled. Data on the average loan taken by agricultural households indicated that 72 per cent of the credit requirement was met by institutional sources and 28 per cent from non-institutional sources, he said quoting NABARD Financial Inclusion Survey Report 2016-17. Further, the analysis of state-wise flow of institutional agriculture credit has revealed uneven distribution of credit among states, compared to their corresponding share in their overall output, he said. To a certain extent, the deputy governor said such regional disparity is on account of variation in credit absorbtion capacity of these regions. “We may also have to think of the ways to incentivise banks to lend in these backward areas so that both the demand and supply side issues are addressed,” he said. He also exhorted NABARD to think of steps by which funds like Rural Infrastructure Development Fund can be earmarked to the most backward credit starved regions of the country to ensure faster development. Highlighting the other challenge, Jain said the problem of financial inclusion gets aggravated due to lack of legal framework for landless cultivators as the absence of documentary evidence becomes a major hindrance for extending credit to this segment of the farming community who take up cultivation work on oral lease. “These issues and challenges impinge on the efficiency inclusiveness and sustainability of the agriculture credit system, which is a matter of concern,” he said. Considering these, he said, the RBI had set up an internal Working Group (IWG) in February 2019 to understand the issues and recommend workable solutions to address constraints. The IWG based on detailed data analyses and research submitted its report in September 2019, he said. “The recommendations of the IWG includes building up of an enabling eco-system through digitalisation of land records, reforming of land leasing framework, creation of a national level agency to build consensus between the state government and the central government with regard to agriculture related policy reform, because of the effects system,” he said. Other policy interventions recommended are suitable modification in the priority sector guidelines applicable to all banks and strengthening of credit delivery channel through Kisan Credit Card, Self Help Group bank linkage programme in a manner to make these more effective and efficient in ensuring credit flow to the credit starved regions of the country, and also to the excluded segment of the farming community, he said. “The RBI will be initiating necessary steps for implementing regulatory recommendations and has requested the government of India to consider policy and other related recommendations for its implementation, as these would go a long way in ensuring long term sustainability and viability of Indian agriculture sector,” he said.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-may-be-given-incentive-to-extend-loans-in-backward-areas-rbi-dy-guv-mk-jain/articleshow/ 72042809.cms

Dated: Nov 13, 2019

- **A Four-Year-Old Bank Makes More Profit Than 17 PSU Banks Combined:**

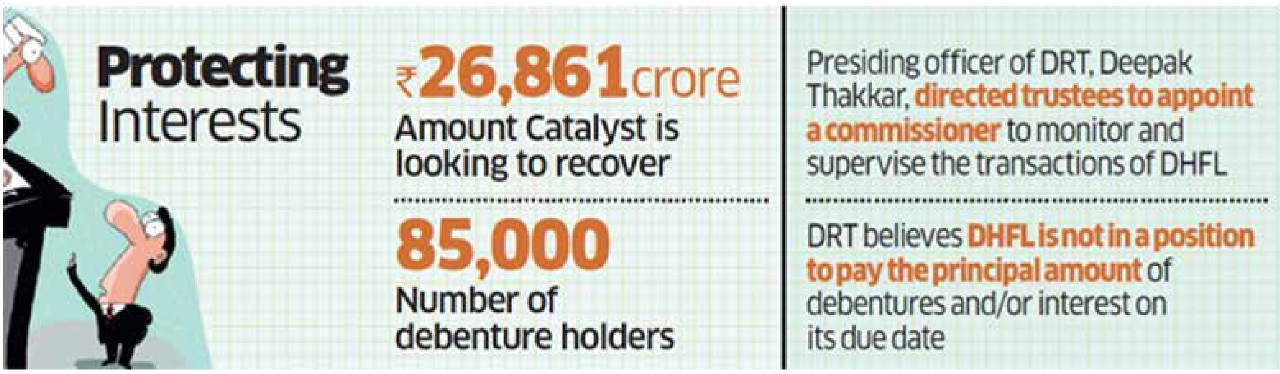
The aggregate profit of 17 public-sector banks was lower than the net profit of private-sector lender Bandhan Bank Ltd alone in the September quarter of the current financial year, data compiled by Capitaline report. While the combined net profit of these public-sector banks stood at Rs. 466.4 crore in July-September of FY20, Kolkata-based Bandhan Bank alone reported a profit of Rs. 971.8 crore. The consolidated profit of 17 private banks stood at Rs. 7,583.16 crore in the same period, the data showed. These state-owned banks would have had an even worse set of aggregate profit numbers if IDBI Bank Ltd, with a loss of Rs. 3,458.8 crore, was not classified as a private bank after being acquired by the Life Insurance Corporation of India (LIC) earlier this year. This comparison does not include the financials of Union Bank of India, which will declare its September quarter earnings on Thursday. The bank is expected to report a net loss of Rs. 130 crore in the quarter under review, according to a Bloomberg consensus of seven analysts. The poor show by state-owned banks is a result of losses made by a handful of banks that dragged down the profit of the entire group. For instance, Allahabad Bank reported a loss of Rs. 2,114 crore, Indian Overseas Bank Rs. 2,253.6 crore and UCO Bank Rs. 892 crore. These overshadowed the Rs. 3,011.73-crore profit of State Bank of India (SBI), Bank of Baroda with Rs. 736.68 and Punjab National Bank at Rs. 507 crore. Meanwhile, the burden of non-performing assets (NPAs) continues to take a toll on the profitability of PSU banks as these banks have to set aside huge sums of money as provisions. Total provisions of PSU banks stood at Rs. 39,310 crore, which although fell 18.2% on a year-on-year basis, was higher than Rs. 19,207.09 crore provided by their private-sector counterparts. A chunky portion of the provisions were likely from ageing of bad loans, although banks do not typically disclose this breakup on a quarterly basis. Bank of Baroda Executive Director S L Jain recently said of the Rs. 3,425 crore bad loan provisions, around Rs. 2,500 crore were for ageing of NPAs. The existing pool of bad loans, lack of credit demand and risk aversion by banks has led to a sharp decline in credit growth. According to Reserve Bank of India data, bank credit growth has been subdued so far this year with outstanding non-food credit growing 8.8% year-on-year to Rs. 97.68 trillion in the fortnight ended 25 October. A Credit Suisse report said on 11 November that bank lending slowed to 8% at the end of September. Credit Suisse said the slowdown in bank credit was driven by both public and private sector banks. PSU banks saw growth fall from 8% to 5% year-on-year, while private sector bank growth was down from 22% to 14%.

Source: https://www.livemint.com/industry/banking/a-four-year-old-bank-makes-more-profit-in-q2-than-17-psu-banks-combined-11573716235970.html

Dated: Nov 14, 2019

- **Debt Recovery Tribunal Stops DHFL From Making Payments:**

  The Pune bench of the Debt Recovery Tribunal (DRT) has stopped DHFL from making any further payments to any of its unsecured creditors, passing an order on an application filed by Catalyst Trustee, the custodian of the indebted home financier's bond holders. "The defendant ...(DHFL) is temporarily... restrained (from) making further payments to any of its unsecured creditors, save and except in cases where the payments are to be made on a pro-rata basis to all secured creditors...," the DRT said in the order, of which ET has seen a copy. A day earlier, the Bombay High Court allowed DHFL to make payments to banks and NBFCs that have securitization arrangements with the stressed mortgage financier. "The order passed by the DRT will not have any bearing on the order passed by the Bombay High Court since the latter has allowed DHFL to pay money to lenders where it is acting as a recovery agent after DHFL assigned its loans to the banks," said a lawyer involved in the case. "Now, all the banks will have to go to DRT to seek the same clarification since the DRT has appointed a commissioner to monitor and supervise the affairs of DHFL," said the person. The presiding officer of DRT, Deepak Thakkar, also directed the trustees to appoint a commissioner to monitor and supervise the transactions of DHFL. Catalyst moved the local court as it must recover Rs 26,861 crore worth of debt securities. There are about 85,000 debenture holders. "It is necessary to protect the interests of the applicant as I find that the balance of



convenience tilts in favour of the applicant," the DRT judge said in the order. The next date of hearing at DRT is scheduled on December 6. DRT believes that DHFL is not in a position to pay the principal amount of debentures and/or interest on its due date. The default started occurring from 4th August 4, 2019 until the date before the filing of the original application. The home financier has acknowledged the liability. Munaf Virjee, managing partner of law firm ABH Law, which is representing DHFL, declined to comment. Advocate Rohit Gupta, who appeared for the trustee, argued that it has no difficulty if DHFL is collecting the legitimate dues from the borrower. "However, there shall not be any preference in making the payment to unsecured creditors, ignoring secured creditors," Gupta argued.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/debt-recovery-tribunal-stops-dhfl-from-making-payments/articleshow/72064076.cms

Dated: Nov 15, 2019

- **Aditya Birla Idea Payments Bank Headed For Liquidation:**

The Reserve Bank on Monday said Aditya Birla Idea Payments Bank is headed for liquidation post application by the company for voluntarily winding up. "We advise that on a voluntarily winding up application by Aditya Birla Idea Payments Bank Limited, the Bombay High Court has passed an order on September 18, 2019," RBI said in a notification. RBI said that the Bombay High Court has appointed Vijaykumar V Iyer, Senior Director of Deloitte Touche Tohmatsu India LLP as the liquidator of Aditya Birla Idea Payments Bank. Earlier in July this year, Aditya Birla Idea Payments Bank had announced winding up its business on account of "unanticipated developments" that made its economic model "unviable". Until now a total of four players in payment banking space have shut shops. Before this, Tech Mahindra, Cholamandalam Investment and Finance Company and a consortium of Dilip Shanghvi, IDFC Bank Ltd and Telenor Financial Services had announced to exit the payments banking space. In February 2018, Aditya Birla Idea Payments Bank had become the fourth entity to begin payments banking operations since the issuance of licences to 11 firms by the RBI in August 2015.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/aditya-birla-idea-payments-bank-headed-for-liquidation/articleshow/72112161.cms

Dated: Nov 18, 2019

- **NBFCs With Rs 500 Cr Assets Can Go For Insolvency Resolution:**

The Reserve Bank can now seek resolution of non-banking financial companies having assets worth of at least Rs 500 crore under the insolvency law, a move that is likely to help in addressing woes in the NBFC sector. After discussions with the central bank, the corporate affairs ministry on Monday issued a notification specifying the categories of financial service providers (FSPs) that can be taken up for resolution under the "generic framework" of the Insolvency and Bankruptcy Code. On Friday, the ministry notified the framework for dealing with systemically important FSPs, excluding banks, under the Code wherein sectoral regulators can seek resolution of stressed entities. The introduction of the "generic framework" comes against the backdrop of the ongoing liquidity crisis in the non-banking financial companies (NBFCs) that has also sparked concerns about overall stability of the financial sector. "Non-banking finance companies (which include housing finance companies) with asset size of Rs 500 crore or more, as per last audited balance sheet," can be taken up for insolvency resolution and liquidation proceedings under the Code, the ministry said in a notification. Section 227 of the Code enables the central government to notify, in consultation with the financial sector regulators, FSPs or categories of FSPs for the purpose of insolvency and liquidation proceedings. Significantly, the corporate insolvency resolution process for an FSP would be initiated "only on an application by the appropriate regulator". "The rules shall apply to such FSPs or categories of FSPs, as will be notified by the central government under Section 227 from time to time in consultation with appropriate regulators, for the purpose of their insolvency and liquidation proceedings," the ministry said on Friday. On the same day, Corporate Affairs Minister Nirmala Sitharaman said there would be something similar to the insolvency law for the financial sector and till that time, the new provision would take care of financial institutions. "In an environment where it may be necessary to invoke something akin to IBC and in absence of IBC like provision for the financial services sector we have brought out this notification under Section 227 within the IBC which can be used. Post this it is up to the RBI to take a call on this. "Whether we will have something equivalent to IBC for financial sector, we will address that in future. We want to bring something equivalent to IBC for the financial sector. Till such time, this will take care of financial institutions," she had said.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/nbfcs-with-rs-500-cr-assets-can-go-for-insolvency-resolution/articleshow/72112648.cms

Dated: Nov 18, 2019

- **RBI Has Cut Rates By 110 Bps Since April, But Average Lending Rates Goes Up 8 Bps:**

  Despite the Reserve Bank making credit cheaper, lending rates are rising for borrowers after accounting for inflation and falling economic growth, a foreign brokerage said on Monday. The weighted average lending rate in the system is up 0.08 percent since April, economists at Bank of America Merrill Lynch said in a report. Economic growth has fallen to a six-year-low of 5 percent in the June quarter and is widely expected to slip further with almost all key components of the economy contracting or falling since the first three months. The RBI has responded by cutting rates by 110 basis to a nine-year-low of 5.40 percent since April courtesy low inflation. The RBI has been blaming banks for slower transmission of its policy moves into their lending rates and continuously nudging them to cut more, so that credit pick up can increase to help the broader growth. It has also helped make adequate liquidity available. "Growth is still falling as real lending rates are still rising," the brokerage report said. Real lending rate is the number after calculating for inflation. In their note, the analysts said the weighted average lending rate, which is the aggregate of the interest paid on all the debt, is up because of higher money supply and credit demand are unable to ensure banks reduction in marginal cost of funding based lending rates, which are typically applicable for new loans. Among the solutions to push growth up, the report said the monetary authority and the finance ministry will have to pull down average lending rates through measures like starting a 2 percentage points loan subvention done to small businesses, which would cost Rs 21,100 crore next fiscal year and also a reduction in the cash reserve ratio by 0.25 percent by the RBI in February. It also reiterated its call for a 0.25 percent cut in the key rates in the December policy, which will be followed by a 0.15 percent cut in February.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-has-cut-rates-by-110-bps-since-april-but-average-lending-rates-goes-up-8-bps-report/articleshow/ 72113241.cms

Dated: Nov 19, 2019

- **RBI Slaps Rs 2.50 Cr Fine On BoB For Violating Directions On Bihar NGO:**

Bank of Baroda on Tuesday said the RBI has imposed Rs 2.50 crore fine for non-compliance of directions issued to it with regard to Bihar-based NGO Srijan Mahila Vikas Sahyog Samiti Ltd. "The Reserve Bank of India in exercise of powers conferred under the Banking Regulation Act, 1949, has imposed a penalty aggregating to Rs 2.50 crore on the bank for non-compliance with the directions issued by the RBI in various accounts of Srijan Mahila Vikas Sahyog Samiti Ltd at Bhagalpur Branch," Bank of Baroda said in a regulatory filing. The Central Bureau of Investigation (CBI) is probing the matter in the Rs 1,000 crore scam allegedly involving Bihar-based NGO Srijan Mahila Vikas Sahyog Samiti and government officers. Unidentified officers of Bank of Baroda, Indian Bank and the 'Samiti' have been named as accused in the FIRs registered for alleged criminal conspiracy, cheating, forgery among others. Besides, FIRs have also been registered in Patna and Delhi. It is alleged that there was illegal transfer and misuse of funds from government accounts in Bhagalpur district to accounts of the Samiti through a conspiracy hatched between government officials and office bearers of the NGO. It is alleged that the NGO, which was working towards imparting training to women, had pilfered government funds in connivance with the bank officials and state government officials between 2003 and 2014. As per initial probe by local police, the Samiti allegedly procured cheque books from banks and forged signature of the district magistrate to transfer government funds to its account.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-slaps-rs-2-50-cr-fine-on-bob-for-violating-directions-on-bihar-ngo/articleshow/72126473.cms

Dated: Nov 19, 2019

- **PMC Bank Case, Depositors Can Approach RBI Administrator For Emergency Withdrawals Of Up To Rs 1 Lakh:**

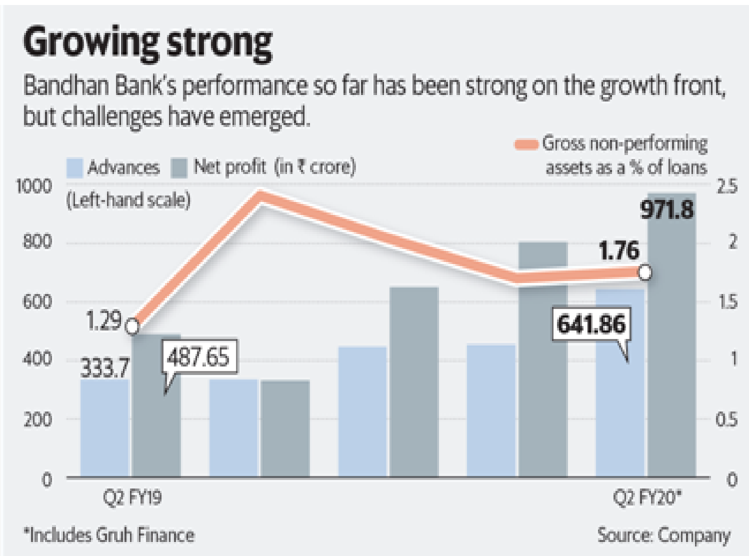
Depositors of the crisis-hit lender who are facing hardships can approach the RBI-appointed administrator in order to seek withdrawal of amounts up to Rs 1 lakh, the central bank counsel Venkatesh Dhond told a division bench of the HC. The Reserve Bank of India (RBI) on November 19 told the Bombay High Court that depositors of the Punjab and Maharashtra Cooperative (PMC) Bank can now approach the administrator in case of medical emergencies necessitating withdrawals of up to Rs 1 lakh, news agency PTI reported. The RBI filed an affidavit responding to various petitions that have challenged the curbs it has placed on withdrawals. The central bank mentioned the Rs 50,000 withdrawal ceiling for scenarios like marriage, education, livelihood and other “hardships”. Depositors of the crisis-hit lender who are facing hardships can approach the RBI-appointed administrator in order to seek withdrawal of amounts up to Rs 1 lakh, the central bank counsel Venkatesh Dhond told a division bench of the HC. The curbs, the bank said, were necessary to safeguard the interests of the bank and its depositors, the affidavit stated. The apex bank also stated that a large-scale wrongdoing has been found in the PMC bank. On September 23, the RBI had imposed regulatory restrictions on the PMC Bank for six months over alleged financial irregularities. “To mitigate the hardship of the depositors, the RBI has enabled entertaining on merit any application for withdrawal beyond the stipulated amount on hardship grounds like medical treatment, marriage, education, livelihood and other hardships, subject to a ceiling of Rs 1 lakh on medical ground and Rs 50,000 in all other cases,” the affidavit stated. After examining the RBI’s affidavit, the bench posted the petitions for further hearing on December 4. The withdrawal limit for account holders was initially Rs 1,000 per customer for six months, which was later raised to Rs 10,000 and is presently at Rs 50,000. The crisis at the bank is attributed to the loans allocated to realty firm the Housing Development Infrastructure Ltd (HDIL), without due diligence being carried out. These loans later turned into Non-Performing Assets (NPAs).

Source: https://www.moneycontrol.com/news/india/pmc-bank-case-depositors-can-approach-rbi-administrator-for-emergency-withdrawals-of-up-to-rs-1-lakh-4653881.html

Dated: Nov 19, 2019

- **Investors Worry Over New Challenges To Bandhan Bank’s Growth Trajectory:**

In its avatar as a bank, micro-lender Bandhan Bank Ltd has managed to give investors enough to cheer. Its operating metrics have been robust and analysts expect the acquisition of Gruh Finance Ltd to add to its growth rate. For the September quarter, Bandhan Bank reported a 38% growth in net profit on a sequential basis. It now boasts profits higher than all listed public sector banks put together. The acquisition of Gruh Finance, although costly, has diversified Bandhan Bank’s loan book. More importantly, the lender’s delinquency ratios at 1.8% of its loans make



rival envious. But trouble has been brewing for the bank, with challenges to growth in its stronghold region of the north-eastern states. The latest challenge has emerged from protests staged by women borrower groups. Local media reports said that several women organizations under an umbrella name Jagrata Mahila Suraksha Samaj demanded a ban on microfinance lenders from doing business in Assam. In a note, analysts at Macquarie Capital Securities India Pvt. Ltd said that 18% of Bandhan Bank's assets under management is from Assam. Considering this, the biggest hit, if any, would be on the bank. To be sure, Assam had been a troubled spot for most lenders given the recent floods in the state. Delinquencies for lenders had shown a spike recently. The 4% fall in the stock on Tuesday indicates that these concerns have affected the sentiment. In the wake of these challenges, analysts worry that the current valuations are stretched. Of course, the stock was viewed by some as pricey even before the problems in Assam. "At 5.1 times forward PBV (price to book value), there is no margin of safety," analysts at Macquarie said in a note last month. Moreover, the long-pending issue of promoter shareholding remains. The bank has put in several efforts to bring promoter stake down, the acquisition of Gruh Finance being one of the routes. Promoter shareholding still remains at 82%, far higher than the regulatory level of 40%. In fact, the bank was penalized by the regulator last month for not abiding by the shareholding norms. The overhang of regulatory non-compliance continues to weigh on investor sentiment. Bandhan Bank's Achilles heel is not the challenges to its balance-sheet growth, but it's regulatory non-compliance risk from high promoter stake. Until the promoter shareholding is dealt with, the stock is unlikely to see a rerating. Meanwhile, investors would do well to keep an eye on the developments in Assam

Source: https://www.livemint.com/market/mark-to-market/investors-worry-over-new-challenges-to-bandhan-bank-s-growth-trajectory-11574211795087.html

Dated: Nov 20, 2019

- **Paytm's Vijay Shekhar Sharma Cautions Customers Of Scam Messages And Emails:**

Paytm founder Vijay Shekhar Sharma has taken to social media to plead with customers to maintain caution and not fall for scam messages and emails from fraudsters pretending to be company officials. "Pls (please) don't trust any SMS sent on blocking your Paytm account or suggestion to do a KYC. These are fraudsters..." Sharma tweeted Tuesday evening. In a separate tweet later, Sharma also shared a picture of an SMS sent by fraudsters to several Paytm customers which read: 'We will hold your Paytm amount after some time-...complete your Paytm KYC,' along with a phone number. "These or some SMS with some lucky draw are examples of fraudsters attempting to get your details. Don't fall for them," Sharma warned Paytm customers. These tweets come after hundreds of Paytm customers over the past three months have registered complaints with the company's cyber cell and RBI ombudsman over fraud claims after getting duped by scamsters posing as Paytm employees. According to two people that ET spoke with who have been duped in this fashion, the modus operandi involves the scamsters asking the targeted customer to download a mobile or desktop application to facilitate the KYC process. These applications include among others Anydesk, Quicksupport and TeamViewer. Once these fraudsters get hold of the pin generated by these applications they get remote access to the victim's device where subsequently in a series of two to four transactions, the fraudster siphons off funds from the victim's bank account linked with the mobile wallet. "We encourage our users to report all such incidents to us and to crime branch as well so that we can take concrete action against these fraudsters," Satish Kumar Gupta, MD, Paytm Payments Bank, told ET in an emailed statement. "Our cyber cell department is in constant touch with police crime branches and we are also informing our customers via blog posts, app notifications, social media, etc. to safeguard themselves from such incidents." While the extent of damage by these frauds is unclear, Paytm Payments Bank had said in an earlier statement that these messages have been sent on a "widespread" basis. As per data shared at Rajya Sabha by Finance Minister Nirmala Sitharaman on Tuesday, RBI has received 1,997 complaints against payments banks in the Banking Ombudsman and Reserve Bank of India's Consumer Education and Protection Cells between July and November of 2019. Of these, just 36 percent or 723 of the cases have been resolved with the rest 1,274 still "under process." However, it remains unclear how many of these cases pertained specifically to frauds happening at Paytm. The RBI didn't respond to ET's mailed queries. "We would like to inform all our customers that Paytm's KYC procedure does not get done via remote desktops apps. Also, Paytm does not call customers to get their KYC done via phone, nor does the customer need to install any new app for KYC," Gupta said.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/paytms-vijay-shekhar-sharma-cautions-customers-of-scam-messages-and-emails/articleshow/72152504 .cms

Dated: Nov 21, 2019

- **Assess Core Strengths Before Scaling Up Operations:**

Finance Minister Nirmala Sitharaman on Saturday said banks should assess their strength and weakness before planning to scale up of operations. "Institutions like banks should understand their core strengths and offer benefits to people like providing value- added features like phone banking facilities or rolling out of chat bots to serve customers and should not take up unnecessary scaling up of operations", she said,at the 116th Foundation Day celebrations of Tamil Nadu-based City Union Bank here. "Scaling up (of operations in banks) is becoming like a disease. (There is a trend) that everybody should scale up, tomorrow I should be three times the current size. Today, I am in this state and in six states. I am planning to expand presence across the country. Whether it will add to my core or make it weak. That is the assessment banks should do", she said. To check whether the banks have the ability to scale up operations, then the regulators like Reserve Bank of India come into play, she said. Sitharaman said if a financial institution in the present situation has a name ending with 'Bank' doubts are raised on the functioning of it and heaped praise that City Union Bank has been functioning steadily for the last 115 years. Stating that even a small error caused by an employee would raise questions on the functioning of a bank, she said, "Even if there is a corruption complaint against a cooperative bank, sometimes questions are raised on whether the public money is safe there". Referring to a recent media report on City Union Bank MD and CEO N Kamakodi comments that the bank's focus area was on providing 'consistency' and 'stable' operations and having 'people's trust', she said, "it is good principle (for the bank)". She said banks speaking about 'consistency' is a good quality and added that banks should run on stable operations. "If there is no stability, then the economic activity surrounding it will get affected," she said and added having people's trust is very important because if a bank loses people's trust then it is bad for the bank and also to the country. Earlier, Sitharaman released the bank's chat-bot facility that would help bank customers enable to transfer funds, block cards or take up any other banking service.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/assess-core-strengths-before-scaling-up-operations-nirmala-sitharaman-to-banks/articleshow/72202504 .cms

Dated: Nov 23, 2019

- **RBI Mulling New Rules On Corporate Governance; Wants Banks To Disclose More:**

The Reserve Bank is looking at introducing new rules on corporate governance for banks in sync with global ones, and would also like lenders to disclose more, Deputy GovernorN S Vishwanathan said on Friday. Vishwanathan also urged banks to recognise losses because of NPAs as early as possible and not to defer the same. The comments from the top central banker come at a time when the system continues to go through the issues of asset quality, even though the new additions have slowed down. Speaking at an event organised by a business daily, Vishwanathan listed out a slew of initiatives the RBI has undertaken, with the compensation structures for key management personnel and whole-time directors being the latest additions, and hinted that it is looking at more. "The Basel Committee (where bankers from all over the world discuss strategies) has its own (framework on corporate governance), we are working on that to improve guidelines on that," Vishwanathan said. Speaking to an audience comprising of all the top bankers, he said the new guidelines will be put in public domain and the RBI will be seeking comments before finalizing any rules. Citing the case of under-reporting of NPAs which used to go unrecognized earlier and is made compulsory now, and the benefits it gets, the DG urged banks to disclose as much as possible to present a truthful picture. "The default should be disclosed as much as I can so long as I am not hitting a provision of law or I am not providing a market strategy that is taking the bank forward," he said. He also said that the RBI agrees with capital markets regulator Sebi's call on disclosure of divergences immediately by a bank and not waiting till the annual report, because this is price-sensitive information. Vishwanathan also said that the banks should be working the most on governance practices in order to avoid any difficulties. "Governance is the thing that banks and financial institutions should look towards. Strengthen governance, recognise losses, look at why losses are beyond risk appetite, change your operations to confirm to risk governance of the system, improve your compensation system," he said. Starting from the board level, there is a need for banks to "astutely" follow the RBI's instructions after a supervision report comes out, he said. On early recognition, he said, "I would urge upon you to say that the best way to deal with a crisis or situation is not to defer the problem, and that is when we are likely to take the right actions at the right time. When things are delayed, it only continues to fester in the system." He also made his displeasure at banks' tendency to come up with requests for deferring mark to market losses on investments, stating how they are the first ones to recognise profits. Risk management practices are very important, and conflicts which can avoid like making the chief risk officer part of the loan clearance process, ought to be avoided, he said. "The important thing that concerns RBI when it comes to financial sector intermediation in general and banks in particular, is risk management. If banks get this right, most of the problems are not likely to be there," he said. The DG said there is also a need to strengthen the compliance function at banks.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-mulling-new-rules-on-corporate-governance-wants-banks-to-disclose-more/articleshow/ 72190570.cms

Dated: Nov 23, 2019

- **Gross NPAs Of SCBs Decline By 98K Cr By June:**

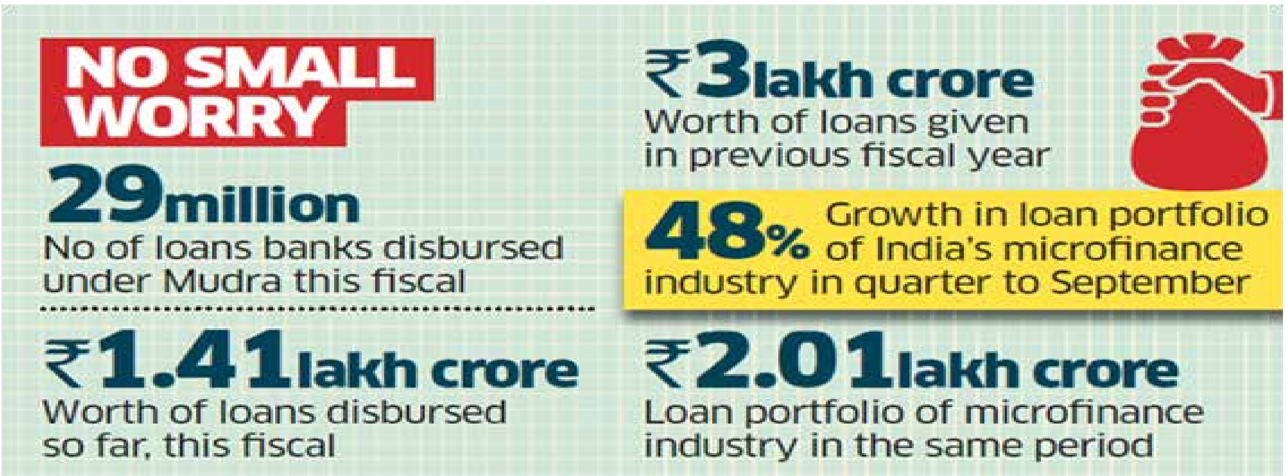
The gross non-Performing Assets (NPAs) of Scheduled Commercial Banks (SCBs) have declined by nearly Rs 98,000 crore to Rs 9.38 lakh crore by June-end this year, Minister of State for Finance Anurag Thakur informed the Lok Sabha on Monday. Gross NPAs of SCBs, which stood at Rs 10,36,187 crore on March 31, 2018, declined by Rs 97, 996 crore to Rs 9,38,191 crore as on June 30, 2019, Thakur said in a written reply during question hour in Lok Sabha. The minister was responding to Congress MP Deepak Baij's query on the amount of NPAs of various banks written off in the country during the last five years and its impact on the economy. The gross NPAs stood at Rs 3,23,464 crore as on March 31, 2015 and increased to over Rs 10.36 lakh crore figure by the end of 2017-18 fiscal on March 31, Thakur added. Aggregate gross advances of the SCBs in their global operations increased from Rs 25,03,431 crore as on March 31, 2008, to Rs 68,75,748 crore as on March 31, 2014, he further said. "As per RBI guidelines and policy approved by bank Boards, non-performing loans, including, inter-alia, those in respect of which full provisioning has been made on completion of four years, are removed from the balance-sheet of the bank concerned by way of write-off. Banks evaluate/consider the impact of write-offs as part of their regular exercise to clean up their balance-sheet, avail of tax benefits and optimize capital, in accordance with RBI guidelines and policy approved by their Boards," the minister said in his reply. As per the list provided in Lok Sabha regarding writing off bank NPAs, the State Bank of India wrote off Rs 56,481 crore in FY 2018-19. Other major banks which wrote off large amounts in FY2018-19 include IDBI Bank Ltd (Rs 14,166 crore), Canara Bank (Rs 13,849 crore), Bank of Baroda (Rs 11,725 crore), Central Bank of India (Rs 10,375 crore) and Punjab National Bank (Rs 11,238 crore). The NPA write-offs of banks such as Axis Bank, Bank of India, Bank of Maharashtra, Corporation Bank, Dena Bank, HDFC Bank, ICICI Bank, Oriental Bank of Commerce, Syndicate Bank, Union Bank of India and United Bank of India ranged between Rs 4,000 crore and Rs 10,000 crore in FY 2018-19. The SCBs wrote off Rs 13,744 crore in FY 2018-19 under 'Agriculture and Allied Activities', while Rs 40,175 crore came under 'Services-Trade' head. Banks claim that the recovery measures continue even after write-offs.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/gross-npas-of-scbs-decline-by-98k-cr-by-june-govt/articleshow/72228523.cms

Dated: Nov 25, 2019

- **RBI Deputy Governor Red-Flags Rising Stress In Mudra Loans:**

Reserve Bank of India deputy governor MK Jain on Tuesday raised red flags over rising non-performing assets (NPAs) in loans disbursed under the government's Mudra



loan scheme and urged banks to monitor the repayment capacity of borrowers before disbursement. The Pradhan Mantri Mudra Yojana is a central government scheme under which small businesses can avail collateral-free working capital loan up to Rs 10 lakh. The scheme was flagged off in 2015 by PM Modi to ease the credit flow to India's MSME sector. "The Mudra is a case in point-...while such a massive push would have lifted many beneficiaries out of poverty, there has been some concern at the growing level of non-performing assets among these borrowers," Jain said while addressing an industry gathering here. Interestingly, this is the second such warning by a senior central banker this year to banks over rising delinquencies in these loan accounts. Governor Shaktikanta Das, in July, told chief executives of all state-run banks, in a closed-door meeting, to be cautious while disbursing to Mudra beneficiaries to avoid a pile-up of NPA accounts. Separately, former RBI governor Raghuram Rajan had also warned the banking system of these building toxic loans in November last year. As per the latest data available on the Mudra website, banks have disbursed 2.9 crore loans in the ongoing fiscal worth nearly Rs 1.41 lakh crore. In the previous fiscal year, banks had disbursed working capital loans worth over Rs 3 lakh crore. "Banks need to focus on repayment capacity at the appraisal stage and monitor the loans through the life cycle much more closely," Jain said. The regulator was speaking at an event organised by Small Industries Development Bank of India (SIDBI) on the microfinance industry. The deputy governor during his speech also emphasised the growing need for banks to harness technology to not just improve their underwriting capacities, but also to create personalised financial products accessible for all. "We must now focus on the demand side, which is to focus on enhancing capabilities so that individuals in low-income groups are in a position to not merely avail the offered services but also demand preferred products and services suitable to their needs and choices," said Jain. As per data released by MicroFinance Institution Network (MFIN), the loan portfolio of India's microfinance industry grew by 48% in the September quarter as against the same period last year and now stands at Rs 2.01 lakh crore. "Tailored products for credit to those without a credit score, entrepreneur, and consumption credit, hand-holding, financial literacy, social occasion credit and insurance are all waiting to be tapped in scale and size.

Limited forays have been made but are yet to achieve their full potential," he said.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-red-flags-rising-mudra-bad-loans/articleshow/72238422.cms

Dated: Nov 27, 2019

- **India Asks State-Run Firms To Clear Over $1 Bn, Owed To Green Energy Firms:**

India has asked state lenders to provide over $1 billion to government power distribution companies to clear longstanding debts to green energy firms that could hinder further investment, three sources familiar with the plan said on Tuesday. The companies owe solar and wind power generators including Goldman Sachs-backed ReNew Power and Softbank-backed SB Energy over 97 billion rupees ($1.35 billion), according to the Central Electricity Authority, an arm of the federal power ministry. Adding to the problems of the power generators, a new government in Andhra Pradesh state - which owes renewable energy firms more than any other state - wants to renegotiate its contracts, saying the prices it pays are inflated. The New Delhi government has asked state lenders Power Finance Corp Ltd, REC Ltd and IREDA to extend short-term securitised loans to the distribution firms at preferential rates, two sources in government and one in industry said. Commercial banks are unwilling to lend to these firms because of their high outstanding debt. The government wants to ease cashflow constraints and reassure wary investors that new projects are safe to participate in, one of the sources said. "It is meant to show our intent to secure developers' revenues," the source said. Foreign investment is central to India's green energy ambitions, and a slowdown in overseas funding could hurt Prime Minister Narendra Modi's commitment to increase adoption of renewable energy. India is looking to install 175 gigawatt (GW) in renewable energy capacity by 2022, solar and wind power generators say. Japan's SoftBank Group Corp has plans to invest up to $100 billion in solar power generation in India. Andhra Pradesh, which accounts for about a 10th of India's renewable energy capacity, owes green energy generators 25.1 billion rupees ($353 million), over a fourth of all dues

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/india-asks-state-run-firms-to-clear-over-1-bn-owed-to-green-energy-firms-sources/articleshow/ 72241496.cms

Dated: Nov 26, 2019

- **The Common "Code For Responsible Lending" (CRL) For Microfinance Has A Few Big Names Missing:**

The common "Code for Responsible Lending" (CRL) for microfinance has a few big names missing from it, at least for now, putting a question mark over its impact and likelihood of success in its current form. Bandhan Bank, the country's largest microfinance player with one-fifth market share, has declined to be a part of the code in its current form. HDFC Bank with growing microfinance business too has not signed yet, even as lenders such as Axis Bank, Kotak Mahindra Bank and IndusInd Bank have signed it, two people familiar with the development said. Bandhan Bank Managing Director Chandra Shekhar Ghosh said that the code in its current form is restrictive for the bank's business growth. He said the code should have spelt out what should be the ideal business conduct instead of limiting the quantum of loan given by banks. "The code is welcome, but this cannot be applicable to banks," Ghosh told ET in an interview.

"Banks have bigger loan-ticket profile. The code should be for business behavioural practices, but not on loan size when Reserve Bank of India's guidelines are already in place." Ghosh also said that the credit-risk evaluation process is more robust in a bank compared with that at a micro-financier. Last month, the central bank raised the lending limit for NBFC-MFIs to Rs 1.25 lakh per borrower from earlier Rs 1 lakh. RBI rules also specify that not more than two NBFC-MFIs lend to a specific borrower, but there is no cap on the number of banks lending to the same borrower. The common code was unveiled by Microfinance Institutions Network (MFIN), the industry body for NMFC-MFIs in September. It has been trying to bring together all lenders engaged in micro lending including bans and small finance banks on the same platform to adopt the code. It has proposed to limit the loan size to Rs 1 lakh per micro borrower irrespective of the profile of lenders. It also said that not more than three lenders (agnostic of their stature) should lend to a single borrower. "CRL is the overall microfinance industry response to responsible lending to this sensitive customer segment. Increasingly, clients, investors, lenders, depositors, rating agencies and analysts will ask "Are you a responsible lender"," said MFIN chairperson Manoj Nambiar. "RBI is very supportive and happy that we are all getting together to work on a prudent set of guidelines on our own. They want to be informed on a regular basis on sign ups and also compliance," he said. Bandhan, in its earlier avatar as an NBFC-MFI before transforming into a bank in August 2015, was part of the earlier microfinance code of conduct. Now, as a bank it has Rs 40,000 crore micro loans out of its total asset size of Rs 64,200 crore, making it by far the largest micro loan giver. To date, 97 entities -- 76 NBFC-MFIs, four banks, four small finance banks, two non-banking finance companies (NBFC) and 11 not for profit firms – have signed the new CRL, which has former RBI deputy governor HR Khan as the chair of its steering committee. A diverse set of lenders such as NBFC-MFIs, banks, small finance banks, NBFCs and non-profit/section 8 MFIs -- under different regulatory frameworks - extend micro loans to more than 50 million women borrowers from low-income households.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/the-common-code-for-responsible-lending-crl-for-microfinance-has-a-few-big-names-missing/ articleshow/72265943.cms

Dated: Nov 26, 2019

- **Three UP Regional Rural Banks To Be Amalgamated:**

  Three regional rural public sector banks - Baroda Uttar Pradesh Grameen Bank, Kashi Gomti Samyut Gramin Bank and Purvanchal Bank will be amalgamated on April 1, 2020 into a single regional rural bank which will be called Baroda UP Bank according to a notification published by the finance ministry on Wednesday. The headquarters of the Baroda UP Bank will be in Gorakhpur under the sponsorship of Bank of Baroda according to the notification. Bank of Baroda is the sponsor of Baroda Uttar Pradesh Grameen Bank, Union Bank of India is the sponsor of Kashi Gomti Samyut Gramin Bank while the State Bank of India is the sponsor of Purvanchal Bank. The notification said the government had after consultations with the National Bank for Agriculture and Rural Development (NABARD) and the sponsor banks of the concerned regional rural banks decided that it was necessary in public interest and the interest of the three regional rural banks that they be amalgamated. "... it is necessary in the public interest and in the interest of the development of the area served by the aforesaid Regional Rural Banks and also in the interest of the said Regional Rural Banks themselves, that the said regional rural banks should be amalgamated into a single regional rural bank," said the notification ET had reported in its July 24 edition that the government was planning to increase the operational efficiency of regional rural banks by merging multiple banks or merging regional rural banks with their sponsors.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/three-up-regional-rural-banks-to-be-amalgamated/articleshow/72270064.cms

Dated: Nov 28, 2019

- **The Indian Rupee Is Getting Crushed By Reserve Bank of India:**

The Reserve Bank of India's efforts to support the flagging economy are turning out to be a bane for the rupee. The currency is the worst performer in emerging Asia this quarter, and analysts say that's because the central bank is mopping up dollars gushing into local stocks and bonds. The RBI bought has about $18 billion of foreign exchange since the end of September, according to estimates by Bloomberg Economics. While the purchases have propelled reserves to a record, the rupee has fallen about 0.7% since Sept. 30. Weakness in the rupee despite robust inflows is seen as a sign the central bank wants to curb a sharp appreciation in the currency that can hurt exports. With slew of data pointing to weak economic activity, boosting shipments is high on agenda for the government. "Part of the rupee's under performance is deliberate," said Mitul Kotecha, a senior EM strategist at TD Securities in Singapore. "Higher reserves prove that the central bank is probably making determined efforts to keep the rupee's competitiveness." The RBI has said it does not target any particular level of exchange rate and steps in only to curb undue swings in the currency. Though, as the rupee was heading for its worst quarterly decline in a year in the three months ended September, Governor Shaktikanta Das said September 19 that the currency is fairly valued, indicating tolerance for a weaker rupee. India's exports have shrunk for three months in a row, contributing to further deepening of a growth slowdown. A report on November 29 is likely to show gross domestic product grew 4.6%, which would be the weakest pace of expansion since the first three months of 2013. Expectations that the government will continue to take steps to revive growth has prompted foreign funds to pump $4.6 billion into local shares and more than $600 million into debt this quarter. The purchases have pushed up the nation's main stock index to a record. The central bank will continue to soak up the inflows to address the rupee's overvaluation, according to Kotak Securities Ltd. "When you have decent inflows, there is no reason for the rupee to depreciate and the RBI's sharp dollar purchases are the predominant reason behind the weakness," said Anindya Banerjee, a currency analyst at Kotak in Mumbai.

Source: https://www.livemint.com/industry/banking/the-indian-rupee-is-getting-crushed-by-rbi-11574909216895.html

Dated: Nov 28, 2019

- **HDFC Bank Sets Up Panel To Find Successor To Managing Director Aditya Puri:**

HDFC Bank on Thursday said it has formed a six-member committee to find a successor to Managing Director Aditya Puri who is set to retire in October next year. India's largest private sector lender HDFC Bank is on a global search to find a successor to the founding-chief executive Aditya Puri, as he would turn 70 next year. “The board of directors of the bank at its meeting held today has constituted a search committee to identify a successor to Aditya Puri, the current managing director of the bank, whose tenure ends on October 26, 2020,” the bank said in a regulatory filing. The search committee will comprise Shyamala Gopinath, Sanjiv Sachar, M D Ranganath, Sandeep Parekh, Srikanth Nadhamuni and Keki Mistry representative of HDFC, the parent of the bank. Gopinath is the bank’s chairperson. “The search committee, over the next few months, shall evaluate internal and external candidates to ensure smooth transition,” the bank said. Puri will act as an advisor to the search committee, the bank said. It is noteworthy that Puri, the managing director and chief executive since 1994 when the bank was set up, has seen a whopping 41 per cent increase in total remuneration in 2019 to Rs 13.67 crore. He turns 70 next year and has been instrumental in getting the bank to its current stature as one of the most valued banks globally in terms of price to earnings ratio. Also there are reports that Puri, an ex-Citibanker, may continue as the non-executive chairman post retirement. Separately, the board of directors of the bank also approved appointments of Sashidhar Jagdishan and Bhavesh Zaveri as an additional directors and executive directors for a period of three years period each from November 28, 2019, subject to RBI approval.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/hdfc-bank-sets-up-panel-to-find-successor-to-managing-director-aditya-puri/articleshow/72280342 .cms

Dated: Nov 28, 2019

- **Corporate Frauds See Massive Surge:**

The number of frauds at State Bank of India (SBI), the country’s biggest mass-lender, has nearly trebled in the first seven months of this fiscal year in comparison with the whole of FY19, even as the regulator nudged high-street lenders to declare instances of fraud more quickly. Data disclosed in the initial public offering (IPO) document of SBI Cards showed that largeticket corporate frauds worth Rs 26,757 crore were reported to regulators between April and November this year by SBI, compared with Rs 10,725 crore were reported in FY19. The comparison appears even starker when FY18 disclosures, at only Rs 146 crore, are considered. Instances of fraud have risen to 48 so far in FY20 from 25 in FY19, and 8 in FY18. SBI’s data include frauds with a value of at least Rs 100 crore. SBI didn’t respond to ET’s mailed queries. The development comes at a time when the Reserve Bank of India (RBI) has been increasingly nudging lenders to become more proactive in the reporting frauds. It has also asked banks to examine unresolved NPAs worth more than Rs 50 crore from the fraud angle. The majority of these frauds happened in the earlier years but were being declared now by the bank, analysts said. Currently, it takes nearly 55 months for a large ticket corporate fraud to be detected and reported by an Indian bank, according to data disclosed by RBI. “Most of the accounts being declared fraud now have been NPAs for a long time; however, the official processes take time. In a few cases, forensic audit has also been initiated,” said a forensic expert working at a Big4 consulting company. “Banks will continue to see a rise in the frauds reported until all the legacy cases are resolved. It will take at least a year from now.” Industry participants who spoke with ET said most of these frauds involve corporate loans, which have been siphoned off by the companies for unauthorized purposes. Some of them are also a result of the slump in business that led to non-payment of bank dues; however, the accounts were covered up. Hence, the actual health of the loan was not reflected on the books. Other lenders too are seeing a surge in reported frauds. In a reply to Rajya Sabha, Union Finance Minister Nirmala Sitharaman said on November 19 that Indian banking system declared frauds worth ?95,760 crore during the period between April and November 2019. After SBI, Punjab National Bank saw the highest frauds reported with a value of Rs 10,821crore. "Comprehensive measures have been taken to prevent frauds, including directions to banks to examine all NPA accounts above Rs 50 crore from the angle of possible fraud, initiation of criminal proceedings, enactment of Fugitive Economic Offenders Act 2018," said Nirmala Sitharaman in a reply to a question posted by a Rajya Sabha member in the ongoing winter session. The FM further added that the creation of a Central Fraud Registry, empowering bank heads to request for issue of Look Out Circular, and establishment of National Financial Reporting Authority were some other measures being undertaken by the government to ensure timely reporting of frauds. Several high-leverage companies are currently facing prosecution from various investigative agencies, including the Enforcement Directorate and Serious Fraud Investigation Organization (SFIO). Ballooning of NPAs in the Indian banking system prompted the government and agencies to chase loan defaulters. In the past two years, banks were forced to mark some of the big loan accounts including IL&FS, DHFL and Bhushan Power and Steel as NPAs. "Once a lender declares an account as a fraud, it is required to set aside a provision to cover for the losses immediately. Banks, hence, prefer to declare an NPA as a fraud only after it has finished its provision requirement for the default account," said an analyst on the condition of anonymity.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/ corporate-frauds-see-massive-surge-sbi/articleshow/72286226.cms

Dated: Nov 29, 2019

- **Bank Loan Slowdown Is Not Yet Over As Retail Begins To Mellow Too:**

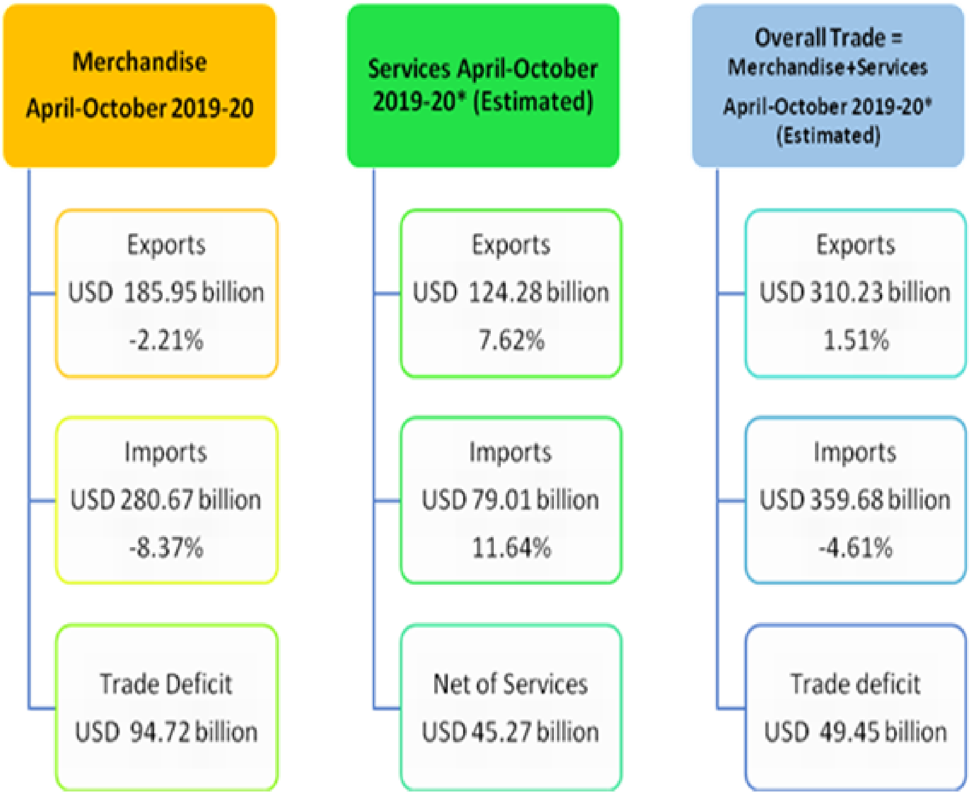
Bank credit growth may be at a five-year low, but still hasn't reached the bottom. It won't be the corporate loan book, but retail loans that could pull down growth in the coming months. Indian banks have been chasing the retail customer over a decade now, since businessmen were busy deleveraging their balance sheets. Also, the retail customer turned out to be more disciplined in repayments with delinquencies being low. In the 10 years since 2008, retail loans on an average grew at a breakneck pace of about 20%, in some months even faster. In fiscal year 2018-19, this fast-paced engine began to slow a bit. As of September, the growth came to about 17%. Part of this is due to banks' own caution after economic growth data began to show a slowdown in consumption. As the sentiment around future employment and earnings soured, lenders realized that the retail customer could come under stress. Indeed, delinquency rates have inched up in the unsecured personal loan space, although they are far from raising serious worry. Even so, bankers seem to have taken of note of this. If one pieces together the commentary from big banks during the

September quarter, there seems to be a cautionary note setting in. India's biggest retail lender, HDFC Bank Ltd saw its retail loan book grow by 15% in the September quarter, lower than previous quarters. Non-bank retail lender Bajaj Finance Ltd also witnessed a slowdown. In a conversation with Mint post quarterly results, the lender's managing director Rajeev Jain said that festive season demand was not as good as expected. Both lenders have tightened their risk filters on retail loans. HDFC Bank in an earnings conference call told analysts that it has tightened its filters and policies to chase better customers and to keep delinquencies in check. Ergo, the sobering effect on loan growth cannot be ruled out. "We believe the near-term growth will continue to taper down further and could pull headline banking system loan growth towards demonetization lows," analysts at Jefferies India Pvt. Ltd said in a note. During demonetization, credit offtake had halted, as banks were occupied with handling the demonetized currency notes. Recall that during the demonetization quarter, loan growth crashed to 4%. As of 8 November, credit growth was 8.1%. The drivers of loan growth for banks have been retail and small business loans so far. The corporate loan book has been growing in low single digits. Given the concerns over consumption demand and employment prospects, banks cannot be faulted for their growing caution on consumer loans. The worst of credit growth deceleration is yet to come.

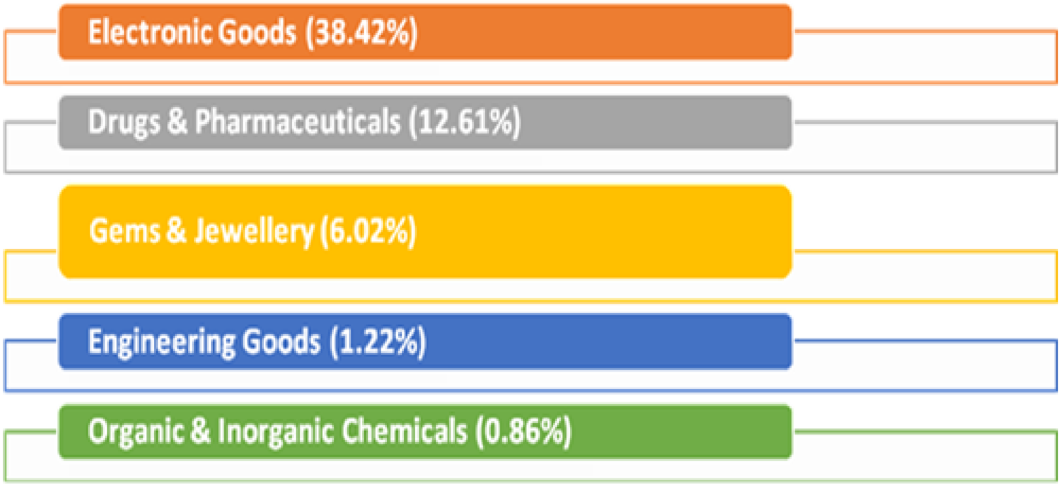
Source: https://www.livemint.com/market/mark-to-market/bank-loan-slowdown-is-not-yet-over-as-retail-begins-to-mellow-too-11574962925381.html
Dated: Nov 29, 2019

INDIA'S FOREIGN TRADE: OCTOBER 2019

India's overall exports (Merchandise and Services combined) in April-October2019-20* are estimated to be USD 310.23 billion, exhibiting a positive growth of 1.51per cent over the same period last year. Overall imports in April-October 2019-20* are estimated to be USD 359.68 billion, exhibiting a negative growth of 4.61per cent over the same period last year.



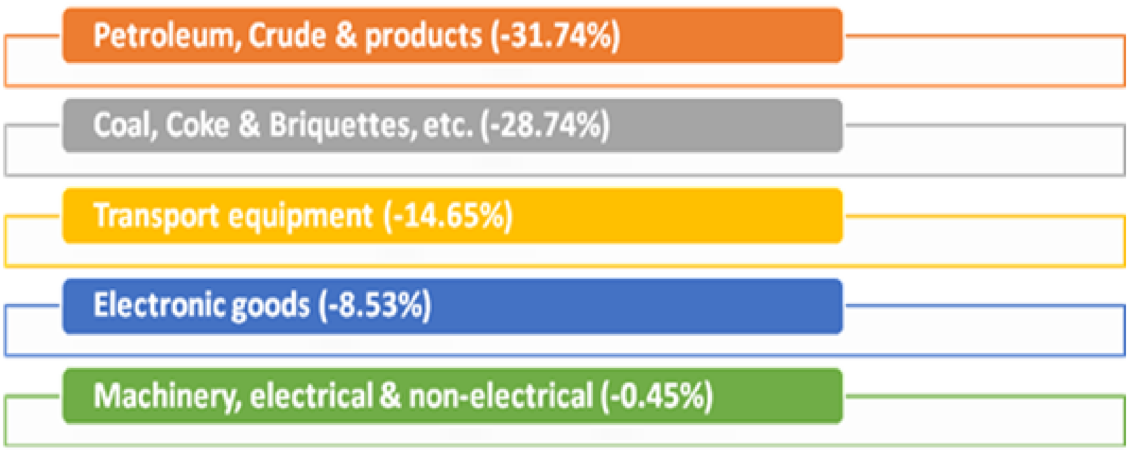
- **Merchandise Trade:-**
  - **Exports (Including Re-Exports):** Exports in October 2019 were USD26.38 billion, as compared to USD26.67 billion in October 2018, exhibiting a negative growth of 1.11 per cent. In Rupee terms, exports were Rs. 1,87,382.29 crore in October 2019, as compared to Rs. 1,96,406.43 crore in October 2018, registering a negative growth of 4.59per cent. In October 2019, major commodity groups of export showing positive growth over the corresponding month of last year are Cumulative value of exports for the period April-October 2019-20 was USD185.95 billion (Rs.13,04,149.06 crore) as against USD190.15 billion (Rs.13,17,881.40 crore) during the period April-October 2018-19, registering a negative growth of 2.21per cent in Dollar terms (negative growth of 1.04per cent in Rupee terms).Non-petroleum and Non Gems and Jewellery exports in October 2019 were USD19.04 billion, as compared to USD18.93 billion in October 2018, exhibiting a positive growth of 0.59per cent. Non-petroleum and Non Gems and Jewellery exports in April-



October 2019-20 were USD137.45 billion, as compared to USD137.93billion for the corresponding period in 2018-19, a decrease of 0.35per cent.

- **Imports:** Imports in October 2019 were USD37.39 billion (Rs.2,65,628.46 crore), which was 16.31 per cent lower in Dollar terms and 19.26 per cent lower in Rupee terms over imports of USD44.68 billion (Rs.3,28,973.56 crore) in October 2018. Cumulative value of imports for the period April-October 2019-20 was USD280.67 billion (Rs.19,67,625.73 crore), as against USD306.31 billion (Rs.21,23,857.76 crore) during the period April-October 2018-19, registering a negative growth of 8.37 per cent in Dollar terms (negative growth of 7.36per cent in Rupee terms). Major commodity groups of import showing negative growth in October 2019 over the corresponding month of last year are:

- **Crude Oil and Non-Oil Imports:** Oil imports in October 2019 were USD9.63 billion (Rs. 68,400.14 crore), which was 31.74 percentlower in Dollar terms (34.15 percent lower in Rupee terms), compared to USD14.11 billion (Rs.1,03,864.85 crore) in October 2018. Oil imports in April-October 2019-20 were USD73.93 billion (Rs. 5,18,270.66 crore) which was 12.16per cent lower in Dollar



terms (11.31 percent lower in Rupee terms) compared to USD84.17 billion (Rs. 5,84,362.56 crore), over the same period last year. In this connection it is mentioned that the global Brent price ($/bbl) has decreased by 26.22% in October 2019 vis-à-vis October 2018 as per data available from World Bank. Non-oil imports in October 2019 were estimated at USD27.76 billion (Rs. 1,97,228.32 crore) which was 9.19per cent lower in Dollar terms (12.39percent lower in Rupee terms), compared to USD30.57 billion (Rs. 2,25,108.71 crore) in October 2018. Non-oil imports in April-October 2019-20 were USD206.74 billion (Rs. 14,49,355.07 crore) which was 6.93per cent lower in Dollar terms (5.86 percent lower in Rupee terms), compared to USD222.14 billion (Rs. 15,39,495.20 crore) in April-October 2018-19. Non-Oil and Non-Gold imports were USD25.92 billion in October 2019, recording a negative growth of 10.04per cent, as compared to Non-Oil and Non-Gold imports of USD 28.82billion in October 2018. Non-Oil and Non-Gold imports were USD189.10 billion in April-October 2019-20, recording a negative growth of 6.73per cent, as compared to Non-Oil and Non-Gold imports USD 202.74 billion in April-October 2018-19.

- **Trade In Services:-**

o **Exports (Receipts):** As per the latest press release by RBI dated 15thNovember 2019, exports in September2019 were USD 17.54 billion (Rs. 1,25,090.78 crore) registering a positive growth of 7.05 per cent in dollar terms, vis-à-vis September2018. The estimated value of services export for October 2019* is USD 17.22 billion.

o **Imports (Payments):** As per the latest press release by RBI dated 15thNovember 2019, imports in September 2019 were USD 11.10 billion (Rs. 79,151.87 crore) registering a positive growth of 11.56 per cent in dollar terms, vis-à-vis September 2018. The estimated value of service Import for October 2019* is USD 10.92 billion.

- **Trade Balance:-**

o **Merchandise:** The trade deficit for October 2019 was estimated at USD11.01billion as against the deficit of USD18.00billion in October 2018.

o **Services:** As per RBI's Press Release dated 15thNovember 2019, the trade balance in Services (i.e. Net Services export) for September, 2019 is estimated at USD6.44billion.

o **Overall Trade Balance:** Taking merchandise and services together, overall trade deficit for April-October 2019-20* is estimated at USD49.45 billion as compared to USD71.45 billion in April-October 2018-19.

MERCHANDISE TRADE

Exports & Imports : (US $ Billion)		
	October	**April-October**
Exports (including re-exports)		
2018-19	26.67	190.15
2019-20	26.38	185.95
%Growth 2019-20/ 2018-19	**-1.11**	**-2.21**
Imports		
2018-19	44.68	306.31
2019-20	37.39	280.67
%Growth 2019-20/ 2018-19	**-16.31**	**-8.37**
Trade Balance		
2018-19	-18.00	-116.15
2019-20	-11.01	-94.72
Exports &Imports (Rs. Crore)		
	October	**April-October**
Exports (Including Re-Exports)		
2018-19	1,96,406.43	13,17,881.40
2019-20	1,87,382.29	13,04,149.06
%Growth 2019-20/ 2018-19	**-4.59**	**-1.04**
Imports		
2018-19	3,28,973.56	21,23,857.76
2019-20	2,65,628.46	19,67,625.73
%Growth 2019-20/ 2018-19	**-19.26**	**-7.36**
Trade Balance		
2018-19	-1,32,567.13	-8,05,976.35
2019-20	-78,246.17	-6,63,476.67

SERVICES TRADE

Exports & Imports (Services) (US $ Billion)		
(PROVISIONAL)	September 2019	**April-September 2019-20**
EXPORTS (Receipts)	17.54	107.06
IMPORTS (Payments)	11.10	68.10
TRADE BALANCE	6.44	38.96
Exports & Imports (Services) (Rs. Crore)		
(PROVISIONAL)	**September 2019**	**April-September 2019-20**
EXPORTS (Receipts)	1,25,090.78	7,49,213.20
IMPORTS (Payments)	79,151.87	4,76,546.62
TRADE BALANCE	45,938.90	2,72,666.58

TOP BANKING APPOINTMENTS

- **IndusInd Bank Finalises Sumant Kathpalia As New MD & CEO:**

  Shri Sumant Kathpalia has been chosen by private sector lender IndusInd Bank as the successor to Romesh Sobti, sources said on Friday. Kathpalia is the head of consumer loans at the Hindujas-promoted lender and his name has been forwarded to the Reserve Bank for approval, they said. Sobti, who has been at the helm for over a decade, will be retiring in March 2020 after hitting 70. The bank had on Thursday disclosed that it has finalised a candidate to succeed Sobti and submitted an application to RBI seeking approval. The 55-year-old Kathpalia has also been with the bank since 2008 and is credited with building consumer loans portfolio from scratch, as part of a strategy to diversify the loan book adopted by the bank. Based in New Delhi at present, Kathpalia used to head the consumer loans vertical at ABN Amro Bank, and had joined with Sobti and others who had joined Indusind Bank in 2008. He has also worked in Citi and Bank of America. After Indusind Bank, largest private sector lender HDFC Bank will be the next in appointing a successor to founder chief executive Aditya Puri, who will also be turning 70 next year. HDFC Bank will be starting a global search for the successor soon, so that the candidate gets enough of time to work alongside Puri. There has been a big churn in the c-suites at private- sector lenders in recent past, which includes new heads being appointed by Axis Bank (Amitabh Chaudhry), Yes Bank (Ravneet Gill) and ICICI Bank (Sandeep Bakhshi).

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/ indusind-bank-finalises-sumant-kathpalia-as-new-md-ceo/articleshow/71857624.cms

Dated: Nov 01, 2019

- **Banks Board Bureau Recommends Names For Heading 3 State-Owned Banks:**

  The Banks Board Bureau (BBB) has recommended names of Sanjiv Chadha, L V Prabhakar and Atanu Kumar Das for the post of managing director and chief executive officer (MD & CEO) of three state-owned lenders -- Bank of Baroda, Canara Bank and Bank of India. The selection was done by the BBB based on an interview held on Tuesday. The Bureau recommends the following candidates, in order of merit, for the position of the MD & CEO in Bank of Baroda, Canara Bank and Bank of India, BBB said in a statement. Besides, Bank of Maharashtra MD & CEO A S Rajeev and Karur Vyasa Bank MD & CEO P R Seshadri have also been kept in the reserve list, it said. Currently, Chadha is the MD & CEO of SBI Capital Markets, the merchant and investment banking arm of State Bank of India, while Prabhakar is executive director of Punjab National Bank. Das, who is currently executive director of Bank of India, is set to be elevated as the managing director of the Mumbai-based lender. The post of MD & CEO of Bank of India fell vacant from July 1 after Dinabandhu Mohapatra retired, while head of Bank of Baroda P S Jayakumar in October as his one-year extension ended. The government had extended Jayakumar's tenure due to the bank's merger with two smaller state-run banks -- Dena Bank and Vijaya Bank. Meanwhile, the vacancy for the post of MD & CEO in Canara Bank will arise on January 31. The decision on the appointment will be taken by the Appointments Committee of the Cabinet headed by Prime Minister Narendra Modi. The BBB is headed by B P Sharma, former secretary of the Department of Personnel and Training. Prime Minister Narendra Modi, in 2016, approved the constitution of BBB as a body of eminent professionals and officials to make recommendations for appointment of whole-time directors as well as non-executive chairpersons of public sector banks (PSBs). It was also entrusted with the task of engaging with the board of directors of all PSBs to formulate appropriate strategies for their growth and development. Besides, it was asked to frame strategy discussion on consolidation based on requirement. The government wanted to encourage bank boards to restructure their business strategy and also suggest ways for their consolidation and merger with other banks.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-board-bureau-recommends-names-for-heading-3-state-owned-banks/articleshow/72036832.cms

Dated: Nov 13, 2019

- **New RBI Nominee On The Board Of Lakshmi Vilas Bank:**

  Troubled private sector lender Lakshmi Vilas Bank (LVB) said on Tuesday that Sundaram Shankar, General Manager at the Reserve Bank of India (RBI) Hyderabad regional office, has been appointed as additional director on the board for a period of two years. He will replace Suvendu Pati, RBI's General Manager at Chennai regional office. Shankar's appointment is in the exercise of powers conferred by sub-section (I) of Section 36AB of the Banking Regulation Act 1949, LVB said in a statement. In September, the RBI has initiated prompt corrective action for LVB after Economic Offences Wing of Delhi Police began probing allegations of cheating and criminal breach of trust against its directors of the board. The RBI's crackdown was on account high net non-performing assets, insufficient capital to risk-weighted assets ratio (CRAR) and common equity tier one (CET1) and negative return on assets (RoA) for two consecutive years, and high leverage based on on-site inspection under the risk-based supervision carried out for the year ended March 31. Later, the central bank rejected LVB's merger plan with home financier Indiabulls Housing Finance. Established in 1926, LVB is one of the oldest private sector banks based out of Tamil Nadu. As on March 31, its net advances stood at ₹20,103 crore and deposits at Rs. 29,279 crore.

Source: https://www.livemint.com/industry/banking/new-rbi-nominee-on-the-board-of-lakshmi-vilas-bank-11574163590781.html

Dated: Nov 19, 2019

TOP EXPERT REPORTS

- **Yes Bank's Asset-Quality Woes To Continue (Emkay Global Financial Services):**

  Emkay Global Financial Services has said in a recent report that Yes Bank's asset- quality woes may continue. After Yes Bank reported a weak set of results last week, the report said that the company needed "regular capital dose to thrive." Emkay said that Yes Bank's fresh NPAs "were sky-high at Rs 59 billion", adding that the bank's "current aggression in retail without proper risk management systems in place could be risky." However, it also stated that "heavy capital injection, if any, may ease the current pressure on the capital front but unabated stress flow will keep the P/L bleeding and call for prolonged dilution risk for investors." The report further said that the incoming capital "may help survive but the bank needed more to thrive." Yes Bank had said in an exchange filing that the bank had received strong interest from multiple foreign as well as domestic private equity and strategic investors. The lender said that it has now received a binding offer from a global investor for an investment of $1.2 billion in the bank through fresh issuance of equity shares, subject to regulatory approvals and conditions as well as the bank's board and shareholders' approvals.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/yes-banks-asset-quality-woes-to-continue-report/articleshow/71878411.cms
Dated: Nov 03, 2019

- **Bank Loans To Moderate To 25 Year Low At 8-8.5 Per Cent In FY'20 (ICRA):**

  Bond volumes are expected to moderate to 4% in FY'20 from 12% in FY'19. Additionally, the recent changes in mutual funds regulations are likely to result in a decline in the volume of commercial paper (CP) outstanding by March'20. Non-food credit growth is expected to moderate to 8 to 8.5 per cent in FY'20, amidst, low loan demand, according to ratings firm Icra. This will be the slowest growth since 1993-94 when loans rose 5.7 per cent. Icra has forecast that non-food credit growth will slow down to 8 to 8.5 per cent during FY'20 from 13.3 per cent in FY'19, as fresh loans during the year have been very low. The ratings firm also expects bond market to grow at a slower pace as they remain risk averse towards NBFCs. Bond volumes is expected to moderate to 4% in FY'20 from 12% in FY'19. Additionally, the recent changes in mutual funds regulations are likely to result in a decline in the volume of commercial paper (CP) outstanding by March'20. Local resources -bank credit, corporate bonds and CP outstanding – growth is expected to slow down to 6.2-6.8% in FY'20 from 13.5% during FY'19. Commenting on the trend, Mr. Anil Gupta, Sector Head - Financial Sector Rating, ICRA, says, "A shift of large borrowers such as NBFCs & housing finance companies (HFCs) to the banking system for their funding requirements, had boosted bank credit growth in FY'19" said Anil Gupta, Sector Head - Financial Sector Rating, Icra. "However, factors such as muted economic growth, lower working capital requirements of various borrowers, as well as risk aversion among lenders, have compressed incremental credit in H1 FY2020." The recent data on bank credit released by the Reserve Bank of India (RBI) reveals that the contraction in incremental credit outstanding to the services as well as the industrial segments offset the entire growth in credit to the retail segment during H1 FY2020. Within services, the credit outstanding to NBFCs increased. However, the decline in trade credit and other services (which also include HFCs) resulted in the overall contraction in credit outstanding to the services segment in H1 FY2020.

Source: https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-loans-to-moderate-to-25-year-low-at-8-8-5-per-cent-in-fy20-report/articleshow/71900990.cms

Dated: Nov 05, 2019

TOP RBI CIRCULARS

Circular Number	Date Of Issue	Department	Subject
RBI/2019-2020/107 FMRD.DIRD.21/ 14.03.038/2019-20	28.11.2019	Financial Markets Regulation Department	Repurchase Transactions (Repo) (Reserve Bank) Directions, 2018 - Amendment
RBI/2019-2020/106 DOR.No.Ret.BC.25/ 12.07.160/2019-20	28.11.2019	Department of Regulation	Exclusion of "Vijaya Bank" and "Dena Bank" from the Second Schedule of the Reserve Bank of India Act, 1934 and cessation as banking companies
RBI/2019-2020/105 FIDD.GSSD.CO.BC. No.15/09.01.01/2019-20	28.11.2019	Financial Inclusion and Development Department	Master Circular – Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)
RBI/2019-2020/104 Ref.No.IDMD/ 1453/08.02.032/2019-20	25.11.2019	Internal Debt Management Department	Auction of Government of India Dated Securities
RBI/2019-2020/103 A.P. (DIR Series) Circular No. 10	22.11.2019	Foreign Exchange Department	Re-export of unsold rough diamonds from Special Notified Zone of Customs without Export Declaration Form (EDF) formality
RBI/2019-2020/102 A.P. (DIR Series) Circular No. 09	22.11.2019	Foreign Exchange Department	Non-resident Rupee Accounts – Review of Policy
RBI/2019-2020/101 DOR.RCB.No.06/ 19.51.025/2019-20	21.11.2019	Department of Regulation	Change in name of "West Bengal State Co-operative Bank Ltd." to "The West Bengal State Co-operative Bank Ltd." in the Second Schedule to the Reserve Bank of India Act, 1934
RBI/2019-2020/100 Ref.No.IDMD/ 1351/08.02.032/2019-20	18.11.2019	Internal Debt Management Department	Auction of Government of India Dated Securities

RBI/2019-2020/99 DOR.No.Recon. Div.24/10.03.200/2019-20	18.11.2019	Department of Regulation	Liquidation of Aditya Birla Idea Payments Bank Limited
RBI/2019-2020/98 DOR NBFC (PD) CC.No.105/ 03.10.136/2019-20	11.11.2019	Department of Regulation	Withdrawal of exemptions granted to Housing Finance Institutions
RBI/2019-2020/97 Ref.No.IDMD/ 1277/08.02.032/2019-20	11.11.2019	Internal Debt Management Department	Auction of Government of India Dated Securities
RBI/2019-2020/96 DOR NBFC (PD) CC.No.104/ 03.10.001/2019-20	08.11.2019	Department of Regulation	Technical Specifications for all participants of the Account Aggregator (AA) ecosystem
RBI/2019-2020/95 DOR.NBFC (PD) CC. No.103/22.10.038/2019-20	08.11.2019	Department of Regulation	Qualifying Assets Criteria - Review of Limits
RBI/2019-2020/94 FIDD.CO.LBS. BC.No.14/ 02.08.001/2019-20	08.11.2019	Financial Inclusion and Development Department	Formation of new districts in the State of Mizoram – Assignment of Lead Bank Responsibility
RBI/2019-2020/93 DCBR.RCB.BC.No.05/ 19.51.025/2019-20	07.11.2019	Department of Co operative Banking Regulation	Inclusion in the Second Schedule to the Reserve Bank of India Act, 1934 – The Meghalaya Co-operative Apex Bank Ltd.
RBI/2019-2020/92 IDMD.No.1240/ 10.18.049/2019-20	07.11.2019	Internal Debt Management Department	Auction of State Development Loans: Non-Competitive Bidding Facility to Retail Investors
RBI/2019-2020/91 A.P. (DIR Series) Circular No.8	07.11.2019	Foreign Exchange Department	Exim Bank's Government of India supported Line of Credit of USD 30 million to the Government of the Republic of Ghana
RBI/2019-2020/90 Ref.No.IDMD/ 1184/08.02.032/2019-20	04.11.2019	Internal Debt Management Department	Auction of Government of India Dated Securities
RBI/2019-2020/89 DOR. Appt. BC. No.23/ 29.67.001/2019-20	04.11.2019	Department of Regulation	Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff
RBI/2019-2020/88 DOR. NBFC (PD) CC. No.102/ 03.10.001/2019-20	04.11.2019	Department of Regulation	Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies
RBI/2019-2020/87 DOR.RRB.No.21/ 31.01.001/2019-20	01.11.2019	Department of Regulation	Issue of additional instruments for augmenting regulatory capital for RRBs

ASSOCHAM INDIA

LIST OF ASSOCHAM BANKING & FINANCIAL SERVICES PUBLICATIONS

NAME OF REPORT	COST
14th Annual Banking Summit-cum-Social Banking Excellence Awards 2018	Rs. 2,000/-
Indian Valuation System In Changing Scenario: "A Game Changer"	Rs. 1,500/-
Building The NBFC Of The Future – A Scalable And Profitable Model	Rs. 2,000/-
11th Global Insurance Summit "Increasing Role of Insurance for Economic Growth	Rs. 1,500/-
White Paper On Household Savings In India & Simplification Of Insurance	Rs. 1,500/-
Code of Hope – The Insolvency And Bankruptcy Code Is Changing The Bad-Loan Resolutions Paradigm, One Step At A Time	Rs. 2,000/-
Bolstering of ARCs – Focus on Quicker Resolution & Co-Investor Model Among Imperatives	Rs. 1,000/-
Deepening The Debt Market – Issues and imperatives	Rs. 1,000/-
Strengthening the IBC Code	Rs. 1,500/-
Role of Trade Finance for Inclusive Growth	Rs. 1,500/-
**** For Purchasing any of these Report Please Contact The Editorial Committee***	

UPCOMING CONFERENCES FOR ASSOCHAM DEPT. OF BANKING & FINANCIAL SERVICES

Round Table Industry Interaction on Asset Reconstruction Companies	**January 2020**	**New Delhi**
8th National Summit on Infrastructure Financing	**February 2020**	**New Delhi**
ASSOCHAM Banking E-Bulletin	**10th January 2020**	**Volume 53**

Dr. Rajesh Singh
Mob: +91-9871204880
E-mail: rajesh.singh@assocham.com

Kushagra Joshi
Mob: +91-8447365357
E-mail: kushagra.joshi@assocham.com